

The Milltown School District Business Administrator and I have spent much of the past 3 days trying to deal with the aftermath of an unprecedented reduction in state aid. In the past we have viewed “flat” state aid as a reduction because the other costs have gone up yet the aid has not kept pace. This year our state aid has actually been reduced by almost 50% which amounts to **\$676,000!**

When we drafted our 2010-11 budget and presented this tentative plan to the Board of Education earlier this month, we had already built into the budget a reduction of 15% or about \$182,000. In addition we learned this week that the debt service aid that was anticipated from the state, to offset the referendum cost for 2010-11, was also half what we had expected. That equates to another \$106,000 that will have to come from the tax levy.

We have been working over the past 2 days to reduce the spending plan by **\$600,000 in order to make ends meet without raising the tax levy any higher than what was presented earlier this month.**

As a result there will be significant lay-offs. We are going to have to eliminate programs that we have worked hard to build over the years.

There has never been anything like this before in New Jersey, and all school districts are wrestling with the consequences of significant aid reductions. What complicates matters even more is that by law we must submit a Board approved budget to the Middlesex County Dept. of Ed. by early next week.

Our circumstance is even more complex because of a change in the law that requires that we pay any and all high school tuition adjustments on a two-year cycle instead of the three-year cycle we were used to. This year is the alignment year so we have to pay for 2 years of adjustments in one budget year. That combined with an expected 24 additional paid tuitions (as compared with the 2009-10 budget year) caused the Spotswood HS tuition line to increase by \$700,000. Even if everything else was flat, we would have well exceeded a 4% tax levy cap. That is the main reason why the tax rate right now is at 29 tax points or @\$400 on the averaged assessed value. In the past we have never gone to the voters with more than 15 tax points.

Our situation is dire. The Board of Education has been working with administration to identify areas of reduction. All areas have been significantly reduced. I will continue to send email announcements via this system to help familiarize school parents with the impact. Every effort will be made to keep the series of budget emails short, but they may be frequent. As with all education issues, if you have any questions please feel free to call me at (732) 214-2360 and I will do my best to return your call within 24 hours.

Thank you in advance for your support,  
Dr. Linda Madison