

Keyport Public Schools

Frequently Asked Questions

1. What is a bond referendum?

A bond referendum is an election when a Board of Education seeks voters approval for funding to undertake capital improvement projects and to finance such projects through a long term loan (a bond).

2. Why did the school system not plan/save for these needed upgrades?

With the small budget that the district operates on there is minimal to no option for savings. The current budget just barely covers the day to day operations of the district. State Aid has remained flat until the past year and the cost of educating our students and maintaining the facilities continues to increase. Every year we have to make hard decisions while creating our budget. Our goal is to be as fiscally responsible and frugal with every action we take for the school district. We have cut in every way possible and still struggle to balance the budget.

3. Why do the costs in the referendum budget appear to be high?

The cost for the individual items take into account not just that item and the labor to install them, but rather the whole cost for all of the associated work that each item requires such as, painting, patching, utilities, etc. Additionally each line item includes costs for prevailing wage labor, state required contingency, the soft cost for professional fees, bonding and legal fees, permitting, etc.

4. What happens if the referendum fails?

The district will have to attempt to find alternative solutions to address repair/replacement of major systems. However, as indicated above, the current budget does not allow for addressing these or other facility concerns. The major systems are beyond their useful life. For example, the HVAC systems are over 25 years old and in some cases 50+ years old. The systems have been very costly to repair and there will come a time when repair is no longer possible and replacement will be the only option. Addressing the concern now through the referendum allows the district to capitalize on the debt service aid funding of up to 40%.



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5. If the referendum passes and the work comes in under budget what happens to the difference? What happens if the work goes over budget?

If the referendum passes and the work comes in under budget then the difference will be given back to the taxpayers through additional payments on the outstanding debt. The work cannot come in over budget. We cannot go over the amount stipulated in the referendum which is why we include contingency in the costs.

6. Is there state aid available to offset the cost to local tax payers?

Yes, the state offers up to a 40% Debt Service Aid on eligible costs of the work included in the referendum. The projects have already been approved by the New Jersey Department of Education for Debt Service Aid. This is the only state aid currently available for facility projects.

7. Who is eligible to vote on the referendum?

Anyone who is registered to vote in Keyport can vote on the referendum. You do not have to be a home owner to vote, you just need to be registered to vote in Keyport. To become a registered voter in Keyport you must complete a Voter Registration form. This can be found at: <https://www.state.nj.us/state/elections/voting-information.html> or you may pick up a form at your local municipal office. The registration deadline to vote is on or before the 21st day preceding the election and the election is November 6, 2018.

8. What is the difference between eligible costs and ineligible costs in regards to state aid?

Although the state offers up to a 40% Debt Service Aid on the work included in the referendum, certain portions of the project are not eligible for aid. The state usually only grants state aid for full replacement of systems. Items that are deemed "regular building maintenance" are considered ineligible costs. The state approved eligible costs include: new secure vestibule at the High School, and HVAC replacement, electrical upgrades, lighting, lighting control upgrades, fire alarm system replacement, VAT abatement, and ceiling replacement at both schools.

