

**Montague Township Board of Education Meeting
Special Meeting Minutes
March 7, 2022**

1. CALL TO ORDER at 6:32 p.m.

2. ROLL CALL

	Present	Absent
Barbara Holstein, President	x	
Denise Bogle, Vice President	x	
Paul Brislin	x	
Danielle Christmann		x
Krista Mikulski	x	
Glen Plotsky		x

Others Present:

	<u>Present</u>	<u>Absent</u>
John Nittolo- Acting CSA	___x___	_____
Carl Morelli – SBA/BS	___x___	_____
Joseph Garcia – Board Attorney	___x (zoom)___	_____

3. FLAG SALUTE

4. MISSION STATEMENT - The mission of the Montague Township School District is to provide the best educational experience and opportunities to realize the potential of every child.

5. LEGAL NOTICE - In accordance with the New Jersey Sunshine Law, a legal notice of this meeting has been posted on the official bulletin board at the school and advertised in the New Jersey Herald and the Sunday New Jersey Herald.

6. SBA DISCUSSION - Carl Morelli, BA - Discussed and explained what our school budget is. He stated it is the beginning of approximately a week and a half of our budget being assembled along with State aid figures that should be out by Thursday. Due to the Governor postponing his address, State aid numbers were postponed and as of tonight no State aid figures are available. Budget is set to be approved a week from tonight with it being submitted to the County on March 18, 2022. Mr. Morelli is making this statement because he does not have solid numbers therefore he cannot answer questions tonight because he does not have the State aid numbers. He will have numbers by Friday morning and will be made public. We will have a vote on Monday. There will be ample time for budget review. Budget email set up budget@montagueschool.org. This email is set up specifically for budget questions. Available 24/7. You will receive a response to your email. Presented numbers from the previous budget to give an idea of what we are up against to create a new budget. First item is tax levy. Difference from the 2019-2021 to 2021-22 budget is a little under \$20,000 tax levy increase. State aid difference which is slightly decreasing at 8% per year, down \$456,000+. We are anticipating another 8% decrease which will amount approximately \$170,000 less for this new budget. Most of our budget is State mandated which means we have to provide certain services to our students. There is nothing we can do to change that. The rest of our budget deals with service contracts, maintenance, and facilities we have control over. We can make decisions for supplies that are needed for our students. Other areas such as special education and transportation which are mandated we do not have control over. It puts us in a situation of trying to put a balanced budget together as our costs are rising and our funding is decreasing. Enrollment numbers have been increasing. From October 15, 2019 we went from 240 to 249,

268 to now 276. When you have a good school you have a good community and property values. If a school starts decreasing, your property values decrease so that for parents that have parents in the school you are always looking for the best services possible to give the students. If you are a homeowner in town you are looking for your property values. Along with the enrollment, costs go up. So for every new student enrolled, our school incurs additional costs. We can have so many students in the classroom before we need an additional teacher. The percentage of special education students also increased. Special education costs are one of the most talked about items in a budget today. Transportation for special education increased. 2020 a little under \$60,000 was budgeted. In 2021 it went to \$200,000. This is transportation only which is mandated. Our tuition for special education can range from a low of \$52,000 a student to a high of \$90,000 a student. As our enrollment increases our special education students also come with them which we want to take care of. Three or 4 additional students can have a tremendous impact on the budget between tuition and transportation. Our trend is upward and we are increasing each year. It is my job to put a budget in place to anticipate what will happen next year. The best we can do is anticipate because when we don't and we run into a situation where our costs are increasing after our budget has been approved, we have to find the money somewhere. We cannot go in the red. We only have one option to look at. What we spend in the facility. We cannot turn such services off. What else can we cut? It trickles down to looking at services for students. It is terrible to say it that way but that is the reality of a school budget. If we set ourselves up for that and unanticipated events happen our students wind up getting less and we are not in the business of giving our students less. We are in the business to be profitable and the profit is to educate our students and give them everything we can to the best of our ability. We can put our focus on what we can do now? Don't focus on the past. I have utilized the auditors to work with me on a daily basis. They have a very good knowledge of our budget to achieve the highest results for our school. It's very positive. Any questions, please email to budget email.

Mr. Nittolo confirms enrollment is up. Of the enrollees that have shown up this year, 15 transfers came in with IEPs increasing our special education numbers and costs after the start of the school year. Fifteen students come and add to our special education costs. We have classroom teachers now in resource rooms, we have paraprofessionals in our district that we have never had before. In doing that, it has added to our costs. An example of a cost of transportation for a special education student is \$450 a day so when you do that over the cost of one year is \$81,000 and we gladly pay it because that child deserves that. This is not us saying they don't deserve it but last year after the budget failed last year the budget went out at -0.68%. That lowered the budget by about \$45,000. So they asked for \$45,000 less than they had the previous year. The budget was voted down resoundingly. In doing that the team has to meet with town council and town council then decided to cut another \$100,000 from the budget so that -\$145,000 on top of the -\$180,000 from the State. So last year's budget was deceased at the local level \$320,000+ which is about 5% of your overall local fund level. If that were to occur again, make believe, and you lost 10% of your local tax levy in 2 years, that's when Districts start to say we have to make different decisions about class sizes. We have to cut our 7th grade into 2 classes and create a stand alone 5th grade. If you can add enrollment and not add staffing that is a really good thing but when you add enrollment that now require a 2nd teacher or in areas of special education where you might not had a certain grade level resource room like we have this year that we haven't had in years in Montague those are people and they cost money for salary and benefits. Upkeep of the classroom also costs money. Trying to make up a few hundred thousand dollars every year when you have a growing enrollment and a growing enrollment in special education is difficult. If we have a child that goes out of district to a public school after \$45,000 there is a determination that they pay back a certain amount of money to the district but it is not 100% and if a child goes out to a private school special education that is \$60,000 and after \$60,000 we get a percentage back. Something else that Montague doesn't talk about is Charter school enrollment. Tuition is about \$22,000 to \$23,000 a year coming out of our budget to educate our children, gladly educate them, but if we can

keep our children in house, is also money back into our budget. So there is more ways for raise money is to create the best education possible we can give. Our goal is to break 300 children. We may be able to have two 8th grade classes next year. We have two kindergartens, 2 first, 2 second, 2 third, 2 fourth, 1 fifth grade right now, 1 sixth, 2 seventh and 1 eighth. Our goal is to get them all up to 2. We don't want to be in a position where we have to pay for one thing and then look at another grade level and take away from another. We understand budgets.

Mr. Morelli then stated that in order for our school to keep going in an upward direction we have to be able to fund what we want in the classrooms. We are looking to support the vision of what the classrooms, programs and services should look like and I am very confident we will achieve what we want to give our students. Costs are going up. We face the same challenges and obstacles of a normal household. We are just a bigger building. It's the same situation we are all facing individually, running a household, a business. This is an open dialogue. I am interested to hear from the public what your vision is, what we should be providing so that we can use it to put the budget together. It is my job to look at every line item to see what can be the most cost effective utilization of that line. We are looking at service contracts and there will be changes to some services but those services are not services that affect students. Future decisions that will be done for the facility I will be presenting to the board based on an analysis of what is the most cost effective, energy effective, benefits of the building. We need a new roof and we will put a new roof on. Any other major projects needed will be utilized. We have control over those items. Our staff contracts are contracts and those contracts have built in increases that we have to abide by. We fine tune this budget to the best way possible so that we have a budget together for this year and future years. As enrollment and expenses grow we will be able to fund it. Mr. Morelli opened the floor to the public for questions.

Dawn Marion, 39 River Road. Very happy to hear that the roof will be getting fixed. Mr. Nittolo stated that $\frac{2}{3}$ of the roof is being repaired.

Krista Mikulski, spoke about enrollment. If you are thinking long term, she would like the board to eventually look at partnering with another school and make our school to 5th grade and looking to move 6th, 7th and 8th to another district that feeds to High Point. Look at a cost study of what that would mean financially for us in the long run. Social aspect is an important element.

Mr. Nittolo asked when did Montague become K-8? It was answered in 2014. Not for or against but as someone who lived a life in a send/receive, you can control your budget, your spending. When you are in a send/receive, you have to pay what your district where your are sending your children, they get to dictate. If we could increase 2% here and your receiving district bills you for their increase, sometimes it is greater than your overall number.

Stephanie Guida spoke about how Montague hasn't been able to provide students with social, athletic, activity level getting ready for high school. Asked Mr. Morelli about school choice. Thought the State pays an agreed upon tuition rate to the school choice district. Charter school is actually funding loss in a school choice situation that does not actually happen. Montague can actually make out because they are still get the tax dollars from the taxpayer. Mr. Morelli confirms that. Mr. Nittolo stated that yes what happens is that if they follow any kind of funding formula for the first year, if they choose to fund children based on enrollment on the state level you benefit for 1 year. After that year, you don't have the benefit of that child having been on your roll on October 15 but you are not writing checks like you do for Charter school. With that amount of money coming from the State it is a lock in and if you have enough school choice children that's from a pot of money that the State set up which then comes off the top of the rest of the funding that they are giving to the other Districts in the State. You do not lose the State funding. We pay aid in lieu. You lose the identity people want to leave your

district because they believe someplace else is better. Ms. Guida doesn't want another family to go through what her family went through. Her daughters will be going to 2 different high schools. All Districts agree that enrollment in Sussex County is down.

Mr. Nittolo stated that Sussex County is the oldest county in New Jersey. We are losing 2.something percent population per year. There is another statistic with how fast the population is aging out so the point is what can we control in Montague. One thing he can control is to create the best experience possible, the best education system here. We are offering many things that I am very proud that the staff has stepped up to what they are offering like basketball, cross country, track and field, puzzle club, just little things that make people want to be here but it takes a little bit of time. We had families that have returned from other schools.

Krista stated that it is important to look at who is trying to leave.

Mr. Nittolo is proud of our STEM program and the technology education we offer and the direction we are going. He would like to believe we are competitive and that parents would keep children here because the education they are going to get is on par if not better if they chose to put them somewhere else.

Mr. Morelli stated that it is his job to support Mr. Nittolo's goals. Mr. Nittolo spoke about how with gas going up our costs go up for fueling our buses. Also, our buses are full. We have 5 buses that hold 52 children and each has an aide. Every bus is full. We are not runny empty buses. (Someone in the audience spoke but it was inaudible. They did not go up to the microphone).

Mr. Morelli stated that our State aid figures will be released on March 10, 2022. From Friday on all info to Board members will be circulated. Any questions, BOE members can email Carl directly.

Joseph Garcia, Esq., stated that any questions should go directly to Carl not to all board members.

Barbara Holstein thanked everyone for coming out. She stated that we have made tremendous progress since May of last year in rebuilding our school and town. The continuity that we are offering our children right now is unparalleled to what has been offered in the past 5 years. We have continuity in the classrooms, the school district and the community and it improves everytime we meet and with every step that is taken and every decision that is made. We are going to give you the best budget that is best for the students.

7. ADJOURNMENT

Motion Denise Bogle 2nd Paul Brislin Voice Vote: All in Favor
Time of Adjournment: 7:33 p.m.

Respectfully submitted,

Carl Morelli

CARL MORELLI, Board Secretary