VOTE ON THE REFERENDUM
OCTOBER 6, 2022

ZERO TAX IMPACT!

WHAT WILL THE REFERENDUM FUND?

- Redesign Existing Spaces into New Robotics and STEAM Labs
- Nurse's Office Alterations
- Ceramics and Photography Lab Alterations
- Locker Room 5/6 and Trainer's Room Alterations
- South Cafeteria Annex Upgrades
- OT/PT Upgrades
- Chiller Replacement
- Performing Arts Center LED Lighting Upgrade

For more information visit:
www.whrhs.org

YOUR VOTE MATTERS!

FREQUENTLY ASKED QUESTIONS

1. **What is a bond referendum?**

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

2. **Why does the school need to perform a referendum for this project? Can't they use their annual budget funds?**

   The only way for the School District to obtain debt service aid (up to 40%) for a capital project is through a referendum, which requires the issuance of debt (short-term in this case). If the School District performed this project using their operating budget, they would not be eligible to obtain the up to 40% of state aid to offset local property taxes. Watchung Hills Regional High School has been historically **underfunded** by the State of New Jersey each year. This is an opportunity to recapture some of those funds.

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, financing fees, escalation, permitting, etc.

4. **4. 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 and is only available if the referendum succeeds.

5. **With all the work being done, how is there a $0 impact to taxpayers?**

   The net cost of paying off the bond or note (annual cost less State Aid) is anticipated to be paid for by reallocating funds from the district's current operating and capital project funds, not through a tax increase. The balance of the bond will be paid for by the state through debt service aid. This will allow the taxpayers to recoup money that is taken out of their state income tax and put it back into improving the education of their students.

6. **Who is eligible to vote on the referendum?**

   Anyone who is registered to vote in Warren, Watchung or Long Hill Township 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 one of these towns. To become a registered voter 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 October 6, 2022.

7. **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 a project are not eligible for aid. The state usually only grants state aid for full replacement of systems or for educational programmatic needs. Items that are deemed "regular building maintenance" are considered ineligible costs. In this case, the state approved ALL of the costs in these projects as eligible costs.

8. **What happens if the referendum fails?**

   The district would be limited to spend the 60% cost they have budged in their capital reserve account and would lose the 40% state aid. This would greatly reduce the work that can be completed and forfeit the money provided by the state. The electrical system is beyond its useful life as most of the panels are over 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%.

WHAT WILL IT COST?

The total Referendum cost is approximately $8 Million. It is anticipated that the project will be funded with capital reserve, and state debt service aid (approved for up to 40% on eligible project costs), ensuring there is no increase in taxes for residents.

WHY NOW?

The Referendum addresses the District's critical needs. A passing vote this year ensures the District can take advantage of current Debt Service Aid funding and allows the District to bundle projects together to leverage economies of scale.

WHEN THE FREEDOM TO EXPLORE IS ENCOURAGED, THE POSSIBILITIES ARE ENDLESS