

Government that Works!

New Jersey Department of the Treasury

Local Government Budget Review

HAMILTON TOWNSHIP BOARD OF EDUCATION MERCER COUNTY

CHRISTINE TODD WHITMAN
Governor

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Treasurer

September, 1995



GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the Hamilton Township Board of Education Budget Review Team

There is no doubt that local government costs – and the property taxes that pay for them – have been rising steadily over the last decade. Until now, the State has never worked with towns to examine what is behind those rising costs. That is why the Local government Budget Review Program was created by Governor Whitman and State Treasurer Brian W. Clymer. Its mission is simple: to help local governments find savings, without compromising the delivery of services to the public.

The Local Government Budget Review Program fulfills a promise Governor Whitman made in her first budget address, when she offered the State’s help to local governments looking to cut costs. This innovative approach combines the expertise of professionals from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a management review and consulting service provided to them at no cost by the state.

To find those “cost drivers” in local government, the teams will review all aspects of the local government operation, looking for ways to improve efficiency and reduce costs. The teams will also document those State regulations or legislative mandates which place an unnecessary burden on local governments, and suggest which ones should be modified or eliminated. Finally, the teams will note where local governments are utilizing “Best Practices” – innovative ideas that deserve recognition and that other municipalities may want to emulate.

This intensive review and dialogue between local officials and the review team is designed to produce significant insight into what factors are driving the costs of local governments, and provide the necessary tools to bring meaningful property tax relief to the State.

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID, AND
LOCAL TAX RATE WITH RECOMMENDED REDUCTION IN THE
HAMILTON TOWNSHIP COST OF GOVERNMENT**

A.	Interest Income	\$ 68,245
B.	Custodial	\$2,000,000
C.	Labor Contracts and Employee Benefits	
	1) Longevity	\$ 25,000
	2) Sick Pay	\$ 7,000
	3) Prescription	\$ 98,500
	4) Health Insurance	\$ 279,000
	5) Custodial Evening Shift	\$ 50,977
D.	Food Service	\$1,061,892
E.	Guidance	\$ 175,300
F.	Drivers Education	\$ 161,520
G.	Computer and MIS Technology	\$ 339,500
H.	Special Education	\$ 350,000
I.	Maintenance	\$ 149,500
J.	Transportation	\$ 463,404
K.	Elementary Education	\$ 451,900
L.	High School Administration	\$ 116,850
	Total Operating Budget Savings	\$5,798,588

Total Amount to be Raised from Municipal Tax	\$56,508,856
Savings as a % of Municipal Tax	10.2%
Total Budget (FY94)	\$97,948,447
Savings as a % of Budget	5.92%
Total State Aid (FY94)	\$33,474,258
Savings as a % of State Aid	17.32%

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
HAMILTON TOWNSHIP BOARD OF EDUCATION**

A. Interest Income

Use of appropriate cash management and investment programs for all funds could produce additional investment income of \$68,245.

B. Custodial Services

Privatization of all custodial services in the district could generate a savings in the amount of \$2,000,000.

C. Labor Contracts and Employee Benefits

Existing labor contracts and employee benefits could generate, by changes in existing policies and procedures, approximately \$460,477.

D. Food Service

Privatization of food services could generate approximately \$1,061,892.

E. Guidance

Elimination of guidance positions at the elementary level, redistribution of other guidance personnel to the middle and high schools and reorganization of guidance program could generate approximately \$175,300.

F. Drivers Education

Elimination of the behind-the-wheel segment of drivers education could generate approximately \$161,520.

G. Computer and MIS Technology

Installation of a modern computer and MIS technology program for all administrative and operational maintenance workspaces could result in elimination of secretarial staff, which would generate a savings of \$339,500.

H. Special Education

The return of special education (SE) students from out-of-district placements could realize a cost savings of \$350,000.

I. Maintenance

Privatization of the maintenance staff could generate approximately \$149,500 in savings.

J. Transportation

Elimination of “non-hazardous” courtesy busing district-wide could generate \$463,404.

K. Elementary Education

The closing of two elementary schools, as the initial step in a three step process to streamline and modernize elementary education in the district, would immediately save the district approximately \$451,900.

L. High School Administration

Elimination of one vice principal at each high school would result in an immediate savings of \$116,850.



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New Jerseyans deserve the best government that their tax dollars can buy. Governor Christie Whitman is committed to making State government leaner, smarter, and more responsive by bringing a common sense approach to the way government does business. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board.

Government on all levels must stop thinking that more money is the solution to their problems and start examining how they spend the money they have now. The State's taxpayers cannot afford to keep sending money to their government. It is time for government to do something different.

There is no doubt that local government costs -- and the property taxes that pay for them -- have been rising steadily over the last decade. Until now, the State has never worked with towns to examine what is behind those rising costs. That is why the Local Government Budget Review Program was created by Governor Whitman and State Treasurer Brian W. Clymer. Its mission is simple: to help local governments find savings, without compromising the delivery of services to the public.

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THE REVIEW PROCESS

In order for a town, county or school district to participate in the Local Government Budget Review Program, a majority of the elected officials must request the help through a resolution. There is a practical reason for this: to participate, the school board must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of the review process of the Hamilton Township School District, team members interviewed each elected official as well as school employees and appointed professionals. The team reviewed and examined current collective bargaining agreements, school audits (CAFR), internal management reports, public offering statements, standing policies of the Board of Education and independent reports and recommendations previously developed by the administration and Board of Education. The team physically visited each school building, interviewed each principal or program director, and observed employees in the performance of their duties.

The team performed an in-depth analysis, including the allocation of all direct and indirect costs for the elementary schools. The team found this to be necessary due to the small size and the high number of neighborhood elementary schools.

In general, the review team received the full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness on the part of most to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

OVERVIEW

Hamilton Township is a urban-suburban community located in eastern Mercer County, immediately adjacent to Bordentown Township, Washington Township, West Windsor Township and the City of Trenton. There is a mixture of residential, small industry and professional office facilities, with some industrial activity occurring within the confines of the township. The population in 1990 was 86,553; it has since increased by approximately 7,000 individuals. Approximately 30% of the residents have attained a college degree or greater.

In 1990 the community had a median family income of \$49,112. There are 32,576 households, with managers, professionals and technical administrative support personnel making up a majority of the labor force. The township has a full water and sewer system and maintains a police department of 199 individuals. The community still has room for growth, which is primarily occurring in the eastern portion of the township.

The school system maintains 23 schools, consisting of 17 elementary, three intermediate and three high schools. As of October 15, 1994, student enrollment was 11,880, with 814 classroom teachers. The maximum number of students in any one elementary school is 424 students. There is a conscious effort on the part of the Board of Education and the administration to maintain neighborhood schools.

A December 1993 study of the Hamilton Township School District and the December 1992 Capital Asset Analysis (the 5 year facility and improvement plan) of the school district, show that the district is facing an increase in student population: 243 more elementary students by school year 1997-98, and 794 more secondary students by school year 1998-99. The district cannot handle this increase in student population with its current facilities as they exist today; we are recommending a change in the school system structure which we believe will both address these concerns and make the most efficient use of taxpayers dollars.

BEST PRACTICES

1. *Energy Saving*

The "Green Light" Program, an initiative being undertaken with PSE&G, involves conversion of all lighting in the schools to a more energy efficient lighting system. The utility electric bill for a typical year is more than \$1,000,000 and the projected savings for the project is approximately \$400,000 per year. The savings will be "shared" with PSE&G, which means that the Hamilton School District can use its savings to cover the expense of installing the lighting. Benefits of the "Green Light" Program include the following:

- Energy consumption for lighting is expected to be reduced by 40%.
- The only required maintenance will be the replacement of bulbs (which have a three to four year life span.)
- The variety of bulbs used for lighting will be reduced from approximately 80 to 6 standard types.

The program will result in significant upgrading of antiquated lighting systems in a number of schools.

2. *Computerized Substitute Calling System*

Personnel's substitute calling system is computerized and very efficient. This system logs in all absenteeism and permits staff to fill those voids rapidly. The system has paid for itself, according to Hamilton officials. In the future, this system will also be used to monitor attendance.

3. *Intergenerational Learning Through Volunteerism*

Since 1980, the Hamilton School District has sponsored a senior volunteer program called Project ROBIN (Retired Older Buddy Is Needed). Maintaining a fairly steady participation of 90 senior citizens, the program currently serves 14 elementary schools, 1 middle school, and 2 high schools. It is administered by its founder, a Hamilton elementary school teacher who is paid as a project coordinator.

Program goals include instilling positive views about aging and increasing individualized instruction for students, and encouraging positive attitudes toward education and personal satisfaction among the community's older adults. Volunteers typically serve as classroom, library and art aides, trip chaperones, tutors, or as workers in a school's attendance office.

Senior volunteers are recruited by the project coordinator at various local senior citizen clubs and meetings throughout the year. She visits each prospective volunteer at his or her home for an interview and requires references. Several

hours of initial orientation are provided to the 10-15 new volunteers each year. Each is given a handbook to guide them in school and program policy. Time donated ranges from a couple of hours per week to full-time. Informal evaluation is provided by the coordinator through periodic phone checks with volunteers and conversations with supervising teachers/personnel.

An annual recognition luncheon is sponsored by the school district at which token gifts are presented to the volunteers. The Board budgeted \$4,477 in 1994-95 for the project coordinator's salary.

4. *Staff Development*

The Hamilton Township School Board offers a series of informative workshops to the teachers and parents of Hamilton Township. It also offers outside school districts participation in the staff development courses on a tuition basis.

The district's policy allows teachers to voluntarily sign-up for staff development. Board policy does not limit the amount of staff development classes that an individual teacher can sign up for; in fact, it encourages staff participation and provides for a substitute to fill in for that regular staff member. The staff development programs are offered to all instructional staff within the district. The objective is to help staff improve their daily management of the learning process for their students and to improve student results. Areas covered are Instructional Theory Into Practice, Learning Systems of Children, Classroom Management, and Cooperative Learning and Thinking Skills.

Uniquely, the Hamilton Township staff development team offers a Parent Education Night, sponsored by the Township Education Association and PTA Committee. These evenings encourage teacher-parent communication which enhances understanding of the district's educational processes. Some of the offered courses include drug awareness, learning styles, college selection, specifics of the language and mathematics programs, parental effectiveness in skill building, overview of special education, gifted and talented, and student self-esteem.

FINDINGS AND RECOMMENDATIONS

A. MISCELLANEOUS INCOME / INTEREST & EARNINGS

The team reviewed the savings and checking accounts maintained by the Hamilton Township Board of Education, July 1, 1993 through June 30, 1994 and compared that review to the Comprehensive Annual Financial Report (CAFR) for that period.

The district maintains six basic accounts. The chart below lists the accounts by account name, average daily balance for the year, average interest rate earned and the total net interest earnings (by individual account) for the year.

ACCOUNT NAME	AVERAGE DAILY BAL.	AVERAGE INT. RATE	TOTAL NET INT. EARN.
Current Account	\$12,599,431	0.0283	\$357,018
Payroll Account	\$ 476,617	0.0269	\$ 12,833
Agency Account	\$ 441,808	0.0236	\$ 10,434
Food Service Account	\$ 87,144	0.0199	\$ 1,735
Cafeteria Account	\$ 35,862	0.0108	\$ 388
Athletic Fund Account	\$ 24,031	0.0000	\$ 0
TOTAL	\$13,664,893	0.0219	\$382,408

The team compared the total net interest earnings for the six accounts to what they would have earned if they had been invested in the Cash Management Fund of the State of New Jersey. The team does not suggest that the district look at the Cash Management Fund of the State of New Jersey as the only investment opportunity; but it does provide a base for comparison. It is in the best interest of the district to constantly review their cash management practices to generate income for tax relief for the district.

RECOMMENDATIONS

The district should consider obtaining written proposals concerning the handling of all depository accounts and banking services.

The team compared the actual interest earnings of the district to the Cash Management Fund of the State of New Jersey and found there was potential for additional interest income earnings of \$68,245.

ACCOUNT NAME	ACTUAL INTEREST EARNINGS	POTENTIAL INTEREST EARNINGS	NET INTEREST GAIN
Current Account	\$357,018	\$415,781	\$58,763
Payroll Account	\$ 12,833	\$ 15,728	\$ 2,895
Agency Account	\$ 10,434	\$ 14,580	\$ 4,146
Food Service Account	\$ 1,735	\$ 2,876	\$ 1,141
Cafeteria Account	\$ 388	\$ 1,183	\$ 795
Athletic Fund Account	\$ 0	\$ 505	\$ 505
TOTAL	\$382,408	\$450,653	\$68,245

The district's athletic fund is in a non-interest bearing account. This could be resolved by establishing a sweep account with its existing bank or by receiving proposals for banking services.

The district's payroll account showed that the average daily balance ranged from a low of \$11,727 in February to a high of \$1,789,467 in June. To maximize interest earnings, this should be a zero balance account to ensure that funds available for investment are not tied up in this account.

B. CUSTODIAL AND CLEANING SERVICES

In recent years, the Hamilton School District has considered privatizing custodial services. The defeat of previous school budgets has led the Board and administration to investigate privatization for potential cost savings and operating efficiencies. A majority of the staff members are residents of Hamilton Township and, as a result, are not only employees but voters and taxpayers as well.

The team interviewed the director of operations and maintenance, the building administrator of each school, program directors throughout the district and identified four specific areas of concern:

1. Lack of evening shift supervision;
2. Lack of adequate preventive maintenance programs;
3. Lack of total satisfaction by administrators; and
4. Lack of training for custodial employees.

The lack of evening shift supervision results in school administrators spending part of their day as custodial supervisors. This serves as a distraction to their educational responsibilities.

The district lacks a preventive maintenance program. There is no complete inventory of all operating machinery within the confines of the school buildings, such as air exchangers, blowers, motors, gym dividers, basketball backboard

motors and other moving machinery. Lack of preventive maintenance means that items such as these are not tested on a regular basis. They fail occasionally, making the maintenance of these items more attune to crisis management.

The team noted that the principals are split as to their satisfaction with the district's custodial services. Several schools seem to have at least one substandard employee who is not properly supervised.

The district custodial staff services facilities that total 1,498,773 square feet. A review of this exhibit shows that the elementary schools range in age from 18 to 89 years. Due to the "neighborhood school" concept, the district maintains 23 separate boilers, pumps and heating/cooling facilities. More importantly, the maintenance for this number of school facilities does not lend itself to consolidating the custodial staff. Additionally, the district maintains 5 separate administrative and educational support facilities. The district currently employs 110 custodians for the 23 school buildings and an additional 8 custodians for its administration buildings, AIM (Achieving Independent Maturity) Center and the child study team office maintained at St. Gregory's Church. Custodial duties at the warehouse are performed by staff assigned to that facility.

The team reviewed the 1994 custodial services cost in the June 30, 1994 Comprehensive Annual Financial Report; the November 19, 1994 Custodial Staff Report; and the March 1, 1995 budget prep worksheets which identify the 1994-1995 salary for each individual. This allowed the team to review total custodial salaries, including overtime and substitute pay, night pay, black seal pay and cost of supplies and materials needed for custodial care. When coupled with analysis of personnel benefits, the team estimated that the total custodial cost to the district is \$4,826,059. Based upon the total square footage of 1,498,773, the average cost for custodial care is \$3.22 per square foot.

RECOMMENDATION

The team feels that a competitive contract would give the Hamilton School District the ability to address proper supervision practices, long range planning, preventive maintenance and accountability for custodial care.

Based upon its review of custodial contracts awarded to school districts throughout the State of New Jersey, the team found that custodial care for school districts ranges from \$.59 to \$1.75 per square foot.

Based upon the contract price of \$1.75 per square foot, the team estimates that the cost of these services would be \$2,622,856. This provides an immediate cost savings of \$2,000,000.

As further evidence, the team reviewed the potential savings at Grice Middle School with the administration and found that contracting cleaning services at the Grice Middle School would save approximately \$85,229 per year. This analysis supports our conclusion that the district is spending \$2,000,000 too much for custodial services.

C. LABOR CONTRACTS AND EMPLOYEE BENEFITS

The team performed a review of the current contractual agreements between employees and the Hamilton Township School District, which include 8 group contracts and 6 individual contracts for the Superintendent of Schools, Assistant Superintendent for Business Services/Board Secretary, Assistant Superintendent of Instructional Services, Director of Educational Services, Director of Student Services and Programs and the Personnel Administrator.

The group contracts include:

1. Hamilton Twp. Education Association (teachers)	951
2. Hamilton Twp Administrators’/Supervisors’ Assoc.	60
3. Hamilton Twp. School Secretaries’ Assoc.	115
4. Hamilton Twp. Executive Secretaries’ Assoc.	3
5. Hamilton Twp. Educational Support Staff Assoc.	425
6. Hamilton Twp. Learning Consultants’/School Psychologists’ Assoc.	21
7. International Brotherhood of Painters & Allied Trades, AFL-CIO Public Employees Division Local #301, Area Wide District #10	16
8. Mercer County & Vicinity Building Trades Council (plumbers, electricians, carpenters, masons)	22
9. Individual Contracts	<u>6</u>
TOTAL EMPLOYEES COVERED	1619

Based upon review of the contracts, the Comprehensive Annual Financial Report, various computer manning charts, and the current Table of Organization, the team identified the following personnel issues for potential cost savings.

- 1) **Longevity Pay** - The personnel policies, employment contracts and union agreements between various bargaining units and the Hamilton Township Board of Education call for the payment of longevity pay. This additional pay for individual employees, ranging from \$200 to \$1,125 per year, is based solely on the length of an employee’s term of service. During the 1993-94 school year the district paid \$778,089 in longevity pay in addition to the negotiated salary scale.

The amounts of longevity pay to the various groups were as follows:

Teachers	\$422,050
Administrators/Supervisors	\$121,500
Educational Support Staff	\$116,100
School Secretaries	\$ 77,300
Field Maintenance/Warehouse	\$ 18,170
Building Trades	\$ 15,000
Learning Disabilities Teacher	
Consultants/Psychologists	\$ 4,719
Executive Secretaries	\$ 3,250
Individual Contracts	\$ 0

RECOMMENDATION

The team recommends that longevity pay be eliminated from contracts for all new employees. The district should also consider eliminating longevity pay in future contract negotiations with current employees. The team believes the negotiated base salaries and benefits would then be in line with both the private sector and public education throughout the State of New Jersey. This recommendation would result in a cost savings of approximately \$25,000. It should be noted that as employees retire and are replaced with non-longevity eligible employees, the \$25,000 savings would eventually escalate to \$777,008. This could be achieved over the next 10 to 20 years.

- 2) ***Sick Pay*** - The employment contracts throughout the district allow employees to accumulate sick time and get full pay or a negotiated amount upon retirement. The State of New Jersey does not pay any state employee more than \$15,000 for half their accumulated sick time.

The team reviewed retirement and sick leave reimbursement for the year ending June 30, 1994. It also requested and received the information concerning retirements for the period ending June 30, 1995.

During this period there were 72 retirements, with a total accumulated sick time pay out of \$188,658. Two administrators collected the maximum amount of sick time payment of \$22,000.

RECOMMENDATION

The team recommends that the administrators contract be changed through negotiations to reflect the existing State of New Jersey personnel policies. The team feels these policies are fair and equitable and represent an achievable goal for the district. Changing to the \$15,000 limit would achieve, on an annual basis and assuming normal retirements, approximately \$7,000 in savings.

- 3) ***Prescription Policies*** - The team reviewed the employee benefits cost records and determined that for the year ending June 30, 1994, the annual cost of the prescription drug policy for employees of the Hamilton Township School District was \$1,364,720. This equates to \$833.67 per employee. The personnel policy and union contracts call for a co-pay for prescriptions of \$3.00 for name brand drugs and \$0 for generics.

At this time most employees are enrolled in an independent Blue Cross/Blue Shield prescription plan. Recently, the 58 school administrators were placed in a very similar Blue Cross/Blue Shield prescription plan offered by the State of New Jersey which costs the district 27% less, saving taxpayers \$15,700.

If the Board and Administration are successful in moving its other employee groups into the State Prescription Plan, savings to the school district could surpass \$385,000.

- 4) ***Health Insurance Plan*** - At this time 296 employees are enrolled in the New Jersey State Health Benefits NJ Plus Plan. The NJ Plus Plan has saved the Board of Education an average of \$930 per employee per year or a total of \$275,280 per year. It should be noted that five years ago, enrollment in the NJ Plus Plan was only about 20 employees. There is a potential that if the school board and administration were successful in convincing all employees of the district to enroll in the NJ Plus Plan, the district could realize an annual savings of \$1,119,720. It is reasonable to believe that 20%, or 300 employees, in any year would convert to take advantage of this plan. Assuming \$930 in savings, an enrollment of 300 employees would produce an immediate savings of \$279,000.

RECOMMENDATIONS

The Board of Education should take immediate steps, as related to prescription policies, to raise its co-payments to \$5. This amount would be in-line with the NJ State Health Benefits Plan, and would generate an immediate reduction in the annual cost of prescription coverage by approximately \$31,000. This amount, when added to the \$67,500 generated by an initial movement to the State Prescription Plan, would generate prescription cost savings of \$98,500.

The Board should continue, via negotiations, to promote enrollment in the NJ Plus Plan. A 20% conversion would generate a \$279,000 immediate health insurance cost savings for the district.

- 5) ***Custodial Evening Shift Premium*** - The team reviewed the employment contracts and board policies concerning custodial staff. If the Board of Education chooses not to accept our recommendations to competitively contract custodial services, we would recommend that the Board seek, in the next round of negotiations, elimination of the night-shift premium.

Nationwide, custodial and building work is accepted as work routinely performed after business hours. A majority of all offices, schools and governmental facilities are occupied during the day by regular work staff and vacant at night, thereby permitting regular cleaning and maintenance operations. It should be recognized that the night premium concept is not appropriate for custodial work.

RECOMMENDATION

The board should, through negotiations, eliminate the nighttime shift differential for custodians. This will result in a cost savings, per the 1994 CAFR report, of \$50,977.

D. FOOD SERVICES

The team conducted interviews with the Director of Food Services and visited each school, reviewing the full scope of food services provided to the students and staff of the Hamilton Township School District.

The team also reviewed the financial records of food service as reported in the Comprehensive Annual Financial Reports for the years ending June 30, 1992, 1993 and 1994.

The table below presents the operating income and expenses of food services in the Hamilton School District for the years as noted.

TABLE I

	<u>1991/92</u>	<u>%</u>	<u>1992/93</u>	<u>%</u>	<u>1993/94</u>
<u>%</u>					
<u>Income</u>					
Sales of Food	\$1,139,733	52	\$1,117,278	46	\$1,139,031
42					
Reimburse.	343,145	16	372,036	15	408,054
15					
Other	3,246	0	1,109	1	2,727
1					
Board Contrib.	694,040	32	831,435	34	1,061,892
39					
Comm. Donation	0		101,349	5	81,445
3					
TOTAL INC.	\$2,180,164	100%	\$2,423,207	100%	\$2,693,149
<u>Oper. Expense</u>					
Cost of Food	\$ 536,322	24	\$ 525,724	22	\$
580,963					
24					
Supplies	75,965	4	63,705	3	62,067
3					
Salaries	1,016,357	46	1,065,903	45	1,131,374
48					
Emp. Benefits	583,102	26	709,945	30	596,141
25					
Depreciation	5,024	0	5,024	0	3,104
0					
Misc. Expense					2,210
					0
TOTAL EXP.	\$2,216,770	100%	\$2,370,301	100%	\$2,375,859
Salary & Benefit	\$1,599,459	72	\$1,775,848	75	\$1,727,515
73					
Net Inc/Los	\$ - 36,606		\$ 52,906		\$ 317,290
Net Inc/Los	- 730,646		- 778,529		- 744,602
(w/out Board contribution)					

As noted in the table, the cost of food services for the 11,880 students in Hamilton Township is substantial. The program operates at a loss each year. Food service operations for the Hamilton Township School District runs at a significant deficit, \$744,602 in the 1993-94 school year. School district reports, however show it as

running a \$317,290 profit--but that's only because the district puts in \$1,061,892 to subsidize it.

The current lunch fees charged by the Hamilton Township Schools are \$1.75 for the elementary schools, \$1.85 for the middle schools, \$2.00 for the high schools and \$.40 for the reduced lunch program. Thirteen of the 17 elementary schools do not have kitchen facilities. Wilson School has a production kitchen; food is prepared at Wilson and delivered to all the other schools. Based upon the expenses, as outlined in Table I, the team calculated cost per meal as shown in Table II.

TABLE II

<u>NUMBER OF MEALS:</u>	<u>1991/92</u>	<u>1992/93</u>	<u>1993/94</u>
Paid	467,479	440,120	431,495
Reduced	42,397	47,865	51,867
Free	110,638	117,651	131,843
Equiv. Meals	198,792	185,900	202,504
TOTAL	819,306	791,536	817,709
Cost Per Meal	\$2.67	\$3.00	\$2.91
Labor Per Meal	\$1.93	\$2.25	\$2.12

Based upon the team's analysis, the calculated average cost per meal is \$2.86. The Board's average contribution for food services was \$1,061,892. The staff salaries and benefits represented an average of 73% of total operating expenses, for food services.

RECOMMENDATION

The team believes that the operating loss demonstrates that the district needs to reevaluate the food services system. Based upon the team's review of private food service contracts in other school districts, there are various options that the Board can consider to provide immediate savings without a loss in food quality or service.

Throughout the State of New Jersey there are approximately 200 school districts that contract food services with a management corporation. They have generally reported a tremendous degree of satisfaction with this system.

The team believes that savings of approximately \$1,061,892 is attainable by competitively contracting the food service operations for the Hamilton Township School District. Actions by the board to provide cost efficiencies in these areas would benefit the district while potentially lowering the cost per meal to the children.

E. GUIDANCE

The Hamilton School District has a guidance program for all 23 schools within the district. The district policy, adopted in 1988, requires that a planned program of

guidance counseling be offered, as part of the educational program of the schools, to all pupils in grades K-12.

Currently there are 48 guidance or service counselors in the district, supervised by administrative staff. Each elementary school is assigned one counselor; each middle school has 3; Steinert and Nottingham High Schools have 7, while Hamilton has 8. The team noted that the elementary level guidance program is unique in that most districts do not provide full-time guidance counselors until middle school. The district has received some positive comments from other districts concerning the use of guidance counselors at the elementary level.

It appears, however, that guidance services are not equally available to all elementary students. Given the range in the number of children in the various elementary schools, (for example, 175 students at Kisthardt and 420 at Morgan School), the guidance load per building and per counselor is not balanced.

Based upon the most recent school report card data, the student to counselor ratio at the middle school is approximately 300 to 1, while the recommended rate is 200 to 1. The high school guidance counselors also have a higher caseload than the national average. It is at this level that students begin discussing their vocation and future plans.

RECOMMENDATION

It is the recommendation of the team that the 17 guidance counselors currently operating at the elementary school level be reduced to approximately 10 counselors who would operate as a team located either in the larger elementary schools or in a central location. This would require dividing their time between the 17 elementary schools on an “as needed” basis.

The team feels that concerns raised at the elementary level are best handled by the child study teams; not by guidance counselors. Necessary guidance can be performed by the reduced staff, and should be based upon the specific assignments and/or requests of the principals and teaching staff at each school. The team recommends that the current guidance staff at the elementary schools be reduced by 4 positions, saving \$175,300 in wages and benefits. The team further recommends that the district consider transferring another 3 of those positions back to the middle and high school levels to reduce the caseload in those schools.

F. DRIVER EDUCATION PROGRAM

The Hamilton Township Board of Education currently provides a driver education program for 834 students.

A review of NJSA 18A:35-7 and NJAC 6:8-7.1.1 shows that driver education is not one of the required courses for high school graduation. The Hamilton Township School District program consists of two segments. The first is behind-the-wheel instruction and calls for on-the-road instructional training by driver education teachers. The second segment is the simulators which provide driver education instruction within the building. For the 1994/95 school year, the

Hamilton Township Board of Education budgeted \$282,140 for the program, which translates to a cost of \$338 per student.

Analysis of Drivers Education Costs for Hamilton Schools

7 Teachers @ \$37,170 *	= \$260,190
(*average plus benefits)	
A.V.A. Simulation	= \$ 2,000
Supplies	= \$ 750
Interest, Fees & Gas	= \$ 13,000
(car lease)	
Services contracts & insurance	= <u>\$ 6,200</u>
TOTAL COST	<u>\$282,140</u>

Throughout the State, driver education has been reviewed for potential cost savings.

RECOMMENDATION

As driver education is not a required course, it is the team's recommendation that Hamilton Township consider eliminating the behind-the-wheel instruction and continue with the simulating driver education instruction (12 hours). This will save the district approximately \$161,520 as follows:

4 Teachers @ \$37,130	= \$148,520
Interest Fees and Gas	= \$ 13,000
(car lease)	
TOTAL SAVINGS	\$161,520

This represents a cost savings \$161,520 for the district.

G. COMPUTER AND MIS TECHNOLOGY

During the course of this operational review, the team noticed that while computers were placed at many desks throughout the district, there seems to be no comprehensive plan for the integration of data or technology.

For example, the central supply warehouse located on Bell Avenue has a computerized system which permits the immediate ordering and delivery of materials currently stored in the warehouse.

Unfortunately, the team found that only five buildings of a possible thirty are linked into this data system. As a result, most of the buildings in the district must process specific paper request forms for the delivery of necessary supplies from the warehouse. Discussions with principals have shown that some of these materials can take up to two weeks to be delivered. The team's discussion with the warehouse and the review of its operations show that the fault lies not with the warehouse, but in preparation of the forms, required correspondence and the courier system. Processing of the paperwork slows down the delivery of goods by as much as 3 to 4 days. If all buildings were connected to the central warehouse, it

would permit quicker delivery of all necessary supplies and would help the warehouse better manage its inventory.

A review of the district's secretarial staff indicates that the district currently employs approximately 120 secretaries at an annual cost of \$3,492,238 in salaries with \$957,000 in benefits. Unnecessary paperwork promotes wasted employee time and labor.

RECOMMENDATION

The district should contact an outside consultant to discuss the overall MIS needs of the district. Linking all buildings on a MIS system for such purposes as purchasing supplies and materials, attendance and electronic mail could be of significant value to the district. As the paperwork is reduced, the team believes the clerical staff could be reduced by approximately 10 positions, resulting in a \$265,000 reduction in salary and a \$79,500 reduction in benefits. **The combined savings for the district is approximately \$339,500.**

H. SPECIAL EDUCATION

The Hamilton School System has an extensive Special Education (SE) program, with 2,426 classified students (including 779 students who are classified for Speech only). Excluding Speech, of the remaining 1,647 students, 1,336 are educated within the district (556 in self-contained classes, and the remaining 780 in resource rooms.) The other 311 SE students are sent out of the district to both public and private educational centers. The distribution of out-of-district students is as follows:

- 148 to the Mercer County Special Services School District
- 93 to private day schools
- 36 to regional day schools
- 18 to out-of-district public school districts
- 14 to day training centers (no tuition), and
- 2 to residential placements

Table #1 Cost-per-Pupil for Out-of-District Special Education Students

<u>School Type</u>	<u>Average Number of Students</u>	<u>Average Tuition per Pupil</u>	<u>Average Transportation per Pupil</u>	<u>Cost per Pupil</u>
MCSSSD	148	\$ 5,898	\$3,037	\$ 8,935
Private	93	\$23,282	\$3,037	\$26,319
Regional Day	36	\$17,619	\$3,037	\$20,656
Public	18	\$17,767	\$3,037	\$20,804
Others	14	\$21,000	\$3,037	\$24,037
Residential	2	\$26,245	(none)	\$26,245

Average cost-per-pupil for out-of-district SE students is \$16,968.

As is shown in Table #1 above, the cost-per-pupil for the 148 students enrolled in the Mercer County Special Services School District (MCSSSD) is \$8,935

Until October 1994, the number of SE students sent to out-of-district private schools had been growing (from 81 in 1992 to 100 as of Oct. 15, 1994.) But since October 1994, the number of students has dropped to 93 and the projected number for 1995-96 is down to 80. A concerted effort is being made at this time to provide more in-district options. The Department of Student Services & Programs is anticipating and budgeting a significant reduction for 1995-96, due primarily to an expanded in-district program for emotionally disturbed (ED) students. It is projected that the Hamilton District can provide comparable, if not better, instruction in-district for about half the out-of-district cost.

There are 20 SE students from other districts attending classes in the Hamilton District on a tuition basis. (The average tuition is \$15,030.) The number of tuition-paying students is growing and the tuition money is being used to offset in-district costs. Tuition received over the past three years is as follows:

1992-93	-	\$128,854
1993-94	-	\$186,323
1994-95	-	\$275,000 (approximate)

Tuition revenue for 1995-96 is projected to be approximately \$400,000. This demonstrates the on-going efforts on the part of the Hamilton District to add students from other districts to SE classes where possible, thereby generating additional revenue.

The Hamilton School District presently maintains 54 self-contained SE classes, distributed among the 23 district schools to provide instruction for 556 SE students. The Department of Student Services & Programs is budgeting for the reduction of three Perceptually Impaired classes at the middle school level for the 1995-96 school year.

In an effort to help the Hamilton District identify ways to control costs for self-contained SE classes, the Review Team compared whether SE classes were at full occupancy. As shown in **Table #2**, the Review Team found that a maximum of 134 additional students could be educated within the District without hiring any additional teachers or aides.

TABLE #2 Available Space in SE Classrooms

Note: Because the AIM (Achieving Independent Maturity) school and the high schools have students changing classes, allowable capacity can be exceeded as long as there are not more than the allowed number of students in a class at any one time.

Type	School	Age Range	Aide	# of Students	Allowable Capacity	Available Spaces
PI	Nottingham	15-20	yes	19	16	-3
PI	Nottingham	15-20	yes	17	16	-1
PI	Ham. West	15-18	yes	18	16	-2
PI	Steinert	14-16	yes	7	16	+9
PI	Crockett	13-15	yes	11	16	+5
PI	Grice	13-15	yes	9	16	+7
PI	Grice	13-14	no	9	12	+3
PI	Reynolds	12-15	no	11	12	+1
PI	Grice	12-14	no	7	12	+5
PI	Reynolds	12-14	no	10	12	+2
PI	Reynolds	12-14	yes	10	16	+6
PI	Crockett	12-13	yes	13	16	+3
PI	Crockett	11-13	no	10	12	+2
PI	Grice	11-12	yes	9	16	+7
PI	Reynolds	11-12	no	5	12	+7
PI	Univ. Hts.	10-12		yes 13	16	+3
PI	Robinson	9-12	yes	14	16	+2
PI	Langtree	9-11	yes	15	16	+1
PI	Morgan	9-11	yes	14	16	+2
PI	Morgan	9-10	yes	13	16	+3
PI	Robinson	8-11	yes	14	16	+2
PI	Langtree	7-10	yes	12	16	+4
PI	Univ. Hts.	6-10	yes	10	16	+6
PI	Univ. Hts.	5- 7	yes	14	16	+2

ED	AIM	15-17	no	8	8	--
ED	AIM	14-19	yes	7	11	+4
ED	AIM	14-17	yes	14	11	-3
ED	AIM	14-17	yes	12	11	-1
ED	AIM	13-17	no	5	8	+3
ED	Ham. West	15-16	yes	4	11	+7
ED	Crockett	12-14	yes	10	11	+1
ED	Reynolds	12-14	yes	9	11	+2

ED	Lalor	9-11	yes	8	11	+3
ED	Sayen	9-11	yes	7	11	+4
ED	Wilson	7-10	yes	7	11	+4
ED	Kisthardt	6- 7	yes	7	11	+4

MH	Grice	11-15	yes	11	11	--
MH	Lalor	5- 6	yes	11	11	--
MH	McGalliard	6- 7	yes	10	11	+1
MH	Kisthardt	6- 8	yes	10	11	+1
MH	Lalor	7- 9	yes	8	11	+3
MH	Sunnybrae	8- 9	yes	8	11	+3
MH	Kuser	8-10	yes	10	11	+1
MH	Mercerville	9-12	yes	11	11	--
MH	Mercerville	10-12	yes	10	11	+1

CH	Steinert	15-18	no	4	8	+4
CH	Crockett	12-15	yes	10	11	+1
CH	Grice	11-13	yes	11	11	--
CH	Sunnybrae	10-12	yes	12	12	-1
CH	Yardville	8-10	yes	11	11	--
CH	Sunnybrae	7- 9	yes	9	11	+2
CH	Yardville	5- 6	yes	11	11	--

EMR	Wilson	8-12	yes	9	16	+7

TMR	Crockett	12-16	yes	<u>10</u>	<u>16</u>	<u>+6</u>
				558	692	134

The Review Team recognizes that differences in age grouping or other legitimate circumstances may preclude the district from filling every SE classroom to capacity or that special situations may exist as a result of analysis completed by the Child Study Teams (CST's). The Team also realizes that "allowable capacity" means "maximum" number of students, not "recommended" number of students. However, it is imperative that the District continue to carefully scrutinize this matter every year and be certain that resources within the district are utilized to the fullest extent possible.

NOTE: Special Education Classifications are as follows:

PI - Perceptually Impaired
ED - Emotionally Disturbed
MH - Multiple Handicapped

CH - Communication Handicapped
EMR - Educable Mentally Retarded
TMR - Trainable Mentally Retarded

RECOMMENDATIONS

There are several options, representing varying cost savings, for instructing more SE students within the district; utilizing existing teachers, aides and classrooms. They include the following:

1. Reduce the number of self-contained SE classrooms by 4.

Savings: salary/benefits for each teacher and aide terminated

maximum -- 4 less classes/teachers/aides =

$$35,000 \times 4 = 140,000$$

$$12,000 \times 4 = \underline{48,000}$$

Savings - **\$188,000**

2. Increase the number of tuition paying Emotionally Disturbed (ED) SE students from other districts. (Perceptually Impaired students are seldom sent out-of-districts by other schools, and other SE classifications could not be accommodated in Hamilton's Special Education Program as it presently exists.)

Revenue: tuition (\$15,029) for each additional incoming ED student

Maximum -- $32 \times \$15,029 =$ **\$480,928**

3. Return out-of-district SE students to in-district classes. (Only about 50 of the 311 out-of-district students could be returned to the Hamilton District at cost savings to the district.)

Savings: \$7,000 for each out-of-district SE student brought back into the district (\$17,000 [average cost for out of district SE students]
- \$10,000 [average cost for in district SE students])

Maximum -- $50 \times \$7,000 =$ **\$350,000**

The team recommends the selection of option #3 for the Board and Administration. While option #1 is viable it does not offer significant savings. Option #2 requires the concurrence of other Boards of Education as to their willingness to students. This recommendation of option #3 would represent an annual savings of \$350,000.

I. MAINTENANCE DEPARTMENT

The Maintenance Department of the Hamilton Township School District has 42 individuals whose annual salaries total \$1,729,930, plus approximately \$335,900 in benefits.

The staff includes electricians, carpenters, plumbers, auto mechanics, painters, masons and fuel maintenance personnel.

The team interviewed the department supervisors as well as the principals of the schools and determined that schools can wait as long as 1 to 1 1/2 years before they receive service for requests. Recognizing that budget cuts may have reduced some of the effectiveness of the department, it would still appear that an expenditure of more than \$2 million for the maintenance department would produce better service. As in the custodial service, there appears to be no training program and no nighttime supervision.

RECOMMENDATION

The team recommends that the general and field maintenance services of the Hamilton Township Board of Education be competitively contracted.

The current cost for maintenance represents approximately \$.74 per square foot. Competitive contracts have been reviewed by the team for a cost as low as \$.55 per square foot. The team feels that even a conservative bid of \$.64 per square foot would represent a cost differential of \$.10 per square foot and an immediate cost savings of \$149,500.

J. TRANSPORTATION

The Hamilton Township Board of Education services its 23 schools and its AIM (Achieving Independent Maturity) Center with a transportation system that provides a significant amount of courtesy busing.

The issue of courtesy busing is a long standing issue facing the Hamilton Township Board of Education and administration. The growth of Hamilton Township has gone from west to east with the expansion of the urban center close to Trenton and the development of suburban communities and developments within Hamilton Township.

“Courtesy busing” is defined as busing students living less than 2 miles from the elementary and middle schools, and 2.5 miles from the high schools. A review of the township road structure shows that there is inconsistency in the existence of sidewalks throughout the district, coupled with a number of major highways, streams, railroad lines and other obstructions. During the school year 1994-95, the board provided transportation for 6,756 out of 11,800 students or 43% of all students. (See **Table III**)

As a means of comparison the team reviewed the transportation data and financial accounts for the school years ending June 30, 1994 and 1995. For the year of 1993/94, the district, by the competitive bidding process, contracted for a majority of its busing. The district utilized 8 outside contractors for a total cost of \$2,702,339. Additionally the district owns 5 mini school buses which were used to transport special education students and to assist in small athletic team transportation. The total cost of salaries, wages and overtime for the district’s 5 mini bus drivers in 1994 was \$100,940. The team reviewed the transportation plan for the 1993/94 school year and prepared **Table I**, which is an analysis of the in-district remote and courtesy busing for 1993/94. A further review of the 1993/94

CAFR indicates that the total student transportation expenses including salaries, contracted services, miscellaneous purchase of supplies and materials and other expenditures was \$4,364,498 (see **Table II**). Additionally, the district provided \$193,050 in financial aid in lieu of transportation, at a rate of \$675 per student.

TABLE I

**In-District
Remote / Courtesy Routes
For 1993/94 School Year**

School	<u>REGULAR STUDENTS</u>		<u>SPECIAL ED. STUD.</u>		TOTAL	
	Remote	Courtesy	Remote	Courtesy		
Alexander	0	36	0	9	45	
Kisthardt	6	26	12	0	44	
Klockner	0	143	0	0	143	
Kuser	0	39	8	0	47	
Lalor	8	7	23	0	38	
Langtree		58	174	15	6	253
McGalliard	0	53	9	0	62	
Mercerville	107	43	16	0	166	
Morgan	72	155	19	3	249	
Robinson	71	88	24	2	185	
Sayen	4	127	7	0	138	
Sunnybrae	5	111	19	1	136	
Yardville	115	118	18	2	253	
Yardville Hts.	1	59	9	0	69	
Wilson	0	46	12	1	59	
Univ. Hts.	1	27	19	1	48	
SUB TOTAL	448	1252	210	25	1935	
Grice	319	311	39	18	687	
Reynolds	463	253	40	12	768	
Crockett	776	38	51	0	865	
SUB TOTAL	1558	602	130	30	2320	
Nottingham	227	344	5	15	591	
Steinert	384	477	5	4	870	
Ham. West	217	341	19	15	592	
SUB TOTAL	828	1162	29	34	2053	
TOTAL	2834	3016	369	89	6308	
Sypek	90	0	19	0	109	
Assunp.	115	9	0	0	124	
TOTAL	3039	3025	388	89	6541	

The total costs of transporting Hamilton students in 1993/94 was as outlined below.

TABLE II

Transportation Cost FY 93/94

Student Transportation Services

• SALARIES FOR PUPIL TRANSPORTATION (Between Home & School) - Regular	\$ 89,511
• SALARIES FOR PUPIL TRANSPORTATION (Between Home & School) - Special	115,143
• CONTRACTED SERVICES (Between Home & School) - Vendors	2,231,361
• CONTRACTED SERVICES (other than between Home & School) - Vendors	114,085
• CONTRACTED SERVICES (Special Ed. Students) - Vendors	4,921
• CONTRACTED SERVICES (Special Ed. Students) - Joint Agreement	1,723,697
• MISCELLANEOUS PURCHASED SERVICES TRANSPORTATION	4,590
• SUPPLIES AND MATERIALS	16,904
• MISCELLANEOUS EXPENDITURES	4,286
TOTAL Student Transportation Services	\$4,364,498

The team prepared the same analysis for the 1994/95 school year as to the total amount of students to be bused for the school year and performed a further breakdown between remote and courtesy busing (see **Table III**).

TABLE III

**Remote / Courtesy Routes
For 1994/95 School Year**

School	<u>REGULAR STUDENTS</u>		<u>SPECIAL ED. STUD.</u>		TOTAL	
	Remote	Courtesy	Remote	Courtesy		
Alexander	3	39	0	0	42	
Kisthardt	6	36	17	0	59	
Klockner	1	157	0	0	158	
Kuser	0	47	8	1	56	
Lalor	6	3	26	1	36	
Langtree		59	188	20	5	272
McGalliard	0	54	11	0	65	
Mercerville	101	38	22	0	161	
Morgan	70	144	22	0	236	
Robinson	65	96	23	2	186	
Sayen	2	135	6	0	143	
Sunnybrae	9	105	31	0	145	
Yardville	105	131	20	1	257	
Yardville Hts.	3	59	0	0	62	
Wilson	0	52	10	1	63	
Univ. Hts.	0	32	32	0	64	
SUB TOTAL	430	1,316	248	11	2,005	
Grice	310	316	41	15	682	
Reynolds	508	270	31	9	818	
Crockett	787	27	59	1	874	
SUB TOTAL	1,605	613	131	25	2,374	
Nottingham	224	344	6	14	588	
Steinert	378	513	9	4	904	
Ham. West	225	358	40	14	637	
SUB TOTAL	827	1,215	55	32	2,129	
TOTAL	2,862	3,144	434	68	6,508	
Sypek Vocational	104	0	34	0	138	
Assunpink Vocational	95	12	0	0	107	
Ring School	0	2	0	1	3	
SUB TOTAL	199	14	34	1	248	
GRAND TOTAL	3,061	3,158	498	69	6,756	

The team reviewed the non-hazardous bus routes as contained in a memorandum of January, 1995 from the Transportation Supervisor and Business Administrator. This memorandum contained information concerning students who live under 2.0 miles for grades K-8 and under 2.5 miles for grades 9-12. This memorandum clearly identifies the courtesy routes, which were established by the Board of Education, costing \$777,008 for the 1994/95 school year.

TABLE IV
TRANSPORTATION SAVINGS
1994 - 1995
Courtesy Busing Routes

<u>School</u>	<u># of Routes</u>	<u># of Routes Non-Hazardous</u>	<u>Amt. of Savings</u>	<u># of Routes Hazardous</u>	<u>Amt. of Savings</u>
Alexander	1	0	0	0	0
Kisthardt	2	1	8,782	0	0
Klockner	4	1	12,506	2	15,800
Kuser	2	1	8,782	1	8,782
Langtree	7	0	0	0	3 29,393
McGalliard	2	2	17,980	0	0
Mercerville	5	0	0	2	14,054
Morgan	5	0	0	2	18,130
Robinson	4	2	18,897	1	7,891
Sayen	4	3	27,665	0	0
Sunnybrae	4	0	0	4	39,177
Yardville	9	0	0	4	33,345
Yardville Hts.	3	0	0	2	15,482
Wilson	1	1	8,782	0	0
Univ. Hts.	1	0	0	1	8,782
TOTAL	54	11	\$103,394	22	\$190,836
Grice	16	5	46,030	5	52,020
Reynolds	18	8	72,367	0	0
Crockett	20	0	0	0	0
TOTAL	54	13	\$118,397	5	\$52,020
Nottingham	9	5	48,360	0	0
Steinert	17	7	74,770	4	40,078
Hamilton West	9	4	35,095	1	8,782
TOTAL	35	16	\$158,225	5	\$48,860
Private & Parochial			83,388		21,888
GRAND TOTAL	143	40	\$463,404*	32	\$313,604

Total of all courtesy busing \$777,008

*** Total potential for savings as per above**

RECOMMENDATION

The team recommends that the Board of Education of Hamilton Township take steps to review all courtesy busing, and eliminate the non-hazardous courtesy busing.

The team recognizes that school bus planning can change from year to year based upon a shift in population and board policies. It is possible that certain routes that have been listed as being hazardous and non-hazardous courtesy routes might include non-courtesy students that are obligated to receive busing. The team believes that the recognition of the need for the elimination of non-hazardous courtesy routes will generate savings, as seen in **Table IV**.

The removal of non-hazardous courtesy busing would produce \$463,404 in savings for the district as a whole.

K. ELEMENTARY EDUCATION

The Hamilton school system has 17 elementary schools, all kindergarten through grade 5. Fourteen of these schools have self-contained Special Education classes from which students are mainstreamed into regular classes for portions of each day. The schools range in total enrollment from 193 to 418. The acreage of each of the schools ranges from 1.7 to 14 acres and the ages of the buildings (excluding additions which have been added over the years) range from 18 years to 86 years. Each school has a building manager (principal), a guidance counselor and a nurse, regardless of size.

The most distinguishing characteristic of elementary education in this district is the "neighborhood school" concept. In visiting each of the schools, interviewing the administrators and reviewing significant data (e.g., audits, budgets, staffing, etc.), the team identified a number of areas of concern where both short and long term savings could be realized.

1. The ratios of students to administrators, to nurses and to guidance counselors vary greatly between the schools, promoting an imbalance in educational and personal student support. Also, there is variation in custodial and maintenance services, as well as indirect expenses such as insurance, utilities and support personnel.
2. Instruction in the non-academic disciplines, i.e., library skills, art, music, physical education, health, and computer science is inadequate. For example, physical education is formally taught only once per week (with reinforcement by the individual teachers); there is no formal computer instruction; and while library skills are taught, the libraries are only open when parent volunteers are available. There are no librarians on a full-time basis.
3. Elementary school assignment is intended to follow the "neighborhood school" concept. But due to existing school locations, and the differing sizes of the facilities, the fact is that there are often too many students for the "local" school to accommodate. Some of these students make up what is referred to as the

"overflow". Reasons for sending children to "other" schools include: too many students at specific grade levels, grandfathering (site of original entry), existence of siblings in a school, special education or ESL requirements, and child care or other special allowances made by the Board of Education. Presently, there are 210 "overflow" students in the district requiring busing at an additional expenditure of \$90,000 annually.

4. Due to the lack of a custodial supervisor, no Comprehensive Preventive Maintenance Plan (CAMP) and the amount of community use, facilities are being maintained at varying levels of efficiency. The degree of cleanliness varies between buildings. Policies and procedures regarding custodial functions and responsibilities also vary from school to school.

5. While curriculum for elementary instruction is rewritten and updated regularly, the lack of coordination and communication between the elementary schools, along with the variation in facilities, parental volunteerism, volume and quality of resources results in varied instruction from school to school.

6. Based upon the 1993 report card and analysis of other data, the cost per pupil for the school year 1992-1993 was \$8,045. The team attempted to isolate the elementary school operations by the summary of their expenditures. A review of the CAFR and budgetary work papers assisted the team in identifying salaries and wages and other direct items. A separate analysis was performed to determine personnel costs on a system wide basis, which was then allocated back to the elementary schools by the number of students assigned. All other district costs were calculated for and assigned to each school based on student population. From this the team was able to strike a total cost for operation per building.

7. Of particular interest to the team is the fact that the Kistardt School and the Lalor School either meet or far exceed the current cost per pupil for the other elementary schools in the Hamilton Township school district. The Wilson, Yardville and Greenwood schools approached the district's average per pupil cost. It is highly uncommon for elementary school education to cost a school district the same amount or exceed its average cost per pupil; indeed, it should be significantly lower. Middle and high school operations, with their extracurricular and athletic activities, should cost more. The team feels that these numbers clearly show an emerging need to address elementary school expenditures and operations.

8. The high number of elementary schools provides a myriad of service and maintenance contracts as it relates to heating, electrical, office supplies, office machinery and other service related functions. As noted earlier in the report the team strongly suggests that the district consider a district wide MIS system to include electronic mail for ease of communications and improvement in the delivery of information. It is obvious that the high number of schools will be a detriment towards the dissemination of information and the ultimate gain in management control.

9. Our review indicated that several elementary schools have the ability to provide for future growth. However, the property is being under utilized. Schools such as the Alexander, Langtree, McGalliard, Robinson, Sayen and University Heights sit

on parcels of land that exceed ten acres and would provide the means for future consolidation and better utilization of the properties. The team recommends that the school district should adopt a long range redistricting and construction plan.

RECOMMENDATION

To achieve better cost efficiencies for elementary school operations and to re-channel savings back to the schools for educational enhancements at the elementary level, the team recommends that the Hamilton Township Board of Education consider a three step proposal concerning all facilities, districting, and instruction. The underlying purpose of this proposal is to reorganize the elementary educational assets of the district in order to maximize efficiency and effectiveness.

The three step approach is as follows:

Step 1. Close both the Greenwood and Lalor Elementary Schools. The two schools were constructed in 1917 and 1927 respectively, and currently have a combined enrollment of 471 students. There are a total of 709 vacancies in the other elementary schools; more than enough space to absorb these students (with appropriate redistricting). Closing these schools would mean the elimination of two principals, two nurses, four custodians and two guidance counselors and a number of indirect costs.

This would represent immediate cost savings to the district of \$325,000 in salaries and \$82,000 in benefits. Additionally, the closing of these buildings represents a \$65,000 savings in utility costs and about \$15,000 in instructional support, equipment/maintenance, and student life activities.

Step 2. Establish three clusters of schools, each consisting of a high school, a middle school and five elementary schools.

The north Cluster (Hamilton and Edinburg Roads)

Nottingham High School

Reynolds Middle School

Klockner Elementary School

Kuser Elementary School

Mercerville Elementary School

Morgan Elementary School

University Heights Elementary School

The East Cluster (Yardville and Hamilton Square Roads)

Steinert High School

Crockett Middle School

Alexander Elementary School

Langtree Elementary School

Sayen Elementary School

Sunnybrae Elementary School

Yardville Elementary School

The West Cluster (South Broad Street)

Hamilton West High School

Grice Middle School

Kisthardt Elementary School

McGalliard Elementary School

Robinson Elementary School

Wilson Elementary School

Yardville Heights Elementary School

This clustering represents a potential for movement toward more "full service" elementary schools where instruction is more consistent and resources are more equally distributed and uniform. It is also consistent with the "neighborhood schools" concept of the district.

Step 3. Redistrict all elementary students to terminate the "overflow" altogether. Eliminating overflow will result in additional transportation savings. This will also enhance efforts already made to promote desegregation within the district in compliance with a court order. Redistricting should take into consideration areas of projected growth and reductions in enrollments for the future.

ADVANTAGES

Following are a number of advantages of closing the two elementary schools and establishing three clusters within the Hamilton Township School District.

1. In December 1992, a five-year facility improvement plan known as the Capital Asset Analysis was prepared by Joseph Jingoli & Sons Inc. for the Hamilton Township Board of Education. This plan clearly demonstrates that improving the district's overall facilities would cost \$22,817,990. The Greenwood and Lalor Elementary Schools need approximately \$357,000 and \$903,000 worth of repairs, respectively. These two, with a combined rehabilitation cost at nearly \$1.3 million, should indicate to the district the need to examine closing these schools. They are among the oldest structures in the district.
2. The team, via its clustering, established three corridors of transportation feeders for both remote and non-remote (courtesy) busing in the township. They are the Hamilton and Edinburg Roads, the Yardville and Hamilton Square Roads and South Broad Street. The team feels that the clusters, as defined in this report, reinforce the district's neighborhood school concept.
3. The district currently pays \$97,000 to St. Gregory's School to rent office space, as well as to provide a custodian for the special education offices. Instead, the district could use the vacated Lalor or Greenwood Schools for these as well as other administrative offices. The team suggests that the Greenwood School is the most centrally located and ideally suited as the new office site, resulting in an annual cost savings of approximately \$97,500 a year.
4. With fewer elementary schools, and more students per building, the district could more effectively organize its music, art, physical education and other ancillary subjects. This would reduce any additional cost in traveling between the various facilities, and provide better services to students.
5. The team feels that the development of the three clusters allows the municipality and school board to work jointly to develop walkways and school crossing guard patterns. The addition of sidewalks, curbing, etc. to assist students in walking to school should reduce future transportation costs. Savings in transportation costs could enable the district to spend more money on educational enhancements.
6. The Hamilton Township school district finds itself in a unique situation. Its demographic studies clearly show that the school population will grow over the next ten years. It is obvious by a review of the vacant land of the eastern portion of the township that that growth will see an increase in student population in those immediate suburban areas.

The team feels that while the concept of the "neighborhood school" district certainly has many estectic values and does provide savings by promoting walking instead of bus transportation, it should be recognized that the Hamilton Township school district is growing. As it grows the school board administration must struggle with an elementary school plan in the future. The team does not feel that building elementary schools, which can accommodate less then 650-750 students is

a sound concept. The high cost of education in today's world and the instructional needs for computer and related technologies as a learning tool clearly shows a need for this district to develop facilities that maximize its current administration, instructional and support assets. The team does not feel that the small size of many of the elementary schools currently in Hamilton school district allows the opportunity for educational efficiency. The team recommends that a long range elementary plan be adopted. As we noted we believe that there is currently short term capacity for elementary students within the district to accommodate the immediate growth. However, the future growth challenges must be addressed by redistricting and reengineering the existing school system. That redesign should seek the goal of fewer and larger, full service, elementary schools.

The team feels that the goal of the Hamilton Township Board of Education should be to convert from 17 small elementary schools to 7-9 elementary schools of approximately 650-750 students. These schools would be full service and intended to provide all the ancillary services which are currently not provided. The process of reducing the number of elementary schools coupled with the establishment of all the necessary ancillary educational services will provide the educational platform needed for today's students. For this report, we are only recommending the shut-down of two schools; however, Hamilton should be prepared to make necessary changes in the future.

All future construction and rehabilitation expenditures should be at sites and building that have the capacity to provide the full elementary services that the community needs for the future. The five year Facility Plan which outlines \$8,474,700 in necessary improvements to the existing elementary school buildings should be reconsidered. The redirection of those dollars for expansion of several elementary facilities could prove to be a move prudent financial and educational investment.

The team identified by analysis of sites and review of the "Capital Asset Analysis" December 1992, the elementary schools which have adequate space for enlargement.

<u>SCHOOL</u>	<u>TOTAL ACREAGE</u>
Alexander	11.71
Langtree	14.00
McGalliard	10.00
Morgan	8.00
Robinson	10.00
Sayen	13.00
Sunnybrae	8.80
University Heights	12.92
Wilson	7.90
Yardville	4.30

These sites provide the potential for future expansion.

SPECIFIC RECOMMENDATION

The closing of Greenwood and Lalor Schools represents cost efficiencies and reduction in manpower as shown below. It should be noted that due to tenure rights (bumping) and contracts between school districts and various locals of the NJEA, the elimination of principals and other related positions will set into motion the normal seniority reduction. That means that the salaries and wages of two teachers at the bottom of the scale will be the ultimate cost savings to the district, not the principals' salaries.

The cost savings in personnel are as follows:

<u>Personnel</u>	<u>Number to be Eliminated</u>	<u>Average Wage</u>	<u>Total Cost</u>
Principals	2	\$32,000	\$ 64,000
Nurses	2	\$30,000	\$ 60,000
Custodians	3	\$20,000	\$ 60,000
Food Service	2	\$5,000	\$ 10,000
Subtotal			\$194,000
Benefits \$7,950 (average cost)			
<u> x 9 (employees)</u>			\$ 71,550
Rent of St. Gregory Facilities		\$ 97,500	
Utility and Related Services Cost per building			<u>\$ 65,000</u>
Initial Savings by Reduction in Elementary Schools			\$451,900

With a significant amount of vacant land in the eastern portion of the township, the district may find itself among the top 10 school districts in the State of New Jersey both in size and requirements of service. However, if the district fully utilized its school buildings and made the changes we recommend, it could handle that growth. It cannot absorb it under its current structure without significant changes. Recognizing that pressure, the team feels the Board of Education and its administration should immediately address the issues regarding elementary school education within the district.

L. HIGH SCHOOL ADMINISTRATION

In reviewing the district's organizational structure it was noted that each of the high schools maintain one principal and three vice principals. This, when coupled with the guidance department services, appears to be excessive.

The team considered the structure of two other school districts; Edison and Woodbridge. The team also contacted these districts to identify existing and needed administrative staffing.

In the case of Edison it was found that at both Edison High School (with a student population of 1,690) and JP Stevens (with a student population of 1,769) the administrative workload is handled by a principal and two assistant principals. In Woodbridge Township, where three high schools exist, it was found that the district has one principal and two assistant principals for each school. Hamilton now operates three high schools each with an average student population of 1,182, with each school having a principal and three assistant principals.

RECOMMENDATION

The Hamilton School District should eliminate three vice-principal positions, one from each high school. These positions would undoubtedly result in bumping down to the level of a new teacher at the low end of the salary grid; approximately \$31,000 in salary per year. The total savings would be \$93,000 in salaries and an additional \$23,850 in benefits; a combined savings to the district of \$116,850.

SHARED SERVICES

1. Recreational Playgrounds

The team noted an ongoing program on the part of Hamilton Township to establish and maintain playgrounds for public use immediately adjacent to elementary, middle and high schools.

The township currently provides the necessary capital to initially install, maintain and update the playground equipment of these facilities. This results in first class recreational facilities available for children, not only in their off-school hours, but also during the course of the normal school day.

2. Garbage Collection

The school board and the township have developed a joint service agreement concerning garbage removal tailored to the specific needs of both entities. From the period of mid-June to September 1, Hamilton includes the elementary schools as part of the garbage removal contract currently negotiated and maintained by the township. The township does not pick-up at the middle school, high school and support facilities.

The team feels that the township should expand its shared services to all elements of the district.

3. Operation and Supply Warehouse

The school district maintains a large warehouse located on Belle Avenue adjacent to Nottingham High School. The team was impressed with the scope of the supplies that the warehouse handles, and the distribution system.

While the team remains concerned over the lack of full use of the facility, the team feels that this facility presents an unique opportunity for the business administrators of both the township and school district. They should review the potential of utilizing the school district warehouse for the benefit of all government entities within the township: municipal operations, police and fire, library and school district. This warehouse could offer a common central facility to service all the custodial, maintenance, clerical, and other equipment and supply needs for all government entities within the Township of Hamilton. Sharing these services at less cost would properly serve the residents of the township.

The team strongly recommends that the municipality, school district and other entities immediately develop a planning committee to review these opportunities for shared services and reduction of township-wide operations and cost.

STATUTORY AND REGULATORY REFORM

It is common for school officials to blame tax increases on "state mandates." Each local budget review team is charged with the responsibility of identifying regulatory and statutory mandates that have an adverse impact on the cost of education. The findings summarized below will be reviewed by the appropriate unit in the Department of Education for the purpose of initiating constructive change at the State level.

1. Bilingual Education

There is a growing number of students in the Hamilton School District who qualify for bilingual education. Next year the district will need to address the state statutory requirement (NJAC 6:31-1.5(a)(b)) for a bilingual program or instructional program alternative for the Polish and Hispanic students. These language groups will exceed the statutory 20 student bilingual program minimum. The Haitian Creole student population may exceed the 20 student level and their bilingual need will need to be reassessed at the end of this school year. The age ranges, grade spans and geographical locations of the many Hamilton schools will make it difficult for the district to provide a full-time bilingual program.

Recommendation

Many school districts around the state are experiencing influxes of foreign speaking students and often do not have enough students in any one school or district to warrant initiating a bilingual program. Consideration should be given to establishing, at the county level, assistance for local districts which would encourage coordination and shared service for all foreign speaking students.

2. Student Transfer Records

In accordance with NJSA 18A:36-19a., a school which receives a transfer student must receive that student's records from the transferring school within two weeks of the date of enrollment. Hamilton shows many cases where the transfer of records took up to four to eight weeks to arrive.

Recommendations

It is recommended that this state mandate be rigidly enforced by the New Jersey Department of Education (DOE).

It is further recommended that DOE seek an agreement with surrounding states for this matter to be addressed in a similar fashion. Districts such as Hamilton, which have significant transient enrollment, need complete records in order to ensure the appropriate education of their students.

3. State Health Benefits

School district participants in the State Health Benefits Program do not have any discretion in setting the level of benefits provided to employees who work in excess of 20 hours per week. This is well below the 35 hours per week that the State has set as the definition of full-time employment and eligibility for full family coverage.

Recommendation

School districts should be given, by regulatory action of the State Health Benefits Commission, the right to define full-time employment and full family coverage at a level above the present 20 hours per week. The Hamilton Board of Education would save in excess of 50% of the cost for each employee if able to provide "employee-only" coverage to employees who work between 20 and 35 hours per week.

LOCAL GOVERNMENT BUDGET REVIEW

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