

WW-P Referendum – Frequently Asked Questions

Q. What is a referendum?

A. A referendum is a public vote on an election ballot that requests registered voters to decide on a particular question. The Board of Education voted 8-0 to bring forward the referendum question to the voters of West Windsor and Plainsboro for their consideration on November 6, 2018.

Q. Where can I learn more information about the referendum?

A. For more information about the referendum, please visit http://www.west-windsorplainsboro.k12.nj.us/about_us/referendum_2018

Q. Why is the school district asking the voters to support a referendum?

A. Due to current challenges of residential growth, necessary facility improvements, and classroom capacity needs (for current students), the referendum serves to maintain the excellence expected in our school community. The proposed referendum focuses upon four areas: 1) life safety, 2) air quality, 3) programmatic needs, and 4) short and near term enrollment growth.

Learn more by watching a comprehensive overview of the facility projects.

<https://www.youtube.com/watch?v=REHWD8fgKKc>

Q. Is residential growth occurring in WW-P?

A. Enrollment growth in WWP is undeniable. Recently, the West Windsor Council settled its court case with Fair Share Housing by submitting a plan to meet the township's affordable housing obligation. While the agreement provides for 1,500 affordable housing units, the net impact in West Windsor is over 3600 residential units of which over 3,100 have the potential of sending school age children. There are also 498 approved residential growth units in Plainsboro. Therefore, the district can anticipate the growth of approximately 1,800 students out of 3,600 residential units (combined between WW and Plainsboro) over the next three to ten years.

Q. Which schools will be impacted by the referendum?

A. All schools will have a positive impact by the referendum. While five schools will receive additions, all schools will receive rehabilitation or renovation projects. A complete list of projects can be found at <http://www.west-windsor-plainsboro.k12.nj.us/common/pages/DisplayFile.aspx?itemId=48774769>

Q. How much will the referendum cost taxpayers?

A. There is a ZERO tax impact on the debt portion of the budget. This is accomplished through several mechanisms:

1. Expiring debt. In 2022, 2026, and 2028 debt will be expiring from prior referendum votes to expand and rehabilitate/renovate district facilities.
2. State Aid. Eligible referendum projects are funded at 40% state aid. Eligible projects in this referendum total \$64 million, of which the state will contribute \$25.7 million toward the total value of the projects. This aid is provided proportionally over 20 years.

3. Capital Reserves. The district will utilize capital reserve funds on hand to cover monies above the existing debt payment of \$7.7 million. Therefore, the debt payment out of the general fund will not increase and the capital reserves will be drawn down to pay for facility projects identified in the referendum.

Q. Why were funds available in capital reserves?

A. The school district has demonstrated financial prudence and fiscal excellence, which is demonstrated by receiving the NJASBO Certificate of Excellence for the past ten years. The district's ability to maintain and leverage reserve dollars is a key component of the recognition. Of most value to the community, these reserves have allowed the district to benefit with a AAA bond rating. This bond rating allows the district to take advantage of lower interest rates on our debt. Each year as a component of the budget process, the Board of Education must determine what to do should excess funds be available from the prior year's budget. Under state law, there are two acceptable determinations. The district can provide all monies back through tax relief, utilize monies for capital reserve projects, or a combination of the two choices.

Q. How much does the school district have in capital reserve accounts?

A. Money deposited in capital reserve comes from economies found in the annual budget. After accounting for funds allocated to current projects there is \$16.5 million available for referendum payments.

Q. Why now? Why not after 2022 when current debt expires?

A. There are school capacity and facility needs that are immediate. Further, we have been able to secure \$25.77 million in State Debt Service aid available if we go to referendum. Facility repairs are needed immediately. Elective course offerings to high school students have been limited by room availability. Enrollment and residential growth is occurring. The needs are well documented, and the growth is imminent. The goal of the referendum is to build the facilities to address the needs of today and the growth of tomorrow while simultaneously being respectful and mindful of the tax impact on our community. To maintain a stable debt service tax rate and avoid a "yo-yo" affect, the funding must be in place before the debt expires.

Q. Why are these the projects and why is this the plan?

A. Facility needs have been reviewed for the past four years. There have been multiple projects considered. Presentations have been ongoing throughout this time as the Board of Education reviewed school needs and residential growth. Current enrollment trends were considered through the review of both a demographic and a capacity study. Therefore, projects were selected based upon justified residential growth and enrollment trends existing in our schools today. The NJ Supreme Court ruling on affordable housing and the settlement agreement with WW Township and Fair Share Housing Committee solidifies the need and justifies the plan. Our community will see an additional 3600 residential units in West Windsor and 500 additional residential units in Plainsboro over the next five to ten years.

Q. Why are there no project details in the referendum question?

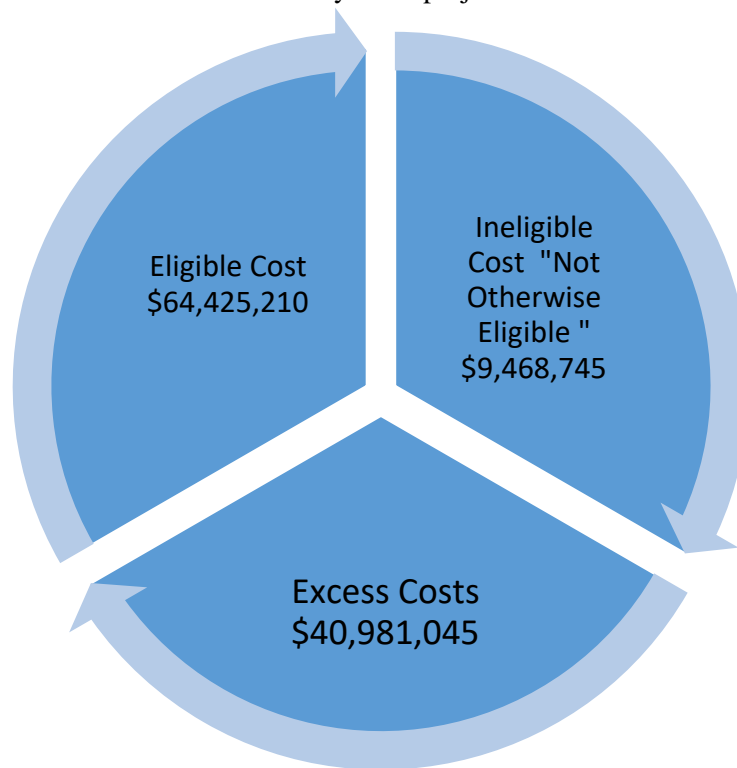
A. A referendum question is formulaic and only serves to outline components of the cost. Detailed plans have been submitted to the NJ Department of Education and the school district has received Final Eligible Cost determinations. These steps were required by the Board of Education prior to submitting the referendum question to the Board of Elections.

Q. How do you read the referendum question?

A. The referendum question is divided into two paragraphs. Paragraph #1 defines the total cost of the projects (rehabilitations/renovations/additions) for a total value of \$114,875,000. Paragraph #2 defines the “eligible projects” for state aid as determined by the facilities efficiency standards. This paragraph defines the state’s contribution towards the total cost of the referendum. The second paragraph only contains project costs based on the State’s formula of \$143 per sq./ft. for new construction or 40% of the cost of rehabilitation. Using this formula, the state has determined that it will contribute \$25.77 million or 22.5% of the total referendum.

Q. The referendum question does not add up to \$114,875,000? Why not?

A. The referendum question defines eligible and “not otherwise eligible” projects. There is a third component not identified in the referendum question. “Excess costs” are defined as the cost of the new construction greater than the state’s allowance of \$143 per square foot. The “excess costs” are not “excessive costs” but rather the difference between the state’s cost formula and today’s actual construction costs for the very same projects identified in the referendum.



1. Eligible Cost: projects the State will provide 40% debt service aid, renovations, Facilities Efficiency Standards (FES) Model

Eligible Costs: \$64,425,210

2. Ineligible Cost “Not Otherwise Eligible”: projects proposed that are in addition to Facilities Efficiency Standards (FES) Model

Ineligible Costs: \$9,468,745

3. Excess Cost: cost for new construction that exceeds the state allowance of \$143/sq. ft.

Excess Costs: \$40,981,045

Q. The breakdown of “excess” costs is confusing. Can you provide a different example to explain the costs?

A. Using the example of medical insurance, consider the concept of “reasonable and customary” charges. Hypothetically, consider that a doctor’s appointment costs \$100. Your insurance carrier pays 80% of all “reasonable and customary” costs. The insurance company has determined that a doctor’s appointment should cost \$80. As such, the insurance company will pay 80% of \$80 or \$64. Therefore, you are responsible for the \$16.00 plus the difference between \$80 and \$100 for a total of \$36.00. Remember the costs still represent one appointment. This is the same as the referendum. The \$41 million is the differential between the \$143 per square foot and the actual cost, which is closer to \$450 - \$500 per square foot. In the end, you are getting the same projects.

Q. Some community members have asserted that there is a “loophole” written into the referendum question that allows the transfer of money between projects.

A. There is no “loophole” in the referendum question. All projects identified in the referendum must be constructed. However, the exact cost of any one project cannot be determined until construction occurs. Some projects may come in under projected cost, while others may come in over. The referendum question allows for the transfer of funds between projects to ensure that all projects are built properly. However, the only projects that can be undertaken are ones approved by the State of NJ Department of Facilities, which are approved at the passage of the referendum.

Q. Can unexpended bond proceeds may be used for other projects?

A. No. Unexpended bond proceeds shall be used to pay down the principal portion of the debt service after completion of the project in accordance to N.J.A.C. 6A:26-4.6(c). Simply stated, unexpended funds pay off the bond and cannot be used for other projects or costs.

Q. Why are there 25 science classrooms built into the budget?

A. Student interests drive programmatic offerings. At High School South, science classrooms are at full capacity today. With residential growth coming, it is necessary to build classrooms at South that meet the student interests of today and the residential growth of tomorrow. At Grover Middle School and Community Middle School, there is a need to add science classrooms for residential growth as well as replace existing science classrooms that were never designed for science instruction. The goal is to ensure all students are educated in classrooms intended for science instruction and to ensure that the science curriculum can be fully delivered to all students.

Q. Why should the district invest in a dance studio at both high schools?

A. The school district engaged in a program review in Fine and Performing Arts. A recommendation of the program reviewed called for the growth of dance instruction at both high schools. Additionally, dance is the fourth component of a comprehensive arts program and is currently missing from our curriculum offerings. Students will be able to fulfill their fine and performing arts graduation requirement through dance instruction. Ultimately, student interest will drive the growth of the dance program.

Q. What data was reviewed to determine which projects were selected?

A. The district has completed a demographic study, a capacity study, and a facility review. Further, residential growth projects were considered based upon the affordable housing decisions.

Q. What factors have been driving the referendum? Have there been complaints about facility needs?

A. There are facility needs that are driving referendum projects, such as air quality concerns. There are over-crowding issues that affect class size and have limited course selection. Facility concerns have been raised regarding existing HVAC (Heating, Ventilation, and Air Conditioning) systems.

Q. Why did we get to the point where air quality is an issue?

A. The Heating, Ventilation, and Air Conditioning (HVAC) systems have been maintained over the years. However, after 25 years of use they are in need of replacement. While repairs have been ongoing, it is critical that we address HVAC needs at Millstone River, Wicoff, and High School North.

Q. Why ask for approval on items not eligible for state aid?

A. The State only pays for 40% of renovation projects and only 40% of \$143 per sq. ft. for new construction. The state's facilities model does not take into account any future growth or projects that are in addition to the square footage allowances within the model. Therefore, referendum projects will often include costs not fully covered by the state aid as such projects are narrowly defined.

Q. What was looked at as the alternative to building now?

A. Over the past several years, the district has taken actions to increase facilities through the utilization of capital reserve dollars. An addition was completed at Village in 2015 and is underway at Town Center and Maurice Hawk. Alternatives have been discussed over the past several years, but pressing concerns of facility capacity and residential growth are here and the district is at a tipping point. It is critical that facility needs are addressed in order to maintain the excellence that is demanded of our school community. As residential growth is being phased in, it is important to remember that the construction projects identified in the referendum will take 3 to 5 years to compete. Timing is important in order to ensure that the district is positioned to meet the residential growth and the student population that is surging within the district.

Q. Where can I see an in-person presentation to learn more about the referendum?

A. Upcoming Referendum Presentations:

GMS/HSS PTSA's - 10/25 @ 7:00pm-9:00pm @ GMS

Board of Education Meeting - 10/30 @ 7:30 - BOE Multipurpose Room

Village PTA - 10/30 @ 9:00 am

Referendum Presentation at BOE - 11/1 @ 7:00 pm - BOE Multipurpose Room