

**MONTGOMERY TOWNSHIP BOARD OF EDUCATION
Skillman, New Jersey 08558**

**Meeting, Tuesday, February 23, 2010
7:00 p.m. Executive Session
7:30 p.m. Public Session
Upper Middle School Media Center**

AGENDA FOR REGULAR BUSINESS MEETING ADDENDUM

3.0 FINANCE

- 3.11 APPROVE RESOLUTION OPPOSING TRANSFER OF FUNDS** – approve the following resolution in opposition to the transfer of impounded funds from State School Aid Fund to the State’s General Fund until the State and other districts are made to contribute their fair share.

WHEREAS, the Montgomery Township Board of Education agrees with Governor Christie’s intention to close the State’s budget gap but is deeply concerned with his approach; and

WHEREAS, in order to fill the State’s budget gap, the Governor has “impounded” \$1.9 million in State aid due to Montgomery for the balance of 2009-10 and directed that Montgomery tap its surplus to make up for the loss of these funds; and

WHEREAS, on a proportional basis, most of New Jersey’s 600+ districts are losing far less State aid and some are losing nothing; and

WHEREAS, Montgomery receives only approximately \$5.5 million a year in State aid, although the State’s own court-approved school funding formula recognizes that Montgomery should receive approximately \$15 million a year; and

WHEREAS, in spite of being recognized by the State as “under-adequacy” in terms of state funding Montgomery has been targeted for a 34% reduction in State aid for the balance of this school year; and

WHEREAS, the State has penalized Montgomery taxpayers for our prudence. Montgomery having proactively frozen spending in November 2008 in order to generate surplus in anticipation of decreased revenues in 2010-11; and

WHEREAS, Montgomery Township Board of Education is now being told to expend those funds in the current year thereby creating a local revenue shortfall in 2010-11 and 2011-12; and

WHEREAS, the State should tap its Rainy Day/Surplus Fund (~\$600 million) before tapping school district surpluses. By not doing so, the State is merely shifting a State-obligation for school funding to the already over-burdened municipalities. Rather than reducing the property tax burden, the State’s decision will increase the burden on Montgomery taxpayers to maintain current education services; and

WHEREAS, Montgomery budgeted its excess surplus as revenue in the 2010-11 budget. Without those funds, Montgomery will be forced to decide between raising property taxes or making difficult cuts in program and staff, thereby seriously jeopardizing the excellent education that Montgomery residents have always prized; and

WHEREAS, Montgomery is the second lowest spending school districts in its comparative group of districts: District Factor Group I/J, K-12, and 3500+ students and a \$1.9 million cut in aid will do more harm in an efficient district than in a less tightly managed one; and

WHEREAS, the State decided to end the progressive income tax instituted under the previous administration thereby causing a widening of the budget gap by an estimated \$788 million, and these revenues could have been applied to the State's obligations to school districts for their remaining aid payments; and

WHEREAS, school districts have been promised "tools" to manage the revenue shortfalls, yet neither the Governor nor Education Commissioner has been able to share any meaningful details as to what these tools might be, and Montgomery fears that these are empty promises designed to quash taxpayer outrage at the Governor's unilateral decision to impound legislatively appropriated State aid payments.

NOW, THEREFORE, BE IT RESOLVED, that until the State devises a more equitable sharing of the financial burden in this crisis, Montgomery requests that its legislators—Senator Bateman and Assemblypersons Coyle and Biondi—oppose the transfer of impounded funds to the State's general fund. Allowing the transfer to occur will only increase costs to their constituents while others experience no additional burden. Once every district, and the State itself, are paying their fair share, Montgomery will do its part to help.