

Westfield Board of Education Asks for Your Input on Moving the Election

On January 17, 2012, Governor Christie signed the new election law that establishes procedures for districts, municipalities, or voters to opt to move the annual School Election to November and eliminates the vote on school budgets for such districts, except for separate proposals to spend above the cap. The tax levy cap is currently set at 2 percent.

The Westfield Board of Education discussed the new law at our meeting on January 24 and will consider passing a resolution to move the election to November on February 7. During the intervening time, we would like to hear community input on this decision. There are pros and cons to moving the election.

Pros of moving the election are:
 — November election will engage more voters in school board election.
 — No risk of program cuts due to budget defeat.
 — Annual savings from no elec-

tion of approximately \$30,000 per year.

— Focus more on education and less on passing the budget.

Cons of moving the election are:
 — Potential to politicize board member candidacy.

— No public vote on the school budget.

— Approval of potential above cap spending would be voted on as a second question in November limiting how these funds can be allocated.

If you have an opinion on whether or not the Westfield Board of Education should move the election to November, please send us an e-mail at wboe@westfieldnj12.org or come to the board meeting on February 7 at 302 Elm Street at 8 p.m.

Thank you for your input.
Ann Cary, Chair
Legislation Committee
Westfield Board of Education

School Elections: It Is Imperative That Electoral Engagement Be Maintained

On February 9 at 8 p.m., the Scotch Plains-Fanwood BOE will discuss and vote on a proposal to move School Board elections from April to November. As part of this proposal, school budgets will not be subject to a vote by the electorate, so long as they stay within cap guidelines.

Proponents will cite a number of reasons to favor such a move, and I would refer readers to the spfk12.org website for a presentation of both pros and cons. Chief among the reasons to be in favor would be cost. April elections are an added cost to taxpayers. Others are: administrative efficiency where time spent "barnstorming" the budget can be better spent attending to educational concerns; greater overall electoral participation over a broader base where voters still retain the right to vote on board members even if voting on budgets is restricted.

All of this can be distilled even further: "Trust us - we know what we are doing with your children and your money."

And if there is one thing I have learned over the years, and instilled in both by wife and daughter, it is: "Trust but verify."

The odd thing is, our current board does represent a number of different views brought together to reach a consensus balancing the needs of students and taxpayers in a reasonably impartial, apolitical manner. So, given that there are those who believe that a so-called "educational establishment" is given undue weight when voting takes place in April, what is not to like about moving the election and limiting the vote on budgets?

Simply, there are different issues and principles that need to be considered: trust; transparency and communication; accountability and voting as an agency of change.

First and foremost, the 2 percent cap is not a hard cap. What this means that certain costs (healthcare being chief) can be passed through irrespective of the broader limit - in some cases subject to some administrative review. Moreover the cap is on the overall tax levy before it is allocated between Scotch Plains and Fanwood. What this means is that the percentage impact on one town relative to the other may be higher or lower than 2 percent. It is not my intent to overly dramatize the impact, but it is important that these facts be communicated to the electorate; those expecting regular 2 percent increments may well be mistaken.

Time spent preparing, communicating and framing a school budget is not time wasted. It imposes a discipline on

our board and its administration to justify themselves every year. I would passionately argue - especially at a time when so many problems in the private sector are being ascribed to a laissez-fair attitude toward management and corporate governance - that this is a good thing. There are those who would argue that April elections amount to "preaching to the educational choir." I would counter that proper communication of the process employed to balance educational outcomes, cost and value, no board need worry about a budget defeat. More to the point, should one be defeated, a reasonable board should take it simply for what it is: A necessary part of the feedback loop conveying that something is out of balance.

What does one do if something is systemically out of balance? As often as not it is difficult to get people to run for School Board Elections even now, let alone achieve the diversity of viewpoints necessary to properly reflect our two communities. I would argue - if nothing else - that the advantages accruing to incumbency resulting from a move of the election to November, when combined with a limitation on budget voting and an electorate trying to deal with multiple issues, would result in a more bureaucratic, sclerotic system of education that currently exists.

At a time when the electorate is repeatedly presented with politically negotiated "done deals," and gerrymandering precludes true electoral change, it is imperative that avenues of electoral engagement be maintained and not eliminated.

Please contact the SP-F Board of Education on or before February 9 and urge them to retain April elections for both budgets and board members. Attend the meeting on February 9, and ensure that your voice trumps administrative convenience.

Michael Lewis
 Fanwood

Letters to the Editor

Congress Should Pass Bill So Carried Interest Is Taxed As Ordinary Income

I believe that it is time for the Republicans in Congress to start thinking of ways to take issues off the table, so that they do not continue to be outfoxed by the Democrats and the President. One thing that they can do is to change the way 'carried interest' is taxed, so that it is taxed as ordinary income.

The House should pass a bill, which specifically, and only, changes the tax rules on carried interest so that it is taxed as ordinary income. An example of carried interest would be if a money manager agreed to manage your stocks and as part of their pay for that they receive, let's say, 20 percent of whatever profits you make from the stock. Any money received as part of that 20 percent of your profits is "carried interest." It is not taxed as ordinary income, at regular income tax rates, but instead is taxed as a capital gain, which means it is taxed at a flat 15 percent (assuming it comes from long-term profits made on the stock that is bought).

That means that even though the money manager receives the money because of work that she did, it is taxed not as ordinary, earned, income but as a capital gain. A lot of compensation received by money managers is carried interest. This tax scheme is something a lot of people object to as fundamentally unfair. A lot of people confuse this carried interest arrangement with the current tax treatment of capital gains. The media as well as the President do this regularly.

The reason capital gains are taxed at a lower rate than ordinary income is to encourage people to make investments. Whether you agree with that approach or not, at least it is debatable that it is effective to encourage investment, and there is a valid policy reason for the lower tax on capital gains.

Taxing carried interest at that lower rate is not supported by the same policy reasons. People who manage money do it as their job. They are paid, usually a relatively small flat fee, maybe a half a percent of the money under management (and that is taxed as ordinary income), and they usually also get a bonus - a percentage of profits. That portion is not taxed as ordinary income. Instead it is taxed at the lower 15 percent rate. But that money really is part of the compensation paid to the manager for doing his or her job. It is compensation for work performed. It is earned. It ought to be taxed as ordinary income.

The Republicans ought to pass a bill to change this. This would allow them to take the initiative away from the Democrats and change the whole tone of the "tax the rich" debate of which the Democrats are so fond. If such a bill were to pass in the Senate and get signed, then the Republicans could take credit for changing this unfair arrangement to which almost every ordinary working taxpayer objects. If it doesn't pass the Senate, then the Democrats that control the Senate would be exposed as people who talk a good game but don't really want to solve the nation's problems.

As it is, the Democrats are using the unfairness of the tax treatment of carried interest to impugn the entire approach to taxing capital gains. If the Republicans were to pass a bill in the House to change the treatment of carried interest, it would go a long way to change the popular understanding of the supposed 'unfairness' of the entire capital gains tax arrangement.

This letter expresses my personal views and not those of any group.

Rich Fortunato
 Scotch Plains

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Root Family: Identifying With The Loss of This Era of Our Life

The bricks and mortar that hold the memories of so many past and present Westfield area residents are now gone. My father owns the buildings on South Avenue in Westfield that burned down on Sunday January 22, 2012. While presently known by anchor store Clyne and Murphy, it was the home of Roots Confectionery from 1966-1982.

The fire brings much pain to my family, and I am amazed by the calls, e-mails and posts from people who are identifying with the loss of this era of their life. Roots sold coffee, candy, egg creams and much more. Commuters visited on their way to work, kids before/after and sometime during the school day. Locals visited regularly. You would always find Flo and Bill Root there behind the counters.

While the buildings are total destroyed and will be demolished soon, my family plans to rebuild on this location and the buildings will bring new life to that corner. New memories will be made.

The picture enclosed is of the proud owner William C. Root, Jr. in 1966 in front of Roots Home Confectionery located at 439 South



Bill Root, 3rd and Bob Root, 1st
 Westfield



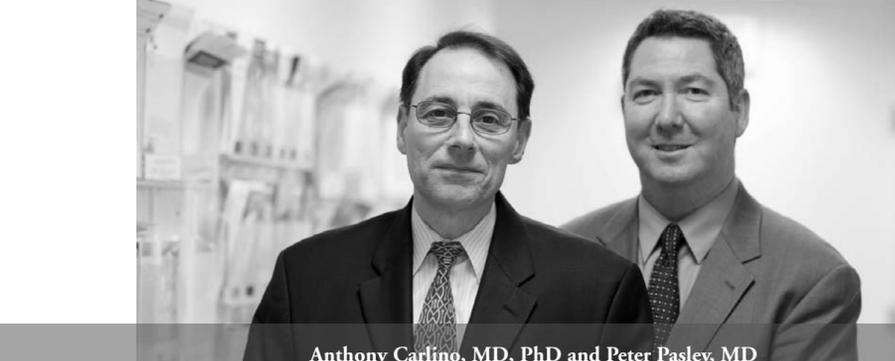
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