

# Community Solutions for the School Budget Crisis

A Resource-Optimized Model for District Stability

Bridging the Budget Gap through Community-Led Infrastructure  
& Shared Service Grants

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# Executive Summary

## A Resource-Optimized Model for District Stability

### *Bridging the Budget Gap through Community-Led Infrastructure & Shared Service Grants*

The district is [projecting a deficit of up to \\$15 million](#)<sup>[1]</sup> heading into 2026-2027, driven in large part by [health benefits expected to climb nearly 18%](#)<sup>[2]</sup>. The proposed response - [eliminating dozens of positions](#)<sup>[3]</sup>, outsourcing paraprofessionals, and shrinking instructional time - treats the budget as a closed system with no outside inputs.

It is not a closed system. The community possesses a surplus of specialized skills, labor, and capital that remains untapped due to legacy procurement constraints and outdated governance processes. This is not unique to our district - [schools across Essex County](#)<sup>[4]</sup> and [statewide](#)<sup>[5]</sup> face similar crises, driven in part by a state funding formula that requires local contributions to grow faster than the 2% tax cap allows. Groups like [West Orange Parents for Education](#)<sup>[6]</sup> are advocating for state-level reform to address the structural root cause. **This proposal focuses on what the community can do locally, right now**, regardless of what happens in Trenton.

**The core idea:** The community builds a **Community Exoskeleton** - a support structure around the district. PTAs, sports leagues, student volunteers, and community organizations absorb the functions they're equipped to handle: enrichment, athletics, photography, grounds maintenance, fundraising, grant writing. The district then focuses its limited budget on the things only a district can do - certified teachers, paraprofessional relationships, IEP compliance, and core instruction.

One person put these documents together in a few hours over a few days using modern tools. If one person can produce this much in that little time, imagine what a whole community can do. The expertise is already here - in healthcare, finance, law, athletics, technology, and education. It just needs coordination and an open door from the district.

This proposal outlines **cost-avoidance modules**, **structural reforms**, and **community partnership models**. The full document set is available on this site; a printed subset accompanies the board presentation.

## The Core Modules

### *Immediate Cost-Avoidance*

- 1. The Instructional Bridge Grant** - The PTA establishes a "Curriculum Preservation Fund" to cover the cost difference between the proposed 30-minute special area classes and the current 45-minute standard. Teachers remain district employees; only the funding source changes for the marginal 15 minutes. ([Precedent: Palo Alto PiE funds 250+ positions at ~\\$5.5M/year.](#)<sup>[7]</sup>)
- 2. The Open Image Project** - Replace outsourced school photography (e.g. Lifetouch) with a community-run, digital-first platform. The PTA captures revenue directly, eliminates third-party student data monetization, and generates a recurring funding stream to support Module 1.
- 3. Community Maintenance Layer** - Crowdsourced groundskeeping via volunteer SLAs, eliminating the contractor premium inflated by the [municipal gas blower ban](#)<sup>[8]</sup>.
- 4. Paraprofessional Retention** - Redirect savings from other modules to retain in-house special education staff. Outsourcing creates high turnover, wipes IEP institutional memory, and exposes the district to compensatory education lawsuits and costly out-of-district placements.

## ***Structural Reforms***

5. **Health Insurance Transparency** - Request broker compensation disclosure. Evaluate the NJ State Health Benefits Plan (which has saved SEHBP employers [\\$462.7 million statewide](#)<sup>[9]</sup> through Ch.44 reforms), health insurance consortiums, self-funding, and Direct Primary Care. The [Perth Amboy district missed \\$49M in savings](#)<sup>[10]</sup> due to broker conflicts. If our broker is paid a percentage of the premium, they have a conflict of interest that may be costing teachers their jobs.

6. **Open Governance Pilot** - Move the "grinding" - data gathering, vendor comparisons, community proposals - into a public, version-controlled repository. The board meeting becomes a Sprint Review for final approvals and community celebration, not a midnight marathon of repetitive 3-minute soundbites.

## ***Community Partnerships***

7. **Community Sports & Athletics** - Volunteer sports leagues can absorb athletic programs the district can no longer fund, through shared-use agreements, league-operated school teams, and high school students serving as junior coaches. This demonstrates the multi-organization exoskeleton model: the PTA handles enrichment, sports leagues handle athletics, and the district protects what only the district can do.

## **The Ask**

We are not asking the board to do more. We are asking the board to let the community do more. The exoskeleton is being built. We need:

- **Collaboration** - a Designated Liaison from the board to work with community groups between meetings, so we're not starting from zero every month
- **Transparency** - vendor contracts and broker commissions disclosed (via the attached RFI templates) so we can identify savings together
- **Willingness to shift** - if the community can absorb enrichment, athletics, and maintenance costs, redirect those savings to the positions we cannot replace: paraprofessionals, certified teachers, core instruction

The district does not need to take on the task of fleshing out these proposals. The community does - people with relevant expertise donating their time because their kids are in these schools. The board's role is to coordinate with us and accept the help.

## ***Additional Modules (on the full site)***

This executive summary covers the core proposals. The full document set includes additional modules on:

- **Energy & Facilities** - Solar PPAs that saved NJ districts millions
- **Cooperative Purchasing & Shared Services** - DCA SHARE grants, \$28M+ in documented savings
- **Community Grant Writing** - turning parent expertise into a permanent revenue pipeline
- **Regulatory Leverage** - NJ Best Practices checklist, banked tax levy cap, NJQSAC
- **Open Budget & Participatory Finance** - OpenCollective, participatory budgeting, budget visualization
- **Technical Design Plans** - platform architecture for developers and technical volunteers

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*Prepared by Rasmus Praestholm - West Orange parent, PTA member, and youth sports volunteer. These proposals are aspirational and represent one community member's research into options. No organizations have been committed, and no promises are made about outcomes. The goal is to start a conversation about what the community can do to help. Full site: [schools.siliconsaga.net](http://schools.siliconsaga.net)*

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# Module 1: The Instructional Bridge Grant

*Preserving Art & Library through Community-Sponsored Excellence*

## The Problem

The district proposes reducing elementary special area classes (Art, Library) from 45 minutes to 30 minutes. This may sound like a minor schedule adjustment, but the staffing implications are significant.

**The math:** If a teacher has 300 instructional minutes per day:

- At 45 minutes per class: ~6.6 classes covered
- At 30 minutes per class: ~10 classes covered

By trimming 15 minutes, the district gets 50% more throughput from each teacher, which enables reducing Art and Library staff. The community's question is whether there's a way to preserve the full 45 minutes without the district bearing the full cost.

## The Proposal: Grant-in-Aid Service Preservation

The PTA establishes a **Curriculum Preservation Fund** - a targeted grant to the district that funds the cost difference between the 30-minute state-compliant minimum and the 45-minute instructional standard.

### *How It Works*

1. The PTA (leveraging existing reserves and new fundraising) issues a restricted grant to the district
2. The grant is legally bound to fund only the 15-minute instructional gap for special area staff
3. Teachers remain **district employees** - no union, benefit, or liability complications
4. The district's General Fund sees relief; the community sees zero change in service

### *The Math*

The gap cost for each affected position:

$$C_{\text{gap}} = \text{Teacher Hourly Rate} \times 0.25 \text{ hours} \times \text{Total Sections per Day} \times \text{School Days}$$

This is a fraction of a full salary since we are funding only the marginal 15 minutes, not the full position.

### *Legal Considerations (New Jersey)*

The NJ "Thorough and Efficient" (T&E;) clause prohibits charging parents for core curriculum during the school day. The Bridge Grant avoids this by:

- Flowing funds through the PTA as a **grant to the district**, not a fee to parents
- Keeping instruction within the official school day under district supervision
- Preserving certified teacher delivery (not replacing with volunteers)

### *Alternative: The "After-School Lease" Model*

If the grant mechanism proves too slow for district procurement:

1. The district shortens the official school day (e.g. ending at 2:30 PM)

2. The PTA leases classroom space for \$1/year after the bell
3. The PTA directly contracts the same teachers for "Enrichment" programming
4. All students participate; paying families cover costs, PTA reserves cover the rest

The result: the same teachers, the same kids, the same classrooms - just funded differently. Staff stay employed, the district's books are balanced, and children don't notice a thing. Optional enrichment activities already happen after school.

### ***Union Alignment***

This model **protects union seniority** by keeping teachers as district employees (or, in the lease model, maintaining their employment relationship with a community organization). The teachers' union should be a strong ally here - their members keep their positions, and the funding source is the only thing that changes.

### ***Precedent: Palo Alto Partners in Education***

This is not hypothetical. [Palo Alto Partners in Education \(PiE\)](#)<sup>[7]</sup> raises approximately \$5.5 million per year and funds over 250 positions districtwide - art teachers, classroom aides, and elective classes. In 2002, the Palo Alto school board ruled that PTA-raised funds for extra staff must be centrally raised and evenly distributed to address equity concerns. Portland, Oregon [adopted a similar pooling model in the 1990s](#)<sup>[11]</sup>.

See Module 14: The PTA as Community Operating System for the full operational model using OpenCollective.

# Module 2: The Open Image Project

*Data & Revenue Reclamation through Community-Run School Photography*

## The Problem

The district contracts with vendors like Lifetouch/Shutterfly for school photography. These contracts are characterized by:

- **Low kickbacks** to the district relative to the vendor's markup
- **Third-party monetization** of student biometric data (facial images) / vendor retains copyright for pictures of *your* kid
- **Overpriced packages** that many families skip or resent
- **No digital originals** provided to families without premium payment (or simply not at all)

The district treats this as a minor convenience contract. It is actually a revenue leak and a data liability.

## The Proposal: Community-Owned Digital Photography

The PTA takes over school photography using volunteer photographers (parents who are professionals or skilled hobbyists) and a simple digital distribution platform.

### *How It Works*

1. **Volunteer photographers** execute Picture Day, coordinated through a scheduling platform. QR code flyers go home in every student's bag.
2. **Digital originals** are available to families for a modest PTA donation -- significantly less than Lifetouch packages, with every dollar going back to the school (via the PTA) rather than a national corporation.
3. **Prints as desired** Families who want prints take their digitals to any print service they choose. No predatory upselling, no locked-in vendor packages.
4. The School/PTA captures **100% of the donation** with no vendor middleman.

### *Revenue Model: Photos as Fundraiser*

This isn't a photo business - it's a fundraiser with a clear purpose. The pitch to parents: "Every dollar you spend on school photos goes directly to keeping teachers in the building."

The model borrows from what some PTAs already do with membership fees: a suggested donation covers your family's photos, and an optional second contribution sponsors photos for a family that can't afford it. No child goes without a school photo, and no parent is pressured into a \$50+ package they don't want.

The actual donation amount depends on the district's enrollment and the current vendor contract terms (obtainable via RFI Template A). The key principle: when the middleman is gone, the community keeps revenue that currently flows to a corporation - and that revenue funds the Instructional Bridge Grant.

### *Data Sovereignty*

The community-run platform includes an explicit privacy guarantee:

*"Data persistence is localized to the district. No student biometric data is hashed, sold, or used for third-party AI training or marketing."*

This is a significant selling point for privacy-conscious families **and** a liability reduction for the board. Most districts have not audited what Lifetouch does with student facial data.

### ***The Platform***

The digital distribution platform can be built rapidly using modern tools:

- Privacy-first architecture with local data storage
- Simple upload, browse, and download workflow
- Payment processing for the optional donation
- No student data leaves the district's control

This serves as a proof-of-concept for the broader coordination platform - demonstrating that "the community is the platform."

### ***What We Need from the Board***

1. The current Lifetouch/photography vendor contract (via RFI Template A)
2. Commission and data-sharing disclosures
3. Willingness to let the PTA pilot for one cycle

# Module 3: Community Maintenance Layer

*Crowdsourced Groundskeeping to Eliminate Contractor Premiums*

## The Problem

West Orange's [ban on gas-powered leaf blowers](#)<sup>[8]</sup> (effective January 1, 2026, after a phased rollout) has inflated commercial groundskeeping costs. Contractors are passing through the capital expense of new electric fleets and the added labor time of battery management. The district is absorbing this premium on top of an already strained budget. (There is also a [statewide ban bill \(S623\)](#)<sup>[12]</sup> under consideration.)

## The Proposal: Neighbors Taking Care of Their Schools

Parents already maintain the yards they live in - many within walking distance of the schools their kids attend every day. The equipment is already in the garage. The motivation is already there. What's missing is coordination and permission.

### *How It Works*

1. A **simple sign-up system** (group chat, shared calendar, and/or scheduling app) coordinates which parents cover which school grounds on which weekends
2. Volunteers operate under a **Limited Service Waiver** - the same legal framework used for "Clean Communities" events and community garden workdays
3. Visible commitment tracking gives the board confidence that coverage is reliable, not just enthusiasm

### *Addressing Liability Concerns*

The board may raise liability concerns. The response:

- NJ already has frameworks for volunteer service on public property (community gardens, Clean Communities events, school volunteer agreements)
- A **Special Event Waiver** or **Volunteer Service Agreement** bypasses commercial contracting red tape
- The risk profile of a parent blowing leaves off a school walkway is not materially different from a parent volunteering at a school event

### *The Coordination Problem*

The board's likely concern is reliability: "Will people actually show up?" This is the exact problem a community coordination platform solves:

- **Commitment tracking** - residents digitally pledge specific hours
- **Scheduling visibility** - gaps are visible and fillable in advance
- **Accountability** - no-shows are noticed and covered by alternates

### *Why This Matters Beyond Leaves*

The dollar savings on leaf blowing are modest. The strategic value is enormous:

- It proves that **community-led coordination works** at operational scale
- It establishes the legal and logistical template for future volunteer programs
- It demonstrates to the board that the community is a **resource**, not just a complaint department

# Module 4: Paraprofessional Retention Audit

## *The Hidden Costs of Outsourcing Special Education Staff*

### The Problem

The district is considering eliminating paraprofessional positions and replacing them with staff from outsourcing agencies. On paper, this removes pension and benefit liabilities from the district's books.

We believe the hidden costs of this trade deserve close examination.

### The Real Cost of Outsourcing

#### *The Agency Markup*

Outsourcing agencies typically take a significant markup on each worker - industry analyses commonly cite ranges of 30-40% or more. The actual paraprofessional sees a fraction of the hourly rate, often at levels that may be difficult to live on in this area, frequently without health benefits.

The predictable result:

- **High annual turnover** as workers leave for better opportunities
- Constant retraining cycles consuming district administrative time
- Declining quality of support as institutional knowledge evaporates

#### *The "Technical Debt" of Special Education*

For children with IEPs (Individualized Education Programs), continuity is not a luxury - it is a **clinical and legal requirement**.

Every time a paraprofessional leaves:

- The lived-experience for that child's needs, triggers, communication style, and progress is **wiped**
- The replacement starts from zero, and the child loses weeks or months of progress
- Parents must re-educate new staff on their child's specific needs

#### *The Legal Exposure*

IEP non-compliance due to staffing instability creates serious legal risk:

- **Compensatory education claims** from parents whose children regressed
- **Due Process hearings** that cost the district legal fees regardless of outcome
- **Out-of-district placements** if the district cannot demonstrate adequate in-house support - these placements are widely reported to cost districts six figures per student per year

A coordinated Due Process complaint from a group of parents could cost the district more in legal fees and remediation than the projected savings from the outsourcing contract.

### The Human Cost

A paraprofessional who has worked with a child for years is not a line item. For a child who has known their para for a third of their life, that relationship is a foundation of their school experience - stability,

trust, and continuity that cannot be replicated by a rotating cast of agency temps.

Even if an existing para is offered to be re-hired by the new agency, their total compensation naturally falls, they may be forced to reject or leave anyway, and they have might to change their routine in negative ways to meet new agency rules.

## **The Proposal: The Community Shoulders What It Can**

This is the heart of the exoskeleton model. The community takes over functions it's equipped to handle - enrichment, photography, maintenance, fundraising -- and the savings are redirected specifically to **retain in-house paraprofessionals**. These are the positions the community cannot replace, because they depend on years of relationship with individual children.

### ***The Financial Case***

The health insurance transparency review is the most likely source of savings large enough to cover paraprofessional retention. If our district's health costs are inflated by anything approaching the 18% excess found in Perth Amboy, the savings from switching plans or renegotiating broker terms could be substantial.

Combined with other cost-avoidance modules - energy savings (Module 7), community maintenance (Module 3), revenue from the Open Image Project, and grant funding (including IDEA grants specifically designed for special education) - the district has multiple avenues to preserve these positions without additional tax burden.

The community sports partnership model also provides an example of how a different community organization (a sports league rather than the PTA) can absorb district functions, freeing budget for higher priorities like paraprofessional retention.

### ***What We Ask the Board***

1. Publish the cost comparison: agency contract total vs. in-house employment total (including the agency's markup, not just the district's per-hour cost)
2. Disclose the projected turnover rate in the agency's proposal
3. Quantify the district's current spend on compensatory education and out-of-district placements attributable to staffing gaps

# Module 5: Health Insurance Transparency & Alternatives

*The Biggest Lever: Broker Conflicts, the State Plan, Consortiums, and Direct Primary Care*

## The Problem

Health insurance premium increases are cited as a primary driver of the district's deficit. [Health benefits are expected to climb nearly 18%](#)<sup>[1]</sup> in the coming year. This is the single largest cost lever available - and a topic unlikely to have been exhaustively examined.

The district is not alone. [Budget meltdowns are hitting schools across Essex County](#)<sup>[4]</sup> and [statewide](#)<sup>[5]</sup>, with health insurance consistently cited as a primary driver.

## The Perth Amboy Precedent

In January 2026, State Auditor David Kaschak published an audit finding that the Perth Amboy school district [missed \\$49.1 million in potential savings](#)<sup>[10]</sup> by failing to switch to the NJ State Health Benefits Plan (SHBP/SEHBP) -- the state's largest and least expensive provider, covering 800,000 public employees, retirees, and their dependents.

The audit found Perth Amboy's health care costs were **18% higher than necessary** from fiscal years 2020 through 2024. The district's broker failed to run a cost comparison from 2020 through 2023. When the district finally ran one in 2024 and found it could save substantially, it was too late to switch for that year.

Worse: the auditors found the broker was **secretly receiving back-end sales commissions** from insurance companies and prescription drug providers -- payments that state law requires to be disclosed. These undisclosed commissions created a perverse incentive to seek more expensive coverage.

A subsequent [whistleblower lawsuit](#)<sup>[13]</sup> alleged retaliation against an employee who raised insurance bidding and pay-to-play concerns.

Perth Amboy has since switched to the state health benefits system.

**This is a structural conflict of interest, and it's not unique to Perth Amboy.**

## The Statewide Broker Problem

In September 2025, the [NJ Office of the State Comptroller published a report](#)<sup>[14]</sup> on conflicts of interest and procurement violations in local government and school board health insurance funds. Key findings:

- The brokerage firm **Conner Strong & Buckelew (CSB)** and its affiliated entity **PERMA** improperly controlled multiple health insurance funds, including the **School Health Insurance Fund (SHIF)**
- From FY2021 to FY2025, SHIF paid these entities approximately **\$36 million** with undisclosed conflicts of interest
- CSB wrote RFPs, reviewed bids, and steered contracts to itself without adequate competition or disclosure
- The [full report \(PDF\)](#)<sup>[15]</sup> documents how a proposed cooperative pricing system covering **40,000+ municipal employees** was tailored to favor existing vendors in violation of procurement law

- The Comptroller made referrals to the Department of Banking and Insurance, the Attorney General, and the School Ethics Commission

This is the systemic context. The question is whether our district's broker arrangement has similar issues. We won't know until we ask.

## Questions Worth Exploring Together

1. **How is our broker compensated?** If the answer is "a percentage of the premium," the broker is paid more when our costs go up. That structure creates a conflict of interest worth examining.
2. **When was the last side-by-side comparison** between our current plan and the NJ State Health Benefits Plan? If one hasn't been done recently, that may be a significant opportunity.
3. **Has the board reviewed the State Comptroller's 2025 report** on health insurance fund conflicts? Does our district participate in any of the funds cited in that report?
4. **What is the total cost of broker services** - direct fees, commissions, and any back-end arrangements with carriers?

## Alternative Models Worth Evaluating

The current model - a private broker selecting a fully-insured plan from a commercial carrier - is not the only option. Several alternatives have demonstrated savings for school districts in NJ and nationally.

### *Option A: The NJ State Health Benefits Plan (SEHBP)*

The most direct alternative. The SEHBP is the state's largest health benefits program and benefits from massive pooling and negotiating power.

**What's changed recently:** In 2020, NJ passed [Chapter 44](#)<sup>[16]</sup> health benefits reform legislation, restructuring the plans available under SEHBP. The reform introduced the [NJ Educators Health Plan \(NJEHP\)](#)<sup>[17]</sup> designed specifically for school employees.

**Documented savings:** State actuaries validated that employers in the SEHBP [saved \\$462.7 million](#)<sup>[9]</sup> from Ch.44 changes - far surpassing the \$300 million target. Districts spending at or above their adequacy level must use savings for property tax relief; districts below adequacy can apply savings to educational programs.

**The question:** Is our district in the SEHBP, or are we on a private plan? If private, has a comparison been done? If not, why not?

### *Option B: Joint Insurance Funds / Health Insurance Consortiums*

NJ law ([N.J.S.A. 40A:10-36](#)<sup>[18]</sup>) allows school boards to jointly create self-insurance funds to pool risk and reduce costs. Several such funds exist:

- **SHIF** (School Health Insurance Fund) - serves member school districts
- **SNJHIF** (Southern NJ Regional Employee Benefits Fund) - 52 local government members, over \$70 million annual budget
- Various regional municipal employee benefit funds

**How consortiums help:** When multiple districts pool resources, they gain greater purchasing power, spread risk across a larger population, and can negotiate directly with providers. Claims tend to be

lower than in community-rated commercial plans.

**The caveat:** The State Comptroller's 2025 report found that some of these funds have their own conflict-of-interest problems. Any consortium arrangement should be evaluated for the same broker transparency issues we're raising about the current plan.

### ***Option C: Self-Funded Insurance***

In a self-funded model, the district acts as its own insurer - paying claims directly rather than paying premiums to a carrier.

#### **Advantages:**

- Eliminates the carrier's profit margin and state premium taxes
- District retains any surplus (in a fully-insured plan, surplus stays with the carrier)
- Greater transparency into actual claims data
- Can be paired with stop-loss insurance to cap catastrophic risk

#### **Considerations:**

- Works best with larger employee populations (several hundred+) where claims are statistically predictable
- Requires administrative infrastructure (often outsourced to a Third-Party Administrator)
- Carries financial risk if claims spike unexpectedly
- A district exploring this should obtain its own claims data history - which the current carrier may be reluctant to share

**Who does this:** Self-funding is common in larger school districts and municipalities nationally. In NJ, the joint insurance fund model (Option B) is a form of collective self-funding.

### ***Option D: Direct Primary Care (DPC)***

Direct Primary Care is a model where an employer contracts directly with a primary care provider for a fixed monthly fee per employee, covering routine primary care visits with no copays, no claims processing, and no insurance middleman.

**How it works alongside insurance:** DPC doesn't replace insurance - it supplements it. Employees get a high-deductible health plan (HDHP) for catastrophic/specialist coverage, plus DPC for routine care. Because DPC handles the majority of primary care visits outside the insurance system, claims drop and premiums decrease.

**Documented example:** [Orange County Public Schools](#)<sup>[19]</sup> in Florida (24,000+ employees, eighth-largest district nationally) implemented an advanced primary care model and reports savings of up to 30% on healthcare costs. Over 17% of the workforce enrolled, with many employees who previously lacked an established primary care physician now receiving regular care.

**The concept for our district:** What if the district contracted with local independent clinics to provide DPC for staff?

- Small practices would value the stability of a guaranteed patient block
- The district gets predictable costs and healthier employees
- Insurance claims drop, which drives down premiums at renewal
- Employees get better access to care with shorter wait times

- Local economy benefits from keeping more healthcare dollars local

This is a longer-term initiative that requires feasibility study, but it represents the kind of creative thinking the board should be doing instead of defaulting to "the numbers are what they are."

### ***Option E: Reference-Based Pricing***

Rather than accepting whatever rates an insurance carrier negotiates with hospitals, the district (or its plan administrator) sets reimbursement rates based on a reference point - typically a percentage of Medicare rates (e.g., 150-200% of Medicare).

This is an emerging model in the self-funded space. It can dramatically reduce costs for high-ticket procedures (surgeries, hospital stays) where commercial insurance rates are often 300-500% of Medicare. It requires willingness to navigate balance billing disputes and may not be suitable as a first step, but it's worth understanding as part of the landscape.

## **The Scale of Potential Savings**

We are not making specific dollar promises. What we are saying:

- Perth Amboy's costs were **18% higher than necessary** for four years - a figure remarkably close to our own district's projected premium increase
- Statewide Ch.44 reforms saved SEHBP employers **\$462.7 million**
- A single large district (Orange County, FL) reports **up to 30% savings** from advanced primary care
- The State Comptroller found **\$36 million in undisclosed payments** to conflicted vendors in just one set of health insurance funds

The question is not "can we save money on health insurance?" The question is "how much are we leaving on the table, and why hasn't anyone looked more?"

## **The Immediate Ask**

File the RFI Template B requesting:

- Full broker compensation disclosure - direct fees, commissions, and any back-end arrangements with carriers
- Documentation of any SEHBP feasibility study or cost comparison
- Confirmation of whether the broker's pay structure creates a conflict of interest
- The district's claims history data (needed to evaluate self-funding or consortium options)

There are further support options to acquire this and similar information if needed.

## **References**

- [Perth Amboy missed \\$49M \(Jersey Vindicator, Jan 2026\)](#)<sup>[10]</sup>
- [Perth Amboy whistleblower suit \(Jersey Vindicator, Feb 2026\)](#)<sup>[13]</sup>
- [NJ Comptroller: Health Insurance Fund conflicts \(Sept 2025\)](#)<sup>[14]</sup> | [Full report PDF](#)<sup>[15]</sup>
- [NJEA Ch.44 FAQs](#)<sup>[16]</sup> | [SEHBP savings: \\$462.7M](#)<sup>[9]</sup>
- [NJ Educators Health Plan details \(Horizon\)](#)<sup>[17]</sup>
- [NJSBA Cooperative Pricing System](#)<sup>[18]</sup>

- [SEHBP overview \(NJ Treasury\)](#)<sup>[20]</sup>
- [Orange County Public Schools DPC model \(HR Executive\)](#)<sup>[19]</sup>
- [West Orange 18% premium increase \(The Digest Online\)](#)<sup>[1]</sup>

# Module 6: Open Governance Pilot

*From Midnight Marathons to Asynchronous Coordination*

## The Problem with the Current Model

The school board meeting is a **synchronous bottleneck**. When 50 people each deliver the same message in a 3-minute soundbite, the board is not receiving dialogue - it is experiencing a denial-of-service attack on its own attention.

By the time they reach "Old Business," cognitive load is maxed out, and the default is the safest, most litigation-proof option - which is usually the least creative one. Board members are exhausted, and residents feel unheard. Nobody wins.

## Why Open Process Is Hard (Not Why It's Been Refused)

We don't assume the board is hiding things out of malice. There are real reasons open process is difficult for school boards:

### 1. Negotiating Sensitivity

Some budget details involve active negotiations (contracts, personnel, legal matters) where premature disclosure could genuinely harm the district's position. That's legitimate - but it doesn't justify keeping *everything* closed.

### 2. Fear of Draft Data

In an OPRA world, boards reasonably worry that documenting a creative-but-rejected idea creates a record that could be used against them. Ironically, the opposite is true: version-controlled decision history **proves due diligence** and shows the board considered alternatives before making hard choices.

### 3. Administrative Friction

"Transparency" currently means uploading a 200-page flattened PDF to a buried sub-menu. The tools available to the district make openness a chore rather than a default. This is where community technical capacity can help.

## The Proposal: Board Meetings as Sprint Reviews

Move the grinding - data gathering, vendor comparisons, community proposals -- into a **public, version-controlled repository**. The meeting becomes a Sprint Review for final approvals and celebration.

| Aspect              | Legacy Model ("The Dais")  | Open Model ("The Repo")                               |
|---------------------|----------------------------|---|
| <b>Data Access</b>  | PDF buried in a sub-menu   | Searchable, version-controlled single source of truth |
| <b>Public Input</b> | 3-minute limit at midnight | Continuous, threaded, and searchable                  |

|                               |                                  |   |
|-------------------------------|----------------------------------|---|
| <b>Decision Logic</b>         | "Trust us, we looked into it"    | Public commit history showing why options were accepted or rejected |
| <b>Volunteer Coordination</b> | Spreadsheets and "I'll call you" | Distributed task-tracking with commitment visibility                |

**How It Works**

- A community suggestion (like the PTA Bridge Grant) is submitted as a **proposal**
- The board's concerns (legal, financial, logistical) are documented as **review comments**
- Instead of dozens of residents repeating the same message, they **endorse** the existing proposal digitally
- By the time the meeting starts, the board knows exactly where consensus lies

**The Result**

The board meeting becomes an opportunity to:

- Reach people who don't follow the public process
- Coordinate directly with community working groups
- Celebrate students and educators
- Go home before midnight knowing something was actually solved

**The "De-Risk Your Job" Pitch**

When the board keeps the process private, they own 100% of the failure. When they move it into a publicly-auditable process:

- The community becomes **co-engineers**, not critics
- Red tape gets vetted in real-time by residents with relevant expertise
- The board gains documented proof that they considered community input

**The Immediate Ask**

We are not asking the board to build or adopt a platform. We are asking for:

1. A **"Transparency Pilot"** for one module - start with the photography vendor contract (Module 2). Make the contract, commission rates, and data-sharing terms public.
2. A **Designated Liaison** from the board to engage with the community working group between meetings.
3. A **Resolution** sanctioning a working group that operates on open-governance principles.

The community is already building the coordination infrastructure. We just need the board to interface with it.

**Legislative Tailwind**

NJ's [Open Public Meetings Act \(N.J.S.A. 10:4-6 et seq.\)](#)<sup>[21]</sup> already requires 48-hour advance notice of meetings, and the Legislature has repeatedly introduced bills to strengthen agenda-posting requirements. The trend is clearly toward more transparency, not less. This proposal lets the board get ahead of the curve rather than be dragged into compliance.

**Governance-as-code precedents:** The [Washington DC Council published its legal code on GitHub](#)<sup>[22]</sup> as version-controlled, machine-readable documents. The [Open Law Library](#)<sup>[23]</sup> helps municipalities do the same. [Enspiral](#)<sup>[24]</sup>, a New Zealand cooperative network, maintains its governance agreements as version-controlled documents with full change history (and has a [newer handbook](#)<sup>[25]</sup>).

These are real, operational examples of the model we're proposing.

# Module 15: Community Sports & Athletics Partnerships

*Volunteer Leagues, Junior Coaches, and the Multi-Organization Model*

## The Problem

School athletics are often among the first programs cut or fee-gated during budget crises. Across NJ, districts facing deficits have responded with:

- **Pay-to-play fees** ranging from under \$100 to over \$1,000 per sport per student
- Elimination of JV and middle school programs
- Consolidation of teams across schools
- Complete elimination of "non-mandated" athletic programs

These cuts disproportionately affect lower-income families and undermine the physical, social, and developmental benefits that school sports provide.

## The Opportunity: Community Leagues as Partners

The district is not the only organization running youth athletics. Community sports leagues already operate extensive athletic programs:

| Organization Type               | Examples   | What They Bring  |
|---------------------------------|--|--|
| <b>Recreation leagues</b>       | Little League, AYSO, Pop Warner, local rec leagues | Fields, equipment, volunteer coaches, insurance, registration systems                    |
| <b>Travel/competitive clubs</b> | Club soccer, AAU basketball, travel baseball       | Higher-level coaching, tournament infrastructure, fundraising experience                 |
| <b>Community organizations</b>  | PAL (Police Athletic League), CYO, YMCA            | Facilities, trained staff, community service frameworks, established volunteer pipelines |
| <b>Specialty programs</b>       | Martial arts studios, dance schools, swim clubs    | Certified instructors, specialized facilities, enrichment models                         |

These organizations already solve the problems the district struggles with: coaching recruitment, equipment procurement, scheduling, insurance, and parent coordination. They do it with volunteer labor and parent fees rather than tax dollars.

## Partnership Models

### *Model 1: Shared-Use Agreements*

The district shares facilities (fields, gyms, pools) with community leagues in exchange for the league absorbing some of the athletic programming the district can no longer fund.

**How it works:**

- The district leases field/gym time to the league at nominal cost (\$1/year or reduced maintenance contribution)
- The league runs programming during after-school or weekend hours
- Students participate through the league rather than through a school team
- The district saves coaching stipends, equipment costs, and insurance premiums

**NJ precedent:** The [NJ DCA shared services framework](#)<sup>[26]</sup> covers facility-sharing between public entities and community organizations. Shared services agreements reported to DCA since 2011 have resulted in cumulative savings exceeding \$28 million.

***Model 2: League-Operated School Athletics***

The community league takes over the operational side of school athletics entirely:

- The league provides coaches (volunteer parents, trained per league standards)
- The district provides facilities and covers transportation for away games
- Students still wear school colors and compete under the school name
- The league handles registration, equipment, scheduling, and insurance

This is essentially how many elementary school sports already work - parent volunteers coach, the school provides the gym. The model just extends to middle and high school levels for non-varsity programs.

***Model 3: Pay-to-Play with Community Subsidies***

If the district implements pay-to-play fees:

- Community organizations and PTAs create **scholarship funds** to cover fees for families who can't afford them
- Organizations like [All Kids Play](#)<sup>[27]</sup> provide grants for youth sports in low-income areas
- The PTA's OpenCollective can include an "Athletics Access Fund" where community members contribute to ensure no student is excluded

**Equity guardrail:** Pay-to-play without robust fee waivers and scholarship programs creates a two-tier system. Any fee structure must include full waivers for families receiving free/reduced lunch, and the waiver process must be private and non-stigmatizing.

**Junior Coaches: High School Students in Youth Athletics**

***The Concept***

High school athletes return as assistant coaches and referees in youth leagues. This is one of the most natural mentoring relationships in a community - a teenager coaching the same sport they grew up playing, at the same school they attended a few years ago, for kids who look up to them.

- **For the high schooler:** community service hours, leadership experience, coaching certification, and college application material - all while giving back to the community that raised them

- **For the younger kids:** role models who are close enough in age to be relatable, but experienced enough to teach
- **For the community:** a visible cycle of kids helping kids that strengthens connections across age groups

### ***How It Works in Practice***

Several models already exist:

- **USYVL (United States Youth Volleyball League)**<sup>[28]</sup> actively recruits teen assistant coaches. No experience needed; coaching clinics provided. Weekly commitment of 3-4 hours. Explicitly positioned as a way to fulfill high school community service requirements.
- **PAL (Police Athletic League)** chapters across NJ use high school volunteers as assistant coaches and referees. **NJ PAL**<sup>[29]</sup> has established frameworks for teen involvement.
- **YMCA programs** recruit teen volunteers for youth sports coaching and mentoring across NJ locations.
- **CYO leagues** commonly have high school players return as assistant coaches for younger divisions.

### ***Teen Volunteer and Service-Learning Programs***

Many NJ municipalities and organizations already run structured teen volunteer programs - sometimes branded as "Volunteers" or similar - where high schoolers assist with recreation programs, summer camps, and community events in exchange for documented service hours. Examples:

- Municipal recreation departments across NJ recruit teens 13-17 as program assistants for youth activities
- **NJ High School Volunteers**<sup>[30]</sup> connects students with service opportunities statewide
- Many NJ high schools offer elective credit for community service (typically 70 hours per half-credit), though this is district-by-district policy, not a state mandate

### ***Certification and Safety***

For student volunteers in coaching roles:

- **SafeSport**<sup>[31]</sup> training is required by most national governing bodies (US Soccer, USA Basketball, etc.) for anyone in a coaching role. The training is free. For minors, policies vary; some organizations require the parent to complete it or the supervising adult coach to hold certification.
- **NJ Background Checks (N.J.S.A. 18A:6-7.1):** NJ law requires criminal background checks for school volunteers with regular student contact. For volunteers under 18, background checks are generally not applicable, but adult oversight is mandatory.
- **League liability insurance** typically covers registered volunteers including minors. AYSO, for example, explicitly includes teen referees and assistant coaches under their coverage.

### ***School Credit Integration***

A formal "Junior Coach" program could be structured as:

1. **Independent Study / Elective Credit** - the student works with a faculty advisor, logs coaching hours, writes reflections, and earns elective credit

2. **Community Service Hours** - logged and verified through the league, counting toward graduation requirements, NHS, and college applications
3. **CTE Pathway** - under NJ Career and Technical Education frameworks, a coaching/recreation pathway could formalize the experience

The guidance office at each high school would need to pre-approve the activity to ensure it meets their specific criteria.

## The Multi-Organization Model

This is where the whitepaper's vision expands beyond the PTA. The school district doesn't need one partner organization - it needs an ecosystem:

| Organization              | Contributes   |
|---------------------------|---|
| <b>PTA</b>                | Fundraising, enrichment, photography, grant writing |
| <b>Sports leagues</b>     | Athletics, coaching, equipment, insurance           |
| <b>Student volunteers</b> | Peer tutoring, junior coaching, tech support, media |
| <b>Local businesses</b>   | Enrichment instruction, sponsorship, equipment      |
| <b>Community groups</b>   | Grounds maintenance, neighborhood coordination      |

Each organization contributes what it's best positioned for. High school students bridge multiple organizations as junior coaches, tech volunteers, and peer mentors. What's needed is a **coordination layer** - transparent scheduling, commitment tracking, and communication - that connects all of these to district needs.

## What We Need from the Board

1. **Willingness to explore shared-use agreements** for facilities
2. **Data on current athletic program costs** - coaching stipends, equipment, insurance, transportation - so community organizations can scope what they'd absorb
3. **A liaison** to coordinate with league leadership on transition planning
4. **Pay-to-play fee waiver policies** that are robust, private, and easy to access

## References

- [West Orange \\$15M budget crisis \(The Digest Online\)](#)<sup>[1]</sup>
- [NJ DCA Shared Services](#)<sup>[26]</sup>
- [All Kids Play youth sports grants](#)<sup>[27]</sup>
- [USYVL volunteer coaching](#)<sup>[28]</sup>
- [NJ PAL](#)<sup>[29]</sup>
- [NJ High School Volunteers](#)<sup>[30]</sup>

- [SafeSport training](#)<sup>[31]</sup>
- [Rep. Gottheimer bipartisan legislation for youth sports affordability](#)<sup>[32]</sup>

## **Supporting Materials**

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Additional proposals and detail supporting the core modules above.

# Module 7: Energy & Facilities Optimization

*Solar, LED, and Audit-Driven Savings on the District's Second-Largest Fixed Cost*

## The Opportunity

School buildings are energy hogs. Large flat roofs, aging HVAC systems, fluorescent lighting running 10+ hours a day, and cafeteria kitchens add up to utility bills that silently consume budget that could fund positions. Unlike staffing cuts, energy savings are invisible to students - nobody loses anything.

## Solar Power Purchase Agreements (PPAs)

New Jersey has some of the strongest solar incentives in the country, and school rooftops are ideal candidates.

### How a PPA Works

1. A solar developer installs panels on school rooftops **at no cost to the district**
2. The developer owns and maintains the panels for the contract term (typically 15-25 years)
3. The district buys the electricity at a **locked-in rate below current utility prices**
4. The district's only obligation is to buy the power - no maintenance, no capital, no risk

### Why This Works in NJ

- NJ's Solar Renewable Energy Certificates (SRECs) and the Successor Solar Incentive (SuSI) program make school solar financially attractive to developers
- The NJ Board of Public Utilities actively encourages public facility solar
- Multiple NJ districts have already executed PPAs with documented savings:
- **Piscataway Township Schools: 7 schools, 3,700 panels, \$18M projected savings over 18 years<sup>[33]</sup>** - \$0 upfront via 15-year PPA with Greenskies. All ten buildings Energy Star certified.
- **West Windsor-Plainsboro: 7 projects, 21% electricity offset, \$3.5M savings over system life<sup>[34]</sup>** - also \$0 upfront via 15-year PPA.
- School roofs are typically large, flat, unshaded, and structurally suitable
- [NJ Treasury DPMC maintains a solar PPA project page<sup>\[35\]</sup>](#) for public facilities

### The Catch

PPA contracts are long-term. The district needs legal review to ensure:

- Escalation clauses don't erode savings over time
- The contract includes performance guarantees
- Roof maintenance and panel removal provisions are clear
- The district retains the option to buy the system at fair market value

## LED Lighting Retrofits

This is the simplest, fastest energy win available.

## ***NJ Clean Energy Program Rebates***

The [NJ Clean Energy Program](#)<sup>[36]</sup> offers rebates for LED conversions in public facilities. Rebate levels vary by project, but the programs are designed to cover a significant portion of conversion costs. The remaining cost typically pays for itself quickly through reduced electricity consumption and lower maintenance (LEDs last significantly longer than fluorescents and eliminate ballast replacement entirely).

### ***What It Looks Like***

- A typical school building with fluorescent fixtures spends thousands annually on tubes, ballasts, and electrician time
- LED conversion eliminates ballast maintenance entirely
- Modern LED fixtures with occupancy sensors in classrooms, gyms, and hallways reduce consumption further by turning off in empty rooms

### ***Why This Hasn't Been Done***

Usually: nobody has prioritized it. The savings are real but unglamorous. The rebate application requires paperwork. This is exactly the kind of "boring but profitable" project that falls through the cracks of a board focused on bigger crises - which is precisely why a community working group could handle it.

## **Energy Audits**

### ***The Compliance Angle***

NJAC 6A:26 (Educational Facilities Code) includes provisions for energy management in school facilities. Districts should be conducting periodic energy assessments. If this district hasn't done a comprehensive energy audit recently, that's both:

- A **compliance gap** the board should want to close
- A **savings roadmap** that could identify quick wins beyond solar and LED

### ***What an Audit Reveals***

- HVAC scheduling inefficiencies (buildings heated/cooled when empty)
- Envelope issues (air leaks, poor insulation) that inflate heating costs
- Equipment running past useful life at declining efficiency
- Water heating and kitchen equipment waste

### ***Who Pays for It***

NJ utilities (PSE&G;, JCP&L;, etc.) often provide free or subsidized energy audits for public facilities through their demand-side management programs. The district may be able to get this done at no cost.

## **Combined Impact**

If the district pursues all three:

| Initiative         | Savings Potential                   | Capital Required                            | NJ Example                       |
|--------------------|-------------------------------------|---|----------------------------------|
| Solar PPA          | Significant (see NJ examples below) | \$0 (developer-funded)                      | Piscataway: \$18M over 18 years  |
| LED retrofit       | Reduced electricity + maintenance   | Partially offset by NJ Clean Energy rebates | Widely implemented               |
| Audit-driven fixes | Varies by building                  | Varies                                      | Utility programs may fund audits |

These savings compound annually and are permanent. Unlike one-time fundraising, energy efficiency generates returns every year for the life of the equipment.

# Module 8: Cooperative Purchasing & Shared Services

*Pooling Buying Power and Administrative Capacity Across District Lines*

## Cooperative Purchasing

### *What It Is*

NJ has established cooperative purchasing systems that allow school districts to pool buying power with other public entities. Instead of each district negotiating its own contracts for supplies, furniture, technology, custodial products, and services, they buy through pre-negotiated state contracts at volume pricing.

### *The Major NJ Cooperatives*

- **ACES (Alliance for Competitive Energy Services)** - energy procurement
- **ESCNJ (Educational Services Commission of NJ)** - broad range of goods and services for schools
- **US Communities / Sourcewell / NJPA** - national cooperatives with NJ participation
- **NJ State Contract (Distribution)** - state-negotiated pricing available to all public entities

### *Why This Matters*

If the district is purchasing supplies, technology, maintenance services, or equipment outside of cooperative contracts, they are almost certainly overpaying. Every dollar saved on copier paper or cleaning supplies is a dollar that doesn't need to come from a teacher's position.

### *The Question to Ask the Board*

"What percentage of our non-salary procurement goes through cooperative purchasing agreements? If it's less than 90%, why?"

This is a procurement policy change, not a structural reform. It requires no community action, no fundraising, and no legal creativity - just a directive from the board to the business administrator.

## Shared Services Agreements

### *The Legal Framework*

**N.J.S.A. 40A:65-1** (the Uniform Shared Services and Consolidation Act) explicitly enables shared services between municipalities, school districts, and other public entities. The [NJ Department of Community Affairs \(DCA\)](#)<sup>[26]</sup> provides:

- **Model interlocal agreements** (templates ready to adapt)
- **Technical assistance** for feasibility studies
- **SHARE grants**<sup>[37]</sup> (Sharing Available Resources Efficiently) - \$2M round announced Dec 2025, \$7.5M round in Jan 2024
- **School Regionalization Efficiency Program (SREP)**<sup>[38]</sup> grants for feasibility studies

Shared services agreements reported to DCA since 2011 have generated **cumulative savings exceeding \$28 million**. [Rutgers SPAA research](#)<sup>[39]</sup> documents policies and recommendations for school district shared services.

### ***What Can Be Shared***

Almost any non-instructional function:

| Function                           | How Sharing Works  |
|------------------------------------|--|
| <b>Business administration</b>     | One BA serves 2-3 small districts instead of each having their own       |
| <b>IT management</b>               | Shared IT staff, shared infrastructure, pooled licensing                 |
| <b>Transportation</b>              | Coordinated bus routes across district lines                             |
| <b>Maintenance &amp; custodial</b> | Shared equipment, pooled maintenance crews                               |
| <b>Specialized instruction</b>     | A shared art, music, or world language teacher rotating across districts |
| <b>Professional development</b>    | Joint training days reduce per-district cost                             |
| <b>Legal services</b>              | Shared board attorney for routine matters                                |

### ***The Opportunity for This District***

If neighboring districts are facing similar budget pressures (and in NJ in 2026, most are), there is mutual incentive to explore shared services. The question is whether anyone has initiated the conversation.

### ***What We Can Do***

- Research which neighboring districts are also cutting positions
- Identify functions where sharing would benefit both districts
- Present the board with a specific shared services proposal and the DCA's technical assistance resources
- The community working group can do the legwork that board members lack time for

### ***Union Considerations***

Shared services that consolidate administrative positions may face union resistance. The approach should be:

- Focus first on non-union administrative functions
- Frame teacher-sharing as "adding capacity" (a district gains access to a specialist it couldn't afford alone) rather than "cutting positions"
- Involve union leadership early - they may prefer creative sharing arrangements to outright layoffs

# Module 9: Community Grant Writing Corps

*Turning Parent Expertise into a Permanent Revenue Pipeline*

## The Problem

Grant money for education is abundant. Pursuing it is labor-intensive. Districts with dedicated grant writers bring in significantly more external funding than those that rely on administrators to squeeze applications into their already overloaded schedules.

This district almost certainly does not have a full-time grant writer. The result is money left on the table every year - money that could fund the exact positions and programs being cut.

## The Proposal: A Volunteer Grant Writing Team

### *Who Writes Grants?*

Look around the room at a PTA meeting. These are your neighbors - and they bring their day jobs home with them:

- The **nonprofit director** down the street who writes grant applications every quarter
- The **university researcher** whose lab funding depends on federal proposals
- The **hospital administrator** who navigates complex government funding
- The **consultant** who writes corporate proposals and RFPs for a living
- The **freelance writer** who could adapt to grant formats in an afternoon

These people already live here. Their kids go to these schools. They would help if someone organized the effort and connected them to the district's needs.

### *How It Works*

1. The PTA puts out a call for volunteers with grant-writing or proposal experience
2. A small team (3-5 people) forms as a **Grant Writing Working Group**
3. The district's business office provides program data, budgets, and needs
4. The team identifies eligible grants, drafts applications, and manages the submission pipeline
5. The district submits (since the applicant must be the LEA - Local Education Agency), but the community does the heavy lifting

### *What Grants Are Available*

#### **Federal**

- **Title I** (supplemental funding for high-poverty schools) - if the district qualifies but isn't maximizing its allocation
- **Title II** (teacher quality and professional development)
- **Title IV** (student support and academic enrichment - directly relevant to arts education)
- **IDEA grants** (Individuals with Disabilities Education Act) - directly relevant to paraprofessional funding

- **21st Century Community Learning Centers** - after-school and enrichment programs, aligning perfectly with the expanded enrichment model

### ***NJ State***

- **NJ DOE competitive grants** for STEM, arts integration, literacy, and special education innovation
- **County-level grants** through Educational Services Commissions
- **NJ Council on the Arts grants** for arts education programs

### ***Private Foundations***

- **NEA Foundation**<sup>[40]</sup> -- \$1,500-\$5,000 grants for public school educators (NEA members); ~150 awarded per year
- **Geraldine R. Dodge Foundation**<sup>[41]</sup> -- NJ-focused, ~\$11M/year in grants; strong education and arts portfolio; awarded \$500K to Arts Ed NJ for arts education advocacy
- **Victoria Foundation**<sup>[42]</sup> - NJ-focused (primarily Newark area), \$14.3M in grants in 2025; education and youth development
- **Local community foundations** with education-designated funds
- **Corporate foundations** (many have education giving programs tied to communities where employees live)

### ***The Scale of Opportunity***

A single successful federal grant can bring in \$50,000 to \$500,000+. A portfolio of smaller foundation grants can aggregate to six figures annually. The effort-to- return ratio on grant writing, when done by skilled volunteers, is among the highest of any fundraising activity.

### ***What We Need from the Board***

1. **Willingness to share** - the grant team needs access to enrollment data, budget figures, program descriptions, and demographic information
2. **A point of contact** - one administrator designated to receive applications for review and submission
3. **Transparency about what's already been pursued** - has the district applied for and lost grants? Not applied at all? Applied and received but the public doesn't know about it?

### ***Long-Term Value***

Unlike one-time fundraisers, a grant writing team creates a **repeating pipeline**. Successful grants can often be renewed. Relationships with funders deepen over time. The team's expertise compounds. This is an investment in permanent institutional capacity - exactly the kind of "community infrastructure" that outlasts any single budget crisis.

# Module 11: Regulatory Leverage Points

*State Requirements the Board May Be Overlooking - or Failing to Meet*

## Overview

NJ school districts operate within a dense regulatory framework that creates both obligations and opportunities. Some of these mechanisms may already be in use by our district - but because the process is largely closed, the community has no way to know. The items below are questions worth asking, not accusations. If the district is already doing these things, great - sharing that information would build confidence. If not, they represent real opportunities.

The following are specific, verifiable points to explore.

## 1. The Best Practices Checklist

### *What It Is*

The NJ DOE requires every district to complete an annual **Best Practices** self-assessment (per [N.J.A.C. 6A:23A<sup>\[43\]</sup>](#)). It covers fiscal management, governance, procurement, personnel, and operations. The [NJSBA Task Force on Accountability Regulations<sup>\[44\]</sup>](#) provides extensive analysis of these requirements.

### *Why It Matters*

Districts that score below threshold on the Best Practices checklist **lose up to 5% of their state aid**. The checklist includes questions directly relevant to this budget crisis:

- Does the district use competitive bidding for professional services (including insurance brokerage)?
- Has the district evaluated shared services with neighboring districts?
- Does the district participate in cooperative purchasing programs?
- Has the district conducted an energy audit?
- Does the district maximize the use of available grant funding?

### *The Opportunity*

The district's Best Practices submission is a public record (obtainable via OPRA). Reviewing it would show the community which cost-management strategies are already in use and where there might be untapped opportunities. This is a collaborative starting point, not an audit.

### *How to Frame It*

"The state's Best Practices checklist covers cooperative purchasing, shared services, and energy management. Can the board share which of those the district is actively pursuing? The community may be able to help with the ones that haven't been feasible yet."

## 2. The 2% Tax Levy Cap and Banked Cap

### *What It Is*

NJ school districts operate under a **2% tax levy cap** with limited exceptions (health insurance cost increases, enrollment growth, pension contribution increases). However, NJ allows districts to "**bank**" **unused levy capacity** for up to 3 years.

### ***Why It Matters***

If the district did not raise taxes to the full 2% cap in previous years, it has **banked cap authority** - the legal ability to raise the levy above 2% in the current year to recapture that unused capacity, without requiring voter approval.

### ***The Question***

"Has the district fully utilized its banked levy cap authority before proposing position eliminations? If banked cap exists, what is the dollar value, and why isn't it being deployed as a bridge?"

This is not a question about raising taxes aggressively. It's a question about whether the board has used the tools available to it before resorting to cuts.

## **3. NJQSAC (Quality Single Accountability Continuum)**

### ***What It Is***

NJQSAC is the state's monitoring system for school districts. It evaluates five areas: instruction, fiscal management, governance, operations, and personnel. Districts that fall below thresholds can face state intervention, up to and including state takeover of district operations.

### ***Why It Matters***

A district that cuts instructional programs and outsources special education staff without demonstrating that it explored alternatives may score poorly on NJQSAC's fiscal management and instruction indicators. This creates a compliance risk the board may not be weighing.

### ***The Argument***

"Cutting art and library instruction while outsourcing special education creates NJQSAC risk in both the Instruction and Fiscal Management domains. Has the board assessed how these changes affect our NJQSAC scores? Has the county superintendent been consulted?"

## **4. Excess Surplus Limits**

### ***What It Is***

NJ law limits the amount of unrestricted surplus (fund balance) a school district can carry. The cap is **2% of the total budget**. Surplus above the cap must be returned to taxpayers or appropriated.

### ***Why It Matters - Both Directions***

**If the district is near the surplus cap while cutting positions:** that's a legitimate question. "We're sitting on \$X million in surplus and firing teachers?"

**If the district has minimal surplus:** that indicates a longer-term structural problem and supports the argument for revenue-generating initiatives (Modules 2, 9) rather than one-time cuts.

## ***The Question***

"What is the district's current unrestricted surplus, and what is the maximum allowed under the 2% cap? If there is surplus available, has the board considered appropriating it as a bridge while community-funded alternatives are established?"

## **5. The Consolidated Appropriations Act (Federal)**

### ***What It Is***

The federal CAA of 2021 (Sections 201-202) amended ERISA to require disclosure of broker and consultant compensation for group health plans. Plan sponsors must request this information from their brokers.

**Important caveat:** Public entity plans (including school districts) are generally exempt from ERISA, which complicates direct applicability. However, the *spirit* of the requirement - that plan sponsors should know how their brokers are compensated - is reinforced by the [NJ State Comptroller's 2025 report](#)<sup>[14]</sup> finding widespread undisclosed conflicts in NJ school board health insurance funds. State-level transparency requirements may also apply independently of ERISA.

### ***Why It Matters***

Whether or not the federal CAA technically applies to our district's plan structure, the question remains: does the board know how its broker is compensated, and does that compensation create a conflict of interest? The Perth Amboy audit and the Comptroller's report show this is not a hypothetical concern - it is a documented, systemic problem in NJ school districts.

### ***The Connection***

This reinforces Module 5 (Health Insurance Transparency) with a compliance angle. The board should be requesting broker compensation disclosures regardless of which specific law mandates it - because the alternative is continuing to pay potentially inflated premiums while cutting teacher positions.

## **Putting It Together**

These regulatory points are most effective when combined with the community-led proposals in the other modules. The message:

"The state has provided tools - banked cap, cooperative purchasing, shared services, Best Practices guidance - specifically for situations like this. The community is also offering tools - volunteer capacity, grant-writing expertise, fundraising infrastructure. We'd like to work with the board to make sure every available option has been explored before we accept that cutting positions is the only path forward."

# Module 12: Open Budget & Participatory Finance

*OpenCollective, Participatory Budgeting, and Budget Visualization as Proof of Concept*

## OpenCollective as PTA Infrastructure

[OpenCollective](#)<sup>[45]</sup> is a platform for transparent, community-managed fundraising and spending. Every dollar in and every dollar out is visible to anyone. It enables project-based directed giving, fiscal hosting through a 501(c)(3) sponsor, and real-time public ledger visibility.

**For the full operational model** - including how to set up the PTA on OpenCollective, project-based fund structure, fiscal hosting options, corporate matching, the equity problem across schools, and the Palo Alto PiE precedent -- see Module 14: The PTA as Community Operating System.

This section focuses on how OpenCollective fits into the broader open finance toolkit alongside participatory budgeting and budget visualization.

## Participatory Budgeting

### *What It Is*

Participatory budgeting (PB) is a democratic process where community members directly decide how to allocate a portion of a public budget. It has been used successfully in:

- **New York City** - the largest PB program in the US, allocating millions in city council discretionary funds
- **Multiple NJ municipalities** - several have piloted PB for parks, infrastructure, and community programs
- **School districts nationally** - students vote on how to spend activity funds or improvement budgets

### *How to Apply It to the PTA*

Before asking the district to adopt participatory budgeting (which is a longer-term governance change), **demonstrate it with PTA funds:**

1. The PTA designates a portion of its reserves (e.g., \$25,000) for participatory allocation
2. Any PTA member can submit a **proposal** for how to spend the funds (aligned with the school's needs)
3. Proposals are posted publicly for comment and refinement (2 weeks)
4. All PTA members **vote** on which proposals to fund (1 week)
5. Results are binding and published transparently

### *Why This Matters Strategically*

The PTA running a successful participatory budget cycle is a **proof of concept** the board cannot ignore:

- It demonstrates that community members can make responsible allocation decisions
- It shows that transparency increases engagement rather than creating chaos

- It produces a documented, auditable decision trail
- It pressures the board to explain why their process is less open than the PTA's

## Tools

Participatory budgeting doesn't require custom software. Existing tools:

- **Participatory Budgeting Project**<sup>[46]</sup> -- the main US nonprofit promoting PB; maintains guides, case studies, and a [PB in Schools guide \(PDF\)](#)<sup>[47]</sup>
- **PTAlink PB resources**<sup>[48]</sup> -- PB guidance specifically for PTAs
- **Decidim**<sup>[49]</sup> - open-source democratic participation platform ([GitHub](#)<sup>[50]</sup>), used by Barcelona, Helsinki, Mexico City, and [400+ instances worldwide](#)<sup>[51]</sup>
- **Stanford Participatory Budgeting Platform** ([pbstanford.org](#)<sup>[52]</sup>) -- developed the "knapsack voting" method
- **Simple Google Forms + OpenCollective** for a quick pilot

## Real examples:

- **Phoenix Union HSD**<sup>[53]</sup> launched the first US school district PB process using district-wide funds
- **P.S. 139 in Brooklyn** runs PB with students and families to allocate Parent Association and school funds
- **Boston's Youth Lead the Change**<sup>[54]</sup> gives young people ages 12-25 control over \$1M in city capital budget

Long-term, this is exactly the kind of process a community coordination platform could manage.

## Budget Visualization

### *The Problem with Public Budget Data*

The district's budget is a public document. In practice, it is a dense spreadsheet or PDF that almost no one reads. "Transparency" that nobody can parse is not transparency.

### *The Proposal*

Take the district's published budget and CAFR (Comprehensive Annual Financial Report) and build an **interactive visualization**:

- Start with the total budget
- Drill down: Instruction > Special Areas > Art Teachers > the 15 minutes being cut
- Show the relative scale: "The art instruction being eliminated costs \$X. The insurance broker's commission is \$Y."
- Compare year-over-year: where has spending grown? Where has it been cut?

### *Why It Changes the Conversation*

When a parent can see that the cost of retaining one para is less than the district's annual spending on a single vendor contract, the "numbers are what they are" defense collapses. The numbers are exactly what they are - and now everyone can read them.

## ***Tools***

- **ClearGov** - a commercial platform that visualizes municipal and school budgets (some NJ districts already use it)
- **Open Budget** tools (open-source municipal budget visualization frameworks)
- A community-built visualization using the district's CAFR data and standard web charting libraries

A community volunteer with data visualization skills could build a first version in a weekend using publicly available budget data.

Each tool proves a principle. Together, they prove the thesis: **open, community- driven governance is not idealistic - it is operational, and the community is already doing it.**

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