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January 3, 2011

TO: District Superintendents
Board Secretaries/Business Administrators

SUBJECT: TPAF Wage Freeze Grant Clarification – 2010-11

District eligibility is dependent upon the district's implementation of a wage freeze for 2010-11 applicable to any single TPAF member employee or group of TPAF member employees. A wage freeze as it applies to grant eligibility is where 2010-11 contractual wages are exactly the same for the employee, or group of employees, as actual contractual wages paid for 2009-10, i.e., no 2010-11 step increase, no 2010-11 cost of living (COLA) increase, or any other increase, applicable to the entire 2010-11 fiscal year.

Each district has a unique set of facts and circumstances surrounding employment contracts. The following guidance may not be reflective of your district's exact circumstance; however, the majority of district situations are addressed by this guidance:

- Where a district returned to the negotiating table and renegotiated a 2010-11 wage freeze as defined above, the savings is the difference between the wage the employee would have received for 2010-11 under the original settled employment contract (including step increment and COLA %) compared with the 2010-11 wage the employee is actually receiving under the renegotiated wage freeze. The "frozen" wage the employee is receiving for 2010-11 should be equal to the 2009-10 contractual wages for each employee.
- Where a district negotiated a 2010-11 wage freeze through any means other than a renegotiation of a previously settled employment contract covering the 2010-11 fiscal year, the district should use the statewide average contractual settlement rate for 2010-11 contracts to calculate the covered employee's 2010-11 presumptive wages (including step increases where applicable) had there not been a wage freeze. The statewide average rate for 2010-11 contracts settled subsequent to January 1, 2010 published by the New Jersey School Boards Association is **2.09%** (116 districts reporting as of December 15, 2010). The calculated presumptive wage is entered into the Detail Worksheet, Column B, Anticipated Not Frozen (Non-Federal) 2010-11 TPAF Wages From Agreement Base Salary.
- Where a district remains in negotiations for 2010-11, the district must wait until the contract(s) settle at a freeze prior to applying for the savings grant. If the contract(s) include a 2010-11 wage freeze (defined above), the district may then apply for the savings grant using 2.09% as the statewide average.

The application and instructions are available at this website: <http://www.nj.gov/education/finance/>. Questions regarding grant remittances should be emailed to staid@doe.state.nj.us. Questions regarding the functioning of the electronic worksheets should be emailed to Tom Sullivan at tom.sullivan@doe.state.nj.us. Questions related to the application process and accounting should be emailed to Michael Mindlin at michael.mindlin@doe.state.nj.us. Please direct other TPAF Wage Freeze Grant questions to your county office.