

West Morris Regional High School District

Restructuring Feasibility Study

prepared by

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Introduction

The municipal governments of Chester Borough, Chester Township, Mendham Borough and Mendham Township, in the Spring of 2014, requested proposals for a restructuring feasibility study of the West Morris Regional High School District. The Request for Proposal (RFP) specifically stated:

"The Borough of Mendham on behalf of a consortium of agencies including Mendham Borough, Mendham Township, Mendham Borough and Mendham Township is seeking a professional consultant (the "Consultant") to prepare a study (the "Study") to provide the partnering organizations and the residents of the communities they represent with a study examining the educational and financial benefits and/or detriments of a set of structural options to the presently configured West Morris Regional High School District."

Ross Haber and Associates was awarded the contract to provide this study in late Spring, 2014. During the course of the summer of 2014 and through the fall of 2014 and winter of 2015 a team of consultants with backgrounds and experience in the educational and financial components of a school district sought data in order to produce an analysis of options to the current structure of the West Morris Regional High School District. The two options studied were:

Option 1

The request for proposal indicated the following as the first option:

"...de-regionalizing of the District with each of the Chesters and the Mendhams maintaining their existing K-8 local school districts and the creation of a separate limited purpose regional high school serving the Mendhams and the Chesters.¹"

Under this option Washington Township would become a PK-12 school district with West Mendham Central High School. West Mendham High School would serve the Mendhams and the Chesters. Washington Township would have a single PK-12 Board of Education and administrative structure (e.g.-single central administration). Mendham Township, Mendham Borough and Chester Township/Borough would maintain their current Boards of Education and administrative structures. A 9-12 regional board would be re-organized to include representation from each of the constituent school districts.

¹ From the April 1, 2014 Request for proposal

Option 2

Under option two:

"...de-regionalization of the District with the Chesters and the Mendhams forming a single PK-12 regional district. Washington Township would become a single K-12 district.²

Under this option Washington Township would form a PK-12 Board of Education and create a single central administrative structure . West Morris Central High School would become part of the Washington Township Schools.

The Boards of Education in the Mendhams and the Chesters would dissolve. A new PK-12 Regional Board of Education would be formed with representation from each of the constituent Districts. A single administrative structure would be set up for the newly formed Regional. West Morris Mendham High School would be part of the Mendham-Chester Regional PK-12 School District.

Project Tasks

The task for the consultants was to evaluate both options and provide an analysis as to:

1. The impact on the educational programs and services under each option. This would include, but not be limited to the impact each option would have on curricular, co-curricular and extra-curricular programs for the students of the Regional. This would also include an analysis on the potential impact on the International Baccalaureate Program which has been a source of pride to the District as well as the highly developed technical programs and services now operational in the Regional.
2. Impact on the budget as a result of the dissolution of the West Morris Regional High School District and the formulation of either Option 1 or option 2.
3. The financial impact on the tax burden not only for the four municipalities which have sponsored this study (The Mendhams and the Chesters) but

² From the April 1, 2014 Request for proposal

also on Washington Township which chose not to participate in this study.

4. The impact on staff (professional and certified) and the potential consequences regarding existing agreements between the several boards of education and the bargaining units.
5. The impact, if any, on programs which may have or will have required shared staff (teachers and supervisors who travel between West Morris Central and West Morris Mendham High School.
6. Logistical issues arising out of the dissolution of the Regional and the formulation of either options. These logistical issues consist of, but are not limited to:
 - a. Location of the central office for the newly formed Mendham-Chester PK-12 Regional.³
 - b. Transportation
 - c. Shared technology
7. The procedures and legal issues pursuant to de-regionalization and the creation the "new" school districts.

This is not the first study which has which has been done regarding changes in the structure of the Regional. There were studies done in 1988, 1990, 1998 and 2002. Each of these studies resulted in the Regional remaining within its current structure. The current study is being done in order to determine if current demographic and financial issues make either one of the options being considered feasible.

Study Procedures

This study was commissioned in the late spring of 2014. The study began at the beginning of the summer of 2014. Because of the summer schedule of schools, vacation schedules and difficulty of scheduling meetings during July and August the ability for the consultants to gather and verify data was limited until the latter part of September. Since that time the consulting team has gathered information and data to evaluate the effects of altering the configuration of the existing regional high school district as well as the constituent PK-8 districts which formulate the regional. The following is a general overview of the procedures and tasks followed during this study:

³ There has not been any name officially given to the potential new regional. Indicating it as the Mendham-Chester K-12 Regional District is just for purposes of this study.

1. Interviews with the superintendent and central office staff of the West Morris Regional High School District and the superintendents of Washington Township, Mendham Township, Chester Township/Borough and Mendham Borough.
2. Review and analysis of school district records, including those made available by the school districts and the New Jersey Department of Education.
3. Review and analysis of demographic data for the five constituent municipalities.
4. Analysis of financial documents to evaluate the school taxes borne by the constituent municipalities.
5. A review of recent budgets for the regional.
6. A review of the costs of central office staffing and the costs of the current three and one-half boards of education under the current organizational structure (this does not include the Washington Township PK-8 or its membership on the Regional Board of Education.
7. Review of existing reports related to regionalization and consolidation.

Where appropriate source documents will be footnoted and/or appended to this study and/or provided upon request. The findings of this study are dependent upon the accuracy and timeliness of the data provided to the study team.

Organization of this Study

This study is organized into the following sections:

- Section I: Executive Study
- Section II: Demographics
- Section III: Education
- Section IV: Budgetary Implications
- Section V: Tax Implications
- Section VI: Issues regarding de-regionalization and the formulation
of the regional under Option 1 and Option 2
- Section VII: Conclusion

Section I: Executive Summary

Executive Summary

Overview

The West Morris Regional High School District is a limited purpose public high school district in New Jersey that serves students from the surrounding Morris County communities of Chester Borough, Chester Township, Mendham Borough, Mendham Township and Washington Township. Elementary school students of the constituent municipalities attend separate K-8 school districts maintained by four of the five municipalities. Chester Borough and Chester Township are consolidated under the Chester Township Public School District and the remaining three municipalities each have their own (PK-8) school districts.⁴

The District is classified by the New Jersey Department of Education as being District Factor Group I, the second highest of 8 groupings. District Factor Groups organize districts statewide to allow comparison by common socio-economic characteristics of the local districts. From lowest socioeconomic status to highest, the categories are A,B,CD,DE,FG,GH,I and J.⁵

The District was established in March, 1956, with the first school opening in September, 1958 at what is now West Morris Central High School. The District originally included Mount Olive Township until that municipality voted to leave the regional system. Students from Mount Olive Township attended West Morris Central High School until 1972.⁶ The District has operated in its current form since then.

The West Morris High School District has seen a moderate growth in enrollment between the two high schools between the 2009-10 and 2014-15 school year. The 2009-10 school year is the base year for the enrollment history. West Morris Mendham High School which has grown from 1,298 in the 2009-10 school year to 1,405 in the 2014-15 school year. That is an increase of 107 students or approximately 8.2%. At the same time West Morris Central High School declined from 1,391 students in 2009-10 to 1,317 in 2014-15. This is a decline of 74 students or approximately 5.3%. There was a net gain between the two high schools of 23 students. However, the projections for the high schools show that West Morris Central High School will

⁴ Source: Wikipedia

⁵ Source: Wikipedia; see Appendix a for further information regarding District Factor Group

⁶ Source: Wikipedia

decline significantly between the current school year and the 2019-20 school year (the last projected year). West Morris Central will decline from the current 1,317 to 1,169 students in 2019-20. This is a decline of 148 students or approximately 11%. At the same time West Morris Mendham High School will decline from the current 1,405 to 1,377 in 2019-20. This is a decline of 28 students or approximately 2%.⁷ The total enrollment at both high schools in 2019-20 is projected to be 2,546. This is a net decrease of 176 students or approximately 6.9%.

The overall enrollment in each of the sending districts has declined in all of the constituent Districts. The net decline for all the constituent Districts was 993 students between 2009-10 and 2014-15. This is a decline of approximately 11.75%. The projection indicates that the enrollment will decline by another 551 students between 2014-15 and 2019-20. This is a projected decline of approximately 17.4%.

In 2014 New Jersey Monthly ranked West Morris Mendham High School number four in the State of New Jersey and West Morris Central High School number 11. This was out of 339 high schools ranked in the State. In all of the categories used to rank high schools the differences between the two West Morris Regional Schools was minimal. In all categories the two high schools rank high when compared to other high schools in the State based upon college readiness and math and language proficiency. The two high schools are among the very few in New Jersey who offer both Advance Placement (AP) and International Baccalaureate (IB) Programs. Both schools offer a wide range of course offerings and opportunities for the students in the District.

As of 2014-15 the overwhelming majority of students who reside in Washington Township attend West Morris Central High School and virtually all students who reside in the Mendhams and the Chesters attend West Morris Mendham High School. In either of the two options being studied there would be minimal disruption to students in terms of the high school that they attend. The purpose of this study is, in part, to determine if there would be any change that could negatively impact the quality of education in the schools as well as to assess the impact of either option on budgets and taxes. The study indicates that the programs which currently exist could be continued in either of the options. There are, however, going to be

⁷ Enrollment data is based upon the official data sent by the District to the Department of Education. The enrollment data was provided by the West Morris Regional School District and the constituent Districts.

additional cost factors regarding supervision, shared teaching staff reductions and increases in teacher time in the classroom (sixth teaching assignments which require a 20% pay differential). This study will estimate the cost factors involved with maintaining the current level of programs at the schools.

It is assumed that all parties do not wish to in any way degrade the level of educational opportunities for the students for of either of the options presented in this study. This study will assess the balance between program and spending in each of the options. This study will show that there will be need for, in both options, additional supervisory staff. There are currently subject supervisors who are responsible for observing and evaluating teachers. These are shared by both schools. Given the current requirements of at least two required classroom visits by a supervisor plus the pre and post conferencing, this is a task that cannot be accomplished by a building principal alone, especially given the number of staff in each building.

IB courses require specific training and staff in both schools have been provided such training. There are in some years shared staff (staff traveling between buildings to teach IB subjects). Additional training costs and the need for additional staff may add cost in each of the options. Given a PK-12 regional for the Mendhams and the Chesters or a limited purpose regional for the Mendhams and the Chesters it might be necessary to add a curriculum coordinator for the purpose of articulation of curriculum PK-12.

Logistically it appears that the simple task of splitting the high schools in terms of student locations can be accomplished fairly easily, it is very important to note that there will be additional costs to the Districts which will be reflected in future budgets.

This study did an analysis of budgetary considerations for each of the options and for the attendant consequences on taxes for each of the communities. The budget for each of the Regional High Schools Schools for the current school year was \$ 43,593, 320. Of that West Morris Central's share was \$21,859,323 and West Morris Mendham's share was \$ 21,733,997. In addition there were additional expenses of \$ 9,435,741 which could not be assigned specifically to a school so that added \$ 4,717,870.50 to each of the budgets. The total District-wide budget for the 2014-15 school year was \$ 53,029,061.

Several assumptions were made in developing this study. The first was that for the following three categories of aid the following would be true:

1. All equalization aid is allocated to Washington Township. For the current year that amount was \$ 324,799. In both options we assume Washington Township will continue to receive equalization aid and the Mendhams and Chesters will not.
2. State and Federal Aid are distributed based upon enrollment. For the current school year West Morris Mendham had 51.6% of the enrollment and Central had 48.4%. This aid was split as follows:
 - a. West Morris Central:

1. State Aid	\$ 2,308,010.
2. Federal Aid	<u>\$ 273,818.</u>
Total:	\$ 2,581,828.
 - b. West Morris Medham:

1. State Aid	\$ 2,117,491.
2. Federal Aid	<u>\$ 292,358.</u>
Total	\$ 2,409,849.
3. State aid cannot be projected so for purposes of this study we are assuming no change in State aid (although enrollment may alter the allocation).

Budget

An analysis of the budget was done in terms of both options in order to project the potential increase and/or decrease in expenses. Under Option 1 the Mendhams and Chesters become a limited purpose 9-12 regional and Washington Township becomes PK-12 District.

Option 1

1. The Mendhams and Chesters have a budgetary increase of \$ 1,792,412. or a 118% increase over their aggregate contribution to the current regional.
 2. Washington Township has a budgetary increase of \$ 42,072. or 2.8%.
- This would be the same under option 2.

Option 2:

This analysis is more complex and was actually analyzed in three sections. For the purpose of this summary only the result is shown. In this option the Mendhams and the Chesters the net decrease in costs of \$ 102,954. However this decrease will likely be offset by a negotiations with the various bargaining units as a result of the new organization.

The analysis of expenditures in this section of the summary targets changes in administrative expenses including salaries, benefits, legal expenses, new administrative offices for the Mendham and Chesters new organizational structure and additional expenses as listed on the tables which are in the budgetary section of this report.

Taxes

Summary of Increase or decrease in taxes by municipality

Option 1

Under Option 1, using the revised estimated budgets, over a two year period due to the split-year funding nature of collecting school taxes, can be summarized as follows:

2014 and 2015 Average Assessments:

Chester Borough	\$462,961
Chester Township	\$666,676
Mendham Borough	\$705,096
Mendham Township	\$910,919
Washington Township	\$436,867

The combined estimated increase or decrease in School Taxes 2014 and 2015 based upon the average assessment.

Chester Borough	(\$540.61)
Chester Township	(\$1,011.64)
Mendham Borough	(\$1,036.41)
Mendham Township	(\$1,337.37)
Washington Township	\$1,075.98

Option 2

Under Option 2, using the revised estimated budgets, over a two year period due to the split-year funding nature of collecting school taxes, can be summarized as follows:

2014-15 Average Assessment (2 Year Difference)

Chester Borough	(\$816.00)
Chester Township	(\$2,336.00)
Mendham Borough	(\$370.)
Mendham Township	(\$1,455.00)
Washington Township	\$1,075.98

The bracketed items indicate the annual reduction in taxes but do not include increased costs based upon the contracts which will have to be negotiated due to the change in structure of the Regional. This will be addressed in detail later in this study.

Section 2: Demographics & Enrollment Projections

General Demographics

The West Morris Regional High School District comprises five communities. They are Chester Borough, Chester Township, Mendham Borough, Mendham Township and Washington Township. The following tables provide a general overview of the demographics for each of the municipalities.⁸ These compare the individual municipalities with Morris County and the State of New Jersey.

Table 1: Chester Borough

	Chester Borough			
	2000	2012	Diff	Percent
Population	1,635	1,649	14	0.86%
Median Age	39.10	43.10	4.00	10.23%
Household	609	615	6	0.99%
Median Income	\$80,398	\$98,750	\$18,352	22.83%
Mean Income	\$115,247	\$141,119	\$25,872	22.45%

	Morris County			
	2000	2012	Diff	Percent
Population	470,212	493,472	23,260	4.95%
Median Age	37.80	41.42	3.62	9.58%
Household	174,379	189,821	15,442	8.86%
Median Income	\$77,340	\$117,258	\$39,918	51.61%
Mean Income	\$99,849	\$151,802	\$51,953	52.03%

	State of New Jersey			
	2000	2012	Diff	Percent
Population	8,414,350	8,791,894	377,544	4.49%
Median Age	36.70	39.40	2.70	7.36%
Household	3,064,645	3,214,360	149,715	4.89%
Median Income	\$55,146	\$71,637	\$16,491	29.90%
Mean Income	\$74,719	\$96,602	\$21,883	29.29%

Table 1 shows that the total population in Chester Borough was stable with a marginal increase of .86%. There was little new construction between 2000 and 2012. In addition, there was also a four year increase in the median age in Chester Borough. The higher the median age

⁸ All demographic data in this section is from the United States Census 2010 with 2012 estimates.

the lower the birth rate. The lack of any significant new housing and the increase in the median age are indicative of a declining school enrollment.

Table 2: Chester Township

	Chester Township			
	2000	2012	Diff	Percent
Population	7,282	7,851	569	7.81%
Median Age	39.60	44.00	4.40	11.11%
Household	2,323	2,685	362	15.58%
Median Income	\$117,298	\$166,146	\$48,848	41.64%
Mean Income	\$164,251	\$258,576	\$94,325	57.43%

	Morris County			
	2000	2012	Diff	Percent
Population	470,212	493,472	23,260	4.95%
Median Age	37.80	41.42	3.62	9.58%
Household	174,379	189,821	15442	8.86%
Median Income	\$77,340	\$117,258	\$39,918	51.61%
Mean Income	\$99,849	\$151,802	\$51,953	52.03%

	State of New Jersey			
	2000	2012	Diff	Percent
Population	8,414,350	8,791,894	377,544	4.49%
Median Age	36.70	39.40	2.70	7.36%
Household	3,064,645	3,214,360	149,715	4.89%
Median Income	\$55,146	\$71,637	\$16,491	29.90%
Mean Income	\$74,719	\$96,602	\$21,883	29.29%

Table 2 shows that while the population did increase in Chester Township between 2000 and 2012 the median age also increased by more than four years. This is commensurate with a lower birth rate. The enrollment in the Chester Township Schools is showing a decline that may be directly related to a decreasing birth rate.

Table 3: Mendham Borough

Mendham Borough				
	2000	2012	Diff	Percent
Population	5,097	5,004	-93	-1.82%
Median Age	41.90	44.90	3.00	7.16%
Household	1,828	1,690	-138	-7.55%
Median Income	\$110,348	\$126,597	\$16,249	14.73%
Mean Income	\$142,541	\$184,437	\$41,896	29.39%

Morris County				
	2000	2012	Diff	Percent
Population	470,212	493,472	23,260	4.95%
Median Age	37.80	41.42	3.62	9.58%
Household	174,379	189,821	15442	8.86%
Median Income	\$77,340	\$117,258	\$39,918	51.61%
Mean Income	\$99,849	\$151,802	\$51,953	52.03%

State of New Jersey				
	2000	2012	Diff	Percent
Population	8,414,350	8,791,894	377,544	4.49%
Median Age	36.70	39.40	2.70	7.36%
Household	3,064,645	3,214,360	149,715	4.89%
Median Income	\$55,146	\$71,637	\$16,491	29.90%
Mean Income	\$74,719	\$96,602	\$21,883	29.29%

The Mendham Borough has had marginal declining enrollment and has lost some housing between 2000 and 2012. The median age increased by three years to 44.0. As with the Chesters the increasing birth rate, the lowering population and the decrease in housing is commensurate with a declining school enrollment.

Table 4: Mendham Township

Mendham Township				
	2000	2012	Diff	Percent
Population	5,400	5,851	451	8.35%
Median Age	40.30	45.50	5.20	12.90%
Household	1,849	2,087	238	12.87%
Median Income	\$136,134	\$158,750	\$22,616	16.61%
Mean Income	\$180,231	\$246,739	\$66,508	36.90%

Morris County				
	2000	2012	Diff	Percent
Population	470,212	493,472	23,260	4.95%
Median Age	37.80	41.42	3.62	9.58%
Household	174,379	189,821	15,442	8.86%
Median Income	\$77,340	\$117,258	\$39,918	51.61%
Mean Income	\$99,849	\$151,802	\$51,953	52.03%

State of New Jersey				
	2000	2012	Diff	Percent
Population	8,414,350	8,791,894	377,544	4.49%
Median Age	36.70	39.40	2.70	7.36%
Household	3,064,645	3,214,360	149,715	4.89%
Median Income	\$55,146	\$71,637	\$16,491	29.90%
Mean Income	\$74,719	\$96,602	\$21,883	29.29%

Mendham Township has shown moderate growth in its overall population. There has been some increase in housing, however the median age in Mendham Township has increased by more than five years. That increase in median age has resulted in a lower birth rate and lower enrollments in the schools.

For the four communities which would comprise either Option 1 or 2 the enrollment, especially at the lower grades are declining and would indicate that the school facilities both on an elementary and secondary level should be adequate to serve the needs of the students under either option.

Table 5: Washington Township

Washington Township				
	2000	2012	Diff	Percent
Population	17,592	18,577	985	5.60%
Median Age	38.30	42.00	3.70	9.66%
Household	5,890	6,507	617	10.48%
Median Income	\$97,763	\$122,021	\$24,258	24.81%
Mean Income	\$109,661	\$150,531	\$40,870	37.27%

Morris County				
	2000	2012	Diff	Percent
Population	470,212	493,472	23,260	4.95%
Median Age	37.80	41.42	3.62	9.58%
Household	174,379	189,821	15442	8.86%
Median Income	\$77,340	\$117,258	\$39,918	51.61%
Mean Income	\$99,849	\$151,802	\$51,953	52.03%

State of New Jersey				
	2000	2012	Diff	Percent
Population	8,414,350	8,791,894	377,544	4.49%
Median Age	36.70	39.40	2.70	7.36%
Household	3,064,645	3,214,360	149,715	4.89%
Median Income	\$55,146	\$71,637	\$16,491	29.90%
Mean Income	\$74,719	\$96,602	\$21,883	29.29%

Washington Township is the largest of the municipalities. Since 2000 Washington Township has seen a slightly higher growth in population than the County and the State. Moreover, the median age has increased but it is only slightly higher than the County. The number of housing units has also grown. However, the schools are showing a decline in enrollment. This is indicative of a population that is stable and that individuals are not leaving their homes even after they no longer have children in the school District.

Enrollment Projections

The West Morris Regional High School District enrollment was relatively stable between 2009-10 and 2014-15. During that period West Morris Mendham increased enrollment by 107 students while West Morris Central decreased by 74 students. There was a net gain in the Regional of 33 students. The projection shows that the Regional will experience a total decline of 176 students during the next five years with West Morris Central declining by 148 students and West Morris Mendham declining by 28.

The PK-8 enrollment declined between 2009-10 and 2014-15. The enrollment in each of these districts is projected to decline further by 2019-20. Table 6 summarizes the historical, current, and projected enrollment for the Regional and the constituent districts.

Table 6: Enrollment Summary

District/Year	2009-10	2014-15	2019-20
West Morris Central HS	1391	1317	1169
West Morris Mendham HS	1298	1405	1377
Chester Borough/Twp	1378	1140	1021
Mendham Borough	669	628	500
Mendham Township	899	708	598
Washington Township	2740	2217	2015
Regional Totals (PK-12)	8375	7415	6680

Table 1 shows that the overall enrollment for the Regional and all of its constituent districts has declined significantly during the past six years and that it will continue to decline during the next five years.

Study Methodology

This enrollment study uses the cohort survival method of enrollment projections. This is the method required by the New Jersey Department of Education for use with its Long Range Facility Plan. The cohort survival method projections are based upon a six-year history of enrollment in the District. It tracks the rate of growth/decline of student enrollment as students move from grade to grade, for example, if in the school year 2012-13 there were 141 students in grade 1 and this number increased to 153 when these students got to grade 2, this would show an increase (referred to as a migration ratio) of 1.09. This growth/decline rate is averaged for five years and that average is the basis for making grade level projections.⁹

⁹ Enrollment data to be furnished by the School District.

Kindergarten projections are made based upon the relationship between live births accredited to the District and kindergarten enrollment five years later. Children born in 2009 will become kindergarten students in 2014-15. A ratio is developed between births and kindergarten students five years later and applied to known birth rates through the projection period.

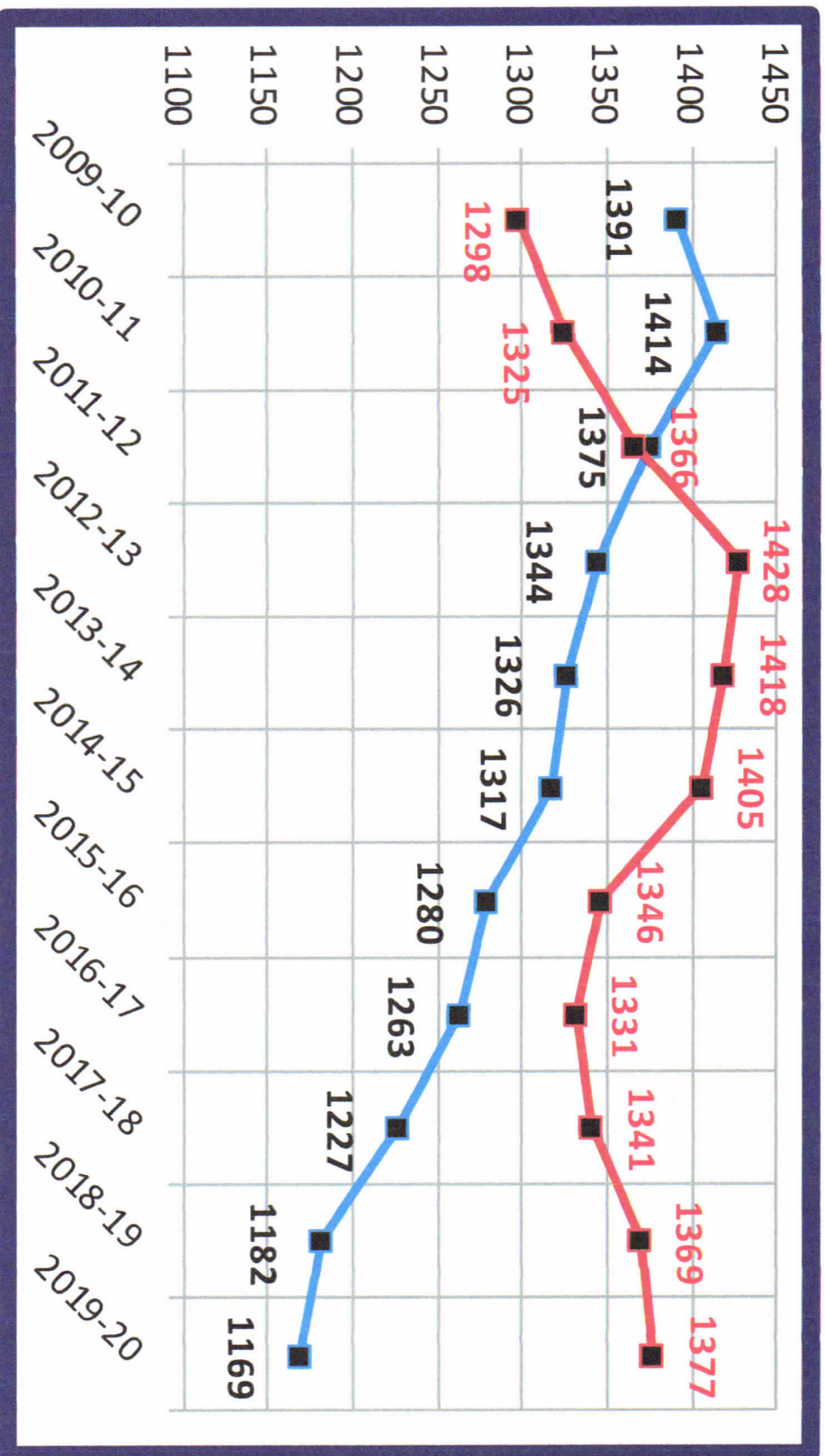
The final parameter in making projections is based upon approved new residential housing in the District(s). Depending upon the type of construction (single family, condominium, townhouse, etc. a yield factor is applied (how many students expected from the type of structure) and the number of units is multiplied by that yield factor to estimate the number of students that can be expected to attend the schools). Data is obtained from the local planning board. Housing yields are based upon the 2006 Rutgers Study, "Who Lives in New Jersey" prepared by the Center for Urban Policy at Rutgers University.

In discussion with the planning board of each town we determined that there are no major subdivisions with approval that will impact the enrollment projections. With environmental and wetlands restrictions none of the communities should be experiencing a great deal of new residential growth within the projection period. As a result the projection tables and charts are based upon enrollment history.

Table 7: Regional High School Projections

Year	8	West Morris Central					Total	Year	8	West Morris Mendham					Total		
		9	10	11	12	9-12				9	10	11	12	9-12			
2009-20	351	344	339	375	325	1383	8	1391	2009-20	344	372	311	316	297	1296	2	1298
	1.01	1.01	1.00	0.99					0.96	1.01	0.99	0.98					
2020-22	337	356	347	339	372	1414		1414	2020-22	373	330	375	309	309	1323	2	1325
	0.99	0.99	1.01	1.00					0.93	1.03	0.98	1.00					
2011-12	314	332	352	351	340	1375		1375	2011-12	372	347	341	369	308	1365	1	1366
	1.00	1.00	0.99	1.00					0.98	1.01	0.99	1.01					
2012-13	327	314	331	349	350	1344		1344	2012-13	367	364	352	339	371	1426	2	1428
	1.04	1.00	0.97	1.01					0.98	1.00	1.03	0.99					
2013-14	311	340	313	321	352	1326		1326	2013-14	345	358	363	362	334	1417	1	1418
	1.01	1.03	1.01	1.05					0.94	1.00	0.98	1.01					
2014-15	291	314	349	317	337	1317		1317	2014-15	321	324	359	356	366	1405		1405
	1.01	1.01	1.00	1.01					0.96	1.01	0.99	1.00					
Year	8	9	10	11	12	9-12	Sp Ed		Year	8	9	10	11	12	9-12	Sp Ed	
2015-16	294	294	317	349	320	1280		1280	2015-16	355	308	327	355	356	1346		1346
2016-17	307	297	297	317	352	1263		1263	2016-17	380	341	311	324	355	1331		1331
2017-28	266	310	300	297	320	1227		1227	2017-28	366	365	344	308	324	1341		1341
2018-29	278	269	313	300	300	1182		1182	2018-29	329	351	369	341	308	1369		1369
2019-20	226	281	272	313	303	1169		1169	2019-20	308	316	355	365	341	1377		1377

Chart 1: Regional High School Projections



Red Line: West Morris Mendham
Blue Line: West Morris Central

Table 8: Chester Township and Borough

Chester Township and Borough																		
Year	Births	K	1	2	3	4	5	6	7	8	K-5	6_8	Total	SC	PK	Grand	Total	
2009-10	100	1.13	113	140	148	139	160	166	186	158	153	866	497	1363	7	8	1378	
2010-11	82	1.23	101	118	142	147	141	167	168	190	161	816	519	1335	16		1351	
2011-12	91	1.05	96	94	115	154	144	144	171	172	186	747	529	1276	8	20	1304	
2012-13	74	1.39	103	89	112	122	163	146	146	163	165	735	474	1209	6	25	1240	
2013-14	76	1.26	96	116	92	115	126	165	145	147	163	710	455	1165	7	22	1194	
2014-15	76	1.22	93	106	119	97	124	132	171	142	145	671	458	1129	11		1140	
Av	1.21		1.03	1.05	1.04	1.03	1.03	1.01	1.00	0.99								
Year	Births	K	1	2	3	4	5	6	7	8	K-5	6_8	Total	SC	PK	Grand	Total	
2015-16	66	98	96	111	124	100	128	133	171	141	657	445	1102	7	22	1131		
2016-17	46	97	101	101	115	128	103	129	133	169	645	431	1076	7	22	1105		
2017-18	57	97	100	106	105	118	132	104	129	132	658	365	1023	7	22	1052		
2018-19	57	96	100	105	110	108	122	133	104	128	641	365	1006	7	22	1035		
2019-20	57	96	99	105	109	113	111	123	133	103	633	359	992	7	22	1021		

Chart 2: Chester Township and Borough

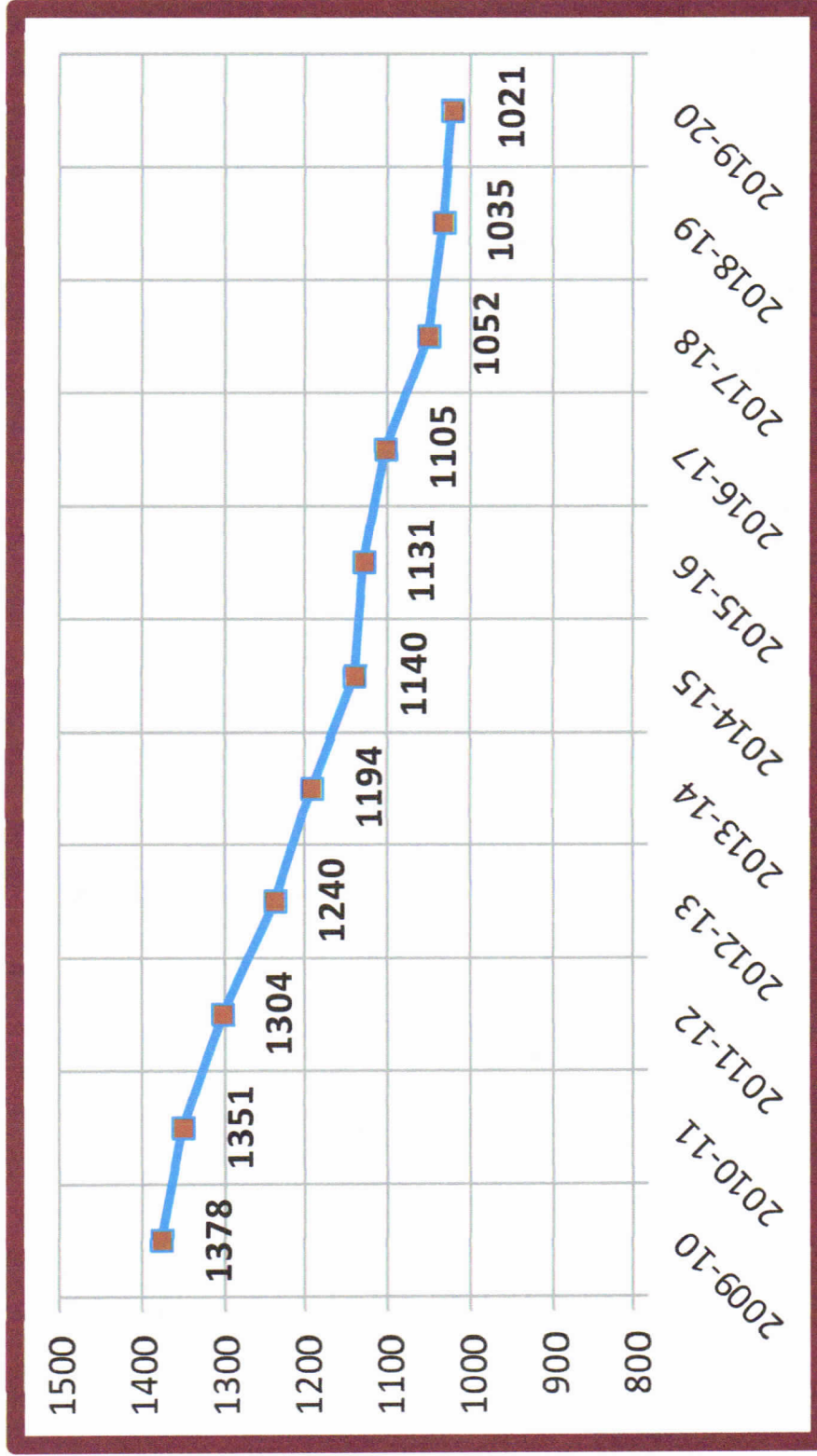


Table 9: Mendham Borough

Mendham Borough														
Year	Births	K	1	2	3	4	5	6	7	8	K-5	6_8	Total SC PK Grand	
2009-10	51	1.29	66	72	76	75	69	79	73	89	70	437	232	669
			0.79	1.04	1.08	0.97	1.04	1.01	1.08	1.03				Total 669
2010-11	56	1.25	70	52	75	82	73	72	80	79	92	424	251	675
			1.06	0.98	0.97	1.02	1.05	1.01	1.06	1.01				684
2011-12	36	1.42	51	74	51	73	84	77	73	85	80	410	238	648
			1.02	1.08	0.98	1.03	0.96	0.97	1.00	1.04				672
2012-13	54	1.07	58	52	80	50	75	81	75	73	88	396	236	632
			0.93	1.02	1.03	1.04	1.03	1.04	1.01	0.99				640
2013-14	42	1.19	50	54	53	82	52	77	84	76	72	368	232	600
			1.14	1.09	1.09	1.10	1.21							610
2014-15	35	1.60	56	57	59	58	90	63	84	57	90	383	231	614
														628
Av		1.31	0.99	1.04	1.03	1.03	1.06	0.81	0.83	0.81				
Year	Births	K	1	2	3	4	5	6	7	8	K-5	6_8	Total SC PK Grand	Total
2015-16	33	57	55	59	61	60	95	51	70	46	387	167	554	8 10 572
2016-17	27	54	56	57	61	63	64	77	42	57	355	176	531	8 10 549
2017-18	27	55	53	58	59	63	67	52	64	34	355	150	505	8 10 523
2018-19	27	54	54	55	60	61	67	54	43	52	351	149	500	8 10 518
2019-20	27	55	53	56	57	62	65	54	45	35	348	134	482	8 10 500

Chart 3: Mendham Borough

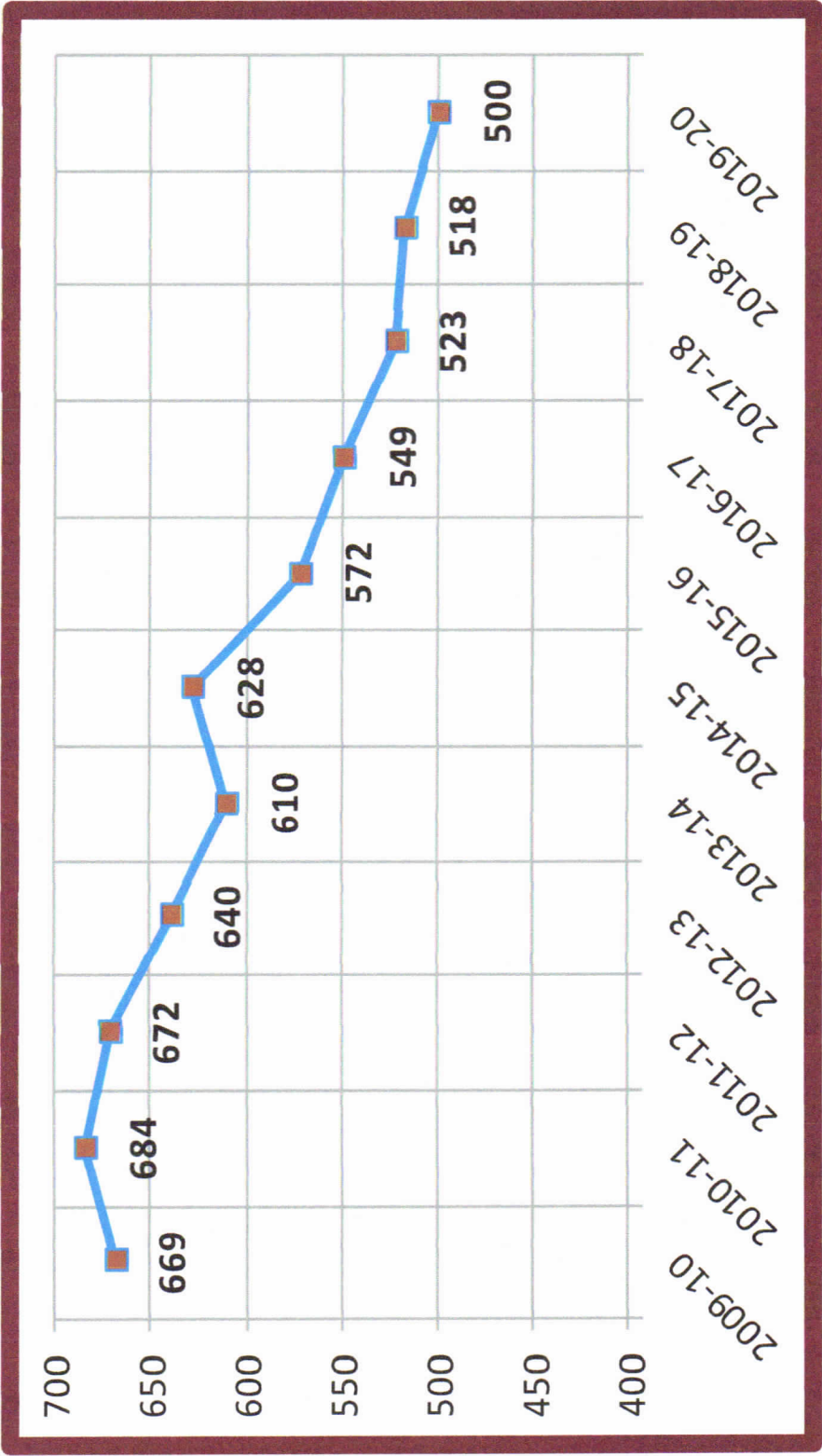


Table 10: Mendham Township

Mendham Township													
Year	Births	K	1	2	3	4	5	6	7	8	K-5	6_8	Total SC PK Grand Total
2009-10	47	1.79	84	75	88	106	113	100	122	121	550	343	893 6 899
			0.94	1.03	1.03	1.06	1.01	1.03	1.03	0.98			
2010-11	38	1.61	61	79	77	89	107	116	103	120	504	339	843 13 856
			1.33	1.04	1.23	0.97	1.19	1.07	0.91	1.03			
2011-12	46	1.20	52	55	81	95	88	106	115	106	453	327	780 12 792
			0.95	0.72	1.10	0.80	1.24	0.88	0.84	1.08			
2012-13	34	1.85	63	52	58	76	109	93	97	114	448	304	752 34 786
			0.92	1.13	1.10	1.04	1.13	0.97	0.96	1.13			
2013-14	45	1.04	47	58	59	94	86	106	89	110	408	305	713 20 733
			1.15	1.16	1.03	1.06	1.01	1.08	0.95	0.97			
2014-15	34	1.71	58	54	67	68	95	93	101	86	403	280	683 25 708
Av		1.25	1.06	1.02	1.10	0.99	1.12	1.01	0.94	1.04			
Year	Births	K	1	2	3	4	5	6	7	8	K-5	6_8	Total SC PK Grand Total
2015-16	35	56	61	55	74	60	76	96	87	105	382	288	670 20 690
2016-17	36	55	59	62	61	73	67	77	90	90	377	257	634 20 654
2017-18	20	56	58	60	68	60	60	68	72	94	362	234	596 20 616
2018-19	20	54	59	59	66	67	67	69	64	75	372	208	580 20 600
2019-20	20	56	57	60	65	65	75	68	65	67	378	200	578 20 598

Chart 4: Mendham Township

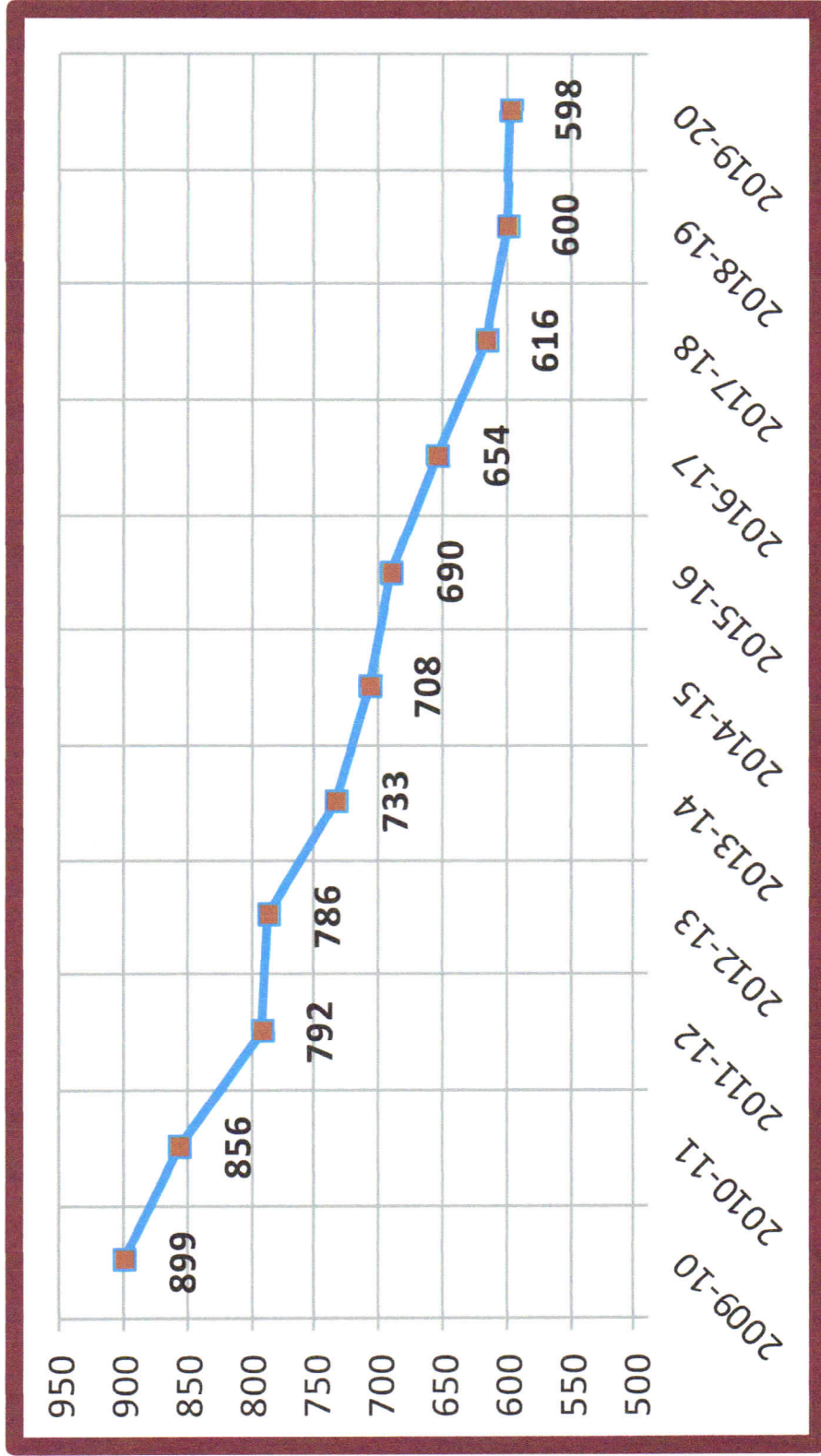


Table 11: Washington Township

Washington Township														
Year	Births	K	1	2	3	4	5	6	7	8	K-5	6_8	Total K-8	PK Grand Total
2009-10	187	1.16	216	257	298	288	309	325	316	327	351	1693	994	2687 33 20 2740
				1.12	1.00	1.04	1.00	1.02	1.00	1.02	1.03			
2010-11	174	1.16	202	242	256	310	289	314	325	322	337	1613	984	2597 51 0 2648
				1.11	1.07	1.02	1.01	1.01	0.98	0.98	0.98			
2011-12	173	1.07	185	224	258	261	312	291	307	319	314	1531	940	2471 78 2549
				1.21	0.99	1.04	0.99	1.01	1.02	0.99	1.03			
2012-13	148	1.29	191	224	221	269	259	315	296	304	327	1479	927	2406 63 2469
				1.12	1.00	1.00	1.02	1.03	0.97	0.98	1.02			
2013-14	143	1.14	163	213	223	222	275	266	304	291	311	1362	906	2268 64 1 2333
				1.10	1.05	1.07	1.02	1.01	0.98	0.99	1.00			
2014-15	143	1.36	194	179	223	238	226	279	260	302	291	1339	853	2192 25 2217
Av	0	0.97	1.13	1.02	1.03	1.01	1.02	0.99	0.99	1.01				
Washington Township														
Year	Births	K	1	2	3	4	5	6	7	8	K-5	6_8	Total K-8	PK Grand Total
2015-16	148	187	219	183	230	240	231	276	257	305	1290	838	2128	64 1 2193
2016-17	106	184	211	223	188	232	245	229	273	260	1283	762	2045	64 1 2110
2017-18	121	184	208	215	230	190	237	243	227	276	1264	746	2010	64 1 2075
2018-19	121	182	208	212	221	232	194	235	241	229	1249	705	1954	64 1 2019
2019-20	121	186	206	212	218	223	237	192	233	243	1282	668	1950	64 1 2015

Chart 5: Washington Township

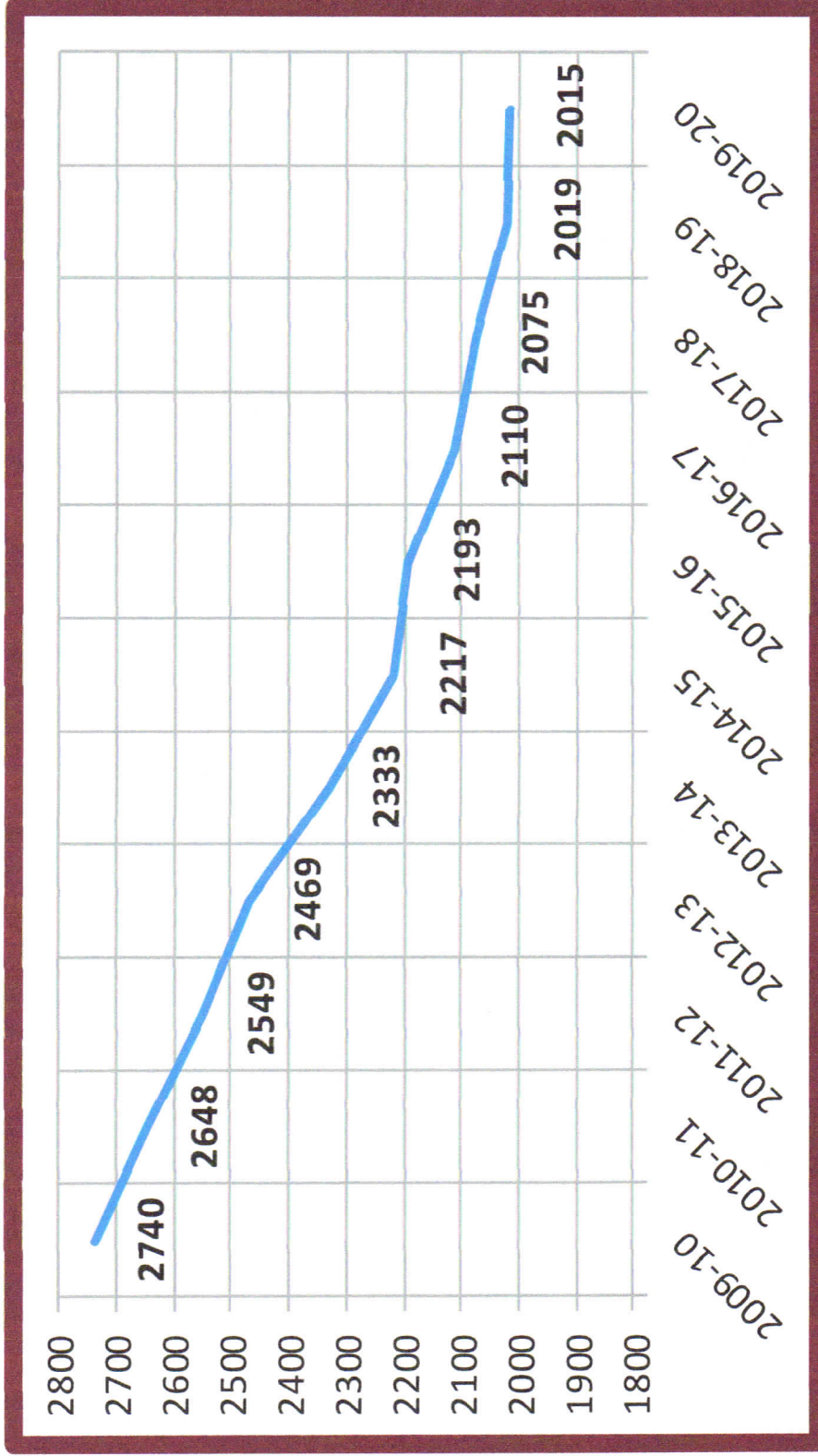
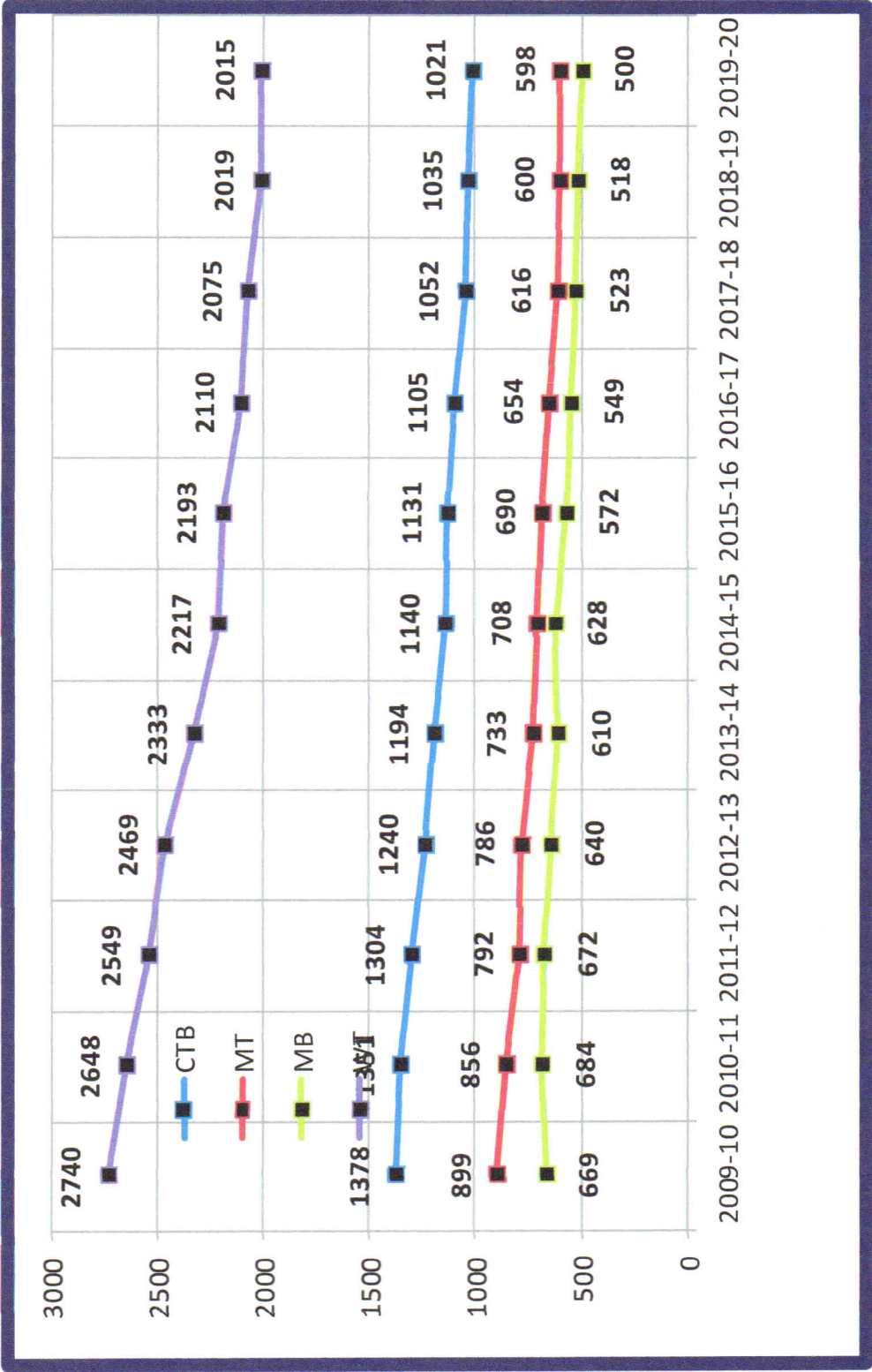


Chart 6: Comparative Projection All Constituent Districts



Section 3: Education

Education

The West Morris Regional High School District provides outstanding opportunities for its students. The Regional offers a wide range of curricular, co-curricular and extracurricular programs for students attending both high schools. When compared to other high schools throughout the State of New Jersey both high schools are highly ranked. In August, 2014, according to New Jersey Monthly West Morris Mendham High School was ranked 4th out of 339 high schools Statewide and West Mendham Central was ranked 11th. In considering the feasibility of either of the two options careful consideration must be given to maintaining the current level of educational opportunities provided to the students of all of the constituent districts. Factors in supporting the quality of education included creating an organizational structure that would support the current levels of technology, program, supervision and administration.

Currently the overwhelming majority of students in Washington Township attend West Morris Central High School and virtually all of the students from the Mendhams and the Chesters attend West Morris Mendham High School. In either of the options the students attending either of these high schools would maintain an identity associated with their high school and community.

This section of the report will discuss the potential impact of Option 1 and Option 2 on the ability to maintain the current levels of education provided by the District.

District Factor Groupings

The West Morris Regional High School District is in District Factor Group (DFG) "I" which is the second highest rating in comparison to other school districts in the State. There are 8 levels of District Factor Groupings. The District Factor Group is based upon several key socio-economic factors:

- a. Percent of adults with no high school diploma.
- b. Percent of adults with some college education.
- c. Occupation status.
- d. Unemployment rate.
- e. Percent of individuals in poverty
- f. Median family income.

The DFGs represent an approximate measure of a community's relative socioeconomic status (SES). The classification system provides a useful tool for examining student achievement and comparing similarly situated school districts in other analyses. The DFGs do not have a primary or significant influence in the school funding formula beyond the legal requirements associated with parity aid provided to the Abbott districts. For purposes of this study for comparison purposes we are also using high schools that are in DFG "J" which is the highest of the 8 categories.

Table 12: Top Fifteen High Schools in New Jersey¹⁰

NJ Rank	School	Math		Language	
		Proficient	Not Proficient	Proficient	Not Proficient
1	Chatham High School	99%	1%	95%	5%
2	Haddonfield Memorial HS	98%	2%	95%	5%
3	Northern Highlands Regional HS	99%	1%	95%	5%
4	West Morris Mendham HS	94%	6%	99%	1%
5	Millburn High School	98%	2%	94%	6%
6	New Providence High School	93%	7%	97%	3%
7	Pascack Hills High School	98%	2%	94%	6%
8	Glen Rock High School	96%	4%	90%	10%
9	Marlboro High School	99%	1%	94%	6%
10	Rumson-Fairhaven Regional HS	100%	0%	96%	4%
11	West Morris Central HS	99%	1%	90%	10%
12	Holmdel High School	97%	3%	92%	8%
13	Ridge High School	94%	6%	98%	2%
14	Moorestown High School	98%	2%	91%	9%
15	Bernards High School	98%	2%	92%	8%

Table 15 shows the top 15 high schools as published by New Jersey Monthly. Compared to other high schools both of the Regional High Schools do extremely well. In fact Central High School is equal to the top high school in the State in math proficiency while Mendham does better than the top high school in the State in language proficiency. The median proficiency level in math is 98. Mendham is below the median in math and Central is above. The median proficiency level in language is 94. Central is below the median while Mendham is above the median.

On a comparative basis the proficiency levels were high enough to place both schools in the top 15 of the State of New Jersey.

¹⁰ New Jersey Monthly, August 2015

Table 13 provides a greater comparison in key categories between the two high schools which comprise the Regional and schools in District Factor Groups "I" and "J".

Table 13: Comparative Analysis in Key Categories

	AP/IB Offerings	Taking at least 1 AP/IB Exam	Scoring 1550 or higher on SAT	Proficient on Combined HSPA	Tests resulting in 3+ or IB 4+	in College 16 Months After HS Graduation	Rank
West Morris Central HS	26	33.30%	65.90%	45	90%	88%	11
West Morris Mendham HS	23	36.30%	73.30%	54	87.90%	89%	4
Northern Highlands HS	19	31.80%	77%	49	95.80%	88%	3
Pascack Hills HS	16	30.60%	68.70%	42	90.50%	89%	7
Pascack Valley HS	15	21.50%	57.70%	37	85.10%	88%	39
North Hunterdon HS	21	27%	64.50%	44	81.90%	85%	66
Voohrees HS	18	38.30%	68.20%	42	81.90%	81%	43
Millburn HS	24	47.20%	79.80%	57	97.20%	88%	5
Chatham HS	19	47.50%	74.40%	54	88.80%	92%	1
Montgomery HS	19	39.90%	82%	53	93.2	88%	33
Median	19.0	34.8%	71.0%	47	89.4	88.0%	

Table 13 compares the two West Morris Regional High Schools with schools with similar socio-economic and educational achievement. The table shows that the Regional offers more IB/AP courses than almost all of the schools in this table. Both high schools compare favorably with a sample of similar high schools throughout the State. Of the 10 high schools represented in this table only the West Morris Regional High Schools offer IB Programs.

International Baccalaureate Program

The West Morris Regional High School District High Schools are two of only ten high schools in New Jersey offering an IB Diploma Program. The other schools are:

1. Bergen County Academies
2. Biotechnology High School
3. Fort Lee High School
4. Morris Knolls High School
5. Red Bank Regional High School
6. Salem High School
7. Science Park High School
8. Shore Regional High School

Bernard High School had, up until approximately seven years ago, an IB Program. The District dropped that program in favor of expanding its AP offerings. After an analysis and based upon the size of the high school at the time the Board determined that the cost of operating the IB Program was not providing as great a return to students as an expanded AP Program. The District also considered that with only ten other high schools in New Jersey offering an IB Program having only the AP Programs was more in line with what the majority of New Jersey schools were offering. Nowhere in our discussions with Bernard Township Administrators were there any negative comments about the IB Program.

The District offers a comprehensive IB Program which allows students to test at either the standard level (SL) or the high level (HL). Students may take a full program of IB courses leading to an IB Diploma or choose to take IB courses which show proficiency in the rigor of an AP course but do not lead to an IB Diploma. The IB Program exists in both high schools. There are eight subject groupings over the four grades in the high school. Attached is a matrix of the

Table 14 shows the four year International Baccalaureate plan. Students may follow this plan which could lead to an IB Diploma or choose IB courses which may be combined with AP (advanced placement programs) which could lead to the student completing college credits prior to leaving the high school. This table also indicates which of the programs may not be available at both schools (meaning that it might be necessary for a student to travel between buildings if a desired course is not available. The number of courses which are only available

at one school and the ability to have both schools, under each option., keep the current offerings as they is also considered in this study. The course offerings for IB and AP are virtually the same at both high schools. The only difference is that is one section of Dance offered at Central which is not offered at Mendham and there are five sections of Latin offered at Mendham and not offered at Central. In either option the individual schools would have to determine the viability of offering these courses.

Table 14: IB Courses Offered by High School

IB Subject Area	Subject	Grade 9 WMC WMM	Subject	Grade 10 WMC WMM	Subject	Grade 11 WMC WMM	Subject	Grade 12 WMC WMM
Group 1 Language A1 (World Literature)	English 1 Honors		English 2 Honors		English 3 IB-H/L/AP English 3 IB-SL		English 4 IBHL/AP	
Group 2 Language B (Modern Second Language)	Spanish 1 Spanish 2 Advanced Spanish 2 Honors French 1 Advanced French 2 Honors Chinese 1 Advanced Chinese 2 Honors Chinese 2 Advanced Latin 1 Advanced		Spanish 2 Honors Spanish 3 Advanced Spanish 3 Honors French 2 Honors French 3 Honors Chinese 2 Honors/Advanced Chinese 3 Honors/Advanced Latin 2 Advanced		Spanish 3 Honors Spanish 4 Advanced Spanish1 Spanish 4 IB/Honors French 3 Honors French 4 IB/Honors French 1 Chinese 3 Honors/Advanced Chinese IB/Advanced Latin 3 ib		Spanish 4 IB Spanish 5 Advanced Spanish 4 IB/Honors Spanish 5 IB/AP Spanish 2 French 4 IB French 5 IB/AP French 1 Chinese 3 Honors/Advanced Chinese 4 IB/Advanced Latin 3 IB	
Group 3 Individuals and Society	US History 1 Honors World History Honors		AP US History 2 US History 2 Advanced US History 1 Honors		World History IB-HL World History IB-SL US History 2 IB/AP IB Economics IB Psychology IB Psychology Business and Management Enviro Systems and Societies		European History IB/HL European History IB/HL IB Economics IB Psychology Research Methods-Psych Business and Management Enviro Systems and Societies	
Group 4 Experimental Sciences	Biology Honors Biology Advanced		Chemistry Honors Chemistry Advanced		Biology SL IB/AP Chemistry SL IB/AP Physics IB/AP Enviro Systems and Societies IB Sports, exercise and Health Science SL IB Computer Science IB		Biology 2 IB Chemistry HL IB Physics IB/AP Enviro Systems and Societies IB Sports, exercise and Health Science SL IB Computer Science IB	
Group 5 Math Studies SL Math SL Math HL	Algebra 1 Advanced Geometry Advanced Geometry Honors Geometry Honors Algebra 2 Honors		Geometry Honors/Advanced Algebra 2 Honors/Advanced Algebra 2 Honors Algebra 2 Honors Pre-Calc IB		Algebra 2 Honors/Advanced IB Math Studies Pre-Calc IB Pre-Calc IB Pre-Calc IB Calculus BC		IB Math Studies Calculus IB Calculus BC Further Math	
Group 6 The Arts and Electives	Art 1 Intro to Theatre		Art 1 or Photo Western Theatre	x	Art II or Photo IB Theatre Arts1 Dance Music IB Film IB Second Language /Latin Second group 3 Second group 4	x	Studio Art IB IB Theatre Arts 2 Dance Music IB Film IB Further Math Second Language /Latin Second group 3 Second group 4	x
Group 7 Central Elements				39	Theory of Knowledge Extended Essay CAS		Theory of Knowledge Extended Essay CAS	
Group 8 District/State Requirements	Physical Education and Health		Physical Education and Health		Physical Education and Health		Physical Education and Health	

Teachers who teach in the IB Program are required to take training and receive certification that they meet the standards for teaching IB courses. The total IB Certified staff is 96 of which 54 are at Mendham and 46 at Central. During the 2014-15 there was only one IB staff member traveling between the buildings. The implications are that shared teaching staff will not be possible under either option 1 or 2. With only one teacher traveling it is assumed that if either school wishes to maintain the IB Program there would not appear to be any need for a significant increase in staff.

Under Option 1 and Option 2 both high school function as comprehensive high schools. At the end of the projection period West Morris Mendham High School will have approximately 1,377 students and West Morris Central will have 1,169. Both of these numbers are well within the range of what is generally accepted as optimal. They are small enough for students not get lost but they are large enough to allow for a wide variety of course offerings. Under the current organization structure the schools, in effect, operate as one high school for Washington Township and the other for the Mendhams and the Chesters. Under either option the boards of education will have to decide, based upon staffing requirements both teaching and supervisory, if any courses would be eliminated.¹¹ It is our opinion that given the size of the schools there should be no significant impact on the educational opportunities for students in terms of regular academic programs, IB Programs or AP programs.

Information Technology

The West Morris Regional High School District has developed a high level and complex wide area network. The entire district is interconnected through servers and backup systems primarily located in Mendham High School. The entire system is under the direction of Supervisor of Technology Integration. The supervisor has a district-wide staff in charge of all aspects of the information systems in the District. This includes instructional as well as communications services. The current budget for this is \$ 355,633 exclusive of salaries and benefits. Under either option a new infrastructure would have to be developed in

¹¹ In most school districts the issue as to whether a course will open in any given school year is based upon enrollment in that course. The minimum number of students is usually based upon District policies and/or precedents.

order to maintain the same level of service needed to replicate what currently exists.

The diagram illustrates a converged network architecture. At the center is a core network consisting of a Router, Firewall, and Cloud Phone PBX. This core is connected to various edge devices and services:

- Internet:** Connected via a 300MB link.
- Cloud Phone PBX:** Connected via a "Dedicated Voice 75MB Verizon Fiber Line".
- Failover Voice:** Connected via a "Comcast 18MB" link, which is marked with a red circle and a slash, indicating it is not the preferred or supported path.
- Local Network:** The core is connected to multiple 1000MB switches and Wi-Fi-N access points, which in turn serve various desktop computers and mobile devices.

An inset image at the bottom left shows a modern office building, representing the physical environment of the network.



It is not the purpose of this study to explain diagram 1 above. This picture is inserted here to indicate the complexity of the integration of technology in the West Morris Regional High School District.

Option 1

Under Option 1 there would be a lesser degree of organizational change than would occur under option 2. Washington would become a PK-12 district. The Mendhams and the Chesters would form a new limited purpose 9-12 School District. The current PK-8 Districts would retain their current structure, maintain their current administrative structures and remain locally controlled school districts. There would have to be a new regional board of education elected with representatives from each of the constituent districts. One issue that would arise would be the location of the new Mendham-Chester 9-12 Regional School District Office. Under the current structure the administrative offices are located in a building on the grounds of West Morris Central High School. A new location would have to be identified.

There would also be other major issues in terms of creating two distinct school districts from the current single regional. The issue of technology has been discussed however there are a host of other areas that would have budgetary implications. One key area is in supervision of subject areas. There are currently five and a half academic supervisors responsible for the supervision and evaluation of teaching staff. Beginning in the 2013-14 school year under direction of the State Education Department the entire process of teacher evaluation changed. This was in line with the long range goal of insuring top teacher performance and to help teachers who are in need of improvement as well as to begin the process of terminating tenured teachers who are not meeting the needs of students. The change primarily was in the minimum number of times teachers were to be observed and the number of required meetings prior to and following visitations. The law called for at least three visits for teachers showing a need for remediation plus a pre-observation meeting and a post observation meeting.

That meant that there potentially could be nine blocks of time devoted to the supervision of each teacher (and that assumes that there are no teachers who need more supervisory time). The responsibility for this supervision begins with the principal of each building, however, realistically with 240 teachers between Mendham and Central High the task requires other qualified supervisory personnel. In the Regional these are the subject supervisors. We did learn while fact finding for this study that the West Morris Regional is only being required to do a minimum of two observations (unless a teacher shows that they are in need for improvement). While this does lessen the requirement it only does so moderately. If either Option 1 or Option 2 is chosen then there would be a need for the same number of supervisors in

both schools meaning that the Mendhams and the Chesters would have to absorb the total cost of these subject supervisors.

If the regional is dissolved this will impact the bargaining agreements. Every professional and certified staff contract will have to be re-negotiated. On the professional level there are a number of major differences regarding each contract. These differences range from salaries to steps to the top of the scale to longevity pay. Table 15 is a snapshot of the current differences in each of the bargaining agreements.

Table 15: Comparative Salary Guides: Starting Salary to Top Salary

District	Starting	Highest	Total	Longevity			
	Salary	Step	Steps	16-20 Years	21-25 Years	26-30 Years	31-35 Years
Chester	BA	MA+30	18				
2014-15	\$47,480.00	\$88,900.00	18	\$300.00	\$300.00	\$300.00	\$300.00
2015-16	\$48,277.00	\$89,883.00	18	\$300.00	\$300.00	\$300.00	\$300.00
Mendham Boro	Starting	Highest	Total	Longevity			
	Salary	Step	Steps	15-19	20-25	26+	
	BA	MA+45					
2014-15	\$52,235.00	\$91,885.00	27	\$1,400.00	\$1,500.00	\$1,500.00	
2015-16	\$53,490.00	\$92,635.00	27	\$1,400.00	\$1,500.00	\$1,500.00	
Mendham Twp	Starting	Highest	Total	Longevity			
	Salary	Step	Steps				
	BA	MA+60					
2014-15	\$49,750.00	\$92,870.00	21				
2015-16	\$50,095.00	\$93,370.00	21				
Washington Twp	Starting	Highest	Total	Longevity			
	Salary	Step	Steps	15 yrs	20 yrs	25 yrs	30 yrs
	BA	Ph D					
2013-14	\$53,570.00	\$103,910.00	21	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00

Table 16 shows the salary differential between the Regional High Schools and the K-8 Districts. On average the salary for high school teachers is \$ 82,438 where the range of average salaries is between \$ 64,682 at Mendham Borough to \$ 67,960 in the Chesters. The total value of the increase would be \$ 4,148,589. based upon current salary guides.¹²

¹² See Appendix for salary scattergrams for the Regional, the Mendhams and the Chesters

Table 16: Analysis of the Differences Between the Regional and the K-8 Districts¹³

Analysis of the Salary Difference Among the Regional and the Elementary Districts

	Number of Teaching Staff	2014/15 Total Salary	Average Salary Teaching Staff	Difference vs Regional	Value of Difference
West Morris Regional	240.6	\$ 19,834,698	\$ 82,438		
Chester Public Schools	132	\$ 8,970,688	\$ 67,960	\$ 14,479	\$ 1,911,191
Mendham Township	85	\$ 5,860,137	\$ 68,943	\$ 13,496	\$ 1,147,134
Mendham Borough	61.4	\$ 3,971,458	\$ 64,682	\$ 17,757	\$ 1,090,265
Total Value of Salary Difference					\$ 4,148,589

Note: West Morris Regional salary total is based on 2012/13 salary guide total increased by 1.98% for 2013/14 and 2.24% for 2014/15. As reported by the New Jersey School Boards Association for Morris County on 04/01/2015

Option 2

If Option 2 is implemented then all contracts become void and have to be renegotiated. Table 16 makes two assumptions. The first is that salaries would have to be adjusted. This would certainly mean an adjustment up to the highest salary step guide. The second is that the highest salaries would prevail (in this case the average salary in the Regional is substantially higher than the K-8's). Given those two assumptions and based upon current conditions Option 2 would result in an increase in teacher's salaries by \$ 4,148,589 annually (and this does not consider annual salary increases or changes in the guide based upon contract negotiations).

¹³ Please note that this only applies to Option 2. Under Option 1 the contracts for the K-8's do not need to be renegotiated and the high school salaries would remain the same.

Section 4a: Comparison of Increased/Decreased Costs Under Option 1

Under Option 1 the West Morris Regional High School District is dissolved and a new limited purpose 9-12 district is created to serve the Mendhams and the Chesters with students from those communities attending West Morris Mendham High School. Washington Township becomes a PK-12 school district utilizing West Morris Central High School.

The Mendhams and the Chesters retain their current PK-8 boards of education and central administration structure while a new board of education is created for the limited purpose regional. A PK-12 board of education and central administrative structure is created for Washington Township.

The following tables present the budgetary and organizational implications of these changes. These implications could include a loss of economies of scale and have an effect on staffing, professional representation, course availability, student scheduling, technology, special education, professional development and purchasing.

Once new regional board of education is established a Superintendent of Schools must be appointed and the full cost of that position plus support staff and office expenses must be assumed.¹⁴

Table 17: Superintendent's Office

	Superintendents Office						Comment
	2014-15 Budget	Wash. Twp Current	Men/Ches Current	Wash. Twp Options 1 & 2	Wash. Twp Inc/Dec	Men/Ches Option 1	
Superintendent Sal	\$181,125	\$90,563	\$90,563		(\$90,563)	\$169,625	\$79,063 Supt's salary cap reduced due to enrollment
Benefits	\$15,905	\$7,953	\$7,953		(\$7,953)	\$15,905	
Assistant Supt Sal	\$162,144	\$81,072	\$81,072		(\$81,072)	\$162,144	\$81,072
Benefits	\$15,905	\$7,953	\$7,953		(\$7,953)	\$15,905	\$7,953
Stipend L/Dr	\$3,000	\$1,500	\$1,500		(\$1,500)	\$3,000	\$1,500
Treasurer Sal	\$4,723	\$2,362	\$2,362		(\$2,362)	\$4,723	\$2,362
Supt Exec Asst Sal	\$75,246	\$37,623	\$37,623		(\$37,623)	\$75,246	\$37,623
Benefits	\$37,993	\$18,997	\$18,997		(\$18,997)	\$37,993	\$18,997
Suppl Secy Sal	\$37,722	\$18,861	\$18,861		(\$18,861)	\$37,722	\$18,861
Postage	\$9,500	\$4,750	\$4,750		(\$4,750)	\$9,500	\$4,750
Telephone	\$1,500	\$750	\$750		(\$750)	\$1,500	\$750
Supplies	\$4,950	\$2,475	\$2,475		(\$2,475)	\$4,950	\$2,475
Dues Fees	\$6,750	\$3,375	\$3,375		(\$3,375)	\$6,750	\$3,375
Misc Expense	\$3,500	\$1,750	\$1,750		(\$1,750)	\$3,500	\$1,750
Total Supt's Office	\$559,963	\$279,982	\$279,982		(\$279,982)	\$548,463	\$268,482 MenChes incur a 96% increase

¹⁴ Superintendent's salaries have been legislatively capped. See Appendix for the maximum salaries allowed for Superintendent's in the Regional and all of the K-8 Districts.

The Board of Education must appoint a Business Administrator /Board Secretary and maintain the full cost of that position as well as related support staff and office expenses.

Table 18: Business Office

	Business Office						Comment
	2014-15 Budget	Wash. Twp Current	Men/Ches Current	Wash. Twp Options 1 & 2	Wash. Twp Inc/Dec	Men/Ches Option 1 Inc/Dec	
BA Sal	\$180,000	\$90,000	\$90,000		(\$90,000)	\$180,000	\$90,000
Benefits	\$15,905	\$7,953	\$7,953		(\$7,953)	\$15,905	\$7,953
Staff Acct .75 Sal	\$42,465	\$21,233	\$21,233		(\$21,233)	\$42,465	\$21,233
Benefits and Fringe	\$31,143	\$15,572	\$15,572		(\$15,572)	\$31,143	\$15,572
Staff Acct .5 Sal	\$15,147	\$7,574	\$7,574		(\$7,574)	\$15,147	\$7,574
Fringe	\$3,128	\$1,564	\$1,564		(\$1,564)	\$3,128	\$1,564
A/P Coord Sal	\$40,220	\$20,110	\$20,110		(\$20,110)	\$40,220	\$20,110
Benefits	\$30,010	\$15,005	\$15,005		(\$15,005)	\$30,010	\$15,005
Payroll Coord Sal	\$55,074	\$27,537	\$27,537		(\$27,537)	\$55,074	\$27,537
Benefits	\$31,293	\$15,647	\$15,647		(\$15,647)	\$31,293	\$15,647
BA Exec Asst	\$67,898	\$33,949	\$33,949		(\$33,949)	\$67,898	\$33,949
Benefits	\$32,825	\$16,413	\$16,413		(\$16,413)	\$32,825	\$16,413
Sub Sal	\$2,500	\$1,250	\$1,250		(\$1,250)	\$2,500	\$1,250
Travel & Workshop Exp	\$3,500	\$1,750	\$1,750		(\$1,750)	\$3,500	\$1,750
BA Prof Svc	\$31,500	\$15,750	\$15,750		(\$15,750)	\$31,500	\$15,750
Supplies	\$7,500	\$3,750	\$3,750		(\$3,750)	\$7,500	\$3,750
Total Business Office	\$590,108	\$295,054	\$295,054		(\$295,054)	\$590,108	\$295,054 MenChes incur a 100% increase

The Board or Education must contract and maintain the full expense for professional representation including legal services, audit services, architect/engineering services and medical services. The Board of Education must also provide facilities for an administrative office and Board of Education requirements.

Table 19: Board of Education

	Board of Education						Comment
	2014-15	Wash. Twp	Men/Ches	Wash. Twp	Men/Ches	Men/Ches	
	Budget	Current	Current	Options 1 & 2	Inc/Dec	Option 1	
Legal Fees	\$55,000	\$27,500	\$27,500			\$44,000	\$16,500 Legal fees increase by 60%
Audit Fees	\$56,667	\$28,334	\$28,334			\$45,334	\$17,000 Audit fees increase by 60%
Travel Workshop	\$4,000	\$2,000	\$2,000			\$4,000	\$2,000
Communications Expense	\$19,000	\$9,500	\$9,500			\$19,000	\$9,500
Supplies	\$750	\$375	\$375			\$750	\$375
Misc Expense	\$1,585	\$793	\$793			\$1,585	\$793
Admin Office Space						\$63,000	\$63,000 Lease expense 4500 sq ft @ \$14 per sq ft
	\$137,002	\$68,501	\$68,501			\$177,669	\$109,168 MenChes incur a 159% increase

Established curriculum and technology plans require the full support of the following positions as well as support staff and expenses.

Table 20: Supervisors of Instruction and Supervisor of Technology Integration

	Supervisors of Instruction 4.5 and Supervisor of Technology Integration 1.0						Comment
	2014-15	Wash. Twp	Men/Ches	Wash. Twp	Men/Ches	Men/Ches	
	Budget	Current	Current	Options 1 & 2	Inc/Dec	Option 1	
Supervisors Sals 5.5	\$673,200	\$336,600	\$336,600	\$673,200	\$336,600	\$673,200	\$336,600
Benefits	\$79,525	\$39,763	\$39,763	\$79,525	\$39,763	\$79,525	\$39,763
Curriculum Admin Asst 2.0	\$126,598	\$63,299	\$63,299	\$126,598	\$63,299	\$126,598	\$63,299
Benefits	\$32,545	\$16,273	\$16,273	\$32,545	\$16,273	\$32,545	\$16,273
Summer Sals	\$10,600	\$5,300	\$5,300	\$10,600	\$5,300	\$10,600	\$5,300
	\$922,468	\$461,234	\$461,234	\$922,468	\$461,234	\$922,468	\$461,234 Both WashTwp and MenChes incur a 100% increase

The loss of the ability to have teachers travel between the two schools could adversely affect the availability of course. This would require the use of costly sixth period assignments or the need to hire additional teachers to maintain the existing level of course offerings. IB and AP courses would be susceptible to this issue due to the unique training and skills that the teachers of these courses must possess.

Table 21: Loss of Teacher Travel Time

	Loss of Teacher Travel Time							Comment
	2014-15		Wash. Twp		Men/Ches		Men/Ches	
	Budget	Current	Current	Options 1 & 2	Inc/Dec	Option 1		
Add 2 Teachers WMM & WMC				\$160,000	\$160,000	\$160,000	\$160,000	
Benefits				\$36,718	\$36,718	\$36,718	\$36,718	
Sixth Period Compensation				\$120,000	\$120,000	\$120,000	\$120,000	
				\$316,718	\$316,718	\$316,718	\$316,718	Both WashTwp and MenChes incur these new expenses

Some special education programs and the alternative program that currently accepts students District-wide may not have ample enrollment to continue unless tuition agreements are created with the West Morris Central High School and other neighboring high schools

Table 22: Special Education

	Special Education							Comment
	2014-15		Wash, Twp Options 1 & 2	Wash, Twp Inc/Dec	Men/Ches Option 1	Men/Ches Inc/Dec		
	Budget	Current						
Director of Spc Svc Sal	\$176,075	\$88,038						
Benefits	\$15,905	\$7,953						
SpCvc Admin Asst	\$41,945	\$20,973						
Benefits	\$30,368	\$15,184						
Total Sp Ed Admin	\$264,293	\$132,147						MenChes incur a 100% increase

The Board of Education will have to support the full cost of the following non-instructional managers.

Table 23: Non-Instructional Managers.

	2014-15 Budget	Wash. Twp		Men/Ches Current	Wash. Twp Options 1 & 2		Non-Instructional Managers			Men/Ches Inc/Dec	Comment
		Current	Current		Inc/Dec	Option 1	Option 2				
Maintenance Manager	\$79,170	\$39,585	\$39,585								
Benefits	\$34,710	\$17,355	\$17,355								
Transportation Manager	\$60,412	\$30,206	\$30,206								
Benefits	\$31,953	\$15,977	\$15,977								
Productivity	\$11,200	\$5,600	\$5,600								
Total Non Inst Mgrs	\$217,445	\$108,723	\$108,723								
											MenChes incur a 100% increase

The computer network that provides access to the internet, related software contracts, network communications and web-based technical services need to be maintained and fully supported. West Morris Central will require the necessary hardware to connect directly to the internet rather than through the internet service that terminates at West Morris Mendham.

Table 24: Information Technology

2014-15 Budget	Wash. Twp Current	Men/Ches Current	Wash. Twp Options 1 & 2	Wash. Twp Inc/Dec	Men/Ches Option 1	Men/Ches Inc/Dec	Comment
Information Technology							
\$236,200	\$118,100	\$118,100	\$165,340	\$47,240	\$165,340	\$47,240	Both WashTwp and MenChes incur a 70% increase
\$26,745	\$13,373	\$13,373	\$18,722	\$5,349	\$18,722	\$5,349	Both WashTwp and MenChes incur a 70% increase
\$92,688	\$46,344	\$46,344	\$74,150	\$27,806	\$74,150	\$27,806	Both WashTwp and MenChes incur a 80% increase
			\$47,130	\$47,130			New hardware expense for WashTwp
			\$21,000	\$21,000	\$20,492	\$20,492	New external back up expense for WashTwp & MenChes
\$355,633	\$177,817	\$177,817	\$326,342	\$148,525	\$278,704	\$100,887	MenChes incur a 57% increase
							WashTwp incurs a 84% increase

Although Professional Development funds are provided within the budget, the dissolution of WMRHSD will result in the loss of collaboration between the two high schools and could add increased expense in providing the same level of training.

Summary Option 1

Table 25: Summary

2014-15 Budget	Wash. Twp Current	Men/Ches Current	Wash . Twp Options 1 & 2	Wash. Twp Inc/Dec	Men/Ches Option 1	Men/Ches Inc/Dec	Comment
Grand Totals	\$3,046,912	\$1,523,456	\$1,523,456	\$42,072	\$3,315,868	\$1,792,412	Men/Ches incur a 118% increase Washington Twp incurs a 2.8% increase

Under Option 1 the Mendhams and Chesters will have a total high school expense of \$ 3,315,868. reflecting an increase of 1,179,412 or 118%.

Under Option 1 or Option 2 Washington Township will have a total high school expense of \$ 1,565,528 reflecting an increase of \$ 42,072 or 2.8%.
Some additional administrative staff may be required.

Section 4b: Comparison of Increased/Decreased Costs Under Option 2

Under Option 2 the West Morris Regional High School District is dissolved and a new PK-12 Regional is created to serve the Mendhams and the Chesters. As a result of the dissolution Washington Township becomes a PK12 school district serving the students of that Township. The Mendhams and the Chesters assume control of the West Morris Mendham High School and all PK-8 schools serving the communities and govern through a new Board of Education established by the Morris County Superintendent of Schools. The new Board of Education must also negotiate new bargaining agreements with the staff of the new regional district.

The findings related to Option 2 are presented in three sections. The first section will present the current District-wide staff and estimated related regional expenses. The second section will offer suggested additions to existing staff in order to oversee the full scope of the PK-12 regional district. The third section will present the potential reduction of administrative management, curriculum and professional development expense through the inclusion of the three PK-8 districts in the regional.

Section 1

Once established the Board of Education must appoint a Superintendent of Schools and maintain the full cost of hat position as well as related support staff and office expenses.

Table 26: Superintendents Office

	2014/15 Budget	MenChes Current	MenChes Option 2	MenChes Inc/(Dec)
Superintendent Office				
Superintendent Sal	\$181,125	\$90,563	\$181,125	\$90,563
Benefits	\$15,905	\$7,953	\$15,905	\$7,953
Assistant Supt Sal	\$162,144	\$81,072	\$162,144	\$81,072
Benefits	\$15,905	\$7,953	\$15,905	\$7,953
Stipend LJ/Dr	\$3,000	\$1,500	\$3,000	\$1,500
Treasurer Sal	\$4,723	\$2,362	\$4,723	\$2,362
Supt Exec Asst Sal	\$75,246	\$37,623	\$75,246	\$37,623
Benefits	\$37,993	\$18,997	\$37,993	\$18,997
Supply Secy Sal	\$37,722	\$18,861	\$37,722	\$18,861
Postage	\$9,500	\$4,750	\$9,500	\$4,750
Telephone	\$1,500	\$750	\$1,500	\$750
Supplies	\$4,950	\$2,475	\$4,950	\$2,475
Dues Fees	\$6,750	\$3,375	\$6,750	\$3,375
Misc Expense	\$3,500	\$1,750	\$3,500	\$1,750
Total Supt's Office	\$559,963	\$279,982	\$559,963	\$279,982

MenChes assume full cost of Supt's Office a 100% increase

The Board of Education must appoint a Business Administrator/Board Secretary and maintain the full cost of that position as well as related support staff and office expenses.

Table 27: Business Office

			Business Office	
BA Sal	\$180,000	\$90,000	\$180,000	\$90,000
Benefits	\$15,905	\$7,953	\$15,905	\$7,953
Staff Acct .75 Sal	\$42,465	\$21,233	\$42,465	\$21,233
Benefits and Fringe	\$31,143	\$15,572	\$31,143	\$15,572
Staff Acct .5 Sal	\$15,147	\$7,574	\$15,147	\$7,574
Fringe	\$3,128	\$1,564	\$3,128	\$1,564
A/P Coord Sal	\$40,220	\$20,110	\$40,220	\$20,110
Benefits	\$30,010	\$15,005	\$30,010	\$15,005
Payroll Coord Sal	\$55,074	\$27,537	\$55,074	\$27,537
Benefits	\$31,293	\$15,647	\$31,293	\$15,647
BA Exec Asst	\$67,898	\$33,949	\$67,898	\$33,949
Benefits	\$32,825	\$16,413	\$32,825	\$16,413
Sub Sal	\$2,500	\$1,250	\$2,500	\$1,250
Travel & Workshop Exp	\$3,500	\$1,750	\$3,500	\$1,750
BA Prof Svc	\$31,500	\$15,750	\$31,500	\$15,750
Supplies	\$7,500	\$3,750	\$7,500	\$3,750
Business Office Total	\$590,108	\$295,054	\$590,108	\$295,054

MenChes assume full cost of Business Office a 100% increase

The Board of Education must contract and maintain the full expense of professional representation including legal services, audit services, architect/engineering services and medical services.

Table 28: Board of Education

		Board of Education		
Legal Fees	\$55,000	\$27,500	\$71,500	\$44,000
Audit Fees	\$56,667	\$28,334	\$73,667	\$45,334
Travel Workshop	\$4,000	\$2,000	\$4,000	\$2,000
Communications Expense	\$19,000	\$9,500	\$19,000	\$9,500
Supplies	\$750	\$375	\$750	\$375
Misc Expense	\$1,585	\$793	\$1,585	\$793
Bd of Education Total	\$137,002	\$68,501	\$170,502	\$102,001
				MenChes incur a 149% increase
				MenChes legal expense increases by 160% due to regionalization.
				MenChes audit expense increases by 160% due to regionalization.

Established high school curriculum and technology plans require the full support of the following positions as well as related support staff and expenses .

Table 29: Supervisors of Instruction and Supervisor of Technology Integration

	Supervisors of Instruction 4.5 and Supervisor of Technology Integration 1.0			
Supervisors Sals 5.5	\$673,200	\$336,600	\$673,200	\$336,600
Benefits	\$79,525	\$39,763	\$79,525	\$39,763
Curriculum Admin Asst 2.0	\$126,598	\$63,299	\$126,598	\$63,299
Benefits	\$32,545	\$16,273	\$32,545	\$16,273
Summer Sals	\$10,600	\$5,300	\$10,600	\$5,300
Supervisors Total	\$922,468	\$461,234	\$922,468	\$461,234
				MenChes assume full cost of Supervisors a 100% increase

The loss of the ability to have teachers travel between buildings could adversely affect the availability of courses. This would require the use of costly sixth period assignments or the need to hire additional teachers to maintain the existing level of course offerings. AP and IB courses would be susceptible to this issue due to the unique training and skills that the teachers of these courses must possess.

Table 30: Loss of Teacher Travel

	Loss of Teacher Travel
Add 2 Teachers WMM & WMC	\$160,000
Benefits	\$36,718
Sixth Period Compensation	\$120,000
Total Teacher Travel	\$316,718

MenChes incur new expense to compensate for the loss of the ability to have teachers travel between schools

Some high school special education programs and the alternative program that currently accepts students District-wide may not have ample enrollment to continue unless tuition agreements are created with Central High School or other neighboring school districts.

Table 31: Special Education

Director of Spc Svc Sal	\$176,075	\$88,038	\$88,038
Benefits	\$15,905	\$7,953	\$7,953
SpcSvc Admin Asst	\$41,945	\$20,973	\$20,973
Benefits	\$30,368	\$15,184	\$15,184
Special Education Total	\$264,293	\$132,147	\$132,147

MenChes incur a 100% increase

The Board of Education will have to support the full cost of the following non-instructional managers.

Table 32: Non-Instructional Managers

	2014/15 Budget	Men/Ches Current	Men/Ches Option2	Men/Ches Inc/Ded
Non Instructional Managers				
Maintenance Manager	\$79,170	\$39,585	\$79,170	\$39,585
Benefits	\$34,710	\$17,355	\$34,710	\$17,355
Transportation Manager	\$60,412	\$30,206	\$60,412	\$30,206
Benefits	\$31,953	\$15,977	\$31,953	\$15,977
Productivity	\$11,200	\$5,600	\$11,200	\$5,600
Total	\$217,445	\$108,723	\$217,445	\$108,723
				MenChes incur a 100% increase

The computer network that provides access to the internet, related software contracts, network communications and web based technical services need to be maintained and fully supported. West Morris Central will require the necessary hardware to connect directly to the internet rather than through the internet service that terminates at West Morris Mendham.

Table 33: Administrative Information Technology

Admin Information Tech				
Tech Svc Web Based	\$236,200	\$118,100	\$165,340	\$47,240
Net Work Communications	\$26,745	\$13,373	\$18,722	\$5,349
Software Svc Contracts	\$92,688	\$46,344	\$74,150	\$27,806
				MenChes incur a 40% increase
				MenChes incur a 40% increase
				MenChes incur a 60% increase
Total	\$355,633	\$177,817	\$258,212	\$80,395
				MenChes incur a 45% increase

Summary Section 1

	2014/15 Budget	Men/Ches Current	Men/Ches Option2	Men/Ches Inc/Ded	
Total Section I	\$3,046,912.00	\$1,523,456.00	\$3,299,709.00	\$1,776,253.00	MenChes incur a 118% increase

Section 2

Suggested new positions to serve the regional district based on a review of New Jersey School Districts with similar characteristics including DFG, academic performance, grade span and enrollment.

Table 34: New Positions

New Positions	Men/Ehes 2
Director Human Resources	\$160,000
Benefits	\$15,905
Supv Special Education	\$120,000
Benefits	\$15,905
Asst Director of Curriculum	\$140,000
Benefits	\$15,905
Supervisor of Inst K-5 2.0	\$240,000
Benefits	\$31,810
Secy 3.0	\$135,000
Benefits and Fringe	\$75,593
Asst B&G Manager	\$60,000
Benefits and fringe	\$30,971
Asst Trans Manager	\$50,000
Benefits and Fringe	\$28,840
Total Section II	\$1,119,929

Section 3--Potential Savings of Regionalization

Table 35: Chester Public Schools

Chester Public Schools	Superintendent's Office and Board of Education	Business Office	Other	Total
Curriculum Improvement	Salaries	Salaries	B & G Supervisor Salary	
Salaries	\$89,793	\$188,526	\$260,001	\$105,771
Benefits and Fringe	Benefits and Fringe	Benefits and Fringe	Benefits	\$35,380
Supplies	Performance Bonus	Misc Purch Svce	Summer and Overtime	\$34,997
	\$4,000	\$21,605	Transportation Sec'y	\$13,759
	Legal Services	\$40,000		
	Audit Fees	\$17,500		
	Other Purchased Professional Services	\$4,500		
	Communications/Telephone	\$26,000		
	Miscellaneous Purchases/Service (Sup't Office)	\$15,420		
	Miscellaneous Purchases/Service (Board of Ed)	\$16,170		
Totals	\$115,695	\$357,982	\$189,907	\$1,036,510

Table 36: Mendham Township

Mendham Township	Superintendent's Office and Board of Education	Business Office	Other	Total
Curriculum Improvement	Salaries	Salaries	Transportation Sup	\$65,000
Salaries	\$95,358	\$269,583	\$156,878	\$28,187
Benefits and Fringe	Benefits and Fringe	Benefits and Fringe	Transportation Sec'y	\$10,332
Supplies	Performance Bonus	Misc Purch Svce	Dispatcher	\$45,424
	\$18,113	\$21,750	Benefits and Fringe	\$75,000
	\$3,450	\$10,000	Dir Bldgs and Grounds	\$29,146
	Legal Services	Purchase Prof Serv		
	Audit Fees	Supplies and Materials		
	Other Purchased Professional Services	Misc Expenditures		
	Communications/Telephone	\$7,500	\$2,675	
	Miscellaneous Purchases/Svcs BOE	\$30,346		
	Miscellaneous Purchases/Service (Sup't Office)	\$1,000		
	Supplies	\$13,600		
	Miscellaneous Expenditures	\$3,000		
	BOE Membership Dues	\$5,945		
		\$7,800		
Totals	\$116,921	\$462,158	\$232,054	\$253,089
				\$1,064,222

Table 37: Mendham Borough

Mendham Borough	Superintendent's Office and Board of Education	Business Office	Other	Total
Curriculum Improvement				
Salaries	Salaries	Salaries	Ops and Maint Sup	\$81,938
Benefits and Fringe	Benefits and Fringe	Benefits and Fringe	Benefits	\$34,085
\$169,228	\$194,550	\$161,574		
Performance Bonus	\$47,033	\$47,140		
\$46,484	\$20,237	\$3,372		
Legal Services	\$25,000	Purchase Prof Serv	\$6,600	
Audit Fees	\$19,916	Supplies and Materials	\$3,500	
Other Purchased Professional Services	\$0	Misc Expenditures	\$2,291	
Communications/Telephone	\$2,000			
Miscellaneous Purchases/Service (Sup't Office)	\$16,000			
Supplies	\$4,000			
Miscellaneous Expenditures	\$7,000			
BOE Training Supplies	\$1,000			
BOE Membership Dues	\$5,456			
Totals	\$342,192	\$224,477	\$116,023	\$898,404

Table 38: Budget Changes Section 3

Summary of Sections 1-3	
Increase Costs Section 1	\$1,776,253
Increase Costs Section 2	\$1,119,929
Decrease Cost Section 3	\$2,999,136
Net Decreased Costs	-\$102,954

Section 5: Taxes

THE EFFECT ON LOCAL TAX LEVIES FOR OPTION I & II

Option I

Step I: Estimate the base line expenditures and revenues for the proposed organizational structure

In order to determine the effect on local property taxes, it is necessary to estimate the potential spending plans (base line expenditures) the proposed organizational structure in Option 1. Fortunately, the Regional District has calculated the spending differential of each of the high schools based on enrollment. The data obtained from the District website reveals the following information:

Total Budget by School by Enrollment

West Morris Central (WMC)	\$ 21,859,323.00
West Morris Mendham (WMM)	<u>\$ 21,733,997.00</u>
Total	\$ 43,593,320.00

The District's Business Administrator has indicated that these are 2014-15 budgetary amounts that can be attached to a specific school.

There are expenditures that cannot be assigned to a specific school. These amounts are designated as central office and district expenditures. These expenditures total \$ 9,435,741.00. In order to get a preliminary estimate for the total costs of operating each high school independently 50% of these expenditures are assigned to each HS.

Therefore, a preliminary estimate for the base line expenditure budget for each school can be represented as follows:

2014-15 Estimated Base Line Budget by School

	WMC	WMM
By Enrollment	\$ 21,859,323.00	\$ 21,733,997.00
50% of District Expenditures	<u>\$ 4,717,870.50</u>	<u>\$ 4,717,870.50</u>
	\$ 26,577,193.50	\$ 26,451,867.50

Step 2: Determine the revenue needed to support the estimated base line expenditures

School districts have multiple sources of revenue. The District receives State and Federal aid, Restricted and Unrestricted Miscellaneous Revenue, Tuition Revenue, Interest from Capital Reserve, Budgeted Fund Balance and Withdrawal from Capital and Maintenance Reserve. For the purposes of this study, State Aid for all but Equalization Aid was distributed based on enrollment. The total amount of Equalization Aid *, \$ **324,799.00**, was assigned to WMC based on conversations with the NJDOE. (The assumption is that WMM will not qualify for Equalization Aid without Washington Township.) Federal Aid was also distributed based on enrollment. The balance of estimated revenues were distributed on a 50-50 basis.

	<u>WMC</u>	<u>WMM</u>	<u>Total</u>
Enrollment by School	1,344	1,435	2,779
Percent of Total	48.4%	51.6%	100%

Current Estimated Baseline Budgets 2014-15		
	WMC	WMM
Expenditures	\$26,577,193.50	\$26,451,867.50
..General Operating	\$25,440,418.50	\$25,315,092.50
..Debt Service (divide evenly)	\$1,136,775.00	\$1,136,775.00
Revenue	WMC	WMM
General Operating		
..Local Tax Levy	\$20,378,769.50	\$20,425,422.50
..State Aid * (by enrollment)	\$2,308,010.00	\$2,117,491.00
..Federal Aid (by enrollment)	\$273,818.00	\$292,358.00
..Misc Rev (50% distribution)	\$239,568.50	\$239,568.50
..Tuition (50% distribution)	\$39,650.00	\$39,650.00
..Interest (50% distribution)	\$845.50	\$845.50
..Budgeted Fund Bal. (50% distribution)	\$1,379,652.50	\$1,379,652.50
..Withdraw fr. Cap. Res. (50% distribution)	\$752,604.50	\$752,604.50
..Withdraw fr. Maint. Res.(50% distribution)	\$67,500.00	\$67,500.00
Debt Service		
..Local Tax Levy	\$1,136,775.00	\$1,136,775.00
Total	\$26,577,193.50	\$26,451,867.50

Based on adjustments established in the previous section, \$ 42,072 of expenditures are added to establish the New 2014-15 WMC Estimated Budget and \$ 1,792,412 of expenditures are added to form the New 2014-15 WMM Estimated Budget. Applying these adjustments yields:

1

Option I Revised Budgets (with est. adjustments) 2014-15		
	WMC	WMM
Expenditures	\$26,619,265.50	\$28,244,279.50
..General Operating	\$25,482,490.50	\$27,107,504.50
..Debt Service	\$1,136,775.00	\$1,136,775.00
Revenue	WMC	WMM
General Operating		
..Local Tax Levy	\$20,420,841.50	\$22,217,834.50
..State Aid	\$2,308,010.00	\$2,117,491.00
..Federal Aid	\$273,818.00	\$292,358.00
..Misc Rev (restricted/unrestricted)	\$239,568.50	\$239,568.50
..Tuition	\$39,650.00	\$39,650.00
..Interest	\$845.50	\$845.50
..Budgeted Fund Balance	\$1,379,652.50	\$1,379,652.50
..Withdrawal from Cap. Res.	\$752,604.50	\$752,604.50
..Withdrawal from Maint. Res.	\$67,500.00	\$67,500.00
Debt Service		
..Local Tax Levy	\$1,136,775.00	\$1,136,775.00
Total	\$26,619,265.50	\$28,244,279.50

Now that both Base Line Budgets and Estimated Budgets have been established for 2014-15, the impact the revised budgets will have on the tax levies of Chester Boro, Chester Township, Mendham Boro, Mendham Township and Washington Township can be examined. Since school taxes are funded on a split-year calendar basis, it is necessary to examine the impact on both the 2014 tax rates and the 2015 tax rates. The current distribution of taxes is as follows:

Current Regional Tax Levy Certification (Form A4f) 2014-15 School Year				
	School Year Tax Levy 2014-15	Balance Levy FY 13-14 Jan- June 2014	Levy to be raised FY 2014- 15 Jul-Dec 2014	Calendar Year Total Tax Levy 2014
Chester Boro				
...Gen Operating Budget	1,517,529.70	654,501.00	758,764.85	1,413,265.85
...Debt Service	84,554.54	36,415.00	42,277.27	78,692.27
Total	1,602,084.24	690,916.00	801,042.12	1,491,958.12
Chester Twp.				
...Gen Operating Budget	9,517,527.73	4,883,213.00	4,758,763.87	9,641,976.86
...Debt Service	530,302.78	271,687.00	265,151.39	536,838.38
Total	10,047,830.51	5,154,900.00	5,023,915.26	10,178,815.24
Mendham Boro				
...Gen Operating Budget	6,509,239.72	3,042,698.00	3,254,619.86	6,297,317.86
...Debt Service	362,685.33	169,286.00	181,342.67	350,628.67
Total	6,871,925.05	3,211,984.00	3,435,962.53	6,647,946.53
Mendham Twp.				
...Gen Operating Budget	9,500,276.98	4,585,536.00	4,750,138.49	9,335,674.49
...Debt Service	529,341.58	255,126.00	264,670.79	519,796.78
Total	10,029,618.56	4,840,662.00	5,014,809.28	9,855,471.27
Washington Twp.				
...Gen Operating Budget	13,759,618.10	6,869,622.00	6,879,809.05	13,749,431.05
...Debt Service	766,665.83	382,205.00	383,332.92	765,537.91
Total	14,526,283.93	7,251,827.00	7,263,141.97	14,514,968.96
Regional Total				
...Gen Operating Budget	40,804,192.23	20,035,570.00	20,402,096.11	40,437,666.11
...Debt Service	2,273,550.01	1,114,719.00	1,136,775.01	2,251,494.01
Total	43,077,742.24	21,150,289.00	21,538,871.12	42,689,160.12

The following charts show the average taxes paid by the regional constituent districts in 2014 for the current limited purpose 9-12 regional organizational structure.

2014 Average Assessed Value	
Chester Boro	\$462,961.00
Chester Twp.	\$666,676.00
Mendham Boro	\$705,096.00
Mendham Twp.	\$910,919.00
Washington Twp.	\$436,867.00

Current Regional Taxes 2014				
\$500,000 Assessed Value	Current Total Taxes to be collected 2014	Assessed Values 2014	Current 2014 Tax Rate	Current Regional Taxes 2014 based on \$500,000 Assessment
Chester Boro	1,491,958.12	377,577,700	0.3951	\$1,976.00
Chester Twp.	10,178,815.24	1,819,532,270	0.5594	\$2,797.00
Mendham Boro	6,647,946.53	1,284,514,035	0.5175	\$2,588.00
Mendham Twp.	9,855,471.27	1,878,805,350	0.5246	\$2,623.00
Washington Twp.	14,514,968.96	2,812,404,169	0.5161	\$2,581.00
Total	42,689,160.11	8,172,833,524	0.5223	\$2,612.00

Current Regional Taxes 2014				
Average Assessed Value	Current Total Taxes to be collected 2014	Assessed Values 2014	Current 2014 Tax Rate	2014 Regional Taxes based on Average Assessment
Chester Boro	1,491,958.12	377,577,700	0.3951	\$1,829.00
Chester Twp.	10,178,815.24	1,819,532,270	0.5594	\$3,729.00
Mendham Boro	6,647,946.53	1,284,514,035	0.5175	\$3,649.00
Mendham Twp.	9,855,471.27	1,878,805,350	0.5246	\$4,779.00
Washington Twp.	14,514,968.96	2,812,404,169	0.5161	\$2,255.00
Total	42,689,160.11	8,172,833,524	0.5223	\$3,324.00

Current Regional Budget - Average Per Pupil Cost 2014			
	2014 Regional Enrollment	Current Total Taxes 2014	Average Tax per pupil
Chester Boro	91.5	1,491,958.12	16,305.55
Chester Twp.	578.0	10,178,815.24	17,610.41
Mendham Boro	337.0	6,647,946.53	19,726.84
Mendham Twp.	428.0	9,855,471.27	23,026.80
Washington Twp.	1,344.0	14,514,968.96	10,799.83
Total	2,778.50	42,689,160.11	15,364.10

When Washington Township is dropped from the regional in Option I, the percentages for allocation of tax requirements will change for the remaining four municipalities. The change is illustrated in the following chart. (The detailed calculation can be found in the appendix, Table 1.)

Changes in percentage of allocation of tax levy from current allocation:			
	Current 2014- 15 percent share	New 2014-15 percent share	Increase / Decrease
Chester Boro	3.72%	5.61%	1.89%
Chester Twp.	23.32%	35.19%	11.87%
Mendham Boro	15.95%	24.07%	8.12%
Mendham Twp.	23.28%	35.13%	11.85%

For the Mendham's and the Chester's the school year tax decrease for Option 1 is almost \$7,000,000. The split –year collection of taxes tends to confuse the issue. For the calendar year, the impact for the new tax apportionment for the Mendham's and the Chester's is one approximately 50% of the \$7,000,000 shift in tax levies. For subsequent years's there is an approximate \$7,00,000 reduction in calendar year taxes.

For Washington Township the reverse is true. Washington Township taxpayers will pay approximately an additional \$3,500,000 of the tax requirement for the first year of Option I and then subsequently approximately \$7,000,000 more per calendar year moving forward.

The chart below illustrates how the tax levy apportionments are affected by implementing Option I and thus creating a West Morris Mendham limited purpose HS.

	Current School Year Tax Levy 2014-15	Current Tax Levy Apportionment based on 100% EqVal	Option I New Tax Levy Apportionment for a limited purpose WMM HS	Option I Base line Tax Levy allocation before adjustments	2014-15 School Year decrease in Tax Levy	2014 calendar year decrease
Chester Boro	1,602,084.24	3.72%	5.61%	1,209,639.30	(392,444.94)	(196,222.47)
Chester Twp.	10,047,830.51	23.32%	35.19%	7,587,737.30	(2,460,093.21)	(1,230,046.61)
Mendham Boro	6,871,925.05	15.95%	24.07%	5,190,020.90	(1,681,904.15)	(840,952.08)
Mendham Twp.	10,029,618.56	23.28%	35.13%	7,574,800.10	(2,454,818.46)	(1,227,409.23)
Total	28,551,458.36	66.27%	100.00%	21,562,197.60	(6,989,260.76)	(3,494,630.38)

The impact on Washington Township tax requirements for Option I is illustrated below:

	Current School Year Tax Levy 2014-15	Current Tax Levy based on 100% EqVal	Option I New Tax Levy for a WMC HS	Base line Tax Levy allocation before adjustments	School Year increase in Tax Levy	2014 calendar year increase
Washington Twp.	14,526,283.93	33.73%	100%	21,515,544.50	6,989,260.57	3,494,630.29

The revised A4f for the new limited-purpose regional is represented below based on the revised tax allocations.

Option I - Tax Levy Certification for 2014-15 (A4f)
New Estimated 9-12 WMM Limited-Purpose Regional

	School Year Tax Levy 2014-15	Balance Levy FY 13-14 Jan- June 2014	Levy to be raised FY 2014-15 Jul- Dec 2014	Calendar Year Total Tax Levy 2014
Chester Boro				
...Gen Operating Budget	1,246,420.52	654,501.00	623,210.26	1,277,711.26
...Debt Service	63,773.08	36,415.00	31,886.54	68,301.54
Total	1,310,193.59	690,916.00	655,096.80	1,346,012.80
Chester Twp.				
...Gen Operating Budget	7,818,455.96	4,883,213.00	3,909,227.98	8,792,440.97
...Debt Service	400,031.12	271,687.00	200,015.56	471,702.55
Total	8,218,487.08	5,154,900.00	4,109,243.54	9,264,143.52
Mendham Boro				
...Gen Operating Budget	5,347,832.76	3,042,698.00	2,673,916.38	5,716,614.38
...Debt Service	273,621.74	169,286.00	136,810.87	306,096.87
Total	5,621,454.51	3,211,984.00	2,810,727.25	6,022,711.25
Mendham Twp.				
...Gen Operating Budget	7,805,125.26	4,585,536.00	3,902,562.63	8,488,098.63
...Debt Service	399,349.06	255,126.00	199,674.53	454,800.52
Total	8,204,474.32	4,840,662.00	4,102,237.16	8,942,899.15
Option 1 NEW				
Regional Total				
...Gen Operating Budget	22,217,834.50	13,165,948.00	11,108,917.25	24,274,865.25
...Debt Service	1,136,775.00	732,514.00	568,387.50	1,300,901.50
Total	23,354,609.50	13,898,462.00	11,677,304.75	25,575,766.75

New Tax Levy Allocation as compared to the current regional tax allocation

Option I - WMM Limited Purpose High School -				
	Current Regional School Year Tax Levy 2014-15	Option I New Regional School Year Tax Levy	School Year Tax Levy Decrease	IMPACT ON CALENDAR YEAR TAXES
Chester Boro				
...Gen Operating Budget	1,517,529.70	1,246,420.50	(271,109.20)	(135,554.60)
...Debt Service	84,554.54	63,773.10	(20,781.44)	(10,390.72)
Total	1,602,084.24	1,310,193.60	(291,890.64)	(145,945.32)
Chester Twp.				
...Gen Operating Budget	9,517,527.73	7,818,456.00	(1,699,071.73)	(849,535.87)
...Debt Service	530,302.78	400,031.10	(130,271.68)	(65,135.84)
Total	10,047,830.51	8,218,487.10	(1,829,343.41)	(914,671.71)
Mendham Boro				
...Gen Operating Budget	6,509,239.72	5,347,832.80	(1,161,406.92)	(580,703.46)
...Debt Service	362,685.33	273,621.70	(89,063.63)	(44,531.82)
Total	6,871,925.05	5,621,454.50	(1,250,470.55)	(625,235.28)
Mendham Twp.				
...Gen Operating Budget	9,500,276.98	7,805,125.40	(1,695,151.58)	(847,575.79)
...Debt Service	529,341.58	399,349.10	(129,992.48)	(64,996.24)
Total	10,029,618.56	8,204,474.50	(1,825,144.06)	(912,572.03)
Regional Total				
...Gen Operating Budget	27,044,574.13	22,217,834.50	(4,826,739.63)	(2,413,369.82)
...Debt Service	1,506,884.23	1,136,775.00	(370,109.23)	(185,054.62)
Grand Total	28,551,458.36	23,354,609.50	(5,196,848.86)	(2,598,424.43)

Using the revised Tax Certification (A4f), the 2014 calendar year taxes by municipality can be calculated as follows:

Option I - New Estimated Regional Taxes \$500,000 Assessed Value				
	New Total Taxes to be collected	Assessed Values	New 2014 Tax Rate	New Regional Taxes 2014 based on \$500,000 Assessment
	2014	2014		
Chester Boro	1,346,012.80	377,577,700	0.3565	\$1,783.00
Chester Twp.	9,264,143.52	1,819,532,270	0.5091	\$2,546.00
Mendham Boro	6,022,711.25	1,284,514,035	0.4689	\$2,345.00
Mendham Twp.	8,942,899.15	1,878,805,350	0.4760	\$2,380.00
Total	25,575,766.72	5,360,429,355	0.4771	\$2,386.00

Option I - New Estimated Regional Taxes Average Assessed Value				
	New Total Taxes to be collected	Assessed Values	New 2014 Tax Rate	New 2014 Regional Taxes based on Average Assessment
	2014	2014		
Chester Boro	1,346,012.80	377,577,700	0.3565	\$1,650.00
Chester Twp.	9,264,143.52	1,819,532,270	0.5091	\$3,394.00
Mendham Boro	6,022,711.25	1,284,514,035	0.4689	\$3,306.00
Mendham Twp.	8,942,899.15	1,878,805,350	0.4760	\$4,336.00
Total	25,575,766.72	5,360,429,355	0.4771	\$2,620.00

Compare the current 2014 taxes to be paid with the estimated taxes for the new limit-purpose regional in Option I.

Option I - Change in Tax Requirements
\$500,000 Assessed Value

	Current Regional Taxes 2014 based on \$500,000 Assessment	New Regional Taxes 2014 based on \$500,000 Assessment	Annual Difference	Monthly Difference
Chester Boro	\$1,976.00	\$1,783.00	(\$193.00)	(16.08)
Chester Twp.	\$2,797.00	\$2,546.00	(251.00)	(20.92)
Mendham Boro	\$2,588.00	\$2,345.00	(243.00)	(20.25)
Mendham Twp.	\$2,623.00	\$2,380.00	(243.00)	(20.25)

Option I - Change in Tax Requirements
Average Assessed Value

	2014 Regional Taxes based on Average Assessment	New 2014 Regional Taxes based on Average Assessment	Annual Difference	Monthly Difference
Chester Boro	\$1,829.00	\$1,650.00	(179.00)	(14.92)
Chester Twp.	\$3,729.00	\$3,394.00	(335.00)	(27.92)
Mendham Boro	\$3,649.00	\$3,306.00	(343.00)	(28.58)
Mendham Twp.	\$4,779.00	\$4,336.00	(443.00)	(36.92)

Option I - Average Tax Per Pupil
for the proposed New Regional in
2014

	2014 Regional Enrollment	New Total Taxes to be collected 2014	Average Tax per pupil
Chester Boro	91.5	1,346,012.80	14,710.52
Chester Twp.	578.0	9,264,143.52	16,027.93
Mendham Boro	337.0	6,022,711.25	17,871.55
Mendham Twp.	<u>428.0</u>	<u>8,942,899.15</u>	<u>20,894.62</u>
Total	1,434.50	25,575,766.72	17,829.05

Option I - Compare per Pupil Costs

	Current Average Tax per pupil	New Regional Revised Average Tax per pupil	Difference
Chester Boro	16,305.55	14,710.52	(1,595.03)
Chester Twp.	17,610.41	16,027.93	(1,582.48)
Mendham Boro	19,726.84	17,871.55	(1,855.30)
Mendham Twp.	23,026.80	20,894.62	(2,132.18)

The Tax Requirements for 2015

As noted earlier, the method that the municipalities use to collect school taxes requires that the potential tax requirements for 2015-16 be examined. In order to estimate the potential budget for 2015-16, **a 2% increase** was applied to the **2014-15 school tax levies** in order to approximate the tax requirements for both the current regional in calendar year 2015 and the new proposed limited purpose regional in 2015.

The calculation assumes the following:

- 1. Increase Tax Levy for General Operating Budget by 2%**
- 2. Increase Debt Service by 2%. (Actual debt service amounts may be more or less based on the schedule of bond principal and interest payments for 2015-16.)**
- 3. No change in the Total Assessed Values per municipality**
- 4. No change in enrollment**
- 5. No change in State and Federal Aid**
- 6. No change in all other sources of revenue**

*The chart below illustrates the potential tax requirements for
2015-16 for the current regional organizational structure*

**Estimate Current Regional Calendar Year Tax Levy for 2015
(2% Increase in Tax Levy)**

	Estimate Current Regional School Year Tax Levy 2015-16	50% Regional Balance Levy FY 14- 15 Jan-June 2015	50% Regional Levy to be raised FY 2015- 16 Jul-Dec 2015	Calendar Year Total Tax Levy 2015
Chester Boro				
...Gen Operating Budget	1,547,880.29	758,765	773,940.15	1,532,705.00
...Debt Service	86,245.63	42,277	43,122.82	85,400.09
Total	1,634,125.92	801,042	817,062.96	1,618,105.08
Chester Twp.				
...Gen Operating Budget	9,707,878.28	4,758,764	4,853,939.14	9,612,703.01
...Debt Service	540,908.84	265,151	270,454.42	535,605.81
Total	10,248,787.12	5,023,915	5,124,393.56	10,148,308.82
Mendham Boro				
...Gen Operating Budget	6,639,424.51	3,254,620	3,319,712.26	6,574,332.12
...Debt Service	369,939.04	181,343	184,969.52	366,312.18
Total	7,009,363.55	3,435,963	3,504,681.78	6,940,644.30
Mendham Twp.				
...Gen Operating Budget	9,690,282.52	4,750,138	4,845,141.26	9,595,279.75
...Debt Service	539,928.41	264,671	269,964.21	534,635.00
Total	10,230,210.93	5,014,809	5,115,105.47	10,129,914.75
Washington Twp.				
...Gen Operating Budget	14,034,810.46	6,879,809	7,017,405.23	13,897,214.28
...Debt Service	781,999.15	383,333	390,999.57	774,332.49
Total	14,816,809.61	7,263,142	7,408,404.80	14,671,546.77
Regional Total				
...Gen Operating Budget	41,620,276.07	20,402,096	20,810,138.04	41,212,234.15
...Debt Service	2,319,021.01	1,136,775	1,159,510.53	2,296,285.56

Total	43,939,297.09	21,538,871	21,969,648.57	43,508,519.71
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Option I- New Regional A4f Estimated 2015-16 School Year

	Estimated School Year Tax Levy 2015-16	Balance Levy FY 14-15 Jan-June 2015	Levy to be raised FY 2015-16 Jul-Dec 2015	Calendar Year Total Tax Levy 2015
Chester Boro				
...Gen Operating Budget	1,271,348.93	623,210.26	635,674.46	1,258,884.72
...Debt Service	65,048.54	31,886.54	32,524.27	64,410.81
Total	1,336,397.46	655,096.80	668,198.73	1,323,295.53
Chester Twp.				
...Gen Operating Budget	7,974,825.08	3,909,227.98	3,987,412.54	7,896,640.51
...Debt Service	408,031.74	200,015.56	204,015.87	404,031.42
Total	8,382,856.82	4,109,243.54	4,191,428.41	8,300,671.93
Mendham Boro				
...Gen Operating Budget	5,454,789.42	2,673,916.38	2,727,394.71	5,401,311.09
...Debt Service	279,094.18	136,810.87	139,547.09	276,357.96
Total	5,733,883.60	2,810,727.25	2,866,941.80	5,677,669.05
Mendham Twp.				
...Gen Operating Budget	7,961,227.77	3,902,562.63	3,980,613.88	7,883,176.51
...Debt Service	407,336.04	199,674.53	203,668.02	403,342.54
Total	8,368,563.80	4,102,237.16	4,184,281.90	8,286,519.05
NEW Regional Total				
...Gen Operating Budget	22,662,191.19	11,108,917.25	11,331,095.60	22,440,012.85
...Debt Service	1,159,510.50	568,387.50	579,755.25	1,148,142.75
Total	23,821,701.69	11,677,304.75	11,910,850.85	23,588,155.60

Potential taxes for calendar year 2015

Current Regional Taxes 2015-16

\$500,000 Assessed Value

	Estimated Total Taxes to be collected 2015	Assessed Values 2015	Estimated 2015 Tax Rate per \$100 of assessed value	Estimated 9-12 school Taxes '2015 \$500,000 assessment
Chester Boro	1,618,105.08	377,577,700	0.4285	\$2,143.00
Chester Twp.	10,148,308.82	1,819,532,270	0.5577	\$2,789.00
Mendham Boro	6,940,644.30	1,284,514,035	0.5403	\$2,702.00
Mendham Twp.	10,129,914.75	1,878,805,350	0.5392	\$2,696.00

Current Regional Taxes 2015-16

Average Assessed Value

	Estimated Total Taxes to be collected 2015	Assessed Values 2015	(WMRHS web site) 2015 Average Assessment	Estimated 9-12 school Taxes '2015 Average assessment
Chester Boro	1,618,105.08	377,577,700	\$462,961.00	\$1,984.00
Chester Twp.	10,148,308.82	1,819,532,270	\$666,676.00	\$3,718.00
Mendham Boro	6,940,644.30	1,284,514,035	\$705,096.00	\$3,810.00
Mendham Twp.	10,129,914.75	1,878,805,350	\$910,919.00	\$4,912.00

Option I - New WMM Regional Taxes 2015-16

\$500,000 Assessed Value

	Estimated Total Taxes to be collected '2015	Assessed Values 2015	Estimated 2015 Tax Rate per \$100 of assessed value	Estimated 9-12 school Taxes '2015 \$500,000 assessment
Chester Boro	1,323,295.53	377,577,700	0.3505	\$1,753.00
Chester Twp.	8,300,671.93	1,819,532,270	0.4562	\$2,281.00
Mendham Boro	5,677,669.05	1,284,514,035	0.4420	\$2,210.00
Mendham Twp.	8,286,519.05	1,878,805,350	0.4411	\$2,206.00

Option I - New WMM Regional Taxes 2015-16
Average Assessed Value

	Estimated Total Taxes to be collected '2015	Assessed Values 2015	(WMRHS web site) 2015 Average Assessment	Estimated 9-12 school Taxes '2015 Average assessment
Chester Boro	1,323,295.53	377,577,700	\$462,961.00	\$1,622.54
Chester Twp.	8,300,671.93	1,819,532,270	\$666,676.00	\$3,041.36
Mendham Boro	5,677,669.05	1,284,514,035	\$705,096.00	\$3,116.59
Mendham Twp.	8,286,519.05	1,878,805,350	\$910,919.00	\$4,017.63

Comparing the 2014 and 2015 calendar year taxes reveals the financial implications of creating a new limited –purpose regional for the Chesters and the Mendhams.

**Compare calendar 2015 taxes for the current regional
and the New Regional
\$500,000 Assessed Value**

	Current Regional school Taxes 2015 \$500,000 assessment	Estimated New Regional school Taxes 2015 \$500,000 assessment	Difference
Chester Boro	\$2,143.00	\$1,753.00	\$(390.00)
Chester Twp.	\$2,789.00	\$2,281.00	\$(508.00)
Mendham Boro	\$2,702.00	\$2,210.00	\$(492.00)
Mendham Twp.	\$2,696.00	\$2,206.00	\$(490.00)

**Compare calendar 2015 taxes for the current regional
and the New Regional
Average Assessed Value**

	Current K-12 2015 Taxes Based on Average Assessment	Estimated K-12 2015 Taxes Based on Average Assessment	Difference
Chester Boro	\$1,984.00	\$1,622.54	\$(361.46)
Chester Twp.	\$3,718.00	\$3,041.36	\$(676.64)
Mendham Boro	\$3,810.00	\$3,116.59	\$(693.41)
Mendham Twp.	\$4,912.00	\$4,017.63	\$(894.37)

***Compare calendar 2014 and 2015 tax reductions for the current regional
and the New WMM Regional***

\$500,000 Assessed Value

	2014 Tax Savings Based on \$500,000 Assessed Value	2015 Tax Savings Based on \$500,000 Assessed Value	Two Year Total Savings
Chester Boro	(193.00)	(390.00)	(583.00)
Chester Twp.	(251.00)	(508.00)	(759.00)
Mendham Boro	(243.00)	(492.00)	(735.00)
Mendham Twp.	(243.00)	(490.00)	(733.00)

***Compare calendar 2014 and 2015 tax reductions for the current regional
and the New WMM Regional***

Average Assessed Value

	2014 Tax Savings Based on Average Assessed Value	2015 Tax Savings Based on Average Assessed Value	Two Year Total Savings
Chester Boro	(179.00)	(361.46)	(540.46)
Chester Twp.	(335.00)	(676.64)	(1,011.64)
Mendham Boro	(343.00)	(693.41)	(1,036.41)
Mendham Twp.	(443.00)	(894.37)	(1,337.37)

How to determine the financial impact on Washington Township for Option I & Option II

Since both Option I and II propose a K-12 Washington Township School District, it was important to look at the total taxes paid for educating students from kindergarten thru grade twelve. A combined A4f was created for the current organizational structure and a revised A4f was created for just a K-12 Washington Township. These combined A4f's are represented on the following two pages

Option I & II - A4f - New K - 12 School District for Washington Township Estimated tax levy 2014

	User Friendly Budget					C / 2		H + I		G + J
	B + C		A4f 50% Actual	50% Actual K-8 Balance Levy	E + F K-12 Total Balance of Levy	B / 2 50% Est. Regional Levy to be raised	50% Est. K-8 Levy to be raised	Total 50% Est. K-12 Levy to be raised		
	Additional HS costs	K-8 School Year	Total 2014-15 School Year	FY 13-14	FY 13-14	FY 13-14	FY 2014-15	FY 2014-15		K-12 Est. Calendar Year Total Tax Levy
	School Year	School Year	Est. Tax Levy	Tax Levy	Jan-June	Jan-June	Jan-June	Jul-Dec	Jul-Dec	New 2014
2014-15	2014-15	2014-15	2014-15	2014-15	2014	2014	2014	2014	2014	2014
...Gen Operating Budget	20,420,842	31,128,290	51,549,132	6,869,622	15,282,939	22,152,561	10,210,421	15,564,145	25,774,566	47,927,127
...Debt Service	1,136,775	1,481,324	2,618,099	382,205	738,619	1,120,824	568,388	740,662	1,309,050	2,429,874
Total	21,557,617	32,609,614	54,167,231	7,251,827	16,021,558	23,273,385	10,778,808	16,304,807	27,083,615	50,357,000

Option I & II - A4f - New K - 12 School District for Washington Township Estimated

(Increase levy by Tax 2%)		B + C	A4F	E + F	B / 2	C / 2	H + I	G + J
HS costs	K-8	Total 2015-16	50% Regional Balance Levy	50% K-8 Balance Levy	K-12 Total Balance of Levy	50% Regional Levy to be raised	50% K-8 Levy to be raised	Total 50% K-12 Levy to be raised
School Year	School Year	School Year	FY 14-15	FY 14-15	FY 14-15	FY 2015-16	FY 2015-16	FY 2015-16
Tax Levy	Tax Levy	Tax Levy	Jan-June	Jan-June	Jan-June	Jul-Dec	Jul-Dec	Jul-Dec
2015-16	2015-16	K-12	2015	2015	2015	2015	2015	2015
20,829,258	31,750,856	52,580,114	\$10,210,421	15,564,145	\$25,774,566	10,414,629	15,875,428	26,290,057
1,159,511	1,510,950	2,670,461	\$568,388	740,662	\$1,309,050	579,755	755,475	1,335,230
21,988,769	33,261,806	55,250,575	\$10,778,809	16,304,807	\$27,083,616	10,994,384	16,630,903	27,625,288
...Gen Operating Budget								52,064,023
...Debt Service								2,644,280
Total								54,708,303

2014

Current K-12 Taxes in 2014

	Current Total Taxes to be collected '2014	Assessed Values 2014	Current 2014 Tax Rate of assessed value	Current K- 12 school Taxes 2014 \$500,000 assessment	Current K- 12 school Taxes Based on Average Assessment of \$436,867
Washington Twp.	46,841,333.97	2,812,404,169	1.6660	\$8,330.00	\$7,278.00

Option I & II - New Washington Twp. K-12 School Taxes 2014

	New Total Taxes to be collected '2014	Assessed Values 2014	New 2014 Tax Rate of assessed value	New K- 12 school Taxes 2014 \$500,000 assessment	New K-12 school Taxes Based on Average Assessment
Washington Twp.	50,357,000.25	2,812,404,169	1.791	\$8,955.00	\$7,824.00

Option I & II - Compare change in tax requirements - \$500,000 Assessed Value

	Current 2014 K-12 school Taxes Based on \$500,000 Assessment	New 2014 K- 12 school Taxes Based on \$500,000 Assessment	Annual Additional Taxes	Monthly Difference
Washington Twp.	\$8,330.00	\$8,955.00	\$625.00	\$52.08

**Option I & II - Compare change in tax requirements -
Average Assessed Value**

	Current 2014 K-12 school Taxes Based on Average Assessment	New 2014 K-12 school Taxes Based on Average Assessment	Annual Additional Taxes	Monthly Difference
Washington Twp.	\$7,278.00	\$7,824.00	\$546.00	\$45.50

2015

Option I & II - New Total Washington Twp. K-12 School Taxes

	New Total Taxes to be collected 2015	Assessed Values '2015	New 2015 Tax Rate	New K-12 Taxes 2015 \$500,000 assessment	New K-12 school Taxes Based on Average Assessment
Washington Twp.	54,708,903.	2,812,404,169	1.945	\$9,725.00	\$8,497.00

Current Regional K-12 Taxes in 2015

	Current Total Taxes to be collected 2015	Assessed Values '2015	Current 2015 Tax Rate	Current K-12 Taxes 2015 \$500,000 assessment	Current K-12 school Taxes Based on Average Assessment
Washington Twp.	47,778,160.64	2,812,404,169	1.6988	\$8,494.00	\$7,421.00

Option I & II - Compare change in tax requirements - \$500,000 Assessed Value				
	Current K-12 school Taxes 2015 \$500,000 assessment	New K-12 school Taxes 2015 \$500,000 assessment	Annual Additional Taxes	Monthly Difference
Washington Twp.	\$8,494.00	\$9,725	\$ 1,231	\$ 102.58

Option I & II - Compare change in tax requirements - Average Assessed Value				
	Current K-12 school Taxes 2015 average assessment	New K-12 school Taxes 2015 average assessment	Annual Additional Taxes	Monthly Difference
Washington Twp.	\$7,421.00	\$8,497	\$1,076	\$89.67

For Washington Township homeowners, the increase in taxes over the two year period can be as much as **\$1,231** for a **home assessed at \$500,000**. For the average assessment of **\$436,867** the **additional taxes** could be **\$1,075.98**. Please note that the assessed value of one's home will dictate the amount of additional taxes to be paid if Washington Township leaves the regional district.

Option I & II

Compare Current Taxes for 2014 and 2015 with New Taxes

	Current K-12 school Tax 2014 and 2015 \$500,000 assessment	New K-12 school Tax 2014 and 2015 \$500,000 assessment	Increase in Taxes over Two Year Period	Average Monthly
Washington Twp.	\$16,824.00	\$18,680.00	\$1,856.00	\$77.33
	Current K-12 school Tax 2014 and 2015 Average Assessment	New K-12 school Tax 2014 and 2015 Average Assessment	Increase in Taxes over Two Year Period	Average Monthly
Washington Twp.	\$14,699.00	\$16321	\$1,622	\$67.58

Option II –

A new all-purpose K-12 Regional School District for Chester Boro, Chester Township, Mendham Boro and Mendham Township

As was done for Option I, for this part of Option II it is again necessary to estimate the potential Base Line Budget. Tables 3 – 5 in the appendix gives detail as to how the budgets for the K-8 districts and the HS district were combined. As noted in the previous section, \$102,954 fewer expenditures have been identified. When these amounts are applied, the following Base Line Budget is as represented on the next page:

Option II - 2014-15 Estimated Budget for an All Purpose Mendham Regional K – 12 After adjustments

	Grand Total
Expenditures:	79,426,904.50
..General Operating	74,730,009.50
..Debt Service	4,696,895.00
Revenues:	
..Local Tax Levy	63,618,209.50
..State Aid	3,958,866.00
..Federal Aid	891,269.00
..Misc Rev (restricted/unrestricted)	394,226.50
..Tuition	251,570.00
..Rents And Royalties	35,000.00
..Transportation Fees From Other LEAS	679,600.00
..Interest	5,605.50
..Budgeted Fund Blance	2,838,596.50
..Withdrawal from Cap. Res.	1,743,653.50
..Withdrawal from Maint. Res.	67,500.00
..Other Revenue From Local Sources	79,100.00
..Restricted Entitlements-State Aid	166,813.00
Total	74,730,009.50
Debt Service	
Local Tax Levy	4,678,712.00
Withdrawal from Debt Service Reserve	18,183.00
Total	4,696,895.00
Grand Total Revenue	79,426,904.50
 Total Tax Levy for the New All Purpose Regional	 68,296,921.50

Now that a Base-Line Budget has been established, the new tax levy allocation can be calculated. Since 100% of the students are in kindergarten thru grade 12, the allocation percentages are calculated based on the equalized valuations of each municipality. Enrollment plays no part in the calculation.

The new allocation is illustrated below:

Option II - CALCULATION OF NEW TAX LEVY ALLOCATION		
2014-15	2014 Eq. Val of Municipality	Percent of Total Eq. Val.
Chester Boro	384,063,788	6.936%
Chester Twp.	1,893,596,303	34.200%
Mendham Boro	1,356,810,010	24.505%
Mendham Twp.	1,902,385,002	34.359%
	5,536,855,103	100.000%

The estimated A4f's for the New WMM K-12 for the 2014-15 school year and for the 2015-16 school year are represented on the following two pages.

Option II WMM All Purpose Regional K-12 2014-15 A4f

	New All-Purpose Tax Levy 2014-15	50% Regional Jan-June 2014	50% K-8 Jan- June 2014	K-12 Total Jan-June Balance of Levy 2014	50% All Purpose Regional Levy to be raised Jul-Dec 2014	K-12 Calendar Year New All Purpose Regional New 2014
Chester Boro	Estimated budget					
...Gen Operating Budget	4,396,739.79	654,501	1,665,722	2,320,223	2,198,370.	4,518,593.
...Debt Service	324,538.72	36,415	114,687	151,102	162,269.	313,371.
Total	4,721,278.51	690,916	1,780,409	2,471,325	2,360,639.	4,831,964.
Chester Twp.						
...Gen Operating Budget	21,677,779.77	4,883,213	7,962,160	12,845,373	10,838,890.	23,684,265.
...Debt Service	1,600,112.62	271,687	548,202	819,889	800,056.	1,619,945.
Total	23,277,829.39	5,154,900	8,510,362	13,665,262	11,638,946.	25,304,210.
Mendham Boro						
...Gen Operating Budget	15,532,681.67	3,042,698	4,445,390	7,488,088	7,766,341.	15,254,429.
...Debt Service	1,146,521.47	169,286	467,372	636,658	573,261.	1,209,919.
Total	16,679,203.14	3,211,984	4,912,762	8,124,746	8,339,602.	16,464,348.
Mendham Twp.						
...Gen Operating Budget	21,778,392.28	4,585,536	6,947,613	11,533,149	120,889,196.	22,422,345.
...Debt Service	1,607,539.18	255,126	587,125	842,251	803,770.	1,646,021.
Total	23,385,931.46	4,840,662	7,534,738	12,375,400	11,692,966.	24,068,366.
New Regional Total						
...Gen Operating Budget	63,385,593.50	13,165,948	21,020,884	34,186,832	31,692,797.	65,879,632.
...Debt Service	4,678,712.	732,514	1,717,386	2,449,900	2,339,356.	4,789,256.
Total	68,064,305.50	13,898,462	22,738,270	36,636,732	34,032,153.	70,668,888.

Now that the 2014 calendar year tax levy requirements have been established, the individual tax levy obligations can be calculated. The charts below show the impact.

Option II - New All Purpose Regional K-12 School Taxes

2014

	New Total Taxes to be collected 2014	Assessed Values 2014	New 2014 Tax Rate	New K-12 school Taxes 2014 \$500,000 assessment		(WMRHS web site) 2014 Average Assessment		New K-12 school Taxes Based on Average Assessment
Chester Boro	4,831,964.	377,577,700	1.2797		6,399.		462,961	5,925.
Chester Twp.	23,304,201.	1,819,532,270	1.3907		6,954.		666,676	9,721.
Mendham Boro	16,464,348.	1,284,514,035	1.2818		6,409.		705,096	9,038.
Mendham Twp.	24,068,366.	1,878,805,350	1.2810		6,405.		910,919	11,669.
Average	70,668,888.	5,360,429,355	1.3183		6,592.		686,413	9,049.

Option II - Compare change in tax requirements - \$500,000 Assessed Value New All Purpose Regional K-12

2014

2014	Current K-12 school Taxes 2014	New K-12 school Taxes 2014	Monthly Difference
	\$500,000 assessment	\$500,000 assessment	
Chester Boro	6,691	6,399.	(24.33)
Chester Twp.	7,534	6,954.	(48.33)
Mendham Boro	6,496	6,409.	(7.25)
Mendham Twp.	6,670	6,405.	(22.08)

**Option II - Compare change in tax requirements - Average Assessed Value
New All Purpose Regional K-12**

2014

	Current 2014 K-12 school Taxes Based on	New 2014 K-12 school Taxes Based on	
	Average Assessment	Average Assessment	
Chester Boro	6,195	5,925.	Monthly Difference (22.50)
Chester Twp.	10,045	9,721.	(64.50)
Mendham Boro	9,160	9,038.	(10.17)
Mendham Twp.	12,152	11,669.	(40.25)

As was done in Option I, it is important to estimate the Base Line Budget for the 2015-16 school year. This allows for an estimate of the financial impact over 2014 and 2015 calendar tax years.

The following assumptions were made to establish the estimated 2015-16 school year budget.

The calculation assumes the following:

- 1. Increase Tax Levy for General Operating Budget by 2%*
- 2. Increase Debt Service by 2%. (Actual debt service amounts may be more or less based on the schedule of bond principal and interest payments for 2015-16.)*
- 3. No change in the Total Assessed Values per municipality*
- 4. No change in enrollment*
- 5. No change in State and Federal Aid*
- 6. No change in all other sources of revenue*

The A4f for 2015 is represented on the following page:

Option II WMM All Purpose Regional K-12

2015-16 A4f

	New All-Purpose K-12 Regional School Year Tax Levy 2015-16	K-12 Total Balance of Levy FY 14-15 Jan-June 2015	50% All Purpose Regional Levy to be raised FY 2015-16 Jul-Dec 2015	K-(22.08)12 Calendar Year New All Purpose Regional Total Tax Levy New 2015
Chester Boro	Estimated Budget			
... Gen Operating Budget	4,484,675.	2,198,370.	2,242,338.	4,440,708.
... Debt Service	331,029.	162,259.	165,515.	327,784.
Total	4,815,335.	2,360,639.	2,407,852.	4,768,491.
Chester Twp.				
... Gen Operating Budget	22,111,335.	10,838,890.	11,055,668.	21,894,558.
... Debt Service	1,632,115.	800,056.	816,058.	1,616,114.
Total	23,743,450.	11,638,946.	11,871,725.	23,510,671.
Mendham Boro				
... Gen Operating Budget	15,843,335.	7,766,341.	7,921,668.	15,688,009.
... Debt Service	1,169,452.	573,261.	584,726.	1,157,987.
Total	17,012,787.	8,339,602.	8,506,394.	16,845,996.
Mendham Twp.				
... Gen Operating Budget	22,213,960.	10,889,196.	11,106,980.	21,996,176.
... Debt Service	1,639,690.	803,770.	819,845.	1,623,615.
Total			11,926,825.	23,619,791.
New Regional Total				
... Gen Operating Budget	64,653,305.	31,692,797.	32,326,653.	64,019,450.
... Debt Service	4,772,286.	2,339,356.	2,386,143.	4,725,499.
Total	69,425,592.	34,032,153.	34,712,796.	68,744,949.

Now that the 2015 calendar year tax levy requirements have been established, the individual tax levy obligations can be calculated. The charts below show the impact.

Option II - New All Purpose Regional K-12 School Taxes						
2015	New	Assessed		New	New K-12	New K-12
	Total Taxes	Values		2015	school Taxes	school Taxes
	to be collected	2015		2015	(WMRHS web	2015
				Tax Rate	site)	Based on
					2015	Average
					Assessment	Assessment
					Average	Average
Chester Boro	4,768,491.	377,577,700		1.2629	462,961	5,847.
Chester Twp.	23,510,671.	1,819,532,270		1.2921	666,676	8,614.
Mendham Boro	16,845,995.50	1,284,514,035		1.3115	705,096	9,247.
Mendham Twp.	23,619,791.	1,878,805,350		1.2572	910,919	11,452.
Average	68,744,948.50,	5,360,429,355		1.2825	686,413	8,803.

Option II - Compare change in tax requirements - \$500,000 Assessed Value				
New All Purpose Regional K-12				
2015	New K-12 school Taxes		2015	
	2014		\$500,000	
	\$500,000 assessment		assessment	
			Annual Difference	
			Monthly Difference	
Chester Boro	6,905.	6,315.	(599.)	(49.17)
Chester Twp.	7,632.	6,461.	(1,171.)	(97.58)
Mendham Boro	6,733.	6,558.	(175.)	(14.58)
Mendham Twp.	6,820.	6,286.	(534.)	(44.50)

**Option II - Compare change in tax requirements - Average Assessed Value
New All Purpose Regional K-12**

2015

	Current 2014 K-12 school Taxes Based on 215 Average Assessment	New 2015 K-12 school Taxes Based on Average Assessment	Annual Difference	Monthly Difference
Chester Boro	6,393	5,847	(546)	(45.50)
Chester Twp.	10,176	8,614	(1,562)	(130.17)
Mendham Boro	9,495	9,247	(248)	(20.67)
Mendham Twp.	12,424	11,452	(972)	(81.)

**Option II - Compare change in tax requirements -
\$500,000 Assessed Value New All Purpose Regional K-12
2014 to 2015**

	Two Year Difference	Monthly Difference
Chester Boro	(882)	(36.75)
Chester Twp.	(1,751)	(72.96)
Mendham Boro	(262.)	(10.92)
Mendham Twp.	(799.)	(33.29)

**Option II - Compare change in tax requirements -
Average Assessed Value New All Purpose Regional K-12
2014 to 2015**

	Two Year Difference	Monthly Difference
Chester Boro	(816)	(34.)
Chester Twp.	(2,336)	(97.33)
Mendham Boro	(370.)	(15.42)
Mendham Twp.	(14.55)	(60.63)

Alternate Means of Allocating Taxes

This section provides a series of tables which show in various ratios the difference in tax allocations based upon a range starting from full taxation based upon equalized value to full taxation based upon per pupil costs. This is shown in a range starting with a 90/10 ratio (equalized value to per pupil) to a 10/90 allocation (per pupil to equalized value). This is shown for both options and for a two year period (2014 and 2015).

Option I - WMM HS becomes a limited Purpose HS for the Mendham's and the Chester's 2014 Calendar Year

formula for calc: $x \text{ \& } y = \frac{x}{x+y} = \text{Equalized Values \& } y = \text{Per Pupil calculation}$

SUMMARY of MODELS									
	x% & y% difference from current	x% & y% difference from current	x% & y% difference from current	x% & y% difference from current	x% & y% difference from current	x% & y% difference from current	x% & y% difference from current	x% & y% difference from current	x% & y% difference from current
Chester Boro	90% & 10% (\$155.50)	80% & 20% (\$117.50)	70% & 30% (\$79.50)	60% & 40% (\$42.00)	50% & 50% (\$4.00)	25% & 75% (\$90.50)	10% & 90% (\$147.00)	0% & 100% (\$185.00)	
Chester Twp.	90% & 10% (\$222.50)	80% & 20% (\$194.00)	70% & 30% (\$165.50)	60% & 40% (\$137.00)	50% & 50% (\$108.00)	25% & 75% (\$36.50)	10% & 90% (\$6.00)	0% & 100% (\$35.00)	
Mendham Boro	90% & 10% (\$243.50)	80% & 20% (\$244.50)	70% & 30% (\$245.00)	60% & 40% (\$245.50)	50% & 50% (\$246.00)	25% & 75% (\$247.50)	10% & 90% (\$248.00)	0% & 100% (\$248.50)	
Mendham Twp.	90% & 10% (\$278.00)	80% & 20% (\$313.00)	70% & 30% (\$348.00)	60% & 40% (\$382.50)	50% & 50% (\$417.50)	25% & 75% (\$505.00)	10% & 90% (\$557.50)	0% & 100% (\$592.00)	
	Model B	Model C	Model D	Model E	Model F	Model G	Model H	Model T	

Model "A") 100% Equalized Value calculation (use current apportionment formula for Option I)

	Enrollment	% of Equalized Values	Calendar Year Tax Needs	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Home Value of	Tax Impact on 500,000
Chester Boro	91.5	5.6100%	\$ 1,346,013	\$14,711	377,577,700	0.3565	\$500,000	\$1,975.50
Chester Twp.	578.0	35.1900%	\$ 9,264,144	\$16,028	1,819,532,270	0.5091	\$500,000	\$2,797.00
Mendham Boro	337.0	24.0700%	\$ 6,022,711	\$17,872	1,284,514,035	0.4689	\$500,000	\$2,587.50
Mendham Twp.	428.0	35.1300%	\$ 8,942,899	\$20,895	1,878,805,350	0.4760	\$500,000	\$2,623.00
	1,434.5	100.00%	\$ 25,575,767		5,360,429,355			

Model "B") 90% Equalized Values & 10% Per Pupil calculation

	Enrollment	% of Combined	Calendar Year Tax Needs	change in Tax Needs	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./ (Decr.) to Tax Rate	Tax Impact on 500,000	Tax Impact difference*
Chester Boro	91.5	5.374%	\$ 1,374,547	28,534	\$15,022	377,577,700	0.3640	0.0075	\$1,820.00	(\$155.50)
Chester Twp.	578.0	36.629%	\$ 9,368,248	104,104	\$16,208	1,819,532,270	0.5149	0.0058	\$2,574.50	(\$222.50)
Mendham Boro	337.0	23.543%	\$ 6,021,279	(1,432)	\$17,867	1,284,514,035	0.4688	(0.0001)	\$2,344.00	(\$243.50)
Mendham Twp.	428.0	34.453%	\$ 8,811,692	(131,207)	\$20,588	1,878,805,350	0.4690	(0.0070)	\$2,345.00	(\$278.00)
	1,434.5	100.00%	\$ 25,575,767			5,360,429,355				

Equalized Value <----(input this value only)
Per Pupil 0.10

Model "C") 80% Equalized Values & 20% Per Pupil calculation

	Enrollment	% of Combined	Calendar Year Tax Needs	change in Tax Needs	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./ (Decr.) to Tax Rate	Tax Impact on 500,000	Tax Impact difference*
Chester Boro	91.5	5.486%	\$ 1,403,082	57,069	\$15,334	377,577,700	0.3716	0.0151	\$1,858.00	(\$117.50)
Chester Twp.	578.0	37.036%	\$ 9,472,353	208,209	\$16,388	1,819,532,270	0.5206	0.0115	\$2,603.00	(\$194.00)
Mendham Boro	337.0	23.537%	\$ 6,019,847	(2,864)	\$17,863	1,284,514,035	0.4686	(0.0003)	\$2,343.00	(\$244.50)
Mendham Twp.	428.0	33.940%	\$ 8,680,486	(262,413)	\$20,282	1,878,805,350	0.4620	(0.0140)	\$2,310.00	(\$313.00)
	1,434.5	100.00%	\$ 25,575,767			5,360,429,355				

Equalized Value <----(input this value only)
Per Pupil 0.20

Model "D") 70% Equalized Values & 30% Per Pupil calculation

	Enrollment	% of	Calendar Year	change in	Tax \$ Cost	Assessed	Tax Rate / \$100	Incr./(Decr.)*	Tax Impact	Tax Impact
	October 2014	Combined	Tax Needs	Tax Needs	per Pupil	Valuation	of property value	to Tax Rate	on 500,000	difference*
Chester Boro	91.5	5.598%	\$ 1,431,616	85,603	\$15,646	377,577,700	0.3792	0.0227	\$1,896.00	(\$79.50)
Chester Twp.	578.0	37.443%	\$ 9,576,457	312,313	\$16,568	1,819,532,270	0.5263	0.0172	\$2,631.50	(\$165.50)
Mendham Boro	337.0	23.532%	\$ 6,018,414	(4,297)	\$17,859	1,284,514,035	0.4685	(0.0004)	\$2,342.50	(\$245.00)
Mendham Twp.	428.0	33.427%	\$ 8,549,279	(393,620)	\$19,975	1,878,805,350	0.4550	(0.0210)	\$2,275.00	(\$348.00)
	1434.5	100.00%	\$ 25,575,767			5,360,429,355				

Equalized Value <----- (input this value only)

Per Pupil 0.30

Model "F") 60% Equalized Values & 40% Per Pupil calculation

	Enrollment	% of	Calendar Year	change in	\$ Cost	Assessed	Tax Rate / \$100	Incr./(Decr.)*	Tax Impact	difference
	October 2014	Combined	Tax Needs	Tax Needs	per Pupil	Valuation	of property value	to Tax Rate	on 500,000	from current
Chester Boro	91.5	5.709%	\$ 1,460,151	114,138	\$15,958	377,577,700	0.3867	0.0302	\$1,933.50	(\$42.00)
Chester Twp.	578.0	37.851%	\$ 9,680,562	416,418	\$16,748	1,819,532,270	0.5320	0.0229	\$2,660.00	(\$137.00)
Mendham Boro	337.0	23.526%	\$ 6,016,982	(5,729)	\$17,855	1,284,514,035	0.4684	(0.0005)	\$2,342.00	(\$245.50)
Mendham Twp.	428.0	32.914%	\$ 8,418,072	(524,827)	\$19,668	1,878,805,350	0.4481	(0.0279)	\$2,240.50	(\$382.50)
	1434.5	100.00%	\$ 25,575,767			5,360,429,355				

Equalized Value <----- (input this value only)

Per Pupil 0.40

Model "G") 50% Equalized Values & 50% Per Pupil calculation

	Enrollment	% of	Calendar Year	change in	\$ Cost	Assessed	Tax Rate / \$100	Incr./(Decr.)*	Tax Impact	difference
	October 2014	Combined	Tax Needs	Tax Needs	per Pupil	Valuation	of property value	to Tax Rate	on 500,000	from current
Chester Boro	91.5	5.821%	\$ 1,488,685	142,672	\$16,270	377,577,700	0.3943	0.0378	\$1,971.50	(\$4.00)
Chester Twp.	578.0	38.258%	\$ 9,784,666	520,522	\$16,928	1,819,532,270	0.5378	0.0287	\$2,689.00	(\$108.00)
Mendham Boro	337.0	23.521%	\$ 6,015,550	(7,161)	\$17,850	1,284,514,035	0.4683	(0.0006)	\$2,341.50	(\$246.00)
Mendham Twp.	428.0	32.401%	\$ 8,286,865	(656,034)	\$19,362	1,878,805,350	0.4411	(0.0349)	\$2,205.50	(\$417.50)
	1434.5	100.00%	\$ 25,575,767			5,360,429,355				

Equalized Value <----- (input this value only)

Per Pupil 0.50

Model "H") 25% Equalized Values & 75% Per Pupil calculation

	Enrollment	% of	Calendar Year	change in	\$ Cost	Assessed	Tax Rate / \$100	Incr./(Decr.)*	Tax Impact	difference
	October 2014	Combined	Tax Needs	Tax Needs	per Pupil	Valuation	of property value	to Tax Rate	on 500,000	from current
Chester Boro	91.5	6.100%	\$ 1,560,022	214,009	\$17,049	377,577,700	0.4132	0.0567	\$2,066.00	\$90.50
Chester Twp.	578.0	39.275%	\$ 10,044,928	780,784	\$17,379	1,819,532,270	0.5521	0.0430	\$2,760.50	(\$36.50)
Mendham Boro	337.0	23.507%	\$ 6,011,969	(10,742)	\$17,840	1,284,514,035	0.4680	(0.0009)	\$2,340.00	(\$247.50)
Mendham Twp.	428.0	31.119%	\$ 7,958,849	(984,050)	\$18,595	1,878,805,350	0.4236	(0.0524)	\$2,118.00	(\$505.00)
	1434.5	100.00%	\$ 25,575,767			5,360,429,355				

Equalized Value <----- (input this value only)

Per Pupil 0.75

Model "I") 10% Equalized Values & 90% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	change in Tax Needs	\$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./ (Decr.)* to Tax Rate	Tax Impact on \$500,000	difference from current
Chester Boro	91.5	6.267%	\$ 1,602,823	256,810	\$17,517	377,577,700	0.4245	0.0680	\$2,122.50	\$147.00
Chester Twp.	578.0	39.886%	\$ 10,201,084	936,940	\$17,649	1,819,532,270	0.5606	0.0515	\$2,803.00	\$6.00
Mendham Boro	337.0	23.498%	\$ 6,009,821	(12,890)	\$17,833	1,284,514,035	0.4679	(0.0010)	\$2,339.50	(\$248.00)
Mendham Twp	428.0	30.349%	\$ 7,762,039	(1,180,860)	\$18,136	1,878,805,350	0.4131	(0.0629)	\$2,065.50	(\$557.50)
	1434.5	100.00%	\$ 25,575,767			5,360,429,355				

Equalized Value <----- (input this value only)
Per Pupil 0.90

Model "T") 100% Per Pupil calculation

	Enrollment October 2014	% of Enrollment	Calendar Year Tax Needs	change in Tax Needs	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./ (Decr.)* to Tax Rate	Tax Impact on \$500,000	Tax Impact difference*
Chester Boro	91.5	6.38%	\$ 1,631,358	285,345	\$17,829	377,577,700	0.4321	0.0756	\$2,160.50	\$185.00
Chester Twp.	578.0	40.29%	\$ 10,305,189	1,041,045	\$17,829	1,819,532,270	0.5664	0.0573	\$2,832.00	\$35.00
Mendham Boro	337.0	23.49%	\$ 6,008,389	(14,322)	\$17,829	1,284,514,035	0.4678	(0.0011)	\$2,339.00	(\$248.50)
Mendham Twp	428.0	29.84%	\$ 7,630,832	(1,312,067)	\$17,829	1,878,805,350	0.4062	(0.0698)	\$2,031.00	(\$592.00)
	1434.5	100.00%	\$ 25,575,767			5,360,429,355				

The following analysis compares the tax impact of changing the funding formula on a \$500,000 property for each of the five communities comprising the regional district.

Option I Summary of Impact on Tax Apportionment

Municipality	Home Value	Current Formula		Per Pupil Basis		Tax Impact on	
		100% on Equalized Value		100% on Per Pupil		Home Value	
		Tax Rate	Taxes	Tax Rate	Taxes	of \$500,000	
Chester Boro	\$500,000	0.3565	\$1,782.50	0.4321	\$2,160.50	\$378	
Chester Twp.	\$500,000	0.5091	\$2,545.50	0.5664	\$2,832.00	\$287	
Mendham Boro	\$500,000	0.4689	\$2,344.50	0.4678	\$2,339.00	(\$6)	
Mendham Twp	\$500,000	0.4760	\$2,380.00	0.4062	\$2,031.00	(\$349)	

Option II - WMM HS becomes an All-Purpose school district for the Mendham's and the Chester's 2014 Calendar year

formula for calc: $x \& y = \frac{x}{y} = \text{Equalized Values} \& \frac{y}{x} = \text{Per Pupil calculation}$

SUMMARY of MODELS

	x% & y% 90% & 10%	x% & y% 80% & 20%	x% & y% 70% & 30%	x% & y% 60% & 40%	x% & y% 50% & 50%	x% & y% 25% & 75%	x% & y% 10% & 90%	x% & y% 0% & 100%
	difference from current	difference from current	difference from current	difference from current	difference from current	difference from current	difference from current	difference from current
Chester Boro	\$55.50	\$110.50	\$166.00	\$221.00	\$276.50	\$414.50	\$497.50	\$552.50
Chester Twp.	\$18.00	\$36.00	\$54.00	\$72.00	\$90.00	\$135.50	\$162.50	\$180.50
Mendham Boro	\$24.50	\$49.00	\$73.00	\$97.50	\$122.00	\$182.50	\$219.00	\$243.50
Mendham Twp.	(\$45.50)	(\$90.50)	(\$136.00)	(\$181.00)	(\$226.50)	(\$339.50)	(\$407.50)	(\$452.50)
	Model B	Model C	Model D	Model E	Model F	Model G	Model H	Model T

Model "A") 100% Equalized Value calculation (Use current apportionment formula for Option II)

	Enrollment October 2014	% of Equalized Values	Calendar Year Tax Needs	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Home Value of	Tax Impact on 500,000
Chester Boro	312.0	6.9360%	\$ 5,154,692	\$16,521	377,577,700	1.3652	\$500,000	\$6,826.00
Chester Twp.	1547.0	34.2000%	\$ 26,970,234	\$17,434	1,819,532,270	1.4823	\$500,000	\$7,411.50
Mendham Boro	945.0	24.5050%	\$ 16,252,202	\$17,198	1,284,514,035	1.2652	\$500,000	\$6,326.00
Mendham Twp.	1153.0	34.3590%	\$ 22,291,757	\$19,334	1,878,805,350	1.1865	\$500,000	\$5,932.50
	3,957.0	100.00%	\$ 70,668,885		5,360,429,355			

Model "B") 90% Equalized Values & 10% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./(Decr.) to Tax Rate	Tax Impact on 500,000	Tax Impact difference*
Chester Boro	312.0	7.353%	\$ 5,196,430	\$16,655	377,577,700	1.3763	0.0111	\$6,881.50	\$55.50
Chester Twp.	1547.0	38.257%	\$ 27,036,030	\$17,476	1,819,532,270	1.4859	0.0036	\$7,429.50	\$18.00
Mendham Boro	945.0	23.086%	\$ 16,314,677	\$17,264	1,284,514,035	1.2701	0.0049	\$6,350.50	\$24.50
Mendham Twp.	1153.0	31.303%	\$ 22,121,748	\$19,186	1,878,805,350	1.1774	(0.0091)	\$5,887.00	(\$45.50)
	3,957.0	100.00%	\$ 70,668,885		5,360,429,355				

Equalized Value Per Pupil <----(input this value only)

0.10

Model "C") 80% Equalized Values & 20% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./(Decr.) to Tax Rate	Tax Impact on 500,000	Tax Impact difference*
Chester Boro	312.0	7.412%	\$ 5,238,168	\$16,789	377,577,700	1.3873	0.0221	\$6,936.50	\$110.50
Chester Twp.	1547.0	38.350%	\$ 27,101,826	\$17,519	1,819,532,270	1.4895	0.0072	\$7,447.50	\$36.00
Mendham Boro	945.0	23.174%	\$ 16,377,152	\$17,330	1,284,514,035	1.2750	0.0098	\$6,375.00	\$49.00
Mendham Twp.	1153.0	31.063%	\$ 21,951,739	\$19,039	1,878,805,350	1.1684	(0.0181)	\$5,842.00	(\$90.50)
	3,957.0	100.00%	\$ 70,668,885		5,360,429,355				

Equalized Value Per Pupil <----(input this value only)

0.20

Model "D") 70% Equalized Values & 30% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	change in Tax Needs	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./ (Decr.)* to Tax Rate	Tax Impact on 500,000	Tax Impact difference from current
Chester Boro	312.0	7.471%	\$ 5,279,906	125,214	\$16,923	377,577,700	1.3984	0.0332	\$6,992.00	\$166.00
Chester Twp.	1547.0	38.444%	\$ 27,167,622	197,388	\$17,561	1,819,532,270	1.4931	0.0108	\$7,465.50	\$54.00
Mendham Boro	945.0	23.263%	\$ 16,439,627	187,425	\$17,396	1,284,514,035	1.2798	0.0146	\$6,399.00	\$73.00
Mendham Twp.	1153.0	30.822%	\$ 21,781,730	(510,027)	\$18,891	1,878,805,350	1.1593	(0.0272)	\$5,796.50	(\$136.00)
	3957.0	100.00%	\$ 70,668,885			5,360,429,355				

Equalized Value Per Pupil <----- (input this value only)
0.30

Model "E") 60% Equalized Values & 40% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	change in Tax Needs	\$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./ (Decr.)* to Tax Rate	Tax Impact on 500,000	Tax Impact difference from current
Chester Boro	312.0	7.530%	\$ 5,321,644	166,952	\$17,057	377,577,700	1.4094	0.0442	\$7,047.00	\$221.00
Chester Twp.	1547.0	38.537%	\$ 27,233,418	263,184	\$17,604	1,819,532,270	1.4967	0.0144	\$7,483.50	\$72.00
Mendham Boro	945.0	23.351%	\$ 16,502,102	249,900	\$17,463	1,284,514,035	1.2847	0.0195	\$6,423.50	\$97.50
Mendham Twp.	1153.0	30.582%	\$ 21,611,721	(680,036)	\$18,744	1,878,805,350	1.1503	(0.0362)	\$5,751.50	(\$181.00)
	3957.0	100.00%	\$ 70,668,885			5,360,429,355				

Equalized Value Per Pupil <----- (input this value only)
0.40

Model "G") 50% Equalized Values & 50% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	change in Tax Needs	\$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./ (Decr.)* to Tax Rate	Tax Impact on 500,000	Tax Impact difference from current
Chester Boro	312.0	7.589%	\$ 5,363,382	208,690	\$17,190	377,577,700	1.4205	0.0553	\$7,102.50	\$276.50
Chester Twp.	1547.0	38.630%	\$ 27,299,214	328,980	\$17,647	1,819,532,270	1.5003	0.0180	\$7,501.50	\$90.00
Mendham Boro	945.0	23.440%	\$ 16,564,577	312,375	\$17,529	1,284,514,035	1.2896	0.0244	\$6,448.00	\$122.00
Mendham Twp.	1153.0	30.341%	\$ 21,441,712	(850,045)	\$18,596	1,878,805,350	1.1412	(0.0453)	\$5,706.00	(\$226.50)
	3957.0	100.00%	\$ 70,668,885			5,360,429,355				

Equalized Value Per Pupil <----- (input this value only)
0.5

Model "H") 25% Equalized Values & 75% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	change in Tax Needs	\$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./ (Decr.)* to Tax Rate	Tax Impact on 500,000	Tax Impact difference from current
Chester Boro	312.0	7.737%	\$ 5,467,728	313,036	\$17,525	377,577,700	1.4481	0.0829	\$7,240.50	\$414.50
Chester Twp.	1547.0	38.863%	\$ 27,463,704	493,470	\$17,753	1,819,532,270	1.5094	0.0271	\$7,547.00	\$135.50
Mendham Boro	945.0	23.661%	\$ 16,720,764	468,562	\$17,694	1,284,514,035	1.3017	0.0365	\$6,508.50	\$182.50
Mendham Twp.	1153.0	29.740%	\$ 21,016,689	(1,275,068)	\$18,228	1,878,805,350	1.1186	(0.0679)	\$5,593.00	(\$339.50)
	3957.0	100.00%	\$ 70,668,885			5,360,429,355				

Equalized Value Per Pupil <----- (input this value only)
0.75

Model "I") 10% Equalized Values & 90% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	change in Tax Needs	\$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./((Decr.)* to Tax Rate	Tax Impact on 500,000	difference from current
Chester Boro	312.0	7.826%	\$ 5,530,335	375,643	\$17,725	377,577,700	1.4647	0.0995	\$7,323.50	\$497.50
Chester Twp.	1547.0	39.002%	\$ 27,562,398	592,164	\$17,817	1,819,532,270	1.5148	0.0325	\$7,574.00	\$162.50
Mendham Boro	945.0	23.793%	\$ 16,814,476	562,274	\$17,793	1,284,514,035	1.3090	0.0438	\$6,545.00	\$219.00
Mendham Twp.	1153.0	29.379%	\$ 20,761,676	(1,530,081)	\$18,007	1,878,805,350	1.1050	(0.0815)	\$5,525.00	(\$407.50)
	3957.0	100.00%	\$ 70,668,885			5,360,429,355				

Equalized Value
Per Pupil

0.10 <----(input this value only)
0.90

Model "T") 100% Per Pupil calculation

	Enrollment October 2014	% of Enrollment	Calendar Year Tax Needs	change in Tax Needs	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./((Decr.)* to Tax Rate	Tax Impact on 500,000	Tax Impact difference*
Chester Boro	312.0	7.88%	\$ 5,572,073	417,381	\$17,859	377,577,700	1.4757	0.1105	\$7,378.50	\$552.50
Chester Twp.	1547.0	39.10%	\$ 27,628,194	657,960	\$17,859	1,819,532,270	1.5184	0.0361	\$7,592.00	\$180.50
Mendham Boro	945.0	23.88%	\$ 16,876,951	624,749	\$17,859	1,284,514,035	1.3139	0.0487	\$6,569.50	\$243.50
Mendham Twp.	1153.0	29.14%	\$ 20,591,667	(1,700,090)	\$17,859	1,878,805,350	1.0960	(0.0905)	\$5,480.00	(\$452.50)
	3957.0	100.00%	\$ 70,668,885			5,360,429,355				

The following analysis compares the tax impact of changing the finding formula on a \$500,000 property for each of the five communities comprising the regional district.

	Current Formula 100% on Equalized Value		Per Pupil Basis 100% on Per Pupil		Tax Impact on Home Value of 500,000
Municipality	Home Value	Tax Rate	Tax Rate	Taxes	
Chester Boro	\$500,000	1.3652	1.4757	\$7,378.50	\$553
Chester Twp.	\$500,000	1.4823	1.5184	\$7,592.00	\$181
Mendham Bo	\$500,000	1.2652	1.3139	\$6,569.50	\$243
Mendham Tw	\$500,000	1.1865	1.0960	\$5,480.00	(\$453)

Option I - WMM HS becomes a limited Purpose HS for the Mendham's and the Chester's 2015 Calendar Year

formula for calc: $x \& y = \frac{x}{y} = \text{Equalized Values} \& \frac{y}{x} = \text{Per Pupil calculation}$

SUMMARY of MODELS

	x% & y% 90% & 10%	x% & y% 80% & 20%	x% & y% 70% & 30%	x% & y% 60% & 40%	x% & y% 50% & 50%	x% & y% 25% & 75%	x% & y% 10% & 90%	x% & y% 0% & 100%
	difference from current	difference from current	difference from current	difference from current	difference from current	difference from current	difference from current	difference from current
Chester Boro	\$24.00	\$48.00	\$72.00	\$96.00	\$120.00	\$180.00	\$216.00	\$240.00
Chester Twp.	\$33.00	\$66.00	\$99.00	\$132.50	\$165.50	\$248.00	\$297.50	\$330.50
Mendham Boro	(\$5.50)	(\$10.50)	(\$16.00)	(\$21.00)	(\$26.50)	(\$39.50)	(\$47.50)	(\$53.00)
Mendham Twp.	(\$33.50)	(\$66.50)	(\$100.00)	(\$133.00)	(\$166.50)	(\$249.50)	(\$299.50)	(\$332.50)

Model "A") 100% Equalized Value calculation (current formula)

	Enrollment October 2014	% of Equalized Values	Calendar Year Tax Needs	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Home Value of	Tax Impact on 500,000
Chester Boro	91.5	5.6100%	\$ 1,323,296	\$14,462	377,577,700	0.3505	\$500,000	\$1,752.50
Chester Twp.	578.0	35.1900%	\$ 8,300,672	\$14,361	1,819,532,270	0.4562	\$500,000	\$2,281.00
Mendham Boro	337.0	24.0700%	\$ 5,677,669	\$16,848	1,284,514,035	0.4420	\$500,000	\$2,210.00
Mendham Twp.	428.0	35.1300%	\$ 8,286,519	\$19,361	1,878,805,350	0.4411	\$500,000	\$2,205.50
	1,434.5	100.00%	\$ 23,588,156		5,360,429,355			

Model "B") 90% Equalized Values & 10% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	change in Tax Needs	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./ (Decr.) to Tax Rate	Tax Impact on 500,000	Tax Impact difference*
Chester Boro	91.5	5.687%	\$ 1,341,424	18,128	\$14,660	377,577,700	0.3553	0.0048	\$1,776.50	\$24.00
Chester Twp.	578.0	35.700%	\$ 8,421,037	120,365	\$14,569	1,819,532,270	0.4628	0.0066	\$2,314.00	\$33.00
Mendham Boro	337.0	24.012%	\$ 5,664,047	(13,622)	\$16,807	1,284,514,035	0.4409	(0.0011)	\$2,204.50	(\$5.50)
Mendham Twp.	428.0	34.601%	\$ 8,161,648	(124,871)	\$19,069	1,878,805,350	0.4344	(0.0067)	\$2,172.00	(\$33.50)
	1,434.5	100.00%	\$ 23,588,156			5,360,429,355				

Equalized Value <----(input this value only)

Per Pupil

Model "C") 80% Equalized Values & 20% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	change in Tax Needs	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./ (Decr.) to Tax Rate	Tax Impact on 500,000	Tax Impact difference*
Chester Boro	91.5	5.764%	\$ 1,359,552	36,256	\$14,858	377,577,700	0.3601	0.0096	\$1,800.50	\$48.00
Chester Twp.	578.0	36.211%	\$ 8,541,403	240,731	\$14,778	1,819,532,270	0.4694	0.0132	\$2,347.00	\$66.00
Mendham Boro	337.0	23.955%	\$ 5,650,425	(27,244)	\$16,767	1,284,514,035	0.4399	(0.0021)	\$2,199.50	(\$10.50)
Mendham Twp.	428.0	34.071%	\$ 8,036,776	(249,743)	\$18,778	1,878,805,350	0.4278	(0.0133)	\$2,139.00	(\$66.50)
	1,434.5	100.00%	\$ 23,588,156			5,360,429,355				

Equalized Value <----(input this value only)

Per Pupil

Model "D") 70% Equalized Values & 30% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	change in Tax Needs	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./ (Decr.) * to Tax Rate	Tax Impact on 500,000	Tax Impact difference*
Chester Boro	91.5	5.841%	\$ 1,377,680	54,384	\$15,057	377,577,700	0.3649	0.0144	\$1,824.50	\$72.00
Chester Twp.	578.0	36.721%	\$ 8,661,768	361,096	\$14,986	1,819,532,270	0.4760	0.0198	\$2,380.00	\$99.00
Mendham Boro	337.0	23.897%	\$ 5,636,803	(40,866)	\$16,726	1,284,514,035	0.4388	(0.0032)	\$2,194.00	(\$16.00)
Mendham Twp.	428.0	33.542%	\$ 7,911,905	(374,614)	\$18,486	1,878,805,350	0.4211	(0.0200)	\$2,105.50	(\$100.00)
	1434.5	100.00%	\$ 23,588,156			5,360,429,355				

Equalized Value Per Pupil <----- (input this value only)

0.30

Model "F") 60% Equalized Values & 40% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	change in Tax Needs	\$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./ (Decr.) * to Tax Rate	Tax Impact on 500,000	difference from current
Chester Boro	91.5	5.917%	\$ 1,395,809	72,513	\$15,255	377,577,700	0.3697	0.0192	\$1,848.50	\$96.00
Chester Twp.	578.0	37.231%	\$ 8,782,133	481,461	\$15,194	1,819,532,270	0.4827	0.0265	\$2,413.50	\$132.50
Mendham Boro	337.0	23.839%	\$ 5,623,181	(54,488)	\$16,686	1,284,514,035	0.4378	(0.0042)	\$2,189.00	(\$21.00)
Mendham Twp.	428.0	33.012%	\$ 7,787,033	(499,486)	\$18,194	1,878,805,350	0.4145	(0.0266)	\$2,072.50	(\$133.00)
	1434.5	100.00%	\$ 23,588,156			5,360,429,355				

Equalized Value Per Pupil <----- (input this value only)

0.40

Model "G") 50% Equalized Values & 50% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	change in Tax Needs	\$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./ (Decr.) * to Tax Rate	Tax Impact on 500,000	difference from current
Chester Boro	91.5	5.994%	\$ 1,413,937	90,641	\$15,453	377,577,700	0.3745	0.0240	\$1,872.50	\$120.00
Chester Twp.	578.0	37.741%	\$ 8,902,498	601,826	\$15,402	1,819,532,270	0.4893	0.0331	\$2,446.50	\$165.50
Mendham Boro	337.0	23.781%	\$ 5,609,559	(68,110)	\$16,646	1,284,514,035	0.4367	(0.0053)	\$2,183.50	(\$26.50)
Mendham Twp.	428.0	32.483%	\$ 7,662,162	(624,357)	\$17,902	1,878,805,350	0.4078	(0.0333)	\$2,039.00	(\$166.50)
	1434.5	100.00%	\$ 23,588,156			5,360,429,355				

Equalized Value Per Pupil <----- (input this value only)

0.50

Model "H") 25% Equalized Values & 75% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	change in Tax Needs	\$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./ (Decr.) * to Tax Rate	Tax Impact on 500,000	difference from current
Chester Boro	91.5	6.186%	\$ 1,459,257	135,961	\$15,948	377,577,700	0.3865	0.0360	\$1,932.50	\$180.00
Chester Twp.	578.0	39.017%	\$ 9,203,412	902,740	\$15,923	1,819,532,270	0.5058	0.0496	\$2,529.00	\$248.00
Mendham Boro	337.0	23.637%	\$ 5,575,504	(102,165)	\$16,545	1,284,514,035	0.4341	(0.0079)	\$2,170.50	(\$39.50)
Mendham Twp.	428.0	31.160%	\$ 7,349,983	(936,536)	\$17,173	1,878,805,350	0.3912	(0.0499)	\$1,956.00	(\$249.50)
	1434.5	100.00%	\$ 23,588,156			5,360,429,355				

Equalized Value Per Pupil <----- (input this value only)

0.75

Model "I") 10% Equalized Values & 90% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	change in Tax Needs	\$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./ (Decr.) * to Tax Rate	Tax Impact on \$500,000	difference from current
Chester Boro	91.5	6.302%	\$ 1,486,449	163,153	\$16,245	377,577,700	0.3937	0.0432	\$1,968.50	\$216.00
Chester Twp.	578.0	39.783%	\$ 9,383,960	1,083,288	\$16,235	1,819,532,270	0.5157	0.0595	\$2,578.50	\$297.50
Mendham Boro	337.0	23.550%	\$ 5,555,071	(122,598)	\$16,484	1,284,514,035	0.4325	(0.0095)	\$2,162.50	(\$47.50)
Mendham Twp.	428.0	30.366%	\$ 7,162,676	(1,123,843)	\$16,735	1,878,805,350	0.3812	(0.0599)	\$1,906.00	(\$299.50)
	1434.5	100.00%	\$ 23,588,156			5,360,429,355				

Equalized Value <----- (input this value only)

Per Pupil 0.90

Model "T") 100% Per Pupil calculation

	Enrollment October 2014	% of Enrollment	Calendar Year Tax Needs	change in Tax Needs	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./ (Decr.) * to Tax Rate	Tax Impact on \$500,000	Tax Impact difference*
Chester Boro	91.5	6.38%	\$ 1,504,577	181,281	\$16,443	377,577,700	0.3985	0.0480	\$1,992.50	\$240.00
Chester Twp.	578.0	40.29%	\$ 9,504,325	1,203,653	\$16,443	1,819,532,270	0.5223	0.0661	\$2,611.50	\$330.50
Mendham Boro	337.0	23.49%	\$ 5,541,449	(136,220)	\$16,443	1,284,514,035	0.4314	(0.0106)	\$2,157.00	(\$53.00)
Mendham Twp.	428.0	29.84%	\$ 7,037,805	(1,248,714)	\$16,443	1,878,805,350	0.3746	(0.0665)	\$1,873.00	(\$332.50)
	1434.5	100.00%	\$ 23,588,156			5,360,429,355				

The following analysis compares the tax impact of changing the funding formula on a \$500,000 property for each of the five communities comprising the regional district.

	Current Formula 100% on Equalized Value		Per Pupil Basis 100% on Per Pupil		Tax Impact on Home Value of \$500,000	
Municipality	Home Value	Tax Rate	Tax Rate	Taxes	Home Value	Taxes
Chester Boro	\$500,000	0.3505	0.3985	\$1,752.50	\$240.00	\$240.00
Chester Twp.	\$500,000	0.4562	0.5223	\$2,281.00	\$330.50	\$330.50
Mendham Boro	\$500,000	0.4420	0.4314	\$2,210.00	(\$53.00)	(\$53.00)
Mendham Twp.	\$500,000	0.4411	0.3746	\$2,205.50	(\$332.50)	(\$332.50)

Option II - WMM HS becomes an All-Purpose school district for the Mendham's and the Chester's 2015 Calendar year

formula for calc: $x \text{ \& } y = \frac{x}{y} = \text{Equalized Values \& } y = \text{Per Pupil calculation}$

		x% & y% difference from current	x% & y% difference from current	x% & y% difference from current	x% & y% difference from current	x% & y% difference from current	x% & y% difference from current	x% & y% difference from current	x% & y% difference from current
		90% & 10%	80% & 20%	70% & 30%	60% & 40%	50% & 50%	25% & 75%	10% & 90%	0% & 100%
SUMMARY of MODELS									
Chester Boro		\$43.50	\$87.00	\$130.50	\$174.50	\$218.00	\$327.00	\$392.00	\$436.00
Chester Twp.		\$46.50	\$93.50	\$140.00	\$186.50	\$233.50	\$350.00	\$420.00	\$467.00
Mendham Boro		(\$8.50)	(\$17.00)	(\$25.50)	(\$34.00)	(\$42.50)	(\$63.50)	(\$76.00)	(\$84.50)
Mendham Twp.		(\$48.00)	(\$96.50)	(\$144.50)	(\$193.00)	(\$241.00)	(\$361.50)	(\$434.00)	(\$482.00)

Model "A") 100% Equalized Value calculation (current formula)

	Enrollment	% of Equalized Values	Calendar Year	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Home Value of	Tax Impact on 500,000
Chester Boro	312.0	6.9360%	\$ 5,091,219	\$16,318	377,577,700	1.3484	\$500,000	\$6,742.00
Chester Twp.	1547.0	34.2000%	\$ 25,176,697	\$16,275	1,819,532,270	1.3837	\$500,000	\$6,918.50
Mendham Boro	945.0	24.5050%	\$ 16,633,850	\$17,602	1,284,514,035	1.2950	\$500,000	\$6,475.00
Mendham Twp.	1153.0	34.3590%	\$ 21,843,182	\$18,945	1,878,805,350	1.1626	\$500,000	\$5,813.00
	3,957.0	100.00%	\$ 68,744,948		5,360,429,355			

Model "B") 90% Equalized Values & 10% Per Pupil calculation

	Enrollment	% of Combined	Calendar Year	Tax Needs	change in Tax Needs	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./(Decr.)* to Tax Rate	Tax Impact on 500,000	Tax Impact difference*
Chester Boro	312.0	7.454%	\$ 5,124,135	32,916		\$16,424	377,577,700	1.3571	0.0087	\$6,785.50	\$43.50
Chester Twp.	1547.0	36.871%	\$ 25,346,630	169,933		\$16,384	1,819,532,270	1.3930	0.0093	\$6,965.00	\$46.50
Mendham Boro	945.0	24.165%	\$ 16,612,213	(21,637)		\$17,579	1,284,514,035	1.2933	(0.0017)	\$6,466.50	(\$8.50)
Mendham Twp.	1153.0	31.511%	\$ 21,661,970	(181,212)		\$18,787	1,878,805,350	1.1530	(0.0096)	\$5,765.00	(\$48.00)
	3957.0	100.00%	\$ 68,744,948				5,360,429,355				

Equalized Value Per Pupil <----- (input this value only) 0.10

Model "C") 80% Equalized Values & 20% Per Pupil calculation

	Enrollment	% of Combined	Calendar Year	Tax Needs	change in Tax Needs	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./(Decr.)* to Tax Rate	Tax Impact on 500,000	Tax Impact difference*
Chester Boro	312.0	7.502%	\$ 5,157,050	65,831		\$16,529	377,577,700	1.3658	0.0174	\$6,829.00	\$87.00
Chester Twp.	1547.0	37.118%	\$ 25,516,563	339,866		\$16,494	1,819,532,270	1.4024	0.0187	\$7,012.00	\$93.50
Mendham Boro	945.0	24.134%	\$ 16,590,576	(43,274)		\$17,556	1,284,514,035	1.2916	(0.0034)	\$6,458.00	(\$17.00)
Mendham Twp.	1153.0	31.247%	\$ 21,480,759	(362,423)		\$18,630	1,878,805,350	1.1433	(0.0193)	\$5,716.50	(\$96.50)
	3957.0	100.00%	\$ 68,744,948				5,360,429,355				

Equalized Value Per Pupil <----- (input this value only) 0.20

Model "L" 1.0% Equalized Values & 30% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	change in Tax Needs	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./(Decr.)* to Tax Rate	Tax Impact on 500,000	Tax Impact difference*
Chester Boro	312.0	7.550%	\$ 5,189,966	98,747	\$16,635	377,577,700	1.3745	0.0261	\$6,872.50	\$130.50
Chester Twp.	1547.0	37.365%	\$ 25,686,496	509,799	\$16,604	1,819,532,270	1.4117	0.0280	\$7,058.50	\$140.00
Mendham Boro	945.0	24.102%	\$ 16,568,940	(64,910)	\$17,533	1,284,514,035	1.2899	(0.0051)	\$6,449.50	(\$25.50)
Mendham Twp.	1153.0	30.983%	\$ 21,299,547	(543,635)	\$18,473	1,878,805,350	1.1337	(0.0289)	\$5,668.50	(\$144.50)
	3957.0	100.00%	\$ 68,744,948			5,360,429,355				

Equalized Value Per Pupil <----- (input this value only)
0.30

Model "F") 60% Equalized Values & 40% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	change in Tax Needs	\$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./(Decr.)* to Tax Rate	Tax Impact on 500,000	difference from current
Chester Boro	312.0	7.597%	\$ 5,222,881	131,662	\$16,740	377,577,700	1.3833	0.0349	\$6,916.50	\$174.50
Chester Twp.	1547.0	37.612%	\$ 25,856,429	679,732	\$16,714	1,819,532,270	1.4210	0.0373	\$7,105.00	\$186.50
Mendham Boro	945.0	24.071%	\$ 16,547,303	(86,547)	\$17,510	1,284,514,035	1.2882	(0.0068)	\$6,441.00	(\$34.00)
Mendham Twp.	1153.0	30.720%	\$ 21,118,335	(724,847)	\$18,316	1,878,805,350	1.1240	(0.0386)	\$5,620.00	(\$193.00)
	3957.0	100.00%	\$ 68,744,948			5,360,429,355				

Equalized Value Per Pupil <----- (input this value only)
0.40

Model "G") 50% Equalized Values & 50% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	change in Tax Needs	\$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./(Decr.)* to Tax Rate	Tax Impact on 500,000	difference from current
Chester Boro	312.0	7.645%	\$ 5,255,797	164,578	\$16,846	377,577,700	1.3920	0.0436	\$6,960.00	\$218.00
Chester Twp.	1547.0	37.859%	\$ 26,026,361	849,664	\$16,824	1,819,532,270	1.4304	0.0467	\$7,152.00	\$233.50
Mendham Boro	945.0	24.039%	\$ 16,525,666	(108,184)	\$17,487	1,284,514,035	1.2865	(0.0085)	\$6,432.50	(\$42.50)
Mendham Twp.	1153.0	30.456%	\$ 20,937,124	(906,058)	\$18,159	1,878,805,350	1.1144	(0.0482)	\$5,572.00	(\$241.00)
	3957.0	100.00%	\$ 68,744,948			5,360,429,355				

Equalized Value Per Pupil <----- (input this value only)
0.50

Model "H") 25% Equalized Values & 75% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	change in Tax Needs	\$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./(Decr.)* to Tax Rate	Tax Impact on 500,000	difference from current
Chester Boro	312.0	7.765%	\$ 5,338,086	246,867	\$17,109	377,577,700	1.4138	0.0654	\$7,069.00	\$327.00
Chester Twp.	1547.0	38.477%	\$ 26,451,194	1,274,497	\$17,098	1,819,532,270	1.4537	0.0700	\$7,268.50	\$350.00
Mendham Boro	945.0	23.960%	\$ 16,471,574	(162,276)	\$17,430	1,284,514,035	1.2823	(0.0127)	\$6,411.50	(\$63.50)
Mendham Twp.	1153.0	29.797%	\$ 20,484,094	(1,359,088)	\$17,766	1,878,805,350	1.0903	(0.0723)	\$5,451.50	(\$361.50)
	3957.0	100.00%	\$ 68,744,948			5,360,429,355				

Equalized Value Per Pupil <----- (input this value only)
0.75

Model "I") 10% Equalized Values & 90% Per Pupil calculation

	Enrollment October 2014	% of Combined	Calendar Year Tax Needs	change in Tax Needs	\$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./ (Decr.)* to Tax Rate	Tax Impact on 500,000	difference from current
Chester Boro	312.0	7.837%	\$ 5,387,459	296,240	\$17,267	377,577,700	1.4268	0.0784	\$7,134.00	\$392.00
Chester Twp.	1547.0	38.848%	\$ 26,706,093	1,529,396	\$17,263	1,819,532,270	1.4677	0.0840	\$7,338.50	\$420.00
Mendham Boro	945.0	23.913%	\$ 16,439,119	(194,731)	\$17,396	1,284,514,035	1.2798	(0.0152)	\$6,399.00	(\$76.00)
Mendham Twp.	1153.0	29.402%	\$ 20,212,277	(1,630,905)	\$17,530	1,878,805,350	1.0758	(0.0868)	\$5,379.00	(\$434.00)
	3957.0	100.00%	\$ 68,744,948			5,360,429,355				

Equalized Value <----- (input this value only)

Per Pupil 0.90

Model "T") 100% Per Pupil calculation

	Enrollment October 2014	% of Enrollment	Calendar Year Tax Needs	change in Tax Needs	Tax \$ Cost per Pupil	Assessed Valuation	Tax Rate / \$100 of property value	Incr./ (Decr.)* to Tax Rate	Tax Impact on 500,000	Tax Impact difference*
Chester Boro	312.0	7.88%	\$ 5,420,375	329,156	\$17,373	377,577,700	1.4356	0.0872	\$7,178.00	\$436.00
Chester Twp.	1547.0	39.10%	\$ 26,876,026	1,699,329	\$17,373	1,819,532,270	1.4771	0.0934	\$7,385.50	\$467.00
Mendham Boro	945.0	23.88%	\$ 16,417,482	(216,368)	\$17,373	1,284,514,035	1.2781	(0.0169)	\$6,390.50	(\$84.50)
Mendham Twp.	1153.0	29.14%	\$ 20,031,065	(1,812,117)	\$17,373	1,878,805,350	1.0662	(0.0964)	\$5,331.00	(\$482.00)
	3957.0	100.00%	\$ 68,744,948			5,360,429,355				

The following analysis compares the tax impact of changing the funding formula on a \$500,000 property for each of the five communities comprising the regional district.

	Current Formula 100% on Equalized Value		Per Pupil Basis 100% on Per Pupil		Tax Impact on Home Value of 500,000	
Municipality	Home Value	Tax Rate	Taxes	Tax Rate	Taxes	
Chester Boro	\$500,000	1.3484	\$6,742.00	1.4356	\$7,178.00	\$436
Chester Twp.	\$500,000	1.3837	\$6,918.50	1.4771	\$7,385.50	\$467
Mendham Boro	\$500,000	1.2950	\$6,475.00	1.2781	\$6,390.50	(\$85)
Mendham Twp.	\$500,000	1.1626	\$5,813.00	1.0662	\$5,331.00	(\$482)

Section 6: Dissolution of Regional and Distribution of Assets and Liabilities

Summary of Steps Required to Dissolve a Limited Purpose Regional School District

The following is a summary of the steps required in order to dissolve a Regional High School District. Appendix B provides the detail and overview of the Statutory Requirements for dissolution.

1. Request by resolution for the County Superintendent to make an investigation as to the advisability of dissolution. Before the request can be made by the local governing bodies they must adopt a resolution to file a petition to dissolve which must be adopted by a majority of the Boards of Education and by a majority of the governing bodies of the constituent municipalities.
2. The Boards of Education or municipalities may be required to file a feasibility study regarding the financial and educational impact of the dissolution.
3. The County Superintendent calculates the amount of indebtedness allocated to each of the constituent districts.
4. Petition for permission to submit to voters for approval of dissolution.
5. Submit answer to the petition of the Commissioner of Education and to the governing bodies of all of the constituent districts as set forth in 18A:13-56. Present the petition to the Board of Review.
6. Fix a date for elections (election dates are set by statute).
7. Provide notifications of the election date, create statements of indebtedness to be provided to the voters. Certify the results of the election within five days after the election.
8. If successful the date of the dissolution will be set by the Commissioner of Education. ***FOR THE DISSOLUTION OF A REGIONAL DISTRICT, THE QUESTION SHALL BE DEEMED ADOPTED IF IT RECEIVES AN AFFIRMATIVE VOTE IN THE MAJORITY OF THE INDIVIDUAL SCHOOL DISTRICTS AND IT RECEIVES A MAJORITY OF THE OVERALL VOTES IN THE ENTIRE REGIONAL DISTRICT.***

Distribution of Property and Liquid Assets¹

West Morris High School District consists of two high schools and is attended by students from the municipalities of Washington Township, Mendham Township, Mendham Borough, Chester Township and Chester Borough. The majority of students attending West Morris Central High School reside in Washington Township and the majority of the students at West Morris Mendham High School are from the other four municipalities.

This study was prepared to evaluate the impact of dissolving the regional school district and the impact/aftermath associated with that action. The following evaluation is based upon the following configuration(s) after dissolution:

- Washington Township students would attend Central High School
- Students from the other four municipalities would attend Mendham High School in two potential scenarios:
 - a. Mendham High School would become a limited purpose regional high school to serve the students of the remaining four municipalities (as Washington would become a PK-12 school District), and each of the four remaining municipalities would retain their existing PK-8 schools, or:
 - b. All four municipalities will become an all-purpose regional high school serving all students PK-12 (with Washington Township becoming a PK-12) District.

Upon dissolution, title to the school grounds and building shall be given to the municipality in which the school grounds and buildings are located. N.J.S.A. 18A:13-61. In the case of Central High School Washington Township will be deeded the buildings and grounds as it is located in that municipality.

In the case of Mendham High School, the law provides that title will vest in Mendham Borough. N.J.S.A. 18A:13-61. However, since it is contemplated that the remaining constituents municipalities of Mendham High School will continue to attend that school, the Commissioner of Education and/or the County Superintendent may provide that the title shall pass to the newly formed regional high school rather than simply Mendham Township, pursuant to court decisions that have found that the Commissioner and/or the County Superintendent may be more equitable

¹ This section is based upon the opinion of our attorney

be more equitable in the distribution of assets and liabilities of a regional school district following the dissolution as was done in the dissolution of the Union County Regional. Or, the liquid assets of the former regional high school could be distributed to the three municipalities that do not have any school buildings or grounds located in it, as was done in the dissolution of Lower Camden County Regional High School.

As it relates to the distribution of liquid assets and debt, there is a great deal of deference afford to the County Superintendent, the Board of Review and/or the Commissioner of Education. The law provides that the liquid assets shall be distributed to each of the constituent municipalities in accordance with their proportional valuations pursuant to N.J.S.A. 18A:8-24; however, in cases where constituent municipalities do not have any buildings or grounds situated in their municipality, courts have permitted deviation from the statutory provisions to acknowledge this shortfall and provide for a more equitable distribution of assets and liabilities. In the case of Pascack Valley we argued that Woodcliff Lake could not simply discharge its obligation to bond holders upon dissolution as the law provides that dissolution does not impact the rights of holders of bonds. Does the regional school district allocate liability to the debt in their budget? If so, then (I) would say the debt would remain similarly allocated, unless the Commissioner, State Board and/or County Superintendent found that it would be unfair to impose such indebtedness on the three municipalities that have little to no assets because there is no school located within their municipality.

Section 7: Conclusion

Conclusion

Option 1 Washington Township

Organizational Changes

Under Option 1 Washington Township would become a K-12 School District. The current Washington Township K-8 Board of Education would now become a K-12 Board of Education and those members of the Regional Board representing Washington Township would no longer be required. The District would operate under one Central Administration and have a single K-12 Superintendent of Schools, Business Office and support staff.

From the point of view of the high school the following issues would need to be resolved:

- a. Decisions as to the need for subject supervisors--these positions would no longer be shared.
- b. Maintenance of the current level of technology which is now shared between the high schools.
- c. Curriculum offerings, AP/IB programs--as of the 2014-15 school year the only IB course offered at West Morris Mendham and not at West Morris Central is Latin. Decision would need to be made regarding the inclusion or exclusion of this course.
- d. As of 2014-15 there was only one IB teacher shared between the buildings therefore a decision would need to be made regarding the replacement of this staff member.
- e. The Washington K-12 teachers would have to have a new contract negotiated to standardize the salary guide between the current K-8 and 9-12 contracts. The implication is that the salary guides would at the very least be at the high school level which is higher than the guides at the K-8 level.
- f. The salary of the Superintendent of Schools would need to be adjusted to the current State of New Jersey mandated salary level.

Educational Issues

West Morris Central High School should be able to maintain its current level of course offerings which have led it to be ranked number 11 in the State of New Jersey. The only loss

regarding the IB Program would be Latin, which if the demand warranted could be implemented (notwithstanding the need for an IB Certified Latin teacher).

As a K-12 District greater attention could be given to vertical curriculum organization and articulation, although this might require the hiring of a K-12 Curriculum Coordinator. Although the long range projection shows a decline of enrollment to the mid-1,100 range by 2019-220 this is still an average size New Jersey High School and is comparable in size to virtually all of the high performing high schools in the State. It is our opinion that if Washington Township became a K-12 District it would not adversely impact the educational opportunities for students at Central High School.

Budget Implications

- a. The District would save approximately 50% of its contribution to the current Regional organization.
- b. There would be increased costs based upon the new contracts negotiated with the teaching staff and other bargaining units.
- c. There would be a loss of "economy of scale" in terms of purchasing and shared staffing (primarily in the areas of subject supervision and technology).
- d. A new technology plan would have to be planned and implicated as the new school district disengages from the current technology infrastructure.

Tax Implications

- a. The Washington Township K-12 District would continue its current level of Equalization Aid.
- b. It is estimated that the Washington Township K-12 organization would add an additional \$ 42,000 to its budget (based upon 2014-15 budget).
- c. In addition to increased costs the Washington Township would see an increase in its taxes by approximately \$ 7,000,000. The total increase would amount to ^\$ 7,042,000. Because of the split year the first year would be 1/2 that amount and the full year would be the total

amount.

- d. It is important to note that the \$ 7,042,000. does NOT include increases based upon negotiations for new and/or revised contracts necessitated by the change in organizational structure. This could be a substantial increase to both the budget and the tax levy,

Option 1: Mendhams and the Chesters

Under Option 1 West Morris Mendham High School remains a Limited Purpose Regional. The three K-8 District do not change organizationally. The Regional High School maintains its own Board of Education and Central Administrative Structure as do the K-8 schools.

The issues for Option 1 for the Mendhams and Chesters are:

- a. Loss of economy of scale in purchasing and supervision.
- b. The new Mendham Regional and Board of Education will be required to find a new Central Office location.
- c. The new Regional will have to increase the costs of operating the Central Office (i.e.-Superintendent's Office, Business Office, support staff, et.al) by 50%.
- d. A new technology plan would have to be planned and implemented as the new school district dis-engages from the current technology infrastructure.

Educational Issues

The West Morris Mendham High School would, in our opinion, be able to maintain its current level of course offerings, including the AP/IB Programs. There should be no detriment to the students attending this school and with the exception of one section of dance, currently located at Central, no change in the IB Program (adding a section of dance at Mendham can be done at the discretion of the Board of Education.

The projection shows that by the 2019-20 school year the high school enrollment will be just under 1,400 which is more than enough students to maintain a robust academic and extra-curriculum program at West Mendham High School.

Tax and Budget Implications

Under this Option the Mendhams and Chesters will increase costs by approximately \$ 1,800,000. There will be a reduction on the tax levy of approximately \$ 7,000,000 for a net savings of \$ 5,200,000.

This may be offset by negotiations with the teachers association and other bargaining units which will be necessitated by the change in the Regional Organization

Option 2: Washington Township

Under Option 2 Washington Township becomes a K-12 District and all of the implications as stated under Option 1 for Washington Township are the same.

Option 2: Mendhams and Chesters

Under Option 2 the Mendhams and the Chesters will see a reduction in expenses by approximately \$ 102,994. This is in addition to the \$ 7,000,000 tax reduction. This would represent a total savings of just over \$ 7,000,000 for a calendar year. However, because of the change from a Limited Purpose Regional to an All Purpose Regional it will be necessary to renegotiate all contracts on a K-12 basis. For the teacher's bargaining unit alone this could amount (based upon current salary structures) to approximately \$4,000,000. This reduces savings to the four districts to approximately \$ 3,000,000. This savings is then allocated on the basis of the new percent share to each District. Appendix A shows the estimated savings by District when the impact of the contract negotiations is considered.

Final Comments

The West Morris Regional High School District has two of the highest performing high schools in the State of New Jersey. The District offers its students a multitude of academic and co-curricular activities. In addition it is one of the most technologically advanced Districts in New Jersey. It also is one of only 11 school districts in New Jersey offering both an International Baccalaureate and Advanced Placement Programs.

This feasibility study examined two options for consideration. The first option was to create a limited purpose Regional for the Mendhams and the Chesters and a K-12 District for Washington Township. Option 2 created an all-purpose K-12 Regional for the Mendhams and the Chesters and a K-12 District for Washington Township.

Under the current structure virtually all students residing in Washington Township attend West Morris Central High School and virtually all students in the Mendhams and the Chesters attend West Morris Mendham High School. During the 2014-15 school year, with the exception of special needs students, there was very little crossover of students between the schools. In addition there was a limited number of teachers shared between the schools. We found only two IB courses that were not offered in both schools (1 section of dance offered only at Central and 5 sections of Latin offered at Mendham).

In our opinion given the size of both high schools and the enrollment projections it is our opinion that there would be no reduction in educational opportunities for the students of either school under either option. One possible disadvantage could be if a low demand course cannot be opened in one school but can be in the other under either option the students would not be able to attend the other high school. However, this does not appear to be a substantial issue in that are almost no students attending both schools.

The major issues of sharing were in the use of subject supervisors and the District-wide technology program. If either of the options were adopted these two issues along with other economies of scale would be lost (i.e.-purchasing, services, etc.).

Both option do offer the Mendhams and the Chesters tax savings, 5.2 million under Option 1 (notwithstanding salary adjustments) and just under seven million under option 2 (which could be reduced by four million dollars based upon contract negotiations). It is important, however, to understand that these savings are allocated to each of the our communities based upon the tax levy share for each of the Districts. The true amount of tax savings based upon the allocation is the true picture of what savings will be realized under each option.

Appendix A: Potential Impact of Salaries on Taxes

current Equalized Value Calculations

2014-15	a Equal Val. of Municipality	b Percent of Total Val.	c Elem. Enroll	d Reg. Enroll	e Total Enroll	f Percent of Elem. Enroll	g Elem Eq. Val.	h Percent of Reg. Enroll	i Reg Eq. Val.	j 2014-15 percent share
Chester Boro	384,063,788	4.5975744%	220	91.50	311.5	70.6260%	271,248,891	29.3740%	112,814,897	3.71928793%
Chester Twp.	1,893,596,303	22.6679750%	969	578.00	1,547.0	62.6374%	1,186,099,491	37.3626%	707,496,812	23.32479508%
Mendham Boro	1,356,810,010	16.2421846%	608	337.00	945.0	64.3386%	872,952,565	35.6614%	483,857,445	15.95183971%
Mendham Twp.	1,902,385,002	22.7731873%	725	428.00	1,153.0	62.8794%	1,196,208,275	37.1206%	706,176,727	23.28127443%
Washington Twp.	2,816,762,597	33.7190718%	2,357	1,344.00	3,701.0	63.6845%	1,793,869,344	36.3145%	1,022,893,253	33.72280285%
Total	8,353,617,700	100.0000000%	4,879	2,778.5	7,657.5	63.7153%	5,320,378,565	36.2847%	3,033,239,135	100.00%

What is the impact on the tax levy apportionment for enrollment changes in 2019-20?

2019-20	a Equal Val. of Municipality	b Percent of Total Val.	c Elem. Enroll	d Reg. Enroll	e Total Enroll	f Percent of Elem. Enroll	g Elem Eq. Val.	h Percent of Reg. Enroll	i Reg Eq. Val.	j 2019-20 percent share
Chester Boro	384,063,788	4.60%	176	88	264.0	66.67%	256,042,653	33.33%	128,021,135	4.0321045%
Chester Twp.	1,893,596,303	22.67%	960	564	1,524.0	62.99%	1,192,816,077	37.01%	700,780,226	22.0715048%
Mendham Boro	1,356,810,010	16.24%	500	330	830.0	60.24%	817,355,918	39.76%	539,454,092	16.9904389%
Mendham Twp.	1,902,385,002	22.77%	578	395	973.0	59.40%	1,130,090,884	40.60%	772,294,118	24.3238789%
Washington Twp.	2,816,762,597	33.72%	2,014	1,169	3,183.0	63.27%	1,782,267,099	36.73%	1,034,495,498	32.5820729%
Total	8,353,617,700	100.00%	4,228	2,546.0	6,774.0	62.42%	5,178,572,631	37.58%	3,175,045,069	100.0000000%

2019-20

2014-15 current Tax Apportionment	2019-20 Estimated Tax Apportionment	Change
Reduction	651	232.50
		883.50

2019-20	2019-20	2019-20
Current Tax	Estimated Tax	Change
Chester Boro	3.72%	4.03%
Chester Twp.	23.32%	22.07%
Mendham Boro	15.95%	16.99%
Mendham Twp.	23.28%	24.32%
Washington Twp.	33.72%	32.58%
Total	100.00%	100.00%

* Assumes no change in Equalized Values

2019-20 Enrollment Projections	2014-15 Enrollment	2019-20	percent Increase/Decrease
Elementary K-8	Elementary K-8	Total	
Chester Boro	176	88.00	264
Chester Twp.	960	564.00	1,524
Mendham Boro	500	330.00	830
Mendham Twp.	578	395.00	973
Washington Twp.	2,014	1,169.00	3,183
Total	4,228	2,546.00	6,774
WMR Mendham		1,377.00	
WMR Central		1,169.00	
		2,546.00	

Table 2

Option II - The Mendhams and the Chesters form an All-Purpose K-12 Regional School District

Calculation of new tax levy allocation.

	2014 Equal. Val. of each Municipality	Percent of Total Eq. Val.	Total Enroll	Percent of Enrollment	create a new salary guide increase calendar year tax levy by:	
					2014	2015
2014-15						
Chester Boro	384,063,788	6.936%	312	7.885%	2,000,000.00	4,000,000.00
Chester Twp.	1,893,596,303	34.200%	1,547	39.095%	138,720.00	277,440.00
Mendham Boro	1,356,810,010	24.505%	945	23.882%	684,000.00	1,368,000.00
Mendham Twp.	1,902,385,002	34.359%	1,153	29.138%	490,100.00	980,200.00
Total	5,536,855,103	100.000%	3,957	100.000%	2,000,000.00	4,000,000.00

	Additional Taxes to be collected in 2014	Assessed Values	Additional tax Rate	Average Assessment	
Chester Boro	138,720.00	377,577,700	0.0367	462,961	170.09
Chester Twp.	684,000.00	1,819,532,270	0.0376	666,676	250.62
Mendham Boro	490,100.00	1,284,514,035	0.0382	705,096	269.03
Mendham Twp.	687,180.00	1,878,805,350	0.0366	910,919	333.17
Total	2,000,000.00	5,360,429,355	0.0373		

	Additional Taxes to be collected in 2015	Assessed Values	Additional tax Rate	Average Assessment	
Chester Boro	277,440.00	377,577,700	0.0735	462,961	340.18
Chester Twp.	1,368,000.00	1,819,532,270	0.0752	666,676	501.23
Mendham Boro	980,200.00	1,284,514,035	0.0763	705,096	538.05
Mendham Twp.	1,374,360.00	1,878,805,350	0.0732	910,919	666.34
Total	4,000,000.00	5,360,429,355	0.0746		

	Additional Taxes to be collected in 2014	Assessed Values	Additional tax Rate	\$500,000 Assessment	
Chester Boro	138,720.00	377,577,700	0.0367	500,000	183.70
Chester Twp.	684,000.00	1,819,532,270	0.0376	500,000	187.96
Mendham Boro	490,100.00	1,284,514,035	0.0382	500,000	190.77
Mendham Twp.	687,180.00	1,878,805,350	0.0366	500,000	182.88
Total	2,000,000.00	5,360,429,355	0.0373		

	Additional Taxes to be collected in 2015	Assessed Values	Additional tax Rate	\$500,000 Assessment	
Chester Boro	277,440.00	377,577,700	0.0735	500,000	367.39
Chester Twp.	1,368,000.00	1,819,532,270	0.0752	500,000	375.92
Mendham Boro	980,200.00	1,284,514,035	0.0763	500,000	381.55
Mendham Twp.	1,374,360.00	1,878,805,350	0.0732	500,000	365.75
Total	4,000,000.00	5,360,429,355	0.0746		

Appendix B: Statutory Requirements for Dissolution of a Regional

Overview of Statutory Requirements

Step 1: Commencement of the Investigation Process

Petition the County Superintendent (N.J.S.A. 18A:13-51/N.J.A.C. 6A:32-11.1(a)): The County Superintendent evaluates the advisability of a request to dissolve a limited purpose regional school district. However, before a request can be submitted to the County Superintendent, the local governing bodies must take official action first by adopting a resolution to file a petition to dissolve the regional school district, which must be adopted by the majority of the Boards of Education in the constituent municipalities AND by a majority of the governing bodies of the constituent municipalities. The request to the County Superintendent shall include the following information:

- Background information about school district;
- Enrollment data by grade level for succeeding five school years;
- Racial composition and effect of dissolution (in case of withdrawal);
- Two appraisals of each school site that is part of the regional school district;
- The proposed educational plan for the students.

County Superintendent Meeting with Interested Parties (N.J.S.A. 18A:13-51/N.J.A.C. 6A:32-11(b)): Twenty-one (21) days after the adoption of the resolutions, the County Superintendent shall convene a meeting with each BOE of the municipalities located in the regional district AND the BOE of the regional district to review the procedures to be followed by the parties.

Please note: The statute permits this meeting to be called prior to the adoption of the required resolutions.

County Superintendent Report (N.J.S.A. 18A:13-52/N.J.A.C. 6A:32-11.2): Within sixty days (60 days) of the request to withdraw or dissolve (*unless a feasibility study is required, see below*), the County Superintendent shall file his report with the governing bodies of the municipalities constituting the regional district, the BOE of each municipality and the BOE of the regional district, which shall advise of the educational and financial impact upon the individual municipalities in the event of dissolution and provide a recommendation. Specifically, the report shall contain:

- Statement of the current assets and operating expenses of the school district, including the distribution of such current expenses among the constituent municipalities as provided by N.J.S.A. 18A:8-24, as well as a calculation of indebtedness to be assumed by each of the municipalities;
- Estimated projected enrollment, by grade level, for the succeeding five school years for each of the municipalities and/or remaining regional school district;
- Racial impact upon dissolution, by providing enrollment data, by grade level;

- The equalized valuation of each municipality of the regional school district as set forth at N.J.S.A. 18A:7F-45 (the equalized valuation of the taxing district, as certified by the Division of Taxation on October 1, which shall be allocated among the constituent districts in proportion to the number of pupils in each of them).
- The average equalized valuations of the real property of each constituent municipality as set forth at N.J.S.A. 18A:24-1 (defining equalized valuation as the average of the last three preceding equalized valuations of the taxable real estate, together with improvements, of the municipality as set forth in the annual debt statement of the municipality);
- The borrowing margin of each constituent municipality as set forth at N.J.S.A. 18A:24-1 and the revised borrowing margin of each constituent municipality if approval to dissolve was granted;
- Apportionment of debt service for each municipality (dollars and percentage);
- Replacement costs of school buildings, additions, grounds, furnishings, equipment of the regional school district, which shall be calculated by the Office of School Facilities, by considering the Current overall cost per square foot for school construction in NJ multiplied by the gross area of the building (which shall include construction costs, moveable and built in furniture, equipment and fees, but site costs shall be excluded);
- Proposed educational plan

Please note: The County Superintendent may require the districts to submit a feasibility study, which will extend the time for the County Superintendent's report to be provided (report is due sixty (60) days following submission of that study).

Step 2: Petition the Commissioner/Proceed to Administrative Hearing

Petition Requesting Permission to Submit Question to Voters (N.J.S.A. 18A:13-54): Within thirty (30) days after the filing of the County Superintendent report, a petition for dissolution may be filed with the Commissioner of Education for permission to submit the question of dissolution to the voters.

Answer to Petition (N.J.S.A. 18A:13-55): An answer to the petition must be filed with the Commissioner fifteen (15) days following service of the petition. The Answer shall address those factors that the Board of Review must consider when evaluating a request made by Petition, as provided by N.J.S.A. 18A:13-56.

Petition Submitted to Board of Review (N.J.S.A. 18A:13-56): Within fifteen (15) days of the filing of the Answer, the Commissioner of Education shall submit the Petition and Answer to the "Board of Review," which consists of the Commissioner, Member of the State Board of Education, State Treasurer and Director of Division of Local Government Affairs from DCA. The Board of Review will consider whether the petition should be granted, and if so, the amount

of indebtedness, if any, to be assumed by the remaining schools (for withdrawal) or the new district (for dissolution). If the petition is granted, the request made in the petition must then be presented to the voters for approval at a special school election.

Evaluation Criteria (N.J.S.A. 18A:13-56): The Board of Review shall consider the effect upon the proposed withdrawal or dissolution upon the education and financial conduction of the remaining school districts. The Board of Review shall schedule and hold a public hearing "upon application of any interested party." The Board of Review's findings shall be by recorded vote of at least three of its four members, within sixty (60) days of the receipt of the Petition and Answer. The Board of Review's options include the following:

- A.** Grant the request submitted in the Petition;
- B.** Oppose granting of the Petition because:
 - 1) Withdrawal or dissolution will impose an excessive debt burden upon the remaining district(s);
 - 2) Excessive costs in order to maintain an efficient school system in any of the districts impacted by the withdrawal or dissolution;
 - 3) Insufficient pupils to permit maintenance of a properly graded school system;
 - 4) Any other reason, which it may deem to be sufficient.
- C.** Grant the Petition and reduce the amount of debt to be assumed by the remaining districts (for a withdrawal application) or the constituent districts (for a dissolution application) for the following reasons:
 - 1) Such amount of indebtedness, together with the municipality's overall indebtedness, would be excessive;
 - 2) The amount of expenditure for debt service would be so great that sufficient funds would not be available for current municipal expenses without excessive taxation;
 - 3) Such amount of indebtedness is inequitable in relation to the value of property to be acquired by the remaining districts, or by any of the constituent districts, and would materially impair the credit of the municipalities or such districts and the ability to pay punctually the principal and interest of their debt and to supply essential education facilities and public improvements as might reasonably be anticipated.

Step Three: Proceed to an Election

Date of Election (N.J.S.A. 18A:13-57): If the Board of Review grants the application, the County Superintendent shall fix the date for a special election.

Notice of Election (N.J.S.A. 18A:13-58): The notice of the special election shall indicate the amount of indebtedness to be assumed by each of the constituent districts.

Amount of Votes Required (N.J.S.A. 18A:13-59): To approve the dissolution of a regional school district, there must be an affirmative vote in majority of the individual constituent districts AND majority of the overall votes cast in the entire regional district.

Step Four: Dissolution Process

Dissolution of Limited Purpose Regional School District (N.J.S.A. 18A:13-63): The dissolution of a limited purpose regional school district shall occur when all of the local constituent municipalities withdraw from the regional school district. At that time, the regional school district shall be dissolved upon the effective date of the last withdrawal and its assets and liabilities shall devolve upon the respective withdrawing districts in accordance with the report of the County Superintendent, N.J.S.A. 18A:13-62. Upon dissolution, each constituent municipality shall constitute a separate local school district.

Effective Date of Withdrawal or Dissolution (N.J.S.A. 18A:13-59): To be determined by the Commissioner of Education only if the public question is approved by the voters.

Members of Board of Regional District (N.J.S.A. 18A:13-60): The members of the board of education for the regional district continue in office until dissolution has become effective.

Title/Control of Grounds, Buildings and Furnishings
& Assumption of Indebtedness (N.J.S.A. 18A:13-61):

Each constituent district shall take title and control of all school grounds and buildings, and the furnishings and equipment therein, that is situated in their respective districts. The County Superintendent shall allot a fair proportion of the shared or rotated furnishings and equipment to each of the constituent districts.

Upon assumption of title, each board also shall assume the amount of indebtedness of the original regional school district as determined by the Board of Review. In determining the amount of indebtedness to be assumed by each constituent district, due regard shall be given to the value of the school buildings and grounds that have been conveyed to certain municipalities.

Please note: Courts have held that if the debt of a dissolved regional school district is so small that the allocation of debt cannot achieve an equitable allocation of the district's assets and liabilities, the Commissioner of Education and the State Board of Review have the authority to deviate from the statutory distribution formula and establish a more equitable share of assets and debt by and among the constituent municipalities.

In re Distribution of Liquid Assets Upon Dissolution of Union County Regional, (permitting deviation from statutory formula to distribute assets of dissolved regional school where two municipalities would have been left with a substantial shortfall, and the remaining municipalities with a windfall, if the district's assets were distributed based upon proportion of district's operating budget as contributed by each municipality)

In re Div. of Assets & Liabilities Among Constituent Districts of Lower Camden Cnty. Reg'l High Sch. Dist. No. 1, 381 N.J. Super. 91, 100 (App. Div. 2005)(following dissolution of regional school district, Commissioner could distribute liquid assets solely to the municipalities that did not receive buildings or real estate because the schools of the regional school district were not situated in those communities) .

Division of Assets & Liabilities (N.J.S.A. 18A:8-24 and N.J.S.A. 18A:13-62): The County Superintendent shall issue a report that shall make a division of assets and liabilities by and among the constituent districts following dissolution (please note that the assets shall not include school buildings, grounds, furnishings and equipment). The division of assets and liabilities shall be based upon the amount of the ratable in the respective districts on which the last school tax was levied. The County Superintendent shall take into account the present value of the school books, supplies, fuel, motor vehicle and all personal property except for furnishings and equipment. In the case of any vehicle used to transport school children, the original cost of the vehicle, less any state aid appropriated therefor, shall be deemed to be the present value.

No Impact Upon Bondholders (N.J.S.A. 18A:13-65): Dissolution shall not affect the rights of the holders of bonds issued by any school district or municipality.

Tenure and Seniority Rights (N.J.S.A. 18A:13-64): Impacted staff shall be entitled to exercise tenure and seniority rights in accordance with court decisions. Specifically, tenured employees of a dissolving regional school district because employees of the constituent districts and maintain their tenure, seniority, pension, leave of absence and other similar benefits. The salary of a tenured employee cannot be reduced by law, and if step placement would result in a reduction of salary, the affected staff member must be retained at the current salary level until such time that that level would be reached through ordinary guide movement; at that time, the staff member should be placed on guide and afforded the opportunity to have normal movement on the guide thereafter.