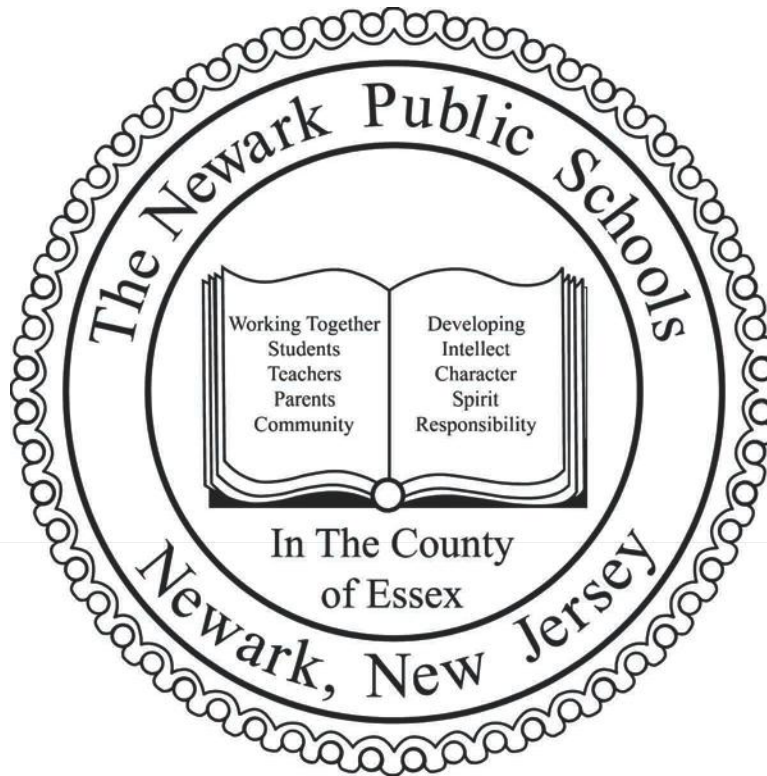
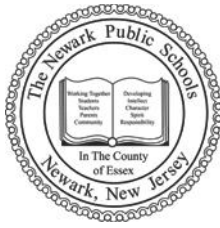


The Newark Public Schools 2009-2010 Budget Executive Summary



Dr. Clifford B. Janey
State District Superintendent

Changing Hearts and Minds to Value Education



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Dr. Clifford B. Janey
State District Superintendent

THE NEWARK PUBLIC SCHOOLS
Office of the State District Superintendent
2 Cedar Street
Newark, New Jersey 07102-3091
Phone: 973-733-7333
Fax: 973-733-6834



Lucille E. Davy
Commissioner of Education

April 6, 2009

Dear Advisory Board Members:

I am pleased to present the Newark Public Schools fiscal year 2009-2010 Budget which, I believe, is aligned with the district's mission, core value and key commitments. This year's budget represents our commitment to continue on the path of fiscal accountability, education reform, and transparency to ensure our business operations are effective and sustainable so that our students continue to achieve. In addition, it is designed to maintain school facilities and honor the obligations of the Newark Public Schools.

Building great schools and raising expectations will require a systematic approach at all levels, beginning with our fiscal responsibility. We need to ensure that research-based effective strategies that not only address our educational requirements, but also meet our budgetary needs are implemented district wide. We must also guarantee that every student has a highly qualified and effective teacher in the classroom, and to do that requires a solid pay scale and benefits package. Finally, we need to make a solid commitment that programs that do not work are stopped, and those that do work are scaled up, with fidelity, to serve the maximum number of students.

During this difficult economic climate the challenge of preparing a balanced budget that focuses on improving student achievement has been difficult. Declining revenues coupled with increasing costs required that the district make tough choices. But I am certain that you take our mandate to educate our children to their greatest potential and prepare them for a very demanding global economy as seriously as I do. Therefore, as these tough choices were made, we kept the needs of our students at the forefront of our decision-making.

I believe this year's budget addresses all of our fiscal needs while also putting us on a path to even greater accomplishments in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Clifford B. Janey".

Dr. Clifford B. Janey
State District Superintendent

CBJ:vdm

THE NEWARK PUBLIC SCHOOLS DISTRICT

MISSION STATEMENT

The Newark Public Schools District's mission is to develop a productive citizen who is distinguished in all aspects of academic endeavors and willing to challenge the status quo in our society. We are committed to ensuring that our policies and practices will prepare our students for a world that is increasingly diverse and knowledge driven. We expect our schools and classroom environments to be emotionally safe and intellectually challenging. We pledge to partner with parents, groups, and organizations that add support to the mission by changing hearts and minds to value education.

The Newark Public Schools Core Values & Key Commitments 2008 and Beyond



Dr. Clifford B. Janey, Superintendent
Changing Hearts and Minds to Value Education

Executive Summary Contents

The Newark Public Schools' 2009-2010 Budget is comprised of existing programs and new initiatives that will provide a continual academic environment for students in the elementary and high schools.

The school District is the largest in New Jersey and serves 40,000 students and 7,500 staff members. The SY 2009-2010 Budget is comprised of seven key funding components which are derived from federal, state and local sources of revenue. Because district funds are dependent on these sources, reductions in any of these areas can result in considerable shortfalls for operations and programs.

This document is organized thematically covering:

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TOTAL PROPOSED BUDGET

The total proposed FY 2009-2010 Budget is \$991,952,699. The budget contains the following revenues in the General and Grants & Entitlements (Special Revenue) Funds:

Revenue Sources		
Fund Balance	\$	23,938,400
Local Tax Levy		100,213,266
Miscellaneous		6,898,018
Semi Medicaid		1,448,522
State Aid		<u>717,018,162</u>
Operating Budget	\$	849,516,368
Grants & Entitlements		<u>142,436,331</u>
Total Aid Awarded	\$	991,952,699

The budget for FY 2009-10 decreased by \$909,143 from \$992,861,842 to \$991,952,699. Three-year comparisons of total revenues are as follows:

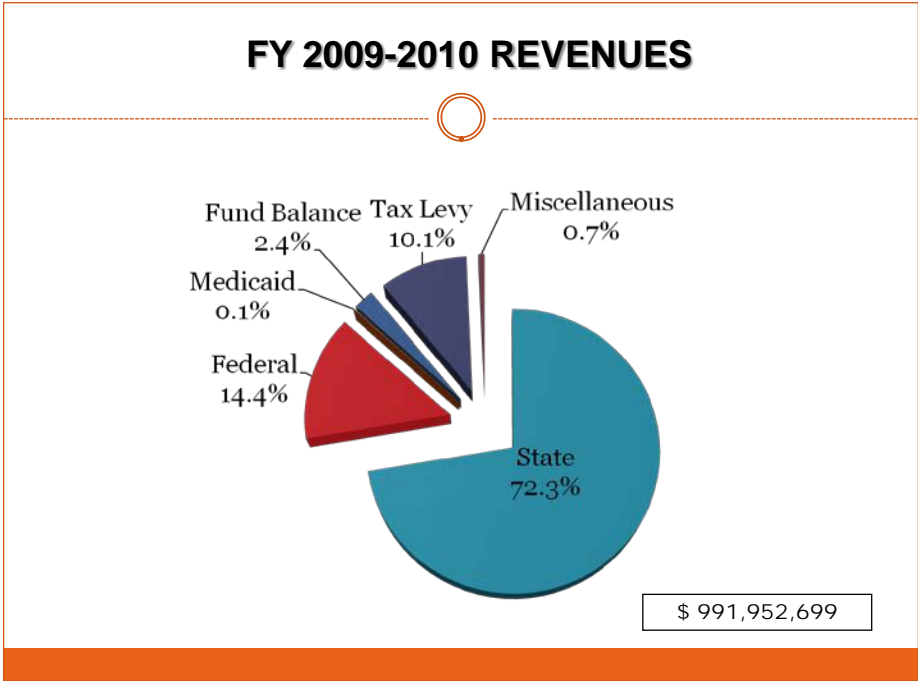
Newark Public Schools Three Year Comparison of Revenues					
REVENUE SOURCE	2007-08	2008-09	2009-10	Incr/(Decr) 09 vs 10	% of +/-
Fund Balance	15,500,000	23,938,400	23,938,400	-	0%
Local Tax levy	96,358,910	100,213,266	100,213,266	-	0%
Other Local Sources	6,898,018	6,898,018	6,898,018	-	0%
State Aid	656,267,051	721,249,159	717,018,162	(4,230,997)	-0.6%
Impact Aid/Medicaid	950,000	950,000	1,448,522	498,522	34.4%
TOTAL - OPERATING BUDGET	775,973,979	853,248,843	849,516,368	(3,732,475)	-0.4%
Special Revenue (Grant \$)	180,255,648	139,612,999	142,436,331	2,823,332	2.0%
TOTAL BUDGET	956,229,627	992,861,842	991,952,699	(909,143)	-0.1%

The District was awarded \$717,018,162 in State Aid as a result of resident district enrollment. This amount decreased from FY 2008-09 as a result of the elimination of one-time aid of \$2,336,760 for the opening of Central High School in FY 2008-09 and \$214,272 in Adult Education Aid. In addition,

State Aid was reduced by \$1,679,965 as a result of Charter School enrollments falling short of their original projected FY 2008-09 enrollments. The \$717,018,162 represents a \$4,230,997 reduction in State Aid from the \$721,249,159 received in FY 2008-09. State Aid represents 72.3% of all revenues received by the District.

The District was awarded \$142,436,331 in Federal Revenue for FY 2009-10 which includes \$81,967,608 in Preschool Education Aid; \$4,745,203 in Preschool Education Aid Carryover from FY 2008-09; \$4,395,203 in Other Restricted Entitlements; and \$51,328,312 which includes \$32,249,628 for Title I, \$8,646,329 for IDEA; and \$10,432,355 in various federal grants. The \$142,436,331 represents a \$2,823,332 increase over FY 2008-09. Federal Revenue represents 14.4% of all revenues received by the District.

The chart below represents a comparison of the various sources of FY 2009-10 revenues:

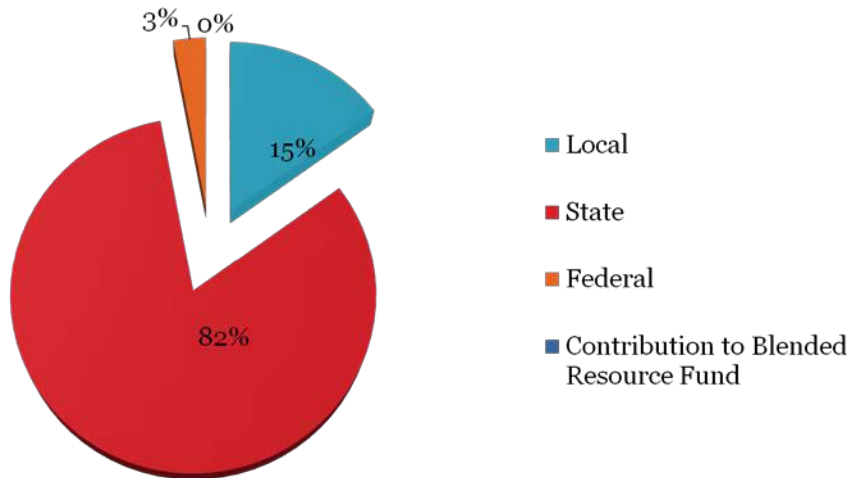


THE GENERAL FUND

Operating Budget

The Operating Budget for FY 2009-10 is \$871,324,656. The revenue is derived from the sources identified in the table below:

Revenue Sources	Amount
Local	\$ 131,049,684
State	717,018,162
Federal – Local	1,448,522
Total Operating Revenues	849,515,368
Special Revenue Contribution to The Blended Resource Fund	21,808,288
Total General Fund	\$ 871,324,656



Revenue Sources

State Aid

Under the School Funding Reform Act (SFRA) of 2008, school districts in New Jersey are awarded State Aid based upon resident enrollments that include weighted averages for various categories of resident students. Under SFRA for 2009-10 the base amount awarded for elementary general education is \$9,971 per student. Additional amounts are provided based on grade categories, at-risk determinations (free and reduced lunch) and LEP.

District resident enrollment has declined over the past three years specifically at the elementary level. This decline in enrollment is assumed to be the result of the increasing enrollment in Charter Schools, which is discussed later in this report. A three-year comparison of district enrollment, excluding Charter Schools, is as follows:

Total District Enrollment – Oct 15			
	<u>06-07</u>	<u>07-08</u>	<u>08-09</u>
Elementary	20,570	19,278	18,768
Middle	8,768	9,951	9,751
Secondary	<u>11,928</u>	<u>11,274</u>	<u>11,473</u>
Total	41,266	40,503	39,992
Change from Prior Year		(763)	(511)

Based upon enrollment, the District was awarded \$717,018,162 in State Aid for FY 2009-10 which includes \$2,027,468 in Extraordinary Aid. State Aid in the amount of \$714,990,694 was generated under the School Funding Reform Act (SFRA) based upon adjusted resident district enrollment, including Charter Schools, of 44,886.

State Aid

Equalization Aid	\$ 633,652,423
Transportation Aid	5,905,964
Special Ed Categorical A	25,823,243
Security Aid	19,457,862
Adjustment Aid	30,151,202
Extraordinary Aid	<u>2,027,468</u>
Total Aid Awarded	\$ 717,018,162

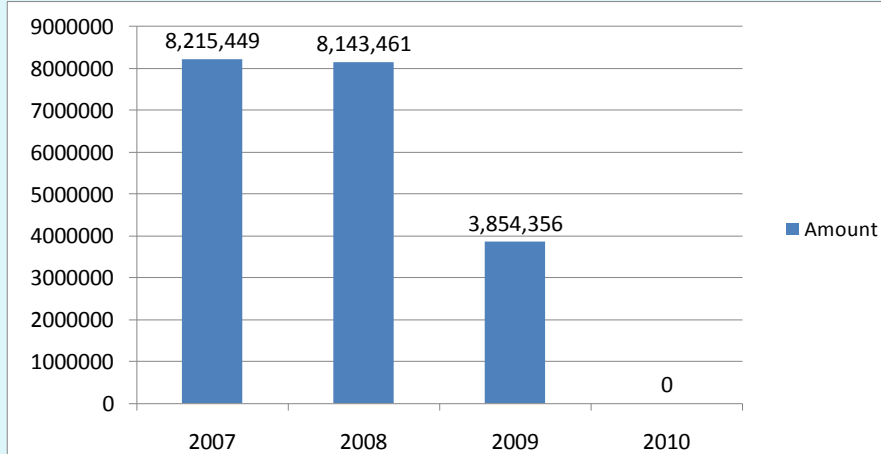
Local Sources

The Local Tax Levy appropriated by the District for FY 2009-10 remained at its FY 2008-09 levels of \$100,213,286. Historically, from 2006-07 to 2008-09, the district raised its Local Tax Levy by the aggregate total of \$20,213,266. Local Tax Levy represents 10.1% of all revenues received by the District. The following charts highlight a historical analysis of the Local Tax Levy:

NEWARK PUBLIC SCHOOL PROPERTY TAXES TEN YEAR ANALYSIS

YEAR	PROPERTY TAXES	INCREASE AMT.
2001	80,000,000	-
2002	80,000,000	-
2003	80,000,000	-
2004	80,000,000	-
2005	80,000,000	-
2006	80,000,000	-
2007	88,215,449	8,215,449
2008	96,358,910	8,143,461
2009	100,213,266	3,854,356
2010	100,213,266	-
TOTAL INCREASE		20,213,266

Tax Levy Increase Comparison



The total Tax Levy of \$100,213,266 for school operating purposes cost the average taxpayer \$9.10 per \$1,000 of home assessed value. For example, a home with an assessed value of \$175,000 or \$200,000 would cost the average taxpayer \$1,594 or \$1,822, respectively.

Federal-Local

Semi-Medicaid proposed for FY 2009-10 is \$1,448,522, which represents a \$498,522 increase over FY 2008-09.

Special Revenue Contribution to The Blended Resource Fund

Special Revenue Contribution to the Operating Budget for FY 2009-10 is \$21,808,288 which represents an increase of \$3,000,000 over FY 2008-09. The increase is the result of anticipated increases in Title I funding as a result of the increase in the number of lunch applications collected and processed.

Fund Balance Analysis

The District appropriated \$23.9 million in Fund Balance for FY 2009-10, which represents no increase over FY 2008-09. With the appropriation of \$23,938,400 of fund balance for FY 2009-10, the District anticipates that its remaining fund balance at the end of FY 2008-09 will only be \$3,449,630, which represents .4% of the General Fund Operating Budget. State guidelines recommend that districts have a fund balance level of 2% of their General Fund Operating Budget. The District anticipates a \$20.5 million fund balance shortfall in FY 2010-11.

Fund Balance Analysis

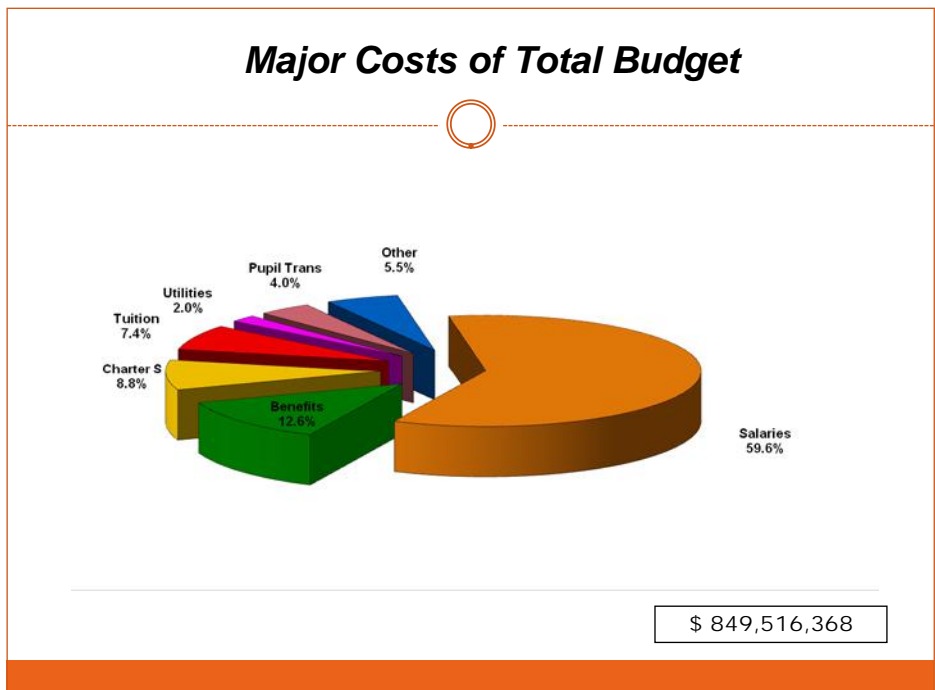
	<u>06-07</u>	<u>07-08</u>	<u>08-09</u>	<u>09-10</u>
Beg Bal	37,196,395	29,910,924	41,326,430	27,388,030
Additional	4,361,521	11,415,506	10,000,000	
Used to balance the budget	-24,000,000	-15,500,000	-23,938,400	-23,938,400
Adjustment to Actual	12,353,008	15,500,000		
Ending Bal	29,910,924	41,326,430	27,388,030	3,449,630

Expenditures

Total Operating Budgeted Expenditures for FY 2009-10 is \$849,516,368. The major costs are reflected in the charts below:

Major Costs of Total Budget

Salaries	\$ 507,689,285
Health & Employee Benefits	106,869,708
Charter Schools	74,914,336
Tuition	62,545,613
Utilities	16,906,547
Pupil Transportation	34,147,878
Other	<u>46,443,001</u>
Total Operating Budget	\$ 849,516,368



Major Cost Increases

Major cost increases facing the District are as follows:

Summary of Anticipated Major Cost Increases and Revenue Reductions

Categories	Amounts
Salaries	\$ 14,969,392
New Park School	6,462,424
Charter Schools	13,934,135
New Initiatives/Educational Programs	2,750,000
Upgrade of Student Information System	1,000,000
Employees no longer funded by Grant	998,221
General Fund Revenue Reductions	3,732,475
TOTAL	\$ 43,846,647

Salaries for FY 2010 may increase by \$14,969,392 based upon negotiated and anticipated contracts. The current economic conditions will warrant the different approach to the financial provisions of contracts, affecting unaffiliated personnel as well as union members. Union contracts for the teachers (Newark Teachers Union) and administrators (City Association of Supervisors and Administrators) expire on June 30, 2009. The District reduced 372.5 instructional/support positions from its budget for 2009-10.

The District appropriated \$6.4 million for the New Park School that is scheduled to open in September 2009. In past years, the District received additional State Aid to open a new facility. Since the School Funding Reform Act was enacted in 2008, the State will no longer provide districts with funds to open new schools.

Charter Schools' costs increased to \$74,914,336 for FY 2009-10 over \$62,964,122 in FY 2008-09 as a result of their enrollment that continues to grow. The \$74,914,336 represents a \$13,934,135 million increase over FY 2008-09. In FY 2008-09, the State provided the District with an additional \$11.9 million to cover the increase, but the District did not receive any additional funding this year. Charter School enrollments are increasing from 4,579 to 5,660. A schedule of Charter School projected enrollment and cost for FY 2009-10 are as follows:

RESIDENT STUDENTS ATTENDING CHARTER SCHOOLS FY 2009-2010							
CHARTER SCHOOLS	Grades	2009-10 Proj	2008-09 Actual	Diff +/-	2009-10 Proj Enroll	2008-09 Actual Enroll	Diff +/-
Adelaide L. Sanford	K-5	2,824,589	2,206,393	618,196	227	177	50
Pride Academy	K-8	784,494	881,561	(97,067)	53	64	-11
Newark Educators	K-5	2,120,749	-	2,120,749	200	0	200
Central Jersey	K-5	29,090	24,518	4,572	1	1	0
Hoboken Charter	K-12	98,945	90,370	8,575	6	6	0
East Orange Community	K-5	807,252	767,741	39,511	56	56	0
Elysian Charter of Hoboken	K-5	29,090	24,518	4,572	1	1	0
University Heights	K-5	2,826,897	2,919,165	(92,268)	199	212	-13
New Horizons Comm.	K-5	6,518,110	6,242,612	275,498	474	454	20
Gray Charter School	K-8	3,905,000	3,650,930	254,070	311	295	16
Marion P. Thomas	K-8	7,239,389	6,333,614	905,775	540	470	70
Robert Treat Academy	K-8	6,795,655	5,653,104	1,142,551	545	450	95
No. Star Academy	K-12	13,487,268	10,219,480	3,267,788	1005	766	239
Greater Newark CS	K-8	2,358,462	2,271,331	87,131	176	163	13
Lady Liberty Academy	K-8	5,720,111	5,522,160	197,951	436	420	16
Team Academy	K-12	14,647,657	10,532,045	4,115,612	1060	760	300
Paterson Charter School	K-12	8,790	10,157	(1,367)	1	1	0
Jersey City Comm.	K-8	45,115	55,765	(10,650)	3	4	-1
Maria L. Varisco-Rogers	K-8	3,642,842	2,477,946	1,164,896	290	201	89
Unity Charter School	K-5	17,943	27,883	(9,940)	1	2	-1
Liberty Academy Charter School	K-5	-	13,942	(13,942)	0	1	-1
Discovery	K-8	1,006,888	1,054,966	(48,078)	75	75	0
Total Charter Schools		74,914,336	60,980,201	13,934,135	5,660	4,579	1081
						\$849,516,368	

Moving Forward

The District appropriated \$2,750,000 to undertake a number of initiatives to create a system of high-performing schools with effective and accountable professionals. We will need to focus major attention on six key priorities between now and 2013: stronger high schools; stronger middle grades; more access to quality early education; highly effective teachers and principals; effective and accountable central office; and stronger, accountable community partnerships and supports for children.

In building a system of great schools, Newark needs to raise expectations. Our top schools need to compete with the best schools in the world – because our students will need to compete globally. These schools will also serve as inspirational models for all schools. A new classification of schools has been developed to guide our efforts.

1. International Knowledge-Based Schools
2. High Performing Schools
3. Rapidly Improving Schools
4. Consistently Struggling Schools
5. Consistently Failing Schools

Our goal is to have all schools in the top three tiers within four years. The highest category represents those schools that consistently offer their students a world-class education. The next two tiers encompass consistently high-performing schools and those on their way to high performance. For schools in the bottom two categories, we will be taking aggressive action to raise their performance.

This system of great schools compels us to think about how we are currently structured, and how we need to be restructured to provide maximum support for student learning. For example, we are currently structured in five School Leadership Teams (SLTs) with the high schools in a separate silo. However, teachers and administrators at all levels must have a clear understanding of student knowledge and skills at each of those levels. If pre-K teams do not understand what kindergarten and first grade children need to know and be able to

do, the curriculum might not prepare them adequately for early success. If middle grades (grades 6-8) do not understand the skills and knowledge ninth graders need, they might not design academic supports to help students avoid remediation in high school. By structurally removing the high school silo, we support the concept that educating students along the Pre-K-12 continuum becomes the job of *every* teacher and administrator. Knowing there is universal agreement that the challenges facing our high schools begin before high school it compels us to change. In most of our comprehensive high schools, entering ninth grade students in this school year, 2008-2009, three out of four students were not proficient in math.

We will use multiple strategies in support of transforming schools, including the creation of K-8 magnet schools in the arts, foreign language, science and technology; creating single gender schools; opening additional magnet high schools (for example, a second Science Park); and other theme-based 6-12 schools such as an Early College High School. (A description of the Early College High School concept is appended.)

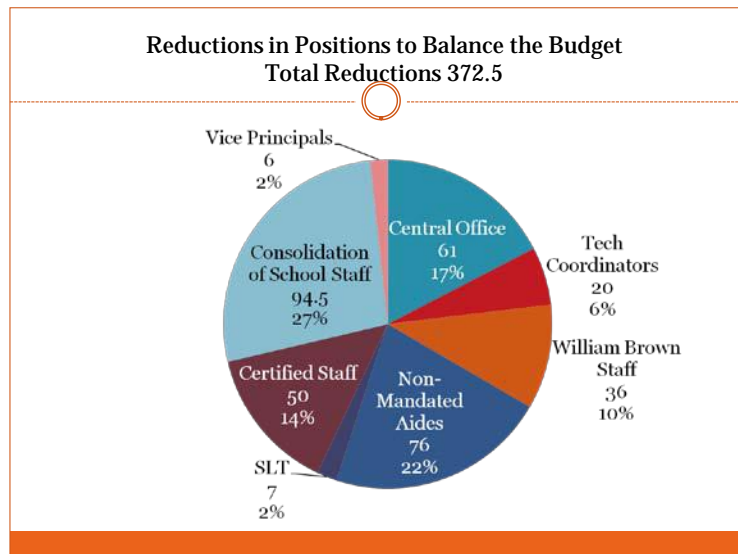
The District's Student Information System is outdated and will no longer be supported by the software vendor. The upgrade of the system is anticipated to cost approximately \$1,000,000.

Approximately four years ago the District received the Safe Schools/Healthy Students grant of approximately \$8,000,000. Various resources were needed and staff hired to facilitate the implementation of the grant. On September 30, 2009, the grant will expire, however the services supported by the grant are valuable to the District. To continue these services, the District must absorb the 13 staff members funded by the grant at a cost of \$998,221.

Budget Reductions

With a net decrease of approximately \$3.7 million in Operating Budget Revenues coupled with increased costs of approximately \$44 million, the district had to make difficult choices to balance its budget. The administrative and expenditure reductions consisted of the closing and consolidation of schools, reassignment and elimination of staff positions and modifications in the Extended School Day Program. The District reduced 372.5 positions from its budget as compared to FY 2008-09. In an effort to ensure academic and fiscal accountability, the Newark Public Schools made a series of administrative and financial modifications to close the budget gap. Some of the modifications include:

- Reassigning 50 certified non-classroom Central Office personnel to address classroom vacancies.
- Eliminating 61 Central Office positions to increase efficiency.
- Reducing costs through school closings and consolidation. Closing two academically failing schools and reopening one (Wm. Brown Academy) as new school in SY 2010-11.
- Reducing costs through the elimination of 20 Technology Coordinator positions from 71 to 51 positions. The redistribution of the remaining coordinators will be based on enrollment. The 10 of the lowest enrolled schools will share the Technology Coordinators. There will be no school without a Technology Coordinator.



The Central Office reduction in force (RIF) will be effective July 1, 2009. It is estimated that approximately 61 positions will be eliminated at a cost savings of approximately \$3.6M. As of the date of this report, due to declared retirements the district actual layoff number will only be 51. However, this number of layoffs will continue to decline due to separations as a result of retirements and resignations. The RIF will be applied to all departments, titles and unions currently assigned to the Central Office. These 61 positions are 17% of the total number of positions affected by the cost reductions proposed for the FY 2009-10 budgets. The District has eight unions and must honor the rules outlined in its collective bargaining agreements it is also governed by Seniority and Civil Service rules which are managed by the Civil Service Commission (CSC).

During the RIF all hiring will be frozen. The number of positions to be included in the RIF will be reduced by the number of retirements or separations that occur before or on June 30, 2009. All temporary or provisional positions will be vacated prior to the implementation of the RIF. All unions are to be notified by the District in writing that a RIF may occur. The titles selected will be determined using the following criteria:

- Services provided by the department (direct/indirect to schools)
- Number of positions within the department
- Number of same title positions within the department
- Level of positions selected (equity)
- Recommendations of Supervisory/Managerial staff
- Impact RIF will have on the department's ability to continue providing service

Once the titles have been selected district staff will determine the employee with the least amount of seniority within the title and submit the list of names to the CSC. CSC will then notify the District of the employees' bumping rights and permanency within other titles. This bumping will occur until the employee who has no other permanency is determined. This employee will then be notified that they will be subject to the RIF effective June 30, 2009. The employee is entitled to 45 days notice.

SY 2009-2010 Budget Full-Time Employees (FTEs) Reductions

Reductions	FTEs	Amounts
Reassignment of Certificated Non-Classroom Staff – Staff currently assigned outside classrooms will be reassigned to address classroom vacancies in hard to fill areas	(50.0)	(\$4,692,018)
Consolidation of School-Based Staff as a result of Reconciliations and Budget Reviews. Reduction of school staff due to declining enrollment	(94.5)	(\$4,144,559)
Consolidation of an SLT- District proposes a reduction to 4 K-12 SLTs	(7.0)	(\$ 594,076)
Reduction in Vice Principals- New district model developed to address equity and allocate VPs based upon student enrollment and need	(6.0)	(\$ 687,950)
Central Office Positions- Reduction in support and administrative costs	(61.0)	(\$3,648,208)
Reduction and Reassignment of Elementary Tech Coordinators – Elementary Schools with smaller enrollments will share a position. Staff to be reassigned to classrooms	(20.0)	(\$1,181,129)
Closing of Vailsburg - Final stage of the restructuring plan for West Ward Schools	(22.0)	(\$1,611,997)
Consolidation of William Brown – Based upon criteria for closing/consolidating schools	(36.0)	(\$3,595,526)
Reductions in Non-Salary Costs - Budget for FY 2009-10 provided based upon historical expenditures		(\$12,303,817)
Non-Mandated Aides – Reductions to comply with state regulations. Individuals will be Grant Funded and be reassigned to address Special Education Needs	(76.0)	(\$2,174,940)
Reductions in After School Program –Reduction in number of weeks and hours of program		(\$1,067,163)
Reduction in Consultants – As a result of those services proven to be ineffective and inefficient		(\$916,757)
Food Service Reduction – Improved Lunch Application Collection, Processing and Accountability		(\$3,000,000)
Reduction in Benefits – As a result of reduced Full Time Employees (FTEs)		(\$3,109,507)
State Facilities Tuition		(\$500,000)
Equipment		(\$50,000)
Instructional Improvement – Science		(\$150,000)
Leases – Termination of the CHAD building lease		(\$419,000)
TOTAL	(372.5)	(\$43,846,647)

School Closings/Consolidations

The District will be closing Vailsburg Middle (currently located at Ivy Hill School) at the end of FY 2008-09 as the final stage of the restructuring plan for the West Ward schools. The cost saving for closing Vailsburg Middle School is \$1,611,997.

As part of its mission, core values and key commitments, the District must address the issue of low performing schools that continuously failed to meet Adequate Yearly Progress (AYP). A typology and treatment plan has been developed. One of the treatment plans includes the closing/consolidation of a low performing school. The district developed and used the following criteria to determine schools to receive this treatment:

1. Academic Performance - Failure to make Adequate Yearly Progress (AYP)
2. Enrollment of Failing School and Capacity of Performing Receiving School(s)
3. Physical Conditions of Facilities
4. Proximity to Performing Receiving Schools

Based upon the above criteria, William Brown Academy was selected for closing/consolidation in FY 2009-10. The school was operating at 34% of its physical capacity (i.e., building capacity for 1000 students with an actual enrollment of 280). It had failed to make AYP for six years. For SY 2007 – 2008 NJ ASK data in Language Arts Literacy, there were 66 students who scored between 185 and 199; and there were 167 students who scored between 100 and 180 in Language Arts Literacy (LAL). The passing score for proficiency is 200-249; advanced proficient is 250 to 300.

For SY 2007 – 2008 NJ ASK data in Mathematics, there were 39 students who scored between 185 and 199; and there were 211 who scored between 100 and 180 in Mathematics. The passing score for proficiency is 200-249; advanced proficient is 250 to 300.

The school is over 100 years old and in need of major renovations. Such renovations included the exterior façade requires extensive waterproofing; the playground surface is in severe condition as a result of sub-surface drainage issues; the roof replacement required two major roof sections; and both boilers need to be replaced.

The consolidation of William Brown Academy will result in the students being provided with a limited choice to attend a higher performing school. Transportation may be provided to students from William Brown Academy to selected schools of choice. The net cost saving by consolidating William Brown Academy is \$3,595,526.

During the following year (2010-2011), Belmont-Runyon will become the campus of Clinton Avenue School and William H. Brown Academy; Belmont-Runyon will become a Visual and Performing Arts magnet K-8 school.

We have identified Cambridge Education, an internationally renowned organization that specializes in helping schools identify their strengths and weaknesses and develop customized improvement plans, as a strategic partner to conduct school reviews in *every* school. Cambridge has worked in districts in America and around the world. They are intimately familiar with the content and classroom practices of teachers in a variety of settings.

On the basis of the reviews, Cambridge will be able to assess schools using the new typology and help individual schools develop strategies that will move them into one of the top three tiers. The district will be able to take the information from the reviews to identify schools that have similar needs, and then be able to identify the best partners (e.g., universities, educational organizations, community-based organization, charter schools) who can best serve those needs in the most cost-effective manner.

Non-Salary Costs

Non-Salary costs consist of those expenditures that are not directly tied to the salaries and benefits of full-time employees. The District developed its budget model for FY 2009-10 that provided schools and locations budgeted amounts based upon their actual expenditures in the prior two years. As a result of prior year actual expenditures the District reduced non-salary costs for FY 2009-10 by \$6.5 million and \$5.8 million in schools and central office, respectively.

Extended School Day/After School Program

The District currently serves approximately 4,875 students and participants in the Extended School Day/After School Program. The Extended School Day/After School program currently operates a 3-6 pm program at 58 school sites and a 6-9 pm program at 37 sites. The Extended Day/After School Program also operates a summer program which will not be affected by any changes in FY 2009-10.

The changes in the 3-6 pm program will include the reduction of 17 staff members using the 25 to 1 student to staff ratio. Additional savings were also realized by providing a two sessions to allow coordination with the District's New Jersey Assessment and Knowledge (NJ ASK) After school tutoring that occurs in March and April. It is anticipated that the two sessions will reduce the operation of the Extended School Day/After School Program by four (4) weeks or 90 hours of operation.

The two-month session designated as the NJ ASK prep program will be devoted solely to instruction. Students who are enrolled in the program will begin with a nutritional snack, followed by two and a half hours of instruction. The program will be school-based for optimum efficiency, and will contain instructional sessions that are student-focused and data-driven. Special emphasis will be directed toward preparing students in grades 2 to 8 for the NJ ASK. However, grades 1 and 2 will also receive instructional programs during that time.

Writing, language arts literacy, science and technology, across the content areas, will comprise the key areas. Principals will work closely with the program to ensure that the content addresses students' needs. Coaches and teachers will be selected based upon their skills in the various disciplines.

The changes in the 6-9 pm program will include the reduction of three staff members based upon the number of participants. The 6-9 pm program, which currently operates from Monday thru Thursday, will be reduced by one hour on Monday through Wednesday to 6-8 pm and remain the same for Thursday.

The chart below reflects the comparison of the current program and the proposed changes. (Additional detailed information on the Extended School Day/After School program is appended.)

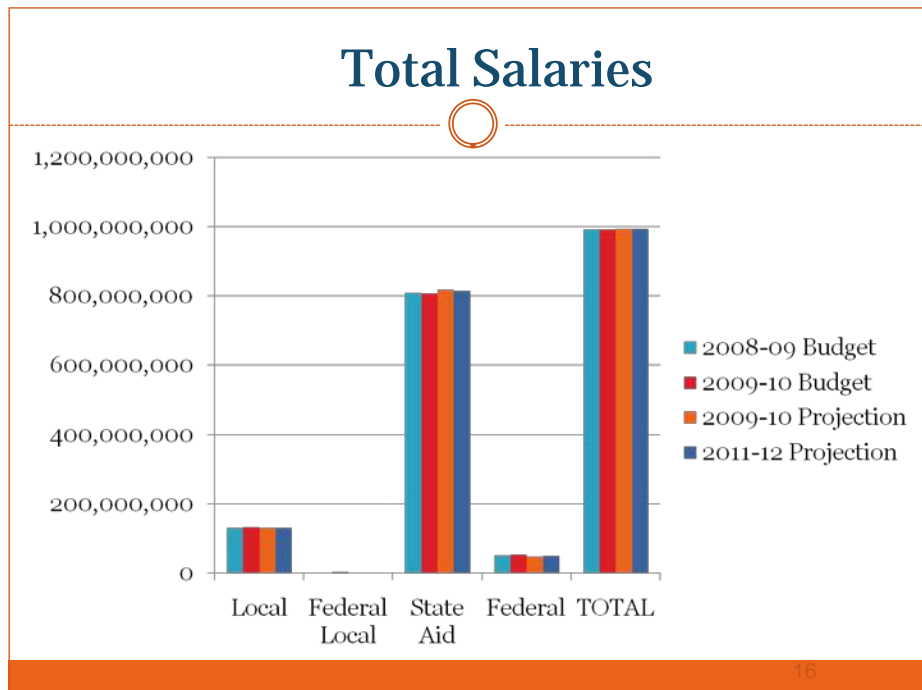
Extended Day/After School Program					
Description	# of Locations	Staff FTEs	Weeks	Total Hours	Comments
<u>3-6 pm Program</u>					
Current	58	186	33	480	
FY 2009-10	58	169	26	390	Split Session Oct-Feb May-June
<u>6-9 pm Program</u>					
Current	37	44	33	396	
FY 2009-10	37	41	28	252	Change Hours M-W 6-8pm Th 6-9pm

Financial Summary Comparison and Projections

The budget is developed within the fiscal 2009-10 budget guidelines issued by the New Jersey Department of Education. The budget is organized by funds with a self-balancing set of accounts. The total revenue for all funds for the school district is \$991,952,699 with projected revenues through FY 2010-2012.

Summary of All Funds – Revenues

	2008-09 Budget	2009-10 Budget	2010-11 Projection	2011-12 Projection
Revenues:				
Local	131,049,684	131,049,684	131,119,815	130,288,687
Federal Local	950,000	1,448,522	950,000	950,000
State Aid	809,533,846	808,126,181	814,801,673	814,801,673
Federal	51,328,312	51,328,312	47,686,049	48,948,127
TOTAL	\$992,861,842	\$991,952,699	\$994,557,537	\$994,988,487



Budget Comparisons and Projections for 2008-2012

*The district will address FY 2010-11 projected revenue deficit by either appropriating additional fund balance, if available or assessing the efficiency of all current programs, services, and staff and making the required reductions to balance its budget. All New Jersey school districts are required to submit annual budgets that reflect sufficient revenues to offset total appropriations.

	2008-09 Current	2009-10 Budget	2010-11 Projection	2011-12 Projection
Revenue:				
Local Tax Levy	100,213,266	100,213,266	104,221,797	108,390,669
Tuition	1,007,444	1,007,444	1,007,444	1,007,444
Unrestricted Miscellaneous Revenue	5,890,574	5,890,574	5,890,574	5,890,574
State Aid	809,533,846	808,126,181	814,801,673	814,801,673
Medicaid Reimbursement	950,000	1,448,522	950,000	950,000
Federal Revenue	51,328,312	51,328,312	47,686,049	48,948,127
Total Revenue	\$ 968,923,442	\$ 968,014,299	\$ 974,557,537	\$ 979,988,487
Expenditures:				
Salaries	542,592,394	552,497,522	\$ 572,784,072	\$ 583,828,801
Employee Benefits	113,723,947	111,135,519	123,792,567	129,982,196
Purchased Services	196,993,986	197,833,313	221,032,611	226,815,000
Supplies	48,513,061	46,270,925	42,972,582	43,576,469
Other	5,317,483	3,742,454	4,654,629	4,411,570
Capital Outlay	3,488,749	2,558,630	2,451,252	2,328,742
Transfers	66,232,222	74,914,336	69,657,222	72,807,222
Total Expenditures	\$ 976,861,842	\$ 988,952,699	\$ 1,037,344,936	\$ 1,063,750,000
(Deficiency) excess of revenues (under) over expenditures *	\$ (7,938,400)	\$ (20,938,400)	\$ (62,787,400)	\$ (83,761,513)
Other financing sources (uses):				
Transfers in	-	-		
Transfers out - Enterprise Fund (Food Services)	(6,000,000)	(3,000,000)	(3,150,000)	(3,307,500)
Total other financing sources (uses)	\$ (6,000,000)	\$ (3,000,000)	\$ (3,150,000)	\$ (3,307,500)
Net change in fund balances	(13,938,400)	(23,938,400)	(65,937,400)	(87,069,013)
Beginning Fund Balance	41,326,430	27,388,030	3,449,630	(62,487,770)
Ending Fund Balance (Projected)	\$ 27,388,030	\$ 3,449,630	\$ (62,487,770)	\$ (149,556,783)

APPENDIX

Extended School Day/After School Program

The Extended School Day / After School Program serves children in grades 2-8, and children in grades 1-2, in the annexes from 3-6pm. This program which will operate for 28 weeks has an academic and recreational component from Monday through Thursday. The chart below denotes a six year historical schedule of operations.

School Year	Start Date	End Date	# of Weeks
2003-2004	10.06.03	06.18.04	33
2004-2005	10.04.04	06.17.05	34
2005-2006	10.03.05	06.16.09	35
2006-2007	10.02.06	06.15.07	33
2007-2008	10.01.07	06.13.08	35
2008-2009	10.06.08	06.12.09	32

3:00-3:30 p.m. – Nutritional Snack 3:30 p.m. – 4:30 p.m. – Recreational Component 4:30 p.m. – 6:00 p.m. – Instructional Component Measuring Up Workbooks: grades 3-8, LAL and Math

School Year	Start Date	End Date	# of Weeks
2009-2010	Session 1 10.05.09	02.26.10	20
2009-2010	Session 2 04.26.10	06.18.10	8
		Total number of weeks 28	

School Based-School Funded After School Program Intercession NJ ASK Preparation Monday, March 1, 2010 to Friday, April 23, 2010

This will be a school-based, school funded **complete academic** program. This extended time for an instructional program will focus on the preparation for the NJASK test, as well as the content areas in Language Arts-Literacy, Mathematics, Writing and Science. There will also be an infusion of technology with schools utilizing the computer lab on a rotating basis. The program will support the achievement needs of all students and all proficiency levels. This structure will also provide for the continuity of instruction and the alignment of the school day program with the after school program.

The seven-week session will feature a complete instructional program for grades two through eight as well as the first and second graders in the district's Annex facilities. The goal of the session is to increase instructional time thereby increasing student achievement.

Prior to the start of the instructional phase, students will be provided with a nutritional snack. After the meal participants will take part in various workshops which will include three forms of writing (speculative, narrative and persuasive); mathematics; science (grades four and eight); and a computer lab to support academic components via rotating groups such as Study Island, Compass Learning, Connected Math Online, and computer programs available at the school.

The format of the sessions will allow principals to utilize coaches and lead teachers to assess the needs of students in the content areas. In addition, the following structure will help to enhance the overall learning process:

- Students will remain in the program for the academic year and will be grouped according to specific skill needs,
- Teachers will be matched according to their experience with the selected grade levels,

- The school day curriculum will be aligned to the After School program,
- Programs will have a continuity for day-to-day instruction,
- Academic enrichment lessons will be provided for advanced proficient students

This is the recommended schedule:

Program – Intersession/School based-School Funded NJ ASK

<p>3:00-3:30 p.m. – Nutritional Snack</p> <p>3:30-6:00 p.m. – Academics (150 minutes)</p> <ul style="list-style-type: none"> • Writing Workshop Component – (e.g. NJ ASK, speculative, narrative, persuasive writing) • Language Arts Literacy • Mathematics • Science (grades 4 and 8) • Computer lab will be utilized to support academic components by rotating groups. e.g., Study Island, Compass Learning, Connected Math Online, computer programs available at the school.

The Early College High School

One of the challenges that must be faced during tough fiscal times is how to impact student performance creatively and responsively and still maintain financial accountability. In September 2009, the district will open the doors of the Early College High School (ECHS) for 6th grade students. It is a program designed to raise the academic performance and goals of students who may not envision college as a future option.

The mission of the ECHS program, in conjunction with higher education and community partners, is to successfully prepare students to complete an associate’s degree, or, two years toward a four year degree, while they are still in high school. Because of this mission, planning in collaboration with college partners is crucial to ECHS. Backward mapping of the curriculum and early exposure to campus life and course work are two innovative features that separate ECHS from an ordinary high school experience. Collaboration with the Newark ECHS includes the Woodrow Wilson Foundation, in an advisory capacity, as well as Essex County College and Rutgers University as higher education partners.

The key academic component is an aggressively rigorous course sequence for students beginning in grade 6, combined with an affective support system that will enable the goal of reaching beyond a high school diploma toward a college degree. Nationally, Early College High Schools are effective because of requirements not found in a traditional high school: mandatory summer studies, extended academic days, Saturday classes, advisory programs, and, teachers trained in rigor/relevant instructional strategies.

All student populations (i.e., General Education, Special Needs Inclusion, and English Language Learners) are eligible for the program.

“Changing hearts and minds to value education” is exemplified by the core principles of the Early College High School movement, which includes 200 schools nationwide.

Frequently Asked Questions

1. **What cost saving measures has the district undertaken?**

Answer: The Newark Public Schools made a series of administrative and financial modifications to close the budget gap. Some of the modifications include:

- \$4.7 million - Reassigning 50 certified non-classroom Central Office personnel to address classroom vacancies.
- \$3.6 million - Eliminating 61 Central Office positions to increase efficiency.
- \$5.2 million - Reducing costs through school consolidation and reconstitution. Closing one to two academically failing schools and reopening them as new schools in SY 2010-11.
- \$1 million - Reducing After-School Program costs which will not impact the quality of service and will serve the same number of students.
- \$600,000 - Eliminating a School Leadership Team (SLT) with a reduction of seven positions.
- \$1.2 million - Reducing costs through the elimination of 20 Technology Coordinator positions. Redistribution of remaining coordinators based on enrollment.
- \$3.0 million - Reducing costs in Food Services as a result of improved lunch applications.

2. What are the estimates for operating cost savings for closing schools based on?

Answer: Reduction in staff due to the elimination of positions.

3. When schools close will class size increase at other locations?

Answer: Class size will increase but will not go beyond the recommended State guidelines.

4. What factors were considered for the elimination of Wm. Brown Academy?

Answer: In looking at the closing of Wm. Brown Academy, the Newark Public Schools looked at enrollment, academic performance, the physical condition of the school, and the proximity of receiving schools. Wm. Brown Academy was at 34% of its capacity; it had failed to make Adequate Yearly Progress (AYP) for six years; the school is over 100 years old and in need of major renovations; and Wm. Brown Academy is in reasonable proximity of higher performing schools.

5. What are the next steps for informing the Wm. Brown Academy community?

Answer: A community meeting has been scheduled at Wm. Brown Academy on Wednesday, April 8, 2009 at 6:00 p.m. to discuss transition plans.

6. What will be different about Wm. Brown Academy once it reopens in one year?

Answer: Once closed, Wm. Brown Academy will no longer exist. In the 2010-11 school year, Belmont-Runyon will become a PreK-8 school serving students on three campuses: Clinton Avenue, Belmont-Runyon, and the physical space of the former Wm. Brown Academy. Belmont-Runyon will also be a Visual and Performing Arts magnet K-8 school.

7. What becomes of the staff and teachers when a school closes?

Answer: The certified staff will be moved to other schools where there are opening. Classified support staff may also be placed at other schools, depending on seniority and openings at other sites.

Frequently Asked Questions

8. How does the Newark Public Schools District define a high quality teacher and who makes that determination?

Answer: The term Highly Qualified Teacher was established under the No Child Left Behind Act (NCLB). To be deemed highly qualified, teachers must have: a bachelor's degree, full state certification or licensure, and prove that they know each subject they teach. NCLB requires states to measure the extent to which all students have highly qualified teachers, particularly minority and disadvantaged students; adopt goals and plans to ensure all teachers are highly qualified, and publicly report plans and progress in meeting teacher quality goals.

9. Can bond money be used to prevent school closures?

Answer: Bond money can only be used for the renovations and improvements allowable by law, not for the general operations of the school district.

10. What happens to special education, extended schools day services, and summer school programs when schools close?

Answer: Special education services such as speech therapy, occupational therapy, and adapted physical education are offered at all schools within the district. Therefore, when a student is assigned to a new school of residence, due to closure, identical services are provided at the newly assigned school.

Extended school day programs are offered at 58 sites from 3-6 p.m. and at 37 sites from 6-9 p.m. There will be ample space available for students who are reassigned to new schools due to a school closure.

Summer School and Summer Programs for SY 2009-10 have not been affected. School sites for summer school are identified in the spring each year. The sites are regional within each SLT and sending schools are assigned to those specific sites.



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