

Budget and Finance Committee Notes
Tuesday, September 21, 2010, 5:30 PM

Attending: Board Members Collins, Garrity, Pascucci and Sockol; Administrators Duncan, Mikos and Petrizzo. Guest: Administrator Gattini

1. Telecom Opportunities: Mr. Gattini offered a general overview of district network, data, telephone and cell phone services. Our technology department continues to review developments in available technology for cost savings opportunities, for example moving toward creating a virtual private network (vs point-to-point lines) to connect our district buildings, while also protecting system security. Cloud computing is the ultimate goal as pricing and capability come into line with district needs.

2. Transportation Advisory Services (TAS): The committee reviewed and recommends a proposal from TAS to perform an independent student transportation efficiency study for the district. Cost is \$9,850 (Note: by contracting with TAS on or before September 30, the district is saving up to \$1,500 in expenses). The proposal will be on the next Board agenda.

3. Unemployment Insurance Consultant: Our unemployment insurance costs have risen from \$50K to \$100K (Q3 2009 vs. Q3 2008) due to staff reductions and legislatively-enacted extensions of unemployment benefits. The committee reviewed a consultant's proposal to review all claims and assist with appeals in this very bureaucratic area. The contract would run for three years at \$3,600 per year. In the first year, they guarantee to save us at least the amount of their annual fee, or there will be no cost to the district. The administration will seek more attractive pricing and report back. **Post meeting note:** The consultant has agreed to a one year contract at the same \$6 per employee cost and with the guarantee in place. So if they do not save us at least the cost of their contract, they will refund the difference.

4. Health Benefits Review: We purchased our medical claims experience from the School Employees Health Benefits Plan to see if we might be able to find more cost-effective coverage outside the state plan. Our loss ratio was 93.46%, which means that of every premium dollar paid, 93.46 cents was paid to cover claims. Private plans want a loss ratio of 75-82%, so they can cover their overhead costs and make a profit. We did not receive any bids for our business from private insurers.

5. Education Jobs Act: We received \$97,237 from the federal Education Jobs Act. This one-time money must be spent by September, 2012, and the state recommends that it be spent in our next fiscal year, 2011-12. We are encouraged to use the funds to pay for salaries or benefits. The administration recommends using the funds to pay for health insurance premiums in July, 2011. Those costs are expected to rise well in excess of the 2% cap. The committee supports the recommendation.

6. Interdistrict Public School Choice: The state of New Jersey has reauthorized the Interdistrict Public School Choice Program which permits students from failing districts to transfer to other non-failing public school districts. The administration does not recommend our participation. The funding amount and mechanism is unclear, we would lose control over our student population, and we would have to give up the right to charge tuition to anyone. That would include the special education students we currently educate pursuant to tuition agreements with their districts, and any regular education students we might choose to admit on a tuition-paying basis. The committee supports the administration's recommendation.

7. Old Business:

Pay-to-Participate: A NJSBA report re pay to participate, including subscription courtesy busing service, was shared and will be in the Friday Board packet.

Regular Education Tuition Students: Rumson-Fair Haven currently takes such students. Their policy and regulation governing the program was reviewed with the committee.

Next Meeting: TBD

Respectfully submitted,
Barbara Garrity