



The HIGHLANDS Report

Northern Highlands Regional High School District * Allendale and Upper Saddle River * April 2002

Northern Highlands Eligible to Receive Three Million Dollars in Construction Grants

We learned last week that we are eligible to receive \$2,962,417 from the state of New Jersey towards our proposed \$18,500,000 project to improve educational facilities and programs at Northern Highlands. This was a significant accomplishment, because we were working under a very tight deadline, and because the state, suffering from a revenue shortfall of several billion dollars, has lately become very stringent in its assessment of expansion projects.

As a result of our eligibility for this grant, on April 16th we will be seeking your approval to raise \$15,537,583 to enable Highlands students to be educated in a facility that meets their educational needs. This total amount is to be divided between Allendale and Upper Saddle River, so the tax impact will be significantly smaller than that of either of the recent K-8 projects.

In fact, an average Allendale home, assessed at \$520,000, will pay only \$203 per year, and an average home in Upper Saddle River, assessed at \$670,000, will pay only \$248 per year. Considering how little \$203 or \$248 can buy today, this is indisputably a great investment; excellent schools are the main reason that our houses keep rising in value.

As a matter of fact, next year's tax bite will be even smaller. More than \$600,000 in excess tuition revenue has accumulated in a Capital Reserve Account in recent years, and the Board of Education has decided to apply these funds to the construction, starting in 2003.

The proposal before you is not in any way frivolous, and, in fact, does not provide many things that would be nice to have. The overwhelming majority of the monies will be spent on the new science addition, which is desperately needed. Science instruction in 2002 is vastly different from science instruction in 1965 and simply requires more space. Ridgewood High School has completely replaced all of its science labs. Ramapo High School and Indian Hills High School have new science wings under construction. Northern Valley Demarest High School and Northern Valley Old Tappan are upgrading their labs as part of their recently passed thirty-plus million dollar bond issue, and Pascack Valley and Pascack Hills are seeking approval to do likewise. The need to bring science facilities into the twenty-first century is universally recognized, and must be addressed at Northern Highlands.

Our educational needs will not go away, but our three million dollar construction grant can. If this proposal is not approved we will have no entitlement to state funds for future improvements of our facilities. Given the financial condition of the State of New Jersey it is prudent for us to act now, during this window of opportunity, which may close soon.



21st Century Science

The field of science now provides students with almost endless professional opportunities beyond high school and college. More and more of our graduates plan to major in one of the many science programs colleges and universities offer. With 97-99% of our graduates enrolling in college, it is important that their high school education provide them with the skills and knowledge necessary to compete and experience success in an ever-changing scientific world.

Northern Highlands continues to refine its curriculum and integrate new technologies into our program. However, we are at the point where we have outgrown our current facility. Because of crowding, we are actually limited in the labs and instruction we can provide our students. We don't believe we should edit challenging labs out of our curriculum simply because desks and poorly designed lab tables from 1965 are in our way - but without new labs that could happen.

Equipment for our science labs is not the issue today - space is. For years we have maintained a quality program, carefully budgeting for new equipment and technology - and as a result our current labs have seven computers in each. But those

computers had to be "cut and pasted" around the rooms, on carts, near sinks and gas lines, in locations that sometimes put our investment in these expensive machines in jeopardy. Renovation alone will not provide the necessary floor space.

Our current labs offer only 900 square feet of floor space. The State will not allow new labs to be built with fewer than 1,200 square feet. Nearby high schools, such as Ridgewood, Indian Hills, and Ramapo, are building or have recently built labs of 1,400 square feet. But we have worked closely with our architects to design labs that will meet our needs at 1,300 square feet. These labs will have water, gas, required safety equipment, proper ventilation, and storage cabinets - but because we have been adding equipment gradually in accordance with our long-range goals, will not require expensive new technology or scientific instruments.

Plain and simple, the science expansion is about space and safety. It does not include bells, whistles, and wasteful frills that will soon become obsolete.

Highlights of the Plan:

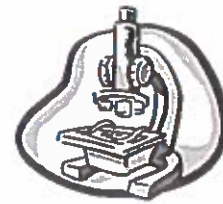
* New *

- * **15 New Science Labs**
- * **7 New Science Prep Rooms**
- * **5 New Classrooms**
- * **New Cafeteria Space**
- * **2 New Girls Locker Rooms**



* Expanded *

- * **Weight /Fitness Lab for School & Community Use**
- * **Woodshop Offerings**
- * **Home Economic Offerings**
- * **Photography Darkroom**



* Improved & Upgraded *

- Music / Band Facilities**
- Computer Rooms**
- T.V. Production Studio**
- World Language Lab**
- CAD (Computer Aided Design) Lab**

Election: Tuesday, April 16th

~ 2:00 pm to 9:00 pm -

~ Allendale ~

Districts 1 & 2 Brookside School

Districts 3 & 4 Hillside School

~ Upper Saddle River ~

Districts 1 & 2 Cavallini School

District 3 Borough Hall

Districts 4 & 5 Presentation Church

Considerations / Goals of the Proposal:

- A. Meet the long-range educational needs of the student population**
- B. Provide more curricular opportunities for students**
- C. Be cost effective, straightforward, with no frills**
- D. Have low impact on the environment**
- E. Be in harmony with the existing building**

UNDERSTANDING YOUR ASSESSMENT

The Board of Education is aware that both Allendale and Upper Saddle River have recently undergone a tax reassessment and that this reassessment comes at a time when residents are being asked to approve a facilities improvement plan. It is important for everyone to understand what a reassessment is, and how it may - or may not - affect your taxes.

A reassessment is conducted to ensure that all taxpayers are paying their fair share of real estate taxes based on the current value of their properties. For example, if an older home has not been reassessed for many years, the true value assessment on that home will be lower compared to new homes that have been constructed - and assessed - more recently.

The purpose of an assessment is not to raise taxes but to reallocate, on a fair basis, the total tax burden for all Township/Borough taxpayers.

If a homeowner has been paying taxes that reflect the home's true value, that homeowner's taxes will not go up as a result of assessment. However, some homeowners may see an increase in their property taxes as a result of having been "under-assessed" in previous year. *Generally, the tax rate goes down as a result of a reassessment.*

To understand the estimated tax impact of the reassessment on a home, try using this formula:

$$\text{Rate} \times \text{Assessment} = \text{Tax}$$

For example: If the tax rate is \$1.00 per hundred of assessed value, and a home is assessed at \$400,000, that home's taxes are \$4,000.

$$\$1.00 \times \$400,000 \text{ (or 4,000 hundreds)} = \$4,000$$

If the value of most homes in the Township/Borough increases as a result of the total reassessment, the tax rate per hundred is expected to decrease. In the above example, if a home's assessment increases from \$400,000 to \$675,000, and the tax rate per hundred drops from \$1.00 to \$.60, then that home's taxes would stay at approximately \$4,000.

$$\$0.60 \times \$675,000 \text{ (or 6,750 hundreds)} = \$4,050$$

The final tax rate will be determined after various budgets (Township/Borough, Local & Regional School Districts, County) are prepared and approved.

ESTIMATED TAX IMPACT of the Proposed Facilities Improvement

Cost of Project:	\$18,500,000
<u>LESS: State Grant</u>	<u>2,962,417</u>
Local Share	\$15,537,583

Annual Cost To The Taxpayer*

	<u>Per \$100,000 of Assessment</u>	<u>Average Assessment</u>	<u>Cost per Avg. Assessment</u>
Allendale Share	\$39.00	\$520,000	\$203.00
Upper Saddle River Share	\$37.00	\$670,000	\$248.00

Cost per day

(Cost per Avg. Assessment divided by 365 per year)

<i>Allendale</i>	<i>\$0.56</i>
<i>Upper Saddle River</i>	<i>\$0.68</i>

* Based upon an estimated 20 year mortgage-like repayment schedule at 4.75%.

NOTICE TO SENIORS: As a result of a recent change in the law, senior citizens may be protected from tax increases if the school referendum is approved. The Property Tax Reimbursement Program reimburses eligible senior citizens for property tax increases. As a result of this revised law, there will be increased numbers of senior citizens who will be eligible to have their real estate taxes frozen at current levels. Contact the NJ Division of Taxation at 1-800-882-6597 for information.

The Benefit of Tuition Students - Revisited

In my last article, *How Do Tuition Students Benefit Northern Highlands?*, I discussed the positive impact of tuition students to the district both financially and educationally. In this article, I will present the 'nuts & bolts' of the financial end of the relationship. Please be reminded that Northern Highlands courted Ho-Ho-Kus to come to Northern Highlands when class sizes were low and offerings were in danger of being reduced. It should also be noted that discontinuing our send/receive relationships is *not* an option, as the Commissioner of Education would not allow us to dissolve these relationships.

Given that, in order to clarify the positive financial impact of the relationships, let's look at what would happen *IF* the relationships were dissolved:

In the current year, we receive 246 students from Ho-Ho-Kus and Saddle River. This translates into a total tuition revenue of \$2,348,316. If we were to take a 10 to 1 ratio of staff reduction to student loss, we would be able to reduce the staff by 24.6 teachers. Please keep in mind however, that this is an unrealistically high ratio - the actual number of teachers that would be able to be reduced would be much *less*. Also if staff is reduced, by law it is the last-one-in, first-one-out rule - meaning that generally, your lower-cost and less experienced teachers would be let go. For this scenario, we will assume an

average salary & benefits cost of \$50,000. Therefore,

$$\begin{array}{rcl} \text{Staff reduction} \times \text{Rate} & = & \text{Expense reduction} \\ 24.6 & \times & \$50,000 = \$1,230,000 \end{array}$$

Thus, if HHK & SR were no longer our partners, our revenue would drop by \$2,248,316 yet our expenses would be reduced by only \$1,230,000 *creating a TAX INCREASE of \$1,118,316* to the taxpayers of Allendale and Upper Saddle River - just to maintain the status quo! Another way of looking at this is that the *HHK & SR tuition annually offsets or reduces the local tax levy request by over \$1 million dollars.*

Of additional interest is the fact that both contracts include an escalator whereby the tuition costs increase each year of the contract. Also, please keep in mind that the HHK & SR fee is for tuition only - they each must also pay for their own transportation, special education and administrative costs. HHK recently calculated their 9-12 costs *including tuition and extra expenses* at over \$11,000 for the current school year. Further, the SR contract has a clause that addresses providing Northern Highlands with additional monies for debt service. The HHK contract is currently under negotiation to address this matter.

Northern Highlands Regional High School

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