

A Feasibility Study on the Creation of a Countywide Regional School District in Salem County, New Jersey

January 31, 2022 and February 1, 2022



Scenarios

1. Unification of all Salem County public school districts and the charter school into a single all-purpose regional school district servicing the students of Salem County.
2. Creation of two K-12 school districts for Salem County, regionalizing the northern districts and the southern districts.

DEMOGRAPHIC ANALYSIS AND RACIAL IMPACT

Richard S. Grip, Ed.D.

- Doctorate from Rutgers University Graduate School of Education in Educational Statistics and Measurement.
- 23 years' experience as a demographic consultant.
- Numerous publications on school demography and presentations nationally.
- Testified as an expert witness in school demography in several administrative law hearings.

Topics Analyzed by Demographer

1. Population trends (historical and projected) of each town.
2. Relevant Demographic Characteristics in each community (e.g., race, education, income, median housing price, etc.).
3. Historical enrollment trends (2014-15 to 2019-20, 6-year period) in each school district and each school.

Topics Analyzed by Demographer

4. Birth counts in each community were used to project kindergarten students five years later.
5. New housing in each community.
6. Enrollment Projections in each district from 2020-21 through 2029-30 (10 years).

Topics Analyzed by Demographer

7. Capacity Analysis – Can the existing buildings accommodate all the students?
8. Economically Disadvantaged Students (Free/Reduced Lunch).
9. Racial Impact.

Salem County Historical Enrollments

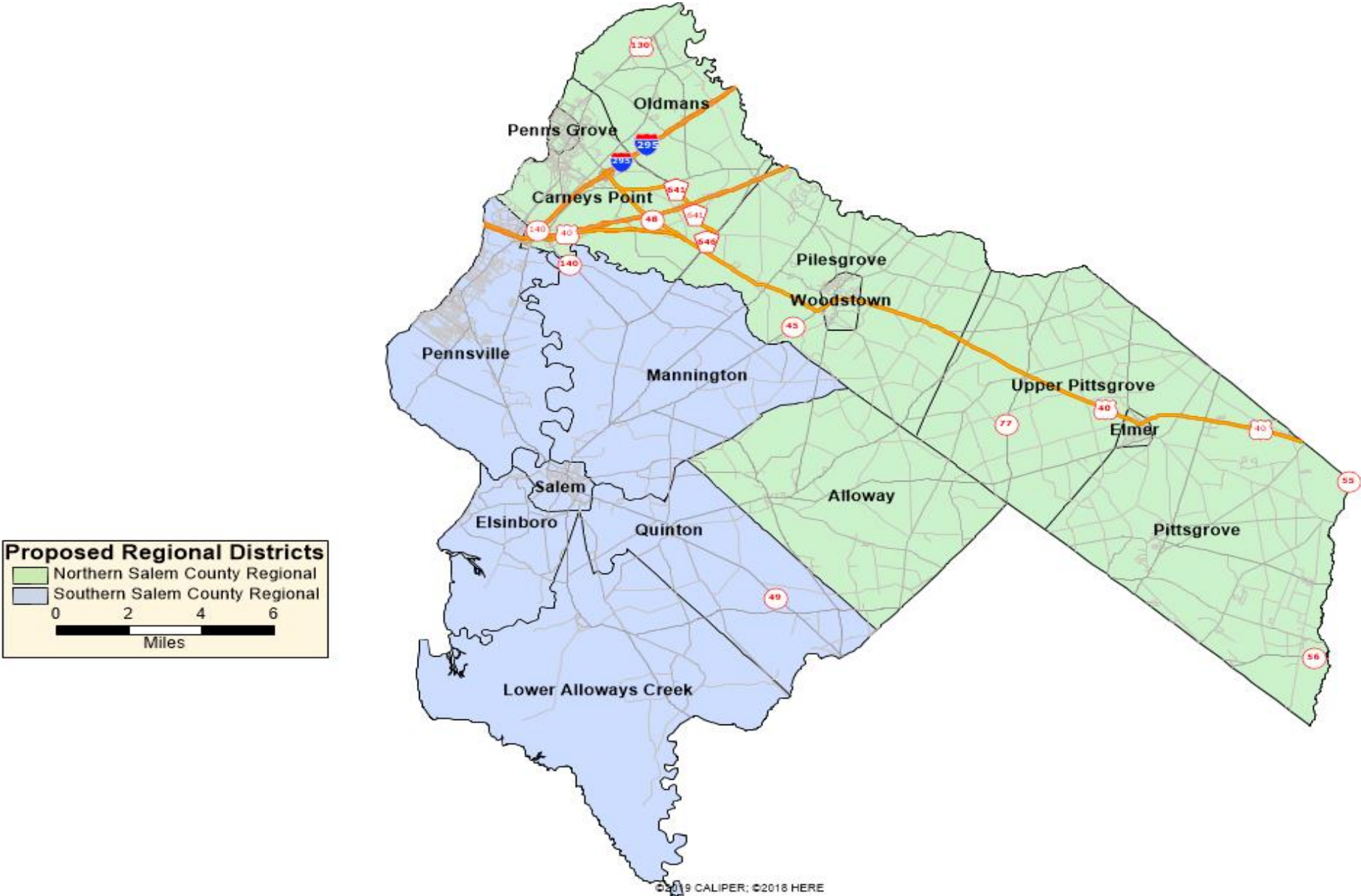
Year	PK	K	1	2	3	4	5	6	7	8	PK-8 SE	PK-8 Total	9	10	11	12	9-12 SE	9-12 Total	PK-12 Total
2014-15	564	730	845	745	718	768	747	730	814	794	186	7,641	910.5	871.5	826	742	44	3,394	11,035
2015-16	565	738	748	820	736	694	757	753	720	776	271	7,578	852	840.5	804.5	787	69.5	3,354	10,931.5
2016-17	482	777	740	740	795	715	661	752	742	698	418	7,520	805.5	758	779	754	49.5	3,146	10,666
2017-18	592	737	765	731	735	804	721	682	748	741	377	7,633	763.5	763.5	737.5	777.5	37.5	3,080	10,712.5
2018-19	571	747	727	738	711	733	758	729	673	707	382	7,476	793	720.5	745	712.5	159	3,130	10,606
2019-20	729	681	757	712	767	730	750	807	759	675	397	7,764	808	782	702.5	703.5	150	3,146	10,910

Salem County

Projected Enrollments

Year	PK	K	1	2	3	4	5	6	7	8	PK-8 SE	PK-8 Total	9	10	11	12	9-12 SE	9-12 Total	PK-12 Total
2020-21	754	696	672	741	721	774	768	792	808	741	383	7,850	704	775	760	679	144	3,062	10,912
2021-22	749	708	692	662	750	734	815	789	794	793	381	7,867	776	672	754	738	146	3,086	10,953
2022-23	706	779	707	685	669	759	777	838	792	779	376	7,867	831	741	653	730	149	3,104	10,971
2023-24	718	675	774	695	690	673	798	794	840	771	374	7,802	781	793	718	632	153	3,077	10,879
2024-25	716	730	670	761	700	695	713	816	796	820	366	7,783	783	744	769	694	155	3,145	10,928
2025-26	720	711	724	658	769	707	734	724	816	780	358	7,701	840	748	721	744	157	3,210	10,911
2026-27	718	717	706	714	661	778	747	748	726	797	357	7,669	790	804	724	697	151	3,166	10,835
2027-28	717	719	711	694	721	667	816	762	750	709	349	7,615	810	757	779	700	149	3,195	10,810
2028-29	718	714	712	700	700	730	707	833	764	732	344	7,654	716	774	735	752	149	3,126	10,780
2029-30	718	718	709	701	706	707	769	720	836	748	347	7,679	738	682	751	712	148	3,031	10,710

Studied North/South Regional Districts



Salem County Historical Enrollments by Race

Year	White	%	Black	%	Hispanic	%	Native American or Alaskan Native	%	Asian, Native Hawaiian, or Pacific Islander	%	2 or More Races	%	Total Students	Minority Total	Minority %
2014-15	7010	63.53%	2228.5	20.19%	1354.5	12.27%	19	0.17%	98	0.89%	325	2.95%	11,035	4,025	36.47%
2015-16	6875	62.89%	2173	19.88%	1410.5	12.90%	23	0.21%	100	0.91%	350	3.20%	10,931.5	4,056.5	37.11%
2016-17	6660.5	62.45%	2090.5	19.60%	1432	13.43%	24	0.23%	99	0.93%	360	3.38%	10,666	4,005.5	37.55%
2017-18	6597.5	61.59%	2090.5	19.51%	1518.5	14.18%	23	0.21%	87	0.81%	396	3.70%	10,712.5	4,115	38.41%
2018-19	6413	60.45%	2097	19.77%	1564	14.74%	22	0.21%	97	0.91%	416	3.92%	10,609	4,196	39.55%
2019-20	6471.5	59.32%	2105	19.29%	1795.5	16.46%	19	0.17%	91	0.83%	428	3.92%	10,910	4,438.5	40.68%

Key Takeaways

- Countywide enrollments are projected to be fairly stable in next 6 years before declining.
- Majority of schools currently have, and are projected to continue having, a seating surplus.
- No negative racial impact- assumed students would continue to be educated in their current schools.
- Salem County students are becoming more racially diverse; Hispanics are increasing in number and percentage.

EDUCATIONAL ANALYSIS

David C. Hespe

- Former two-time Commissioner of Education.
- Former President and CEO of Burlington County College.
- Former Chair/Associate Professor of the Educational Leadership Department at Rowan University.
- Former Interim Superintendent and Assistant Superintendent of Willingboro School District.
- Former Assistant Counsel for the New Jersey Office of Legislative Services.

Henry Bermann

- BA and MA from Rowan University in Education.
- 51.5 years of experience in Education at Pittsgrove School District.
- 10 years in the classroom.
- 8 years in general administration.
- 24 years as Business Administrator.
- 9.5 years as Superintendent.
- Business Administrator for 13 schools in 4 counties and Business Administrator for 3 Charter Schools with 20 years in Promise Charter School in Camden City.

Stakeholder Input: Consolidation

- **Goal:** Consult with stakeholders in the region to review issues related to impact and perceptions of impact on the community.
- **Process:** Interview administrators and board members in all local school districts regarding both the structural and facility needs and their view of district consolidation. Selected site visits to area schools.
- **Topics:** Technology, physical infrastructure, adequacy of space, ventilation, lighting systems, cleanliness, roofing, equal access to distance learning, technology needs, communal lunch areas, and class sizes.

Stakeholder Input: Trends and Themes

Is there a win-win outcome for Consolidation? Stakeholders raised the following issues:

Whether countywide unification will allow for regional planning that can lead to cost savings in operations and physical plant.

Whether the quality of education would improve with more resources larger systems could provide.

Stakeholder Input: Trends and Themes

Building Standards

All buildings and facilities with the exception Salem City's middle and elementary schools are sufficient for operation within 80% approval rating by the state evaluation system.

Technology

Satisfied with the current technological arrangements for students and did not feel that current buildings were restricted in implementing fair and equal access to technology

Stakeholder Input: Trends and Themes

A Changing Demographic

- Increased investments would be needed to bolster academic resources enhancing access to student support.
- Considering the current population study, it is understood that the student population is decreasing and in time this will put further stress on school effectiveness and efficiency.
- Funds related to the operations of those schools should then be reinvested.

The common view of the Stakeholders

- Notwithstanding the savings in tax monies, there is concern over giving up local control to a larger system of school governance.
- There is concern over whether larger school systems provide a better education.

SALEM COUNTY SCHOOLS AND EDUCATIONAL CHOICE

- There is already a significant amount of educational integration among the educational institutions in Salem County:
 - Many of the school districts participate in the Interdistrict public school choice program.
 - A charter school in Upper Pittsgrove serves middle school students in the northern part of Salem County interested in STEAM programs.
 - At the high school level, there are five academy style programs located at the area high schools under the auspices of the county vocational technical school.

SALEM COUNTY SCHOOLS AND EDUCATIONAL CHOICE

- Also at the high school level, there is a dual enrollment program that the high schools have established with the community college.
- The goal of the recommendations can be seen as accelerating that process within the unified governance structure.

Educational Attainment and Economic Opportunity

- Research demonstrates that the educational attainment of the population and the economic opportunity available to them are closely linked.
- Future generations of families and communities across Salem County will benefit from a more educated population and more educated workforce.

Prosperity Through a Career Pipeline

- A countywide K-12 school system can provide a solid first step in developing the resources and capacity to build a sustainable pipeline of highly skilled talent for challenging and rewarding careers that will serve to power existing and emerging industries and drive prosperity.
- A countywide system not only will facilitate coordination across these educational providers but across workforce development entities in the county (for example, the Workforce Investment Board or the Chamber of Commerce) and state and industry representatives as well as employers. Salem Community College and the county vocational and technical school already have demonstrated great leadership on this issue.

Equity

- The report also observed that student demographic characteristics correlate with student performance and that educational opportunity is less likely to be available to students of color and those with limited economic means in the county.
- The new county-based school board will be able to examine the desirability of increasing already existing choice opportunities in order to increase both educational opportunity and diversity, for example, through a magnet school component.

Advantages of a Countywide System

- A countywide district will present distinct advantages for students and may best be capable of accomplishing certain critical education goals that are research based.
- A countywide system would also provide the expertise and capacity for:
 - a shared curriculum office that can support teaching and learning, ensure alignment with State standards, and strive to provide all students challenging coursework and in varied subject areas of interest to them;
 - a shared performance office which can improve curriculum implementation through robust data collection and analysis at the central, school, and PLC level

Advantages cont.

- a professional development office which could assist schools in developing and delivering high quality, rigorous, and effective professional development including targeting resources to areas of high need.
- providing support to schools in the area of student and staff safety
- a strong focus on finding, hiring and deploying talent across the schools
- access to more extracurricular activities, clubs and athletics.

Advantages cont.

- A county-based system also will provide an opportunity for the improvement of programs and services for special populations as greater expertise and efficiency is developed at the county level.
- A county-based system also would be uniquely better situated to combat chronic absenteeism issues by being better able to connect and draw on expertise and resources from throughout the county and municipal agencies and state government including transportation, social workers, food programs, employment, medical and dental care, and before and after school care.

Transition

- During the initial five-year period, all students and staff remain in their current assignments.
- However, the administration of the unified district will begin to provide expanded services and programs in many areas including curriculum and instruction, professional development, and student support services.
- The consolidation of the central office functions of the various school districts also could start during the transitional period in order to achieve efficiencies.

Governance

- Current law provides that the boards of education of the constituent districts of the proposed new regional district may, by resolution, agree to apportion members other than as provided in statute.
- The county should consider using this authority to create an apportionment structure that provides each municipality with one member on the board (15-member board of education) with weighted voting by population.
- This will ensure that all districts have a voice and eliminate the need for regional at-large elections.

Transitioning the Local Boards of Education

During the transitional period, the consultants recommend that the membership of the local boards of education continue to serve as a School Based Management Committee ("SBMC") which will provide a temporary bridge between each community and a newly created unified board of education. The SBMC will serve as an advisory body to the unified county board of education.

Curriculum Council

The unified Board of Education could also create a Salem County PK-12 Curriculum Council which will consist of administrators and teachers from each school in the county as a standing curriculum coordinating committee. In this way, teachers across all the schools could be involved in writing the curriculum and ensuring that quality is consistent across all schools.

FINANCIAL ANALYSIS

Steven Cea, M.B.A.

- More than 25 years of experience as School Business Administrator.
- Specific experience with sending-receiving relationships and regional school districts.
- Possesses a Masters of Business Administration from Walter A. Haas School of Business, University of California at Berkeley.

Organizational Structures Studied

- 15 municipalities & 14 Educational Entities
- 7 - PK-8 districts with sending/receiving agreements with area high schools,
- 2 - PK-12 regional school districts,
- 2 - stand-alone PK-12 districts,
- 1 - PK-12 consolidated district serving two communities
- County vocational school
- Charter school

Financial Framework

Model Development

- Actual Revenues & Expenses.
- User Friendly Budgets.
- Enrollment projections from demographic section.
- Projected revenues and expenses over a 10-year period.

Financial Framework

Key Assumptions

- Tax levy and rate were estimated to compare alternative scenarios.
- State aid for each district approximate funding in 2018-19.
- Educational programs equivalent to those in place in 2018-19.
- Tuition costs based on actual state certified cost per pupil rates.
- Full implementation in year one to better capture full financial impact.
- Current collective bargaining agreements will remain in force until a unified all-purpose regional agreement can be negotiated.

County-Wide Regional Savings

- Total Annual Savings from Unification - \$6.8 million
 - 3% of Expenses
 - 8% of Total Tax Levy
- Types of Savings
 - Economies of Scale
 - Efficiencies – Direct & Indirect Economic Savings
- Methodologies
 - Comparative Analysis
 - Cost Center Modeling
 - Unification Research & Academic Literature

Financial Results Overview

- Referendum Requirement
- Traditional Allocation Variables
 - Equalized Property Value
 - Enrollment
- Impact of Traditional Allocation Method on Scenarios
- New Allocation Methodology

Transitional Allocation by Tax Levy

- Equitably allocate total \$6.8 million across all communities.
- 7.95% tax reduction for each community.
- Ten-year period studied

Transitional Allocation by Tax Levy

Community	General Fund Tax Levy	Debt Service Tax Levy	VoTech Tax Levy	Total Tax Levy	Share of Total Levy	Savings Tax Allocation
Alloway	3,955,188	247,262	106,475	4,308,925	5.0%	342,351
Carneys Point	9,085,812	629,778	234,503	9,950,093	11.6%	799,417
Elmer	1,844,739	-	38,658	1,883,397	2.2%	149,639
Elsinboro	1,508,188	-	37,794	1,545,982	1.8%	122,831
Lower Alloways Creek	3,292,016	-	100,919	3,392,935	3.9%	269,574
Mannington	2,750,279	90,448	70,990	2,911,717	3.4%	231,340
Oldmans	2,941,742	146,148	90,551	3,178,441	3.7%	252,532
Penns Grove	2,015,452	139,782	50,535	2,205,769	2.6%	173,069
Pennsville	21,040,555	1,481,002	363,894	22,885,451	26.6%	1,818,285
Pilesgrove	6,898,334	890,835	165,951	7,955,120	9.2%	632,446
Pittsgrove	10,616,642	518,407	239,951	11,375,000	13.4%	913,641
Quinton	2,474,558	220,418	62,855	2,757,831	3.2%	219,114
Salem City	2,392,321	105,620	52,125	2,550,066	3.0%	202,607
Upper Pittsgrove	4,291,166	-	115,546	4,406,712	5.0%	344,336
Woodstown	4,132,368	533,645	98,012	4,764,025	5.5%	378,110
Total	79,290,721	5,003,535	1,828,758	86,123,014	100.0%	6,849,292

Transitional Allocation

In summary, the transitional allocation mechanism uses current tax levies to proportion future allocations. This would ensure each community pays no more than the current proportional tax levy relative to the other members of the new county regional. Also, the transitional allocation ensures that each community benefits from the same percent savings whether the actual savings are higher or lower than anticipated.

Opportunities

- Create Something New
- Resilience – Ability to absorb external shocks.
- Capacity – Ability to offer more courses and programs.
- Expertise – Larger organizations can retain expertise.
- Diversify Risk – Reduce costs of various insurances.
- Internal Controls – Separate tasks to ensure financial integrity.
- Cross Training – To maintain service during absences.

Challenges

- **Local Control** – Transfer control to regional board.
- **Accessibility** – Reduced proximity to central office services.
- **Organizational Culture** – Blending the various district cultures into one unified regional school district.

Financial Takeaways

- County wide all-purpose regional generates \$6.85 million in savings
- Loss in choice aid if not adjusted by State
- Borrowing margin increases by \$17.7 million
- Transitional allocation provides for all districts to experience a proportional savings based on current budgeted tax levy

Overall Study Conclusion

- Of the scenarios, the creation of a Unified All-Purpose PK-12 School District provides the greatest savings and ease of implementation.
- While the creation of a North-South regional is feasible and preferable to the status quo, it is not as beneficial as a unified PK-12.

Thank You

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