



State of New Jersey
DEPARTMENT OF EDUCATION
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JON S. CORZINE
Governor

LUCILLE E. DAVY
Commissioner

May 27, 2008

Dr. Bessie LeFra Young
Superintendent

Ms. Sarah Davis
Board President
Camden School District
201 North Front Street
Camden, NJ 08102-1935

Dear Dr. Young and Ms. Davis:

This is to advise that the Department of Education continues to have serious concern with the Camden School District's failure to submit a balanced budget for 2008-2009. It is our understanding that the district has missed a number of agreed upon submission dates, with the latest extended deadline set for June 11, 2008.

The lack of an approvable 2008-09 budget is a serious matter and one that needs to be remedied immediately. It is critical that the district submit a balanced budget consistent with the revenues available. Department staff have met with the district's administration on numerous occasions and presented several options for the district's consideration for more efficient operations. These discussions have focused on those efficiencies in the administration and noninstructional areas that will not impact the district's ability to provide a thorough and efficient education.

Of particular concern is how much the district exceeds the statutorily established administrative cost limit when actual enrollments are used in the calculation, as well as its continued approval of travel and funding of discretionary programs beyond Pre-K through 12 when it cannot balance its Pre-K through 12 budget. Notwithstanding any separate action being pursued by the board of education to seek additional funds from the state, there is no mechanism for the district to request additional funds in its 2008-09 budget submission. It is the administration's statutory responsibility to present a balanced budget to the board of education, and the board of education's statutory responsibility to approve a balanced budget consistent with the School Funding Reform Act.

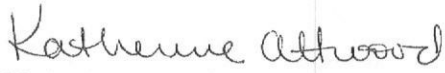
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While we recognize that essential staff needs to be rehired and necessary instructional materials and supplies ordered for summer and fall academic programs, expenditures for discretionary activities cannot continue until the 2008-09 budget is submitted to the department and approved. Therefore, after careful consideration and numerous efforts to work with the district to resolve this matter, the State monitor will act to freeze all current year spending regardless of the funding source and review all personnel appointments, purchase orders and other commitments to verify only essential appointments and expenditures are approved for 2008-09. This approach is consistent with the department's prior policies and practices regarding districts that had not submitted a balanced budget at this time. Discretionary expenditures, including all conferences and workshops, will not be approved regardless of the funding source. Grant monies used for discretionary expenditures, unless specifically awarded for said purpose, will not be approved. Further, the State monitor will disapprove any purchase order and overturn any board action in which he determines that the appointment is not critical or the expenditure to be discretionary in nature. Payment of any invoice that was not properly approved by the district and/or State monitor will be the responsibility of the issuer. Pursuant to N.J.S.A. 18A:11-12, under no circumstances will the board be permitted to approve or ratify a travel event after the event has occurred.

As soon as a balanced budget is presented and approved, the district will be able to resume travel and other discretionary activities consistent with the approved budget. We anticipate that a balanced budget will be presented for approval by June 11, 2008 which will allow the district to continue to plan for the upcoming school year.


Katherine Attwood
Assistant Commissioner
Division of Finance

Sincerely,

Rochelle Hendricks
Assistant Commissioner
Division of District and School Improvement

LED/KPA/Camden spending freeze.doc

c: Lucille E. Davy
Willa Spicer
William King
James McBee
Joan Saylor
Nick Puleio
Sharon Price-Cates
Reuben Mills
Camden Board of Education
H. Mark Stanwood