



NJDOE News

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DOE Announces 87% of Districts Managed Administrative Costs for FY 2004-2005 *McGreevey Administration Efforts to Cut Bureaucratic Costs Paying Off for NJ Taxpayers*

The Department of Education (DOE) today announced that 87% of school districts statewide had effectively managed their administrative costs, and kept bureaucratic spending in their proposed FY 2004 - 2005 budgets to a minimum. The announcement demonstrated the effectiveness of Administration efforts to work with local districts and set reasonable guidelines that place more money in the classroom.

"We have worked hard and made tough choices to provide districts with the largest amount of direct school aid ever distributed in New Jersey's history," said Gov. James E. McGreevey. "At the same time, we continue to work with the districts to get every dollar possible into the classroom."

"It is very encouraging to see that a sizable majority of districts share our vision," the Governor said. "When we see the success of our reforms taking hold in the districts, it means children will receive an efficient and effective education, and that we are fulfilling our obligation to property taxpayers."

Recognizing that a small minority of districts are still budgeting over the guidelines for reasonable administrative costs, the DOE notified those school districts they will need to revisit their budgets to curtail excessive bureaucratic spending. All of the districts are being directed to reallocate the overages to classroom initiatives, or to provide property tax relief. However, since many of these districts are actually on the cusp of falling within the spending guidelines, the Department expects resolution for those districts with some minor reallocations.

As Governor McGreevey outlined in his FY 2005 Budget address, Commissioner of Education William L. Librera and the DOE will be working cooperatively with these districts to assist them in reallocating or eliminating excessive costs.

"We are very pleased that almost all of the school districts in the state have budgeted their administrative spending limits appropriately," said Assistant Commissioner Richard Rosenberg. "We remain optimistic that the remaining school districts will take a hard look at their costs and get them below the spending threshold established by the state. It is important to note that these districts will be addressing this issue with their local board first."

"We continue to encourage these districts to budget accordingly and work to lower their administrative costs so the money can be spent where it belongs: in the classroom or to provide property tax relief," Rosenberg said.

In February, the DOE encouraged school districts to budget their administrative expenses within regionally-established thresholds. The effort is not a punitive exercise, rather, it continues to be an effort to curtail excessive costs so that children are best served, and property taxpayers are not unduly burdened. More information will be available once the budget process is complete and all appeals have been examined.

The districts were notified via letter today. A final list of school districts with excessive costs and a loss of state aid will be available after all public budget hearings and additional reviews have been exhausted and final determinations have been made. All school districts have the right to request a secondary review of administrative spending by April 15.