

Study of the Consolidation of the Limited Purpose Henry Hudson Regional School District with Atlantic Highlands School District, Highlands School District and/or Other Districts Within the Geographical Area to Create a New All-Purpose Henry Hudson Regional School District

by
Kean University

Local Efficiency Achievement Program (LEAP)

Table of Contents

| | |
|---|----|
| Introduction..... | 1 |
| Part I: Education Analysis | 4 |
| Educational Introduction of Each District..... | 4 |
| Administrative Structure/Governance | 6 |
| Staffing | 6 |
| School Calendar..... | 7 |
| Instructional Time..... | 8 |
| Class Schedules and Scheduling Methodology | 8 |
| Curriculum and Instruction..... | 12 |
| Gifted and Talented, Elective and Advanced Placement Courses..... | 13 |
| Other Enrichment Courses/Opportunities | 18 |
| Special Education Programs and Programs for Other Special Populations | 21 |
| Student Support Services..... | 22 |
| Extra and Co-curricular Activities..... | 25 |
| Recommendations and Next Steps | 27 |
| Part II: Education Finance Analysis | 31 |
| Financial Data..... | 33 |
| Findings and Recommendations..... | 51 |
| Part III: Legal Analysis..... | 57 |
| Introduction | 57 |
| Recent Changes in the Law | 57 |
| Scope of This Study..... | 58 |
| Required Feasibility Study | 58 |
| General Description of Present Operations | 59 |
| Atlantic Highlands School District (NJDOE <i>District Code</i> 0130)..... | 59 |
| Highlands Borough School District (NJDOE <i>District Code</i> 2160)..... | 60 |
| Henry Hudson Regional School District (NJDOE <i>District Code</i> 2120) | 60 |
| Sea Bright..... | 60 |
| Other School Districts | 60 |
| Conversion to All-Purpose Regional School District by Adding a Purpose | 61 |
| Conversion to All-Purpose Regional District – Voter Approval..... | 62 |
| County Superintendent Oversight | 62 |
| Reapportionment of Board Membership – Conversion to All-Purpose Regional District..... | 63 |
| Enlargement Versus Creation of New All-Purpose Regional District | 64 |
| Option I - Initial Enlargement with an Added Purpose | 64 |
| Option II - Further Enlargement Subsequent to Adding a Purpose..... | 64 |
| Option III - Dissolution of Hudson and Creation of a New All-Purpose Regional District | 64 |
| Withdrawal by Sea Bright and/or Other School Districts | 65 |
| Special Election for Enlargement..... | 67 |
| Reimbursement of Election Costs | 67 |
| Certification of Election Results for Enlargement | 67 |
| Certification of Election Results for Creation of New Regional District..... | 68 |
| Number of Regional Board of Education Members in the Event of Enlargement or Creation of New Regional District. | 68 |
| Reapportionment of Board Membership by Board Resolution Alternative | 68 |

| | |
|---|-----|
| Terms of Newly Elected Board Members | 70 |
| How Terms Would be Apportioned | 70 |
| Reapportionment by the Executive County Superintendent..... | 71 |
| Weight of Board Member Votes on Regional Board with more than Nine Constituent Districts..... | 71 |
| Dissolution of Local Districts..... | 71 |
| Power of Enlarged Regional Board to Take Control of Educational Facilities..... | 72 |
| Power of Newly Created Regional Board to Take Control of Educational Facilities..... | 73 |
| General Powers and Duties of Boards of Enlarged and Newly Created Regional School District | 73 |
| Effect of Regionalization on Existing Employees..... | 74 |
| Tenure and Seniority Rights, Benefits and Emoluments of Employment Preserved..... | 74 |
| Employee Transfers | 75 |
| Reductions in Force | 75 |
| Additional Staff | 76 |
| Terms and Conditions of Employment..... | 76 |
| Majority Representatives | 78 |
| Prohibition on Subcontracting..... | 78 |
| Administrative Staff | 78 |
| 2021-2022 Central Office/Administrative Staff..... | 78 |
| Proposed 2022-2023 Central Office/Administrative Structures..... | 79 |
| Analysis, Conclusions, and Recommendations | 81 |
| Part IV: Demographic Analysis..... | 85 |
| Executive Summary..... | 85 |
| Methodology..... | 85 |
| Community Demographics..... | 87 |
| Conclusion..... | 90 |
| Part V: Building Capacity Review | 91 |
| Introduction | 91 |
| District Building Overview | 91 |
| Highlands Elementary School | 91 |
| Atlantic Highlands Elementary School | 91 |
| Henry Hudson Regional School | 92 |
| Building Capacity Methodology | 92 |
| Functional Capacity (FC) | 92 |
| FES Capacity | 92 |
| District Practices (DP) Capacity..... | 93 |
| Long Range Facilities Plan Coordination..... | 93 |
| Capacity Calculations | 94 |
| Highlands Elementary School | 94 |
| Atlantic Highlands Elementary School | 96 |
| Henry Hudson School..... | 97 |
| Long Range Facility Planning | 99 |
| Highlands Elementary School | 100 |
| Atlantic Highlands Elementary School | 100 |
| Henry Hudson School..... | 100 |
| Summary and Conclusion..... | 100 |

Introduction

The Local Efficiency Achievement Program (LEAP) was formulated by Governor Phil Murphy and the Department of Community Affairs (DCA) to “advance the efforts of Shared Services in all local governments” (website <https://www.nj.gov/dca/divisions/dlgs/programs/leapgrants.html>). On May 11, 2021, the Murphy Administration and the DCA announced the 2021 LEAP grant recipients. Henry Hudson Regional School was awarded a \$65,000 Implementation Grant. The Implementation Grant component “provides for reimbursement of costs associated with school consolidation and countywide school district studies that support the creation of meaningful and implementable regionalization plans” (website <https://www.nj.gov/dca/divisions/dlgs/programs/leapgrants.html>). The regionalization plans of Henry Hudson Regional include the consolidation of three school districts: Atlantic Highlands Elementary (“Atlantic”), Highland Elementary (“Highlands”), and the limited purpose Henry Hudson Regional (“Hudson”), collectively referred to as “Tri-District”, to form a new, all-purpose PK-12 school district and studying the feasibility of incorporating additional districts within the geographical area.

In January of 2022, Henry Hudson Regional selected to partner with several experts: The Busch Law Group for Legal Analysis, Ross Haber Associates for a Demographic Study, SSP Architects for the Facilities/Physical Plant Analysis, and Kean University to conduct an Educational Assessment and Educational Finance Analysis. This report draws upon that expert analysis with a focus on three main areas: Part I – Educational Assessment Analysis, Part II – Educational Finance Analysis and Part III – Legal Analysis.

The Educational Assessment Analysis, conducted by Kean University, examined the feasibility of reorganizing the Tri-District into one all-purpose regional PK-12 school district. In order to conduct such an analysis of the educational programs of the Tri-District, a focus on the following areas was explored:

- (a) through consolidation, would the all-purpose regional district be better situated to serve its students,
- (b) the educational opportunities currently provided to students in the Tri-District and whether or not those opportunities would still be available or be made better through the creation of one all-purpose

regional school district, and (c) would there be sufficient capacity to provide continued or improved programmatic and instructional support that can be maintained or improved through unification.

The Education Financial Analysis, conducted by Kean University, thoroughly examined financial implications of the creation of an all-purpose PK-12 regional school district with and without Sea Bright. Specifically, the following four scenarios were studied: (a) continuing the existing Henry Hudson Limited Purpose Regional which serves students from Atlantic and Highlands in grades 7-12, (b) the creation of an all-purpose PK-12 regional school district that consolidates Atlantic, Highlands, and Hudson and uses the current apportionment method to allocate the regional tax levy amongst the two communities, (c) the creation of an all-purpose PK-12 regional school district that consolidates Atlantic, Highlands, and Hudson and which implements a net savings sharing agreement, and (d) the creation of an all-purpose PK-12 regional school district that consolidates Atlantic, Highlands, Hudson and Sea Bright, focusing on variables such as state-aid, local tax levies, apportionment scenarios, cost savings. The findings indicate that the best financial outcome for Atlantic Highlands Borough, Highlands Borough, and Sea Bright Borough is to: (1) add a purpose to the existing limited purpose Henry Hudson Regional School District currently serving students from Atlantic and Highlands in grades 7-12 to include Atlantic, Highlands, and Sea Bright students in grades PK-12 to form an all-purpose PK-12 Henry Hudson Regional School District, (2) use a 72% enrollment / 28% equalized valuation apportionment method to balance the projected tax levy savings amongst the three communities, (3) explore the possibility of implementing a cost savings sharing agreement between Atlantic Highlands and Highlands to more equitably balance the projected cost savings in the two communities, and (4) proceed with the formation of the regional school district described above as soon as possible.

The Legal Analysis focused on the “legally mandated processes, procedures, and options associated with restructuring the existing limited-purpose regional school district (Hudson) into an all-purpose, PK-12 regional school district, taking into account the recent changes in the law and in consideration, as well, of the data and analysis provided in the previously commissioned studies (Busch Law Group LLC Analysis).” Specifically, the Legal Analysis examined the following topics: (a) Senate Bill S3488, P.L.

2021, c. 402, (b) conversion to all-purpose regional school district by adding a purpose, (c) enlargement versus creation of an all-purpose regional district and (d) effect of regionalization on existing employees. The Busch Law Group LLC found that adding a purpose (to the existing limited purpose regional) to enlarge by adding Atlantic and Highlands would, legally, be the easiest to achieve, notwithstanding “educational, logistical, demographic and financial advantages and disadvantages associated with each alternative”. (Busch Law Group LLC Analysis). Regarding the terms and conditions of employment that would govern the newly formed regional district’s bargaining units, a modification by P.L. 2021, c. 402 changed a previous study’s recommendation (Ibid.) that dissolution of the existing limited-purpose regional and the creation of a new all-purpose regional would have a financial savings related to salary guide placement and terms and conditions of employment. The changes included in P.L. 2021, c. 402 now provide that the salary guide and terms and conditions of employment of the largest constituent district will not apply until after three years following formation of the new regional district, or until a successor agreement is negotiated. The Busch Law Group LLC recommended further financial analysis regarding the costs of dissolution versus enlargement. Finally, the Legal Analysis indicated that first creating an all-purpose regional school district with the Tri-District schools and then allowing Sea Bright to decide to join the all-purpose regional at a later time is an option that should be considered if supported by the other criteria, including educational and financial advantages, and particularly any difficulties that may be occasioned by the withdrawal of Sea Bright from the Oceanport and Shore Regional School Districts.

In addition to the aforementioned analyses, this report also contains a demographics analysis, conducted by Ross Haber, Ed.D. and a building capacity review conducted by SSP Architects.

Part I: Education Analysis

The objective of the educational analysis of this study is to examine the feasibility of reorganizing the Henry Hudson Tri-District into one limited all-purpose regional PK-12 school district. In order to conduct such an analysis of the educational programs of all three districts, a review of academic programming/schedules, curriculum, special student populations, extracurricular offerings, staffing (both school faculty and administration) and governance structure were reviewed; it is important to note that relevant state student performance data has not been available in approximately three years due to the impact of COVID-19 related closures and cancelation of high stakes assessments across the state. Additionally, in examining the educational core for the purpose of creating one limited all-purpose regional district, the following questions were examined and will be addressed:

- Through consolidation, will the limited all-purpose regional district be better situated to serve its students?
- Will the educational opportunities currently provided to students in the tri-district still be available or be made better through the creation of one limited all-purpose regional school district?
- Will there be sufficient capacity to provide continued or improved programmatic and instructional support that can be maintained or improved through unification?

Educational Introduction of Each District

Atlantic Highlands Elementary School services students from preschool through sixth grade in a single school building. Through high academic expectations, cross-curricular activities, social opportunities, and an emphasis on STEM and the arts, they seek to develop their students into independent, well rounded, individuals. The school provides students with a challenging curriculum that meets their individual needs at all levels while encouraging real-life connections and opportunities to gain mastery of the New Jersey Student Learning Standards. Additionally, the school provides students with engaging learning opportunities which include distinct aspects such as The Tiger Patch Learning Garden, the use of keyboards and ukuleles as part of their vocal music program, and a wide variety of technology

and hands-on learning tools. They also have the Law Enforcement Against Drugs (LEAD) Program provided by the Atlantic Highlands Police Department. Through this program, a local police officer will work with children, in grade 5, to help them learn to make appropriate choices and resist peer pressure.

The mission of Highlands Elementary School is to provide a safe environment for the study of a challenging and balanced curriculum which will enable students to become independent and critical thinkers. It serves students from preschool through sixth grade in a single school building, and expects that all students will achieve the New Jersey Student Learning Standards at all grade levels. Engaging opportunities and programs are provided for students to develop self-esteem, social values, and the motivation needed to continue individual growth while also developing a respect for cultural differences; these opportunities are provided both within and outside the school day. The school requires an active and responsible partnership of students, staff, community, and school board.

The Henry Hudson Regional School District is a single campus that educates students in grades 7-12. It grounds their education philosophy in the ideals of American democracy. They state that they are committed to helping each student grow in his/her understanding, in his/her appreciation and in his/her participation in democracy as a way of life. The school stresses that it is their responsibility to nurture a willingness on the part of the pupil to accept his/her responsibilities as a citizen. These responsibilities include: interest in local, national and international affairs, discriminating attitudes toward social, political, and economic forces and respect for individual and social differences. The HHRSD's published mission is to foster an inclusive community that promotes diversity of thought and experience in an achievement-oriented environment and prepares students to thrive as confident, critical thinkers. The high school also has received Middle States accreditation. The Middle State Association of Colleges and Schools is a non-profit association that aspires to improve the quality of education in the United States and around the world by assisting schools to achieve excellence through the process of accreditation, by affirming to the public a member school's trustworthiness and commitment to continuous improvement, by providing the network and resources for the promotion of proven practices.

Accreditation is a self-evaluation process that schools and school systems voluntarily use to demonstrate they are meeting a defined set of research-based performance standards. The standards examine schools in a holistic way, supplementing student-testing data to provide a more complete measure of a school's performance and chart a strategic and realistic course for continuous school improvement.

Administrative Structure/Governance

The current administrative structure for the Henry Hudson Tri-District schools includes one (1) shared Superintendent, two (2) Business Administrators - one shared between Atlantic Highlands and Henry Hudson Regional School Districts and one solely for the Highlands School District, one (1) shared Supervisor of Special Services, one (1) shared Director of Curriculum & Instruction, three (3) principals - one per school district building where each serve as the school's Affirmative Action Officer and Anti-Bullying Coordinator, there is one (1) Vice Principal at Henry Hudson Regional who also acts as the Dean of Students - Athletics, and lastly there is one (1) Technology Network Manager shared among all three districts.

In terms of governance, the Henry Hudson Tri-District's maintains three (3) separate Board of Educations: Atlantic Highlands and Henry Hudson Regional each hold a nine (9) member Board while Highlands operates under a seven (7) member Board.

Staffing

Currently the Henry Hudson Tri-District operates as three separate school districts: Atlantic Highlands and Highlands, which both serve elementary students (Preschool through grade 6), and Henry Hudson Regional which provides a public education to students in grades 7-12. In total, the Tri-District serves approximately 735 students: Atlantic Highlands = 255 with a 9:1 student to teacher ratio, Highlands = 180 with a 7:1 student to teacher ratio, and Henry Hudson Regional = 300 and an 8:1 student to teacher ratio. The chart below summarizes the certificated staff for each school district (see Exhibit 1).

Exhibit 1

| Atlantic Highlands Elementary School PK-6 = 255 Students 9:1 Student/Teacher Ratio | | Highlands Elementary School PK-6 = 180 Students 7:1 Student/Teacher Ratio | | Henry Hudson Regional School 7-12 = 300 Students 8:1 Student/Teacher Ratio | |
|--|----|---|----|--|----|
| Teachers *Spanish Teacher shared with HES | 30 | Teachers *Spanish Teacher shared with AHES | 24 | Teachers | 39 |
| Media Specialist | 1 | Media Specialist | 1 | Media Specialist | 1 |
| Nurse | 1 | Nurse | 1 | Nurse | 1 |
| CST* *AHES & HES share LDTC & School Psychologist | 3 | CST* *AHES & HES share LDTC & School Psychologist | 3 | CST | 3 |
| Counselors | 0 | Counselors | 0 | Counselors | 3 |

School Calendar

All schools in the Henry Hudson Tri-District follow the same school calendar for staff and students, and meet the New Jersey Department of Education's minimum of 180 instructional days for students as shown in the chart below (see Exhibit 2).

Exhibit 2

| Atlantic Highlands Elementary School PK-6 | | Highlands Elementary School PK-6 | | Henry Hudson Regional School 7-12 | |
|--|---|-------------------------------------|---|--------------------------------------|---|
| School days for staff | 187 (includes 4 in-service and 3 inclement weather days) | School days for staff | 187 (includes 4 in-service and 3 inclement weather days) | School days for staff | 187 (includes 4 in-service and 3 inclement weather days) |
| School days for students | 183 (includes 3 inclement weather days) | School days for students | 183 (includes 3 inclement weather days) | School days for students | 183 (includes 3 inclement weather days) |

Instructional Time

Instructional time is the amount of time that a typical student was engaged in instructional activities under the supervision of a certified teacher. The table below shows the start and end times and length of school day for a typical student at each school (see Exhibit 3).

Exhibit 3

| Atlantic Highlands Elementary PK-6 | | Highlands Elementary PK-6 | | Henry Hudson Regional School 7-12 | |
|---------------------------------------|---|------------------------------|--|--------------------------------------|--|
| Regular Day 8:15-3:00 | 6 hours 45 mins (6 hours 15 mins Instructional) | Regular Day 8:15-3:05 | 6 hours 50 mins (6 hours 5 mins Instructional) | Regular Day 7:45-2:25 | 6 hours 40 mins (6 hours 40 mins Instructional Full Time and 3 hours 20 mins instructional Shared Time) |
| Early Dismissal 8:15-1:00 | 4 hours 45 mins | Early Dismissal 8:15-1:00 | 4 hours 45 mins | Early Dismissal 7:45-12:30 | 4 hours 45 mins |
| Delayed 10:00-3:00 | 5 hours | Delayed 10:15-3:05 | 4 hours 50 mins | Delayed 9:45-2:25 | 4 hours 40 mins |

Class Schedules and Scheduling Methodology

Atlantic Highlands Elementary School implemented a new block schedule model for the 2021-22 school year, as opposed to their former nine period schedule (see Exhibit 4), with homerooms scheduled by grade bands according to the allotted minutes for each subject/program. The schedule includes the four main core subjects of English, math, social studies and science, of which English and math classes are held daily and the two latter ones meet weekly. Related arts classes (i.e., art, music, physical education) and social emotional learning occur daily along with 25-minute lunch and an accompanying recess; recess for elementary students K-5 is required by the New Jersey Department of Education.

Exhibit 4

| | BLOCKS OF TIME PER SUBJECT/PROGRAM | | | | | | |
|--------------------|--|------------------------|----------------------------|-----------------------------------|--------------------------------|-------------------------|---|
| Grade Bands | ELA Reading & Writing (daily) | MATH (daily) | SCIENCE (weekly) | SOCIAL STUDIES (weekly) | RELATED ARTS (daily) | LUNCH (daily) | RECESS & SEL Activities (daily) |
| Kindergarten | 90 minutes | 60 minutes | 40 min. - 3x per week | 40 minutes - 2x per week | 40 minutes | 25 minutes | 45 - 60 minutes |
| GR. 1 & GR. 2 | 90 minutes | 75 minutes | 40 min. - 3x per week | 40 minutes - 2x per week | 40 - 80 minutes | 25 minutes | 45 - 60 minutes |
| GR. 3 & GR. 4 | 90 minutes | 75 minutes | 40 min. - 3x per week | 40 minutes - 2x per week | 40 - 80 minutes | 25 minutes | 45 minutes |
| GR. 5 & Gr. 6 | 90 minutes | 60 minutes | 40 minutes - daily | 40 minutes - daily | 80 minutes daily | 25 minutes | 45 minutes |

Atlantic Highlands Elementary School operates on a trimester calendar. Report cards are given at the end of each trimester and interim progress reports are provided during each trimester. Report Cards and Interim Progress Reports are accessed through the Grading Tab in the Parent Portal on Genesis. Additionally, parent conferences are offered in December and March.

Highlands Elementary School students follow a more traditional nine period schedule in comparison to Atlantic Highlands. The schedule includes the four main core subjects of English, math, social studies and science, related arts classes (i.e., art, music, physical education) along with 25-minute lunch and an accompanying recess; recess for elementary students K-5 is required by the New Jersey Department of Education.

Highlands Elementary operates on a marking period calendar, with report cards given at the end of each one, and interim progress reports are provided. Report cards and interim progress reports are accessed through the Grading Tab in the Parent Portal on Genesis. Additionally, parent conferences are offered twice during the school year. In terms of honor roll, the school recognizes students in grades 4 - 6 who earn a final average of 90% or greater on their report cards, in all content areas; they are recognized with an Honor Roll certificate at the end of each marking period.

Henry Hudson Regional School operates a traditional eight period schedule with an approximate 35-minute lunch for all students in grade 7-12; students in grades 7-8 maintain a separate lunch from the high school students in grades 9-12 (see Exhibit 5).

Exhibit 5

| TIME SCHEDULE | | EARLY DISMISSAL | |
|---------------|---------------|-----------------|---------------|
| Period 1 | 07:45 – 08:28 | Period 1 | 07:46 – 08:18 |
| Period 2 | 08:31 – 09:21 | Period 2 | 08:21 – 08:56 |
| Period 3 | 09:24 – 10:07 | Period 3 | 08:59 – 09:32 |
| Period 4 | 10:10 – 10:53 | Period 4 | 09:35 – 10:08 |
| MS Lunch | 10:56 – 11:21 | Period 5 | 10:11 – 10:44 |
| Period 5H | 10:56 – 11:39 | Period 6 | 10:47 – 11:20 |
| HS Lunch | 11:42 – 12:07 | Period 7 | 11:23 – 11:56 |
| Period 5M | 11:24 – 12:07 | Period 8 | 11:59 – 12:30 |
| Period 6 | 12:10 – 12:53 | | |
| Period 7 | 12:56 – 01:39 | | |
| Period 8 | 01:42 – 02:25 | | |

To earn a Henry Hudson Regional School diploma all students must complete and pass 125 credits and complete the graduation requirements established by the State of New Jersey and the Board of Education (see Exhibit 6). In relation to course selection and scheduling at this high school level, the school encourages students to take between 35-40 credits per year, and those elective choices must be listed in order of preference and alternative courses must be selected by the students prior to final scheduling; vocational students are mandated to select a full schedule during preliminary scheduling.

The school emphasizes that all prerequisites must be met before taking an advanced course. If a student is dissatisfied with their course recommendation/placement, they may appeal. To begin the placement appeal process, the student must obtain an appeals form from their school counselor which in turn must be signed by their parent and/or guardian and then given to the appropriate subject area teacher. The appeals form is completed by the teacher and returned to the student's school counselor. The completed appeals form, student grades, and student test scores are used in determining correct class placement by the administration.

Initial recommendations for Honors and AP-level courses will be determined by teacher recommendations based on multiple measures, such as a student's ability to work independently, a student's writing ability, and a student's performance on various assessments, etc.

Exhibit 6



**New Jersey State Minimum¹ Graduation Requirements by
Content Area 120 credits ([N.J.A.C. 6A:8-5.1](#))**

| Content Area | Credits and additional requirements |
|--|--|
| English Language Arts | 20 credits |
| Mathematics | <p align="center">15 credits including:</p> <ul style="list-style-type: none"> • Algebra I or the content equivalent² • Geometry or the content equivalent² • Third year of math that builds on the concepts and skills of algebra and geometry and prepares students for college and 21st century careers |
| Science | <p align="center">15 credits with at least 5 credits in each:</p> <ul style="list-style-type: none"> • Laboratory biology/life science or the content equivalent • Laboratory/inquiry-based science course (i.e., chemistry, environmental science, or physics) • Laboratory/inquiry-based science course |
| Social Studies | <p align="center">15 credits including:</p> <ul style="list-style-type: none"> • 5 credits in world history • Integration of civics, economics, geography and global content in all course offerings • <i>N.J.S.A. 18A:35-1 and 18A:35-2</i> |
| Financial, Economic Business, and Entrepreneurial Business Literacy | 2.5 credits |
| Health, Safety, and Physical Education | <p align="center">15 credits over four years including:</p> <ul style="list-style-type: none"> • 3 ¾ credits in health, safety, and physical education during each year of enrollment, distributed as 150 minutes per week each year • <i>N.J.S.A. 18A:35-5, 18A:35-7 and 18A:35-8</i> |
| Visual and Performing Arts | 5 credits |
| World Languages | 5 credits |
| Technology | Integrated throughout all courses |
| 21st Century Life and Careers | 5 credits |

Henry Hudson Regional follows a traditional four marking period calendar. Report cards are given at the end of each quarter and interim progress reports are provided. Report Cards and Interim Progress Reports are accessed through the Grading Tab in the Parent Portal on Genesis. According to their student handbook, the responsibility of determining a marking period grade is that of the individual teacher. Evaluation in each course will be determined by the classroom teacher on the basis of class work, homework, quizzes, tests, attendance, responsibility, cooperation, initiative and other established criteria. Teachers will specify grading criteria and minimum course proficiencies at the beginning of each course. Students should report to the classroom ready for work with pens, pencils, notebooks, calculators for math, and textbooks, or whatever is required for that course that day.

Students in grades 9-12: These students enrolled in high school level courses do not receive any grade lower than a 50% for the first marking period. As provided in the student handbook, this strategy is implemented in order to assure that the student is able to recover in the three marking periods and pass the course for the year. After the first marking period, however, the student will receive the numerical average that is posted and accessed through the Grading Tab in the Parent Portal on Genesis.

Students in grades 7-8: These middle school-aged students do not receive any grade lower than a 50% for the first and second marking periods. This is to assure that the student is able to recover in the second half of the year and pass the course. The following grading scale was adopted by the Henry Hudson Regional Board of Education in February 2011 for students in grades 7-12:

| | |
|---------------|------------------|
| A+ = 100 – 97 | C+ = 79-77 |
| A = 96 – 94 | C = 76-74 |
| A- = 93-90 | C- = 73-70 |
| B+ = 89-87 | D = 69 - 65 |
| B = 86 – 84 | F = 64 and below |
| B- = 83 – 80 | |

Students are recognized for their outstanding academic performance by being placed on the honor roll at Henry Hudson Regional School. To receive the Principal's High Honor Roll, a student is to receive all grades of 95% or above. To receive the Distinguished Honor Roll, a student is to receive all grades of 89% or above. In order to be placed on the Honor Roll, a student is to receive all grades of 86% or above (this is the numerical average in the course-not the weighted equivalent of the course).

Curriculum and Instruction

The same comprehensive curriculum is used for PK-6 for both Atlantic Highlands Elementary & Highlands Elementary, and there is separate curriculum for the students in grades 7-12 who attend Henry Hudson Regional. The Tri-District curriculum guides all utilize the same format, include proper alignment of New Jersey Student Learning Standards, as well as outlines of units of study, pacing, essential questions, enduring understandings, unit objectives, evidence of learning, resources, and

modifications/accommodations for the following special student populations: *Students with Disabilities, Students with 504 Plans, Students at Risk of School Failure, English Language Learners, and Gifted and Talented*. All PK-6 and 7-12 curriculum were revised and Board approved for all subjects between early 2017 - July 2021, and were developed by members of staff from all three schools of the regionalized district.

Gifted and Talented, Elective and Advanced Placement Courses

All three schools in the regionalized Tri-District provide several opportunities for enrichment and enhancement at both the K-6 and 7-12 levels. Additionally, all curriculum guides which are created and utilized consistently throughout the Tri-District contain detailed suggested modifications for gifted and talented students. Strategies are documented for teachers that include, but are not limited to the following; Use of high-level academic vocabulary/texts, have students do an independent reading along with class reading, encourage higher level reading text to challenge the students, encourage students to do an independent project, peer teaching, have them as the leader for group work activities, problem-based/project-based learning; these can be found as an appendix in each separate curriculum course guide.

Both Atlantic Highlands Elementary and Highlands Elementary have implemented a Gifted and Talented program called *Quest: The Tri-District School-wide Elementary Enrichment, Exploration, and Excellence Programming*. Quest is a multi-layered approach to enrichment and gifted education that incorporates accelerated instruction opportunities for all students. It is described as being an inquiry and interest-based approach to education. The three core components of Quest are Enrichment & Innovation, Explorations, and EXCELerate (see Exhibit 7). Enrichment & Innovation as well as Explorations will be implemented during the 2021-2022 school year; interest meetings and the application process begin midyear for EXCELerate.

Students are identified via multiple measures which include, but are not limited to: Student letter of interest/commitment, Parent/Guardian recommendation/commitment, Teacher recommendation, Student portfolio or presentation (from work in Enrichment & Innovation or Explorations Program), Academic data, Gifted screening tools.

Pull-out programming for identified students will occur at least bi-weekly. Programming will not be subject-specific. Instead, programming will be multidisciplinary with cross-content standards. The focus is on accelerated application of higher academic standards, exploration, research, communication, problem solving, and critical thinking. Students will set individual S.M.A.R.T. goals for learning and work with teachers to customize individual learning plans during instruction. Students must maintain certain benchmarks and criteria to remain in the program based on prescribed rubrics.

Exhibit 7

**Atlantic Highlands Elementary and Highlands Elementary
Gifted and Talented Programming**

K-6 Overview: Quest is a multi-layered approach to enrichment and gifted education that includes enrichment and accelerated instruction opportunities for all students. It is an inquiry and interest-based approach to education. The three core components of Quest are Enrichment & Innovation, Explorations, and EXCELeRate. Enrichment & Innovation as well as Explorations will be implemented during the 2021-2022 school year. Screening will begin at the end of the 2021-2022 school year for EXCELeRate. Prior to this program transition, identified students in grades 3-6 will receive pull-out instruction under our present gifted and talented model, which is referenced below:

Atlantic Highlands Elementary School for Grades 3-5: Identified students have the opportunity for modifications to core curriculum as well as periodic pull-out consultations with the assigned teacher. Students who are pulled out for these enhanced learning opportunities are expected to maintain their core classroom performance.

Atlantic Highlands Elementary School for Grade 6: Identified students have the opportunity to be placed in Challenge ELA/Math courses. These courses are designed based on grouping, curriculum compacting, and acceleration.

Highlands Elementary School for Grades 3-6: Identified students have the opportunity for modifications to core curriculum as well as periodic pull-out consultations with the assigned teacher. Students who are pulled out for these enhanced learning opportunities are expected to maintain their core classroom performance.

Students are identified via multiple measures such as grades, district benchmark assessment scores, and teacher recommendation. There are two primary windows for the identification of students which occurs in September and October as well as February and March; additional identification occurs on a case-by-case basis as needed.

Enrichment & Innovation: Grades K-6 Enrichment & Innovation programming includes weekly interest-based and problem-based learning opportunities for all students. This replaces technology or i-Lab with additional push-in enrichment opportunities during center time or social studies/science. This curriculum focuses on critical thinking, problem solving, inquiry and research, strengthening communication, and collaboration.

Explorations: Explorations is a voluntary self-paced program open to all students in grades 2-6. Students identify what they want to learn about, how to research, discover the topic of interest, create a hypothesis, and generate new knowledge, ideas, products, or solutions. These can be individual or small group passion or capstone projects. Students will engage in self-paced full-year or half-year projects with support from teachers and experts that they choose. Culminating presentations will occur at the end of the school year.

EXCErate: EXCErate includes more intensive accelerated learning opportunities for identified grades 3-6 students. Core content will be presented in a way that promotes critical thinking, collaboration, problem solving, and more authentic application.

Pull-out programming for identified students will occur at least bi-weekly. Programming will not be subject-specific. Instead, programming will be multidisciplinary with cross-content standards. The focus is on accelerated application of higher academic standards, exploration, research, communication, problem solving, and critical thinking. Students will set individual S.M.A.R.T. goals for learning and work with teachers to customize individual learning plans during instruction. Students must maintain certain benchmarks and criteria to remain in the program based on prescribed rubrics.

At Henry Hudson Regional, gifted and talented students in grades 7-12, are guided by their assigned grade level counselor as well as their classroom teachers. Initial placement occurs in March and April of the preceding school year and on a case-by-case basis, as needed.

Identified students in grades 7-8 are eligible for Pre-Algebra/Algebra/Geometry Honors and Enrichment English Language Arts and Science courses at Henry Hudson Regional School. A matrix of multiple measures and academic criteria based on grade level expectations is utilized to identify students (see Exhibit 8). Of importance, enrollment in similar grades 3-6 programming does not guarantee continued enrollment in Pre-Algebra and Enrichment courses at Henry Hudson Regional School, nor is a student required to have participated in this type of programming in order to access these courses.

Exhibit 8

Grade 7: Pre-Algebra and Enrichment English Language Arts and Science

- Prior year i-Ready benchmark scores for Mathematics and English Language Arts
- Pre-Algebra LinkIt! score
- Prior year grades
- Prior year New Jersey Student Learning Assessment Mathematics, English Language Arts, and Science scores when available
- Teacher recommendation

Grade 8: Algebra, Geometry Honors, and Enrichment English Language Arts and Science

- Prior year LinkIt! scores for Mathematics and English Language Arts
- Prior year grades
- Prior year New Jersey Student Learning Assessment Mathematics, English Language Arts, and Science scores when available
- Teacher recommendation

Students in grades 9-12 are afforded the opportunity to participate in Honors and Advanced Placement (AP) courses and to receive differentiated instruction in the regular classroom setting. Henry Hudson Regional offered nine (9) of these College Board courses in the 2020-21 school year and included Biology, Calculus AB, English Language/Composition, English Literature/Composition, Psychology, Spanish, Studio Art, and United States History; Physics, Music Theory and Environmental Science are among new Advanced Placement offerings for 2022-23 school year. According to the New Jersey Department of Education's 2020-21 School Performance Report for Henry Hudson Regional, 51.7% of its students in grades 11-12 were enrolled in one or more AP courses, with a total of 91 exams taken of which 49 exams scored at least a 3 or better. Specific to electives, almost forty (40) courses are provided and also appeal to students for enrichment opportunities in various areas of student strength and interest.

The school also offers a STEAM Academy which maintains a sequence of courses for eligible students and follows an accelerated and enriched pace and curriculum. As published on the school's website, the goal of the STEAM Academy at Henry Hudson Regional is to ensure that students graduate with the knowledge and experience necessary to prepare them for future study and careers in science, technology, engineering, arts, and mathematics. STEAM Academy students are expected to participate in one or more extracurricular activities related to their specialty such as science club, robotics competition, health careers club, Skills USA, technology/robotics club, theater management, academic competitions, concert band, marching band, A cappella Choir and ARTE club. Additionally, they are expected to maintain a minimum of a "B-" (80%) average in order to receive endorsement on their transcript; all students who fulfill the outlined requirements will receive an endorsement on their diploma.

A matrix of multiple measures and academic criteria based on grade level expectations is utilized to identify students (see Exhibit 9).

Exhibit 9

Grades 9-12: Honors Courses

- Prior year final grade for applicable content area
- Prior year LinkIt! score for applicable content area
- New Jersey Student Learning Assessment score of Proficient or Advanced Proficient for applicable content area when available
- Teacher recommendation

Grades 9-12: Advanced Placement Courses

- Prior year final grade for applicable content area
- Prior year LinkIt! score for applicable content area
- New Jersey Student Learning Assessment score of Advanced Proficient for applicable content area when available
- Teacher recommendation

Grades 9-12: STEAM Academy

- Students entering 9th grade will be selected for the STEAM Academy on the basis of past academic performance and teacher recommendation
- Prior academic records
- Prior honors and awards
- Participation in extracurricular activities
- Application essay
- New Jersey Student Learning Assessment Mathematics, English Language Arts, and Science scores when available
- Teacher recommendation including a scale of 1-5 and commentary

Additionally, the Monmouth County Arts Middle School and High School is a special release time program for artistically gifted and talented teens. Students are selected for the program by portfolio or audition. Those accepted into the program are then reviewed by Henry Hudson Regional staff. Students must have and maintain an 83% average in his/her core academic classes to participate, and may not have a grade lower than a “C” on his/her Quarter One Report Card. If a student meets the academic criteria, the teacher completes an evaluation that measures learning behaviors and areas of exceptional student strength. These areas include core academic areas as well as critical thinking, creativity, leadership, intrinsic motivation, task commitment, and curiosity. Arts High School students are awarded 1.25 credits at the successful completion of the 14- week program, however, the grade is not included in the student’s GPA.

Students and parents/guardians are required to sign a contract in order to participate in the program. Accepted students are bussed off campus on the assigned afternoon, once per week, to another location; transportation home from Henry Hudson is the responsibility and cost of the student/parent/guardian. Application, acceptance and college credit fees are the responsibility of the students; however, once accepted, Henry Hudson Regional will pay tuition costs (pending budget approval). If a student does not maintain an 83% average in his/her core academic classes, he/she must be removed from the program and the student will be responsible for all fees accrued. Students who drop out of the program may be required to reimburse the district for program costs.

Other Enrichment Courses/Opportunities

At Henry Hudson Regional, students in grades 9-12 are also afforded academic enhancement opportunities aside from the traditional Honors and Advanced Placement pathways. The school district provides distance learning primarily for students in grades 11-12, has a dual enrollment program with Brookdale Community College, along with a Fast Start program with the same higher education institution, a Structured Learning Experience (SLE) for students in grade 12, and a partnership with Monmouth County Vocational School District.

The school's Distance Learning Program limits up to two (2) online courses per student in grades 11 and 12 only, unless the student is selecting an alternate World Language in grade 9; no 12th grader is eligible to take a 1st year World Language course online. Online course providers are provided through Educere and Monmouth Ocean Educational Services Commission (MOESC). Student progress will be directly reported via email by the provider throughout the duration of the course. Henry Hudson Regional does not report grades until the course is completed and a final grade is posted by the online provider. If enrolled in an online course during senior year, in order for the final grade to be calculated into the student's 3rd marking period grade point average (GPA), the course must be completed and a final grade must be posted by the online course provider by the end of the 3rd marking period. A contract must be signed by the student and parent/guardian prior to registration. There may be a fee incurred by the parent/guardian for a course that is dropped after the add/drop period as defined by the course provider. Reimbursement to the district will be required for a failed course as stated in the contract.

Henry Hudson Regional School District allows qualified high school students to enroll in college courses and simultaneously earn credit toward a high school diploma and a post-secondary degree. The goal of the Dual Enrollment Program is to give qualified high school students the opportunity to experience college courses and prepare for the academic rigor of college. Applicants must take the ACCUPLACER (a basic skills placement test) and pass all sections or have the following SAT/ACT scores: Math score of 530 to be waived from the arithmetic and elementary algebra sections of ACCUPLACER Critical Reading score of 540 to be waived from the reading comprehension and sentence skills section of ACCUPLACER. ACT Reading score of 23 or higher will waive a student from the reading portion of the test ACT Writing score of 23 or higher will waive a student from the sentence skills portion of the test ACT Math score of 22 or higher will waive a student from the math (computation and elementary algebra) portion of the test. To remain in the program, the student must maintain a minimum GPA of 2.0 at the college Students participating in the Dual Enrollment Release Program are responsible for all costs associated with attending Brookdale Community College including full tuition, books, fees, course materials, and transportation. In addition to this partnership with Brookdale Community College, a new BCC Fast Start program provides

students in grades 10-12 an opportunity to earn college credits while in high school. Students must be 15 years old to participate in the program.

The Structured Learning Experience (SLE) program offered at Henry Hudson Regional is an experiential opportunity for students in grade 12 who would like to work in their field of interest/career. Qualified students are placed on an approved job (paid or unpaid) by the SLE Coordinator. In addition to being paid by the employer, the student continues to earn credits towards graduation. Although the school makes every effort to notify students of applicable employment opportunities, students are responsible for securing their employment prior to being eligible to participate in SLE. To be eligible for a structured learning experience the student must be on track for meeting graduation requirements. Students are required to maintain and submit a portfolio/journal to demonstrate that they have met the goals and objectives of the experience, along with a timesheet.

Lastly, Henry Hudson Regional School provides interested students with shared time at Monmouth County Vocational School District. The Monmouth County Vocational School District is a separate school district that offers vocational and technical training on a half-day basis to students registered in the county's public schools. Henry Hudson Regional School students who express interest in an occupational area undergo a transcript and attendance record review, must have an overall "C" grade point average, and a minimum of 65 credits earned by the end of sophomore year. The shared-time (½ day at HHRS, ½ day at MCVSD) programs are designed to meet the interests, abilities, and needs of the students enrolled. The shared time program is structured to prepare students for a wide range of promising careers in many occupational fields or prepares students for further education in their chosen career. The programs are also a link between school and the workforce where students learn the skills necessary to obtain a job. The shared-time vocational program is for eleventh (11) and twelfth (12) grade students who have accumulated sixty-five (65) credits by the end of their sophomore year (10th grade).

Special Education Programs and Programs for Other Special Populations

The Tri-District Special Services department in each constituent district provides a wide variety of services to students with disabilities. Programs include intensive instruction and support according to the individual student's program, resource rooms to provide replacement instruction in small group settings, collaborative teaching models that utilize the expertise of both general education and special teachers, and in-class support for supplemental support in the general education setting. The district also provides speech therapy, occupational therapy, physical therapy, and counseling as related as described in the Individual Education Plan.

Students receiving Special Services have specific goals and objectives, as well as modifications and accommodations, within their Individualized Education Plans (IEP)/504 Plans. Instruction is differentiated based upon the student's needs as outlined in their IEP/504 Plan, along with the strategies that include, but are not limited to the following areas: time, processing, comprehension, recall, assistive technology, assessments/grading, behavior/attention, organization.

The Tri-District also offers Academic Support Instruction (ASI) and which are designed to assist students who are not demonstrating academic proficiency expected at their grade level. There is a balance of push-in and pullout ASI at Atlantic Highlands Elementary, Highlands Elementary, and Henry Hudson Regional. All curriculum guides which are created and utilized consistently throughout the Tri-District contain detailed suggested modifications in the aforementioned areas for Special Education and 504 students as well as those identified as 'high risk' in Math, Reading & Writing; these can be found as an appendix in each separate curriculum course guide.

The Tri-District also makes provisions for its English Language Learners (ELL). When making accommodations for ELL students in the area of reading, it is important to remember that there is a difference between listening and speaking and reading and writing. Some English Language Learners might be considered advanced in speaking, but functioning at a beginning instructional level when it comes to reading with fluency. Strategies are documented for teachers that include, but are not limited to,

the following areas: pacing, presentation of subject matter, reinforcement and follow through, grading, environment, assignments, materials, and assessments.

All curriculum guides which are created and utilized consistently throughout the Tri-District contain detailed suggested modifications in the aforementioned areas for ELL students in Reading, Writing, Math, Science and Social Studies; these can be found as an appendix in each separate curriculum course guide.

Student Support Services

The Tri-District Special Services department maintains and adheres to the same procedures and guidance for providing support services to students with disabilities, or who may be eligible for the services.

The Child Study Team (CST) is a group of professionals employed by each of the Tri-District's Board of Education who provide consultative, evaluative, and prescriptive services to teachers and parents in regard to students who are experiencing school related difficulties; members of the Child Study Team, as determined by the New Jersey Department of Education, are a school psychologist, a learning disabilities teacher-consultant and a school social worker.

The school psychologist has expertise in determining a child's level of cognitive and conceptual development. In addition, the psychologist is concerned with the emotional status of the student, and how both internal and external factors may affect behavior and performance in school. The school psychologist works with both general education and special education teachers to maximize a student's potential.

The Learning Disabilities Teacher Consultant (LDTC) is an integral part of the Child Study Team in evaluating, classifying and recommending programs for pupils. The LDTC consults with other district personnel, e.g., principals, social workers, school psychologists, counselors, teachers and related services personnel regarding pupil's behaviors and needs. They administer educational testing as recommended by evaluation plans and provide instructional and curricular consultation for educators. The LDTC participates in the development of IEPs as well as developing interventions in the classroom. In addition

to being a highly specialized educational consultant, the LDTC also serves as a Case Manager for assigned pupils.

The expertise of the social worker lies in assessing the student relative to the family, the school, and the community. The social worker provides services to students to enhance their emotional well-being and improve academic performance. To achieve this, the social worker will: conduct social histories, provide individual and/or group counseling services, provide crisis management services, serve as case manager, and advocate for student services and students' best interest. The social worker also collaborates with teachers and other support staff to support students' social-emotional development.

To that end, there are three (3) members assigned to the Child Study Team (CST) of each of the constituent school districts however, Atlantic Highlands Elementary and Highlands Elementary share a Learning Disabilities Teacher Consultant and a School Psychologist; Henry Hudson Regional maintains its three CST members wholly within the school. Additionally, two (2) guidance counselors are on staff at Henry Hudson Regional School assigned either to students in grades 7-9 or grades 10-12, and a School Assistance Counselor (SAC) is also a member of the school's faculty and is a resource to its student body.

In all three constituent districts, the referral process is the same and begins with a written request that can be made for an evaluation; this is given to the school district when a child is suspected of having a disability and might need special education services. In most instances, the student suspected of having a disability will first be referred to the Intervention and Referral Services Team (I&RS). If, as a result of the interventions recommended by the team, the student continues to experience difficulties in the general education classroom, the I&RS Team will determine the next course of action which could include amending the Action Plan, determining 504 eligibility, or referring the student to the Child Study Team for evaluation.

Once the referral has been made the Case Manager has twenty (20) calendar days (excluding school holidays) to schedule an Identification Meeting. The necessary personnel expected to attend this meeting would be a social worker, psychologist, learning disabilities teacher-consultant, classroom

teacher, speech & language specialist (if the suspected disability included that area or the child was age 3-5) and certainly the parent.

Once a request for a Child Study Team evaluation is made, an Initial Planning/Identification Meeting must be scheduled. At that meeting it is determined if a Child Study Team Evaluation is warranted and if so, an Evaluation Plan is developed. If the team determines an evaluation is not warranted, they may refer to the school's I&RS committee, requesting that the I&RS committee amend the current Action Plan and/or refer the child to the 504 committee.

An evaluation is the process used to determine whether your child has a disability. This process includes a review of any relevant data, and the individual administration of any tests, assessments and observations of your child. For an initial evaluation, at least two child study team members and other specialists, as required or as determined necessary, must participate. A minimum of two assessments of your child are needed to determine eligibility for special education and related services. Each assessment must be conducted by a person who has appropriate training, or who is qualified to conduct the assessment through his or her professional license or certification; an evaluation is needed when the parent(s), the members of the child study team and your child's teacher meet and decide that your child may have a disability.

Once it is determined that assessments are necessary an initial evaluation plan is developed and the parent/guardian gives written permission. The district then has ninety (90) days to complete the necessary evaluations. Within the ninety (90) days an Eligibility Conference is scheduled where the evaluations are interpreted, and it is determined if the student is eligible for special education and/or related services.

The Tri-District's Special Services Department clearly outlines who can make a referral and is unilaterally applied to all three constituent districts of Atlantic Highlands Elementary, Highlands Elementary, and Henry Hudson Regional School (see Exhibit 10).

Exhibit 10

| Henry Hudson Regional Tri-District | |
|--|--|
| Who Can Initiate a Referral for Special Education Services | |
| Students between the ages of 3 and 21 suspected of having an educational disability may be referred to the Child Study Team for an evaluation. | |
| 1. | School staff and/or the building administrator(s) can refer a student to the Child Study Team through their school-based Intervention and Referral Service (I&RS) teams. The I&RS teams are building-based, interdisciplinary teams that meet regularly to develop intervention plans for students experiencing significant academic and/or social/emotional difficulties in the classroom. Once the I&RS has exhausted its resources and determines that additional information may be necessary, the I&RS team forwards a Child Study Team referral to the Office of Special Services. The Supervisor of Special Services forwards the request to the school's Child Study Team who schedules an Initial Planning Meeting with the parent(s), Child Study Team and the student's teacher(s) to discuss the student's academic and/or social/emotional difficulties and a possible evaluation for Special Education and Related Services. |
| 2. | Parent(s)/guardian(s) may initiate a Child Study Team referral for their child who may be experiencing significant academic and/or social/emotional difficulties in the classroom by contacting the Office of Special Services and forwarding the request in writing. |
| 3. | Administrators or Outside Agencies: If a student is experiencing significant academic and/or social/emotional difficulties in the classroom and the intervention plan has been unsuccessful in mitigating these difficulties the Principal, other building administrators or an individual from a state agency may refer a student to the Child Study Team; CST includes a school psychologist, a learning disabilities teacher-consultant, and a school social worker. These professionals are all certified and employed directly by the Henry Hudson Regional Tri-District Board of Education. |

Extra and Co-curricular Activities

Each of the Henry Hudson Regional Tri-District's schools offers students varied extra and co-curricular opportunities to enrich the overall educational experience and have recently expanded particularly at Atlantic Highlands Elementary (AHE) and Highlands Elementary (HE). It is important to note that Henry Hudson Regional School offers students in grade 6 at AHE and HE the opportunity to participate in their middle school fall sports program (see Exhibit 11).

Exhibit 11

**Henry Hudson Regional Tri-District
Extra and Co-Curricular Activities**

Atlantic Highlands Elementary

- Student Council
- Yearbook Club
- Boys & Girls Intramural Sports
- Photography Club
- Technology Club
- Student Green Team
- National Elementary Honor Society
(by qualification/invitation only) - Gr. 4, 5 & 6
- 6th grade students are also given the opportunity to participate in Fall sports at Henry Hudson

Highlands Elementary

- Safety Patrol
- Student Council
- Art
- Music
- National Elementary Honor Society
(by qualification/invitation only) - Gr. 4, 5 & 6
- School Play
- Community/Student Assistance Program
- Helping Hands/Homework Center
- T.A.L.K. PROGRAM
- 6th grade students are also given the opportunity to participate in Fall sports at Henry Hudson

Henry Hudson Regional

- | | |
|--|--|
| <ul style="list-style-type: none"> • A Capella Choir • ARTE Club • Book Club • Chess Club • Gay/Straight Alliance • Health Careers Club • International Club • Newspaper • Key Club • Marching Band • Pep Band • Jazz Band • High School Theater • Middle School Theater • National Honor Society (Invitation Only - Grades 9-12) • Jr. National Honor Society (Invitation Only - Grades 7-8) • Odyssey of the Mind | <ul style="list-style-type: none"> • Baseball - Varsity • Basketball (Boys) - Varsity • Basketball (Girls) - Varsity • Bowling (Boys and Girls) - Varsity • Cheerleading - Varsity • Cross Country (Boys and Girls) - Varsity • Field Hockey - Varsity • Soccer - Varsity • Softball - Varsity • Tennis (Boys) - Varsity • Tennis (Girls) - Varsity • Spring Track - Varsity • Winter Track - Varsity |
|--|--|

| | |
|--|--|
| <ul style="list-style-type: none"> • SADD Club • Science Club • Skills USA • Student Council • Robotics • Yearbook | |
|--|--|

Recommendations and Next Steps

In the education area, the feasibility study found that students in the three Henry Hudson Tri-District schools will continue to have available to them a high quality educational program at both the elementary and secondary levels, and that Atlantic Highlands, Highlands, and Henry Hudson Regional students will benefit from the additional and combined resources that will inherently come along with the advantages of one seamless PK-12 governance structure, which none of the three schools currently have in its entirety.

The following conclusions and recommendations reflect an in-depth analysis of the educational programming with the Tri-District:

1. Restructuring the current district's model by shifting to a limited all-purpose PK-12 one, would result in a more efficient operation within. The tightening of the Central Office administration and Board of Education, much like the Wallace Group Study that examined the role of its president overseeing three separate business entities, the reorganization of its Central Office staff and an accompanying unified Board of Education would provide for a better alignment of strategic management by the Superintendent. The current Central Office structure would essentially remain the same and would continue to include one (1) Superintendent, one (1) Supervisor of Special Services and one (1) Director of Curriculum and Instruction; the recommended change would be a reduction from two (2) Business Administrators to one (1) who would oversee the fiscal operations of the three schools within the PK-12 district. Additionally, it is recommended under the proposed limited all-purpose district that the current three (3) Boards of Education shift to one (1), and that it would be composed of nine (9) members. This would

reduce the need for the Superintendent to get involved in settling such things as disputes and negotiations if only working alongside one cohesive Board of Education instead of three.

2. The new limited all-purpose regional district should retain the two PK-6 neighborhood schools and the one 7-12 school model, and therefore should retain all three (3) principals with one per school; the Vice Principal/Dean of Students at Henry Hudson Regional should remain at this level and continue oversight of middle school athletics as well.
 - a. There would be no impact to transportation costs or administrative staffing in this model (i.e., procuring new routes, loss of drivers).
 - b. All three regional districts currently follow the same school calendar, therefore, there would not be an impact on realigning/adjusting instructional days for students of in-service days for staff
 - c. Atlantic Highlands Elementary & Highlands Elementary have an approximate 10 minute differential to their school day/instructional time along with a trimester/semester variation of their grading and reporting windows; it is recommended that depending on the final organization of the two PK-6 grade buildings, that a phase in adjustment to both be made for consistency purposes which would also need to be finalized according to any new Collective Bargaining Agreement under a newly formed Association.
 - d. Atlantic Highlands Elementary & Highlands Elementary also operate under two different bell schedules; it is recommended that depending on the final organization of the two PK-6 grade buildings, that a phase in adjustment to both be made for consistency purposes and shared staff.
3. The students currently enrolled in the regionalized Tri-District would not be significantly impacted by a shift to limited all-purpose regional district.
 - a. The same comprehensive and challenging curriculum is used in grades PK-6 for both Atlantic Highlands Elementary & Highlands Elementary, and there is separate curriculum for Henry Hudson Regional grades 7-12. The Tri-District curriculum guides all utilize the

- same format, include NJSLs alignment, as well as units of study including pacing, essential questions, enduring understandings, unit objectives, evidence of learning, resources, and modifications /accommodations for the following special student populations: Students with Disabilities Students with 504 Plans Students at Risk of School Failure, English Language Learners, and G&T; this includes academic support and enrichment programs as well. Vertical and horizontal articulation clearly already exists allowing for seamless /cost-saving professional development among the staff and the unification of the three regional districts would only enhance data collection, analysis, and follow through of the New Jersey Student Learning Standards.
- b. Class sizes would not be impacted if the new limited all-purpose district maintains the current operating structure of the two PK-6 neighborhood schools and the current configuration of the 7-12 school.
 - c. Staff impacts:
 - i. 1 Spanish Teacher shared between Atlantic Highlands Elementary and Highlands Elementary, as well as a shared LDTC and School Psychologist; if current enrollment of students (total population) and those who are classified as in need of Special Services remains status quo, there would not be a need to increase these three positions by an additional one.
 - ii. Additionally, there should be no need to increase staff, in general terms, in the new proposed limited all-purpose regional district as the current elementary staff should all hold either a Preschool-3 or K-5 New Jersey instructional certificate and can be reassigned as needed in the new limited all-purpose regional district configuration.
 - d. Special education programs and services are consistently provided and adhered to in the current regionalized district with the requirements of the IDEA, and should be able to

maintain their current services to eligible students in the new limited all-purpose regional proposed configuration.

- e. Some increased enrichment opportunities and partnerships would be available to students in the limited all-purpose regional proposal at the elementary level where a combination and consolidation of extracurricular activities would need to take place and be offered consistently between both Atlantic Highlands Elementary and Highlands Elementary.

All three schools in the regionalized district utilize the same student information management system and website, therefore, there should not be any financial impact to reorganization, and all current staff, students, and families are all already familiar with these platforms.

Part II: Education Finance Analysis

SBO Management LLC (SBO) was contracted by Kean University to conduct a thorough financial analysis of the current organization of the Tri-District and the proposed regionalization of the Tri-District alone, and including any feasible districts within the geographic region. The only district in addition to the current Tri-District constituent districts that SBO determined were feasible and subsequently analyzed was Sea Bright. SBO examined financial implications of the creation of an all-purpose PK-12 regional school district with and without Sea Bright. Specifically, the following four scenarios were studied: (a) continuing the existing Henry Hudson Limited Purpose Regional which serves students from Atlantic and Highlands in grades 7-12, (b) the creation of an all-purpose PK-12 regional school district that consolidates Atlantic, Highlands, and Hudson and uses the current apportionment method to allocate the regional tax levy amongst the two communities, (c) the creation of an all-purpose PK-12 regional school district that consolidates Atlantic, Highlands, and Hudson and which implements a net savings sharing agreement, and (d) the creation of an all- purpose PK-12 regional school district that consolidates Atlantic, Highlands, Hudson and Sea Bright, focusing on variables such as state-aid, local tax levies, apportionment scenarios, cost savings.

For the purposes of this study, the following assumptions were made:

1. Voters of Highlands Borough and Atlantic Highlands Borough would both be motivated to approve a question where there exist only “winners”. That is, cost reductions would exist for both Boroughs.
2. All tax levy increases would reflect the maximum two percent (2%) increase and that no banked cap would be utilized to increase levies beyond the two percent (2%).
3. Any cost reductions to the budget, including personnel outlined in this study would be approved by the Board of Education of the newly formed All-Purpose Regional District.

4. Grade configurations of the existing Tri-District schools would remain the same.
5. Senate Bill S3488, P.L. 2021, c. 402 would allow existing collective bargaining agreements to expire at which time the Board of Education of the newly formed all-purpose PK-12 regional school district would need to negotiate an all-compassing collective bargaining agreement. This study did not make any assumptions on the value of this new collective bargaining agreement.
6. The State of New Jersey will continue to provide state-aid pursuant to the School Funding Reform Act of 2008 (SFRA), as modified by Senate Bill 2 (S-2).
7. Grant amounts, including ESEA, IDEA, and PEA would not decrease.
8. The equalized value of real property in each community will continue in a manner consistent with the trend from fiscal year 2018 to fiscal year 2022.
9. Existing assets among the districts will become assets of the all-purpose regional school district.
10. Shared services agreements between the constituent members of the current Tri-District will terminate upon consolidation.
11. Current operating budgets for the impacted districts and the projected current operating expenses of the newly constituted regional school district would simply be an aggregate of the Tri-District constituent district budgets less the cost savings outlined in Table 10.
12. Transportation issues including distance between schools and communities, routes, and projected costs are assumed to be not applicable since the grade configurations of the constituent districts of the Tri-District will remain as they are currently.
13. All costs due to the condition of school buildings, including educational adequacy, anticipated expansion or enhancement, and maintenance are assumed moot since the newly formed all-purpose regional school district will assume all these costs.

The primary methodology for this study was to analyze all factual and public financial data to draw conclusions on efficiency, determined solely by the aggregate amount of savings for the newly formed all-purpose regional school district when compared to the status quo. In addition, this narrative will heavily rely on the reader to read the well-organized financial tables following this paragraph and draw conclusions.

Financial Data

Below are several tables that SBO is including in this study for reference and to answer any basic financial questions related to the Tri-District constituent districts. Table 1 outlines the most recent data available on the Tri-District constituent districts. Table 2 outlines the shared services agreement currently in force.

Table 1:
Budgetary Costs Per-pupil

| Operating Type/ Enrollment Group | County | District Code | District Name | 2017-18 Actual Per Pupil Amount | 2017-18 Ranking Within Group | 2018-19 Actual Per Pupil Amount | 2018-19 Ranking Within Group | 2019-20 Budgeted Per Pupil Amount | 2019-20 Ranking Within Group |
|-------------------------------------|----------|---------------|----------------------------|--|---------------------------------------|--|---------------------------------------|--|---------------------------------------|
| A. K-6 | Monmouth | 130 | Atlantic Highlands Borough | 15,803 | 30 57 | 16,494 | 27 57 | 17,293 | 27 57 |
| A. K-6 | Monmouth | 2160 | Highlands Borough | 20,469 | 52 57 | 22,225 | 52 57 | 24,605 | 55 57 |
| H. 7-12/9-12 | Monmouth | 2120 | Henry Hudson Regional | 21,787 | 46 46 | 22,234 | 44 46 | 23,160 | 44 46 |

Source: 2020 Taxpayer's Guide to Education Spending.

Table 2:
Shared Services in the Tri-District

| Service | Participating Districts | | | Terms of Agreement (AH / HB / HH) | Years of Agreement | Start Date | End Date |
|---|-------------------------|-----------|--------------|--|-----------------------|------------|------------|
| | Atlantic Highlands | Highlands | Henry Hudson | | | | |
| Snow plowing, grounds and field maintenance services | | | X | \$34,000 Paid annually by Henry Hudson to Borough of Highlands Public Works | 5 | 2019-09-01 | 2023-09-01 |
| School Psychologist | X | X | | 60% / 40% Cost Sharing | Annual | 2021-09-01 | 2022-08-31 |

| | | | | | | | |
|--|---|---|---|------------------------------------|--------|------------|------------|
| Speech Language Specialist/Pathologist | | X | X | 80% / 20% Cost Sharing | Annual | 2021-09-01 | 2022-08-31 |
| Learning Disabilities Teacher Consultant (LDTC) | X | X | | 60% / 40% Cost Sharing | Annual | 2021-09-01 | 2022-08-31 |
| Supervisor of Curriculum and Instruction | X | X | X | 33.3% / 33.3% / 33.3% Cost Sharing | Annual | 2021-09-01 | 2022-08-31 |
| Network Administrator | X | X | X | 40% / 20% / 40% Cost Sharing | Annual | 2021-09-01 | 2022-08-31 |
| Spanish Teacher | X | X | | 60% / 40% Cost Sharing | Annual | 2021-09-01 | 2022-08-31 |
| Supervisor of Special Services | X | X | X | 33.3% / 33.3% / 33.3% Cost Sharing | Annual | 2021-07-01 | 2022-06-30 |
| Special Education Teacher/Reading Interventionist | X | X | X | 50% / 15% / 35% Cost Sharing | Annual | 2021-09-01 | 2022-08-31 |
| Superintendent | X | X | X | 33.3% / 33.3% / 33.3% Cost Sharing | 3 | 2021-07-01 | 2024-06-30 |
| Administrative Assistant to the Business Administrator/Payroll Clerk | X | | X | 40% / 60% Cost Sharing | Annual | 2021-07-01 | 2022-06-30 |
| Shared SBA/BS | X | | X | 40% / 60% Cost Sharing | 3 | 2020-07-01 | 2023-06-30 |
| Transportation for Special Education Students | | X | X | Unknown | 1 | 2021-07-01 | 2022-06-30 |

Source: Shared Service and Interlocal Agreements provided by Dr. Beams, Superintendent of the Tri-District.

Tables 3, 4, 5, and 6 present various NJ State School Aid (state-aid) schedules showing how state-aid is currently, and has been historically allocated to each constituent district in the Tri-District. It is evident from these tables that state-aid comprises a relatively small share of aggregate Tri-District revenue which is primarily funded through local school taxes. Under the state's current S2 methodology for allocating state-aid to districts, aid is being removed from school districts who have a positive state aid differential, that is, any district which received more

in aid in the prebudget year than the state’s funding formula would currently provide. Both Highlands and Hudson have positive state-aid differentials and have therefore been experiencing annual reductions in state-aid since fiscal year 2020. The annual appropriations act in both fiscal years 2018 and 2019 also contained provisions that effectively removed aid from “over aided” districts. For this reason, Highlands and Hudson also experienced reductions in aid in both fiscal years. Tables 7 and 8 show how state-aid will be allocated assuming the status quo scenario continues through fiscal year 2029. Table 9 presents the forecasted state-aid of the proposed all-purpose regional assuming it is operational beginning in fiscal year 2024. S3488 prescribes that state-aid in the regional formed will be the greater of 1) the aggregate state aid of the constituent districts in the year prior to regionalization or 2) the state-aid that would be provided through the state’s SFRA funding formula. SBO has examined both state-aid scenarios and has determined that the aggregate state-aid of the constituent districts would be the greater of the two possible options. For that reason, Table 9 shows state-aid in the new all-purpose regional will be equal to state aid in the constituent districts in fiscal year 2023.

Table 3:
Fiscal Year 2022 K–12 State School Aid of Tri-District Constituents

| District | Total FY21 K-12 | Equalization Aid | Educational Adequacy | School Choice Aid | Transportation Aid | Special Education Categorical | Security Categorical | Adjustment Aid | Total FY22 K-12 | YoY Difference in K-12 | YoY Percent Difference in K-12 |
|----------------------------|-----------------|------------------|----------------------|-------------------|--------------------|-------------------------------|----------------------|----------------|-----------------|------------------------|--------------------------------|
| Atlantic Highlands Borough | 208,906 | 0 | 0 | 0 | 20,451 | 193,415 | 22,613 | 0 | 236,479 | 27,573 | 13.20% |
| Highlands Borough | 488,675 | 0 | 0 | 0 | 42,233 | 155,353 | 58,540 | 137,899 | 394,025 | -94,650 | -19.37% |
| Henry Hudson Regional | 696,121 | 0 | 0 | 0 | 183,003 | 264,676 | 60,908 | 119,367 | 627,954 | -68,167 | -9.79% |

Source: FY22 State Aid District Detail Spreadsheet, NJDOE (<https://www.nj.gov/education/stateaid/>)

Table 4:
K–12 State School Aid of Tri-District Constituents

| District | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 (NJDOE Projected) |
|----------|------|------|------|------|------|------|------|------|------------------------|
|----------|------|------|------|------|------|------|------|------|------------------------|

| | | | | | | | | | |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Atlantic Highlands Borough | 154,342 | 154,342 | 158,039 | 166,526 | 190,897 | 203,490 | 208,906 | 236,479 | 272,877 |
| Highlands Borough | 638,065 | 638,065 | 642,233 | 629,388 | 609,259 | 563,324 | 488,675 | 394,025 | 292,598 |
| Henry Hudson Regional | 797,840 | 797,840 | 800,630 | 784,617 | 767,898 | 738,590 | 696,121 | 627,954 | 557,156 |
| Total of All Constituents | 1,590,247 | 1,590,247 | 1,600,902 | 1,580,531 | 1,568,054 | 1,505,404 | 1,393,702 | 1,258,458 | 1,122,631 |

Source: State Aid District Detail Spreadsheets, FY15-FY23, NJDOE (<https://www.nj.gov/education/stateaid/>)

Table 5:
Year-over-Year Change in K–12 State School Aid of Tri-District Constituents

| District | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 (NJDOE Projected) |
|----------------------------------|----------------|----------|----------------|----------------|----------------|----------------|-----------------|-----------------|------------------------------|
| Atlantic Highlands Borough | +2,937 | 0 | +3,697 | +8,487 | +24,371 | +12,593 | +5,416 | +27,573 | +36,398 |
| Highlands Borough | +8,347 | 0 | +4,168 | -12,845 | -20,129 | -45,935 | -74,649 | -94,650 | -101,427 |
| Henry Hudson Regional | +3,330 | 0 | +2,790 | -16,013 | -16,719 | -29,308 | -42,469 | -68,167 | -70,798 |
| Total of All Constituents | +14,614 | 0 | +10,655 | -20,371 | -12,477 | -62,650 | -111,702 | -135,244 | -135,827 |

Source: State Aid District Detail Spreadsheets, FY15-FY23, NJDOE (<https://www.nj.gov/education/stateaid/>)

Table 6:
Year-over-Year Percentage Increase or Decrease in K–12 State School Aid of Tri-District Constituents

| District | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 (NJDOE Projected) |
|----------------------------|-------|-------|-------|--------|--------|--------|--------|---------|------------------------------|
| Atlantic Highlands Borough | 3.78% | 0.00% | 2.40% | 5.37% | 14.63% | 6.60% | 2.7% | 13.20% | 15.39% |
| Highlands Borough | 0.52% | 0.00% | 0.70% | -2.00% | -3.20% | -7.54% | -13.3% | -19.37% | -25.74% |
| Henry Hudson Regional | 0.77% | 0.00% | 0.30% | -2.00% | -2.13% | -3.82% | -5.8% | -9.79% | -11.27% |

Source: State Aid District Detail Spreadsheets, FY15-FY23, NJDOE (<https://www.nj.gov/education/stateaid/>)

Table 7:
Projected K-12 State Aid — Status Quo Scenario

| District | FY22 | FY23 (NJDOE Projected) | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 |
|----------------------------|---------|------------------------------|---------|---------|---------|---------|---------|---------|
| Atlantic Highlands Borough | 236,479 | 272,877 | 285,114 | 297,043 | 322,882 | 321,870 | 328,552 | 335,251 |

| | | | | | | | | |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Highlands Borough | 394,025 | 292,598 | 237,983 | 215,542 | 217,060 | 211,548 | 213,367 | 214,898 |
| Henry Hudson Regional | 627,954 | 557,156 | 527,447 | 520,793 | 513,290 | 505,638 | 492,074 | 500,643 |
| Total of All Constituents | 1,258,458 | 1,122,631 | 1,050,543 | 1,033,378 | 1,053,232 | 1,039,057 | 1,033,992 | 1,050,792 |

Source: FY23 through FY29 State Aid is calculated pursuant to S3488 and SFRA using projected enrollments.

Table 8:
Projected Year-over-Year Increase or Decrease in K-12 State Aid — Status Quo Scenario

| District | FY22 | FY23 (NJDOE Projected) | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 |
|----------------------------------|-----------------|------------------------------|----------------|----------------|----------------|----------------|---------------|----------------|
| Atlantic Highlands Borough | +27,573 | +36,398 | 12,237 | 11,930 | 25,839 | -1,012 | 6,682 | 6,699 |
| Highlands Borough | -94,650 | -101,427 | -54,615 | -22,441 | 1,518 | -5,512 | 1,818 | 1,531 |
| Henry Hudson Regional | -68,167 | -70,798 | -29,709 | -6,654 | -7,503 | -7,652 | -13,564 | 8,570 |
| Total of All Constituents | -135,244 | -135,827 | -72,088 | -17,165 | +19,854 | -14,176 | -5,064 | +16,801 |

Source: FY23 through FY29 State Aid is calculated pursuant to S3488 and SFRA using projected enrollments.

Table 9:
Projected K-12 State Aid — Tri-District Regionalization Beginning FY24

| District | FY22 | FY23 (S3488) | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Atlantic Highlands Borough | 236,479 | 272,877 | 272,877 | 272,877 | 272,877 | 272,877 | 272,877 | 272,877 |
| Highlands Borough | 394,025 | 325,793 | 325,793 | 325,793 | 325,793 | 325,793 | 325,793 | 325,793 |
| Henry Hudson Regional | 627,954 | 580,326 | 580,326 | 580,326 | 580,326 | 580,326 | 580,326 | 580,326 |
| Total of All Constituents | 1,258,458 | 1,178,996 | 1,178,996 | 1,178,996 | 1,178,996 | 1,178,996 | 1,178,996 | 1,178,996 |

FY23 through FY29 State Aid is calculated pursuant to SFRA as modified by S3488 and represents FY23 constituent district funding carried forward through FY29. Pursuant to S3488, state aid in FY23 would utilize a slower S2 phase-out schedule while pending regionalization. The slower phase-out impacts both Highlands Borough and Henry Hudson Regional and results in a smaller reduction in aid in both districts than was originally projected by NJDOE.

SBO identified a number of cost savings that would be triggered through regionalizing the Tri-District. Table 10 displays the cost savings anticipated in the proposed all-purpose regional school district. Despite the cost savings identified and presented in Table 10, all existing programs would be maintained.

Table 10:
Cost Savings in the Proposed All-purpose Regional School District

| Costs | Amount |
|--|---------|
| Estimated Cost Savings (expressed as positive numbers) | |
| Reduction of business office staff | 145,000 |
| Reduction in audit costs | 10,000 |
| Reduction in professional services costs | 50,000 |
| Reduction of duplicative services | 105,000 |
| Reduction in Special Ed Cost | 10,000 |
| Estimated New Costs (expressed as negative numbers) | |
| Dissolution/Expansion Costs | -40,000 |
| Salary Guide Reconciliation | -10,000 |
| Average One-time Net Cost Savings | 270,000 |

Table 11 represents the transportation costs in the Tri-District from fiscal year 2019 to fiscal year 2023. Transportation issues including distance between schools and communities, routes, and projected costs are assumed to be not applicable since the grade configurations of the constituent districts of the Tri-District will remain as they are currently.

Table 11:
Transportation Costs in the Tri-District

| District | FY19 | FY20 | FY21 | FY22 | FY23 |
|-----------------------|---------|---------|---------|---------|---------|
| Atlantic Highlands | 33,844 | 46,668 | 86,114 | 116,550 | 180,000 |
| Highlands Borough | 205,093 | 135,379 | 106,724 | 135,976 | 135,549 |
| Henry Hudson Regional | 669,728 | 575,341 | 537,563 | 885,769 | 866,333 |
| Fees Received* | 0 | 0 | 0 | 55,770 | 61,347 |

| | | | | | |
|----------------------|---------|---------|---------|-----------|-----------|
| Total Net of Revenue | 908,665 | 757,388 | 730,401 | 1,082,525 | 1,120,535 |
|----------------------|---------|---------|---------|-----------|-----------|

Source: Transportation Services from District User Friendly Budgets, fiscal years 2019 through 2023.

*Henry Hudson provides transportation services for Union Beach Board of Education and Special Ed Transportation for Highlands Elementary School.

Tables 12, 13, 14, and 15 present constituent school district tax levies and equalized valuations. The tax levies have been assumed to increase by two percent (2%) per year and the equalized values have been forecasted based on trends from fiscal years 2017-2023. Tables 16 and 17 analyze the projected tax levy of the newly formed all-purpose regional school district consisting of the Tri-District members. The levies presented in Table 12 do not include the cost savings in Table 10.

Table 12:
Constituent School District Tax Levy Information

| District | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 |
|----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Atlantic Highlands Borough | 5,199,449 | 5,373,896 | 5,455,179 | 5,548,983 | 5,643,072 | 5,740,421 | 5,854,618 | 5,696,004 | 5,809,924 | 5,926,123 | 6,044,645 |
| Highlands Borough | 3,767,561 | 4,036,502 | 4,117,232 | 4,199,577 | 4,283,569 | 4,369,240 | 4,456,625 | 4,545,757 | 4,636,672 | 4,729,406 | 4,823,994 |
| Henry Hudson Regional | 7,815,332 | 7,953,312 | 8,245,139 | 8,480,405 | 8,584,835 | 8,775,161 | 8,936,918 | 9,125,794 | 9,289,532 | 9,462,682 | 9,007,303 |
| All Constituents | 16,782,342 | 17,363,710 | 17,817,550 | 18,228,965 | 18,511,476 | 18,884,822 | 19,248,161 | 19,367,556 | 19,736,128 | 20,118,211 | 19,875,942 |

A 2% annual tax levy increase is assumed with actual debt service amounts.

Table 13:
Fiscal Year 2022 Constituent Community School Tax Levy Information

| Municipality | Required by School District Budget | Regional School Budget | Total School Tax Levy | Total Levy Per-pupil | School District Share of Total Levy | Regional District Share of Total Levy |
|----------------------------|------------------------------------|------------------------|-----------------------|----------------------|-------------------------------------|---------------------------------------|
| Atlantic Highlands Borough | 5,548,983 | 4,482,600 | 10,031,583 | 23,604 | 55.32% | 44.68% |
| Highlands Borough | 4,199,577 | 3,997,805 | 8,197,382 | 27,601 | 51.23% | 48.77% |
| All Constituents | 9,748,560 | 8,480,405 | 18,228,965 | 25,248 | | |

Source: NJ Department of Community Affairs (NJDCA) 2021 Property Tax Tables (https://www.nj.gov/dca/divisions/dlgs/resources/property_tax.html)

Table 14:

Constituent Community Equalized Valuations Used in Apportionment, Fiscal Years 2020-2029

| Public Entity | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 |
|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Equalized Valuations | | | | | | | | | | |
| Atlantic Highlands | 901,467,849 | 939,391,530 | 945,994,359 | 1,008,559,693 | 1,044,226,286 | 1,084,373,280 | 1,124,520,275 | 1,164,667,270 | 1,204,814,265 | 1,244,961,259 |
| Elementary | 511,492,858 | 532,634,998 | 569,867,002 | 620,465,923 | 640,442,179 | 672,251,891 | 704,061,603 | 735,871,315 | 767,681,027 | 799,490,739 |
| Henry Hudson Regional | 389,974,991 | 406,756,532 | 376,127,357 | 388,093,770 | 403,784,106 | 412,121,389 | 420,458,672 | 428,795,955 | 437,133,237 | 445,470,520 |
| Highlands Borough | 676,983,148 | 698,442,297 | 744,945,763 | 824,974,003 | 827,733,142 | 863,416,896 | 899,100,650 | 934,784,404 | 970,468,158 | 1,006,151,912 |
| Elementary | 391,634,751 | 381,209,806 | 409,496,686 | 454,148,189 | 457,321,943 | 476,026,056 | 494,730,169 | 513,434,281 | 532,138,394 | 550,842,507 |
| Henry Hudson Regional | 285,348,397 | 317,232,491 | 335,449,077 | 370,825,814 | 370,411,198 | 387,390,840 | 404,370,481 | 421,350,123 | 438,329,764 | 455,309,406 |
| All Communities | 1,578,450,997 | 1,637,833,827 | 1,690,940,122 | 1,833,533,696 | 1,871,959,427 | 1,947,790,176 | 2,023,620,925 | 2,099,451,674 | 2,175,282,423 | 2,251,113,172 |
| Equalized Value Per-pupil | | | | | | | | | | |
| Atlantic Highlands | 1,913,944 | 1,994,462 | 2,008,481 | 2,141,316 | 2,217,041 | 2,302,279 | 2,387,517 | 2,472,754 | 2,557,992 | 2,643,230 |
| Elementary | 1,813,804 | 1,888,777 | 2,020,805 | 2,200,234 | 2,271,072 | 2,383,872 | 2,496,672 | 2,609,473 | 2,722,273 | 2,835,074 |
| Henry Hudson Regional | 2,063,360 | 2,152,151 | 1,990,092 | 2,053,406 | 2,136,424 | 2,180,536 | 2,224,649 | 2,268,762 | 2,312,874 | 2,356,987 |
| Highlands Borough | 2,226,918 | 2,297,508 | 2,450,479 | 2,713,730 | 2,722,806 | 2,840,187 | 2,957,568 | 3,074,949 | 3,192,329 | 3,309,710 |
| Elementary | 1,977,953 | 1,925,302 | 2,068,165 | 2,293,678 | 2,309,707 | 2,404,172 | 2,498,637 | 2,593,102 | 2,687,568 | 2,782,033 |
| Henry Hudson Regional | 2,246,838 | 2,497,894 | 2,641,331 | 2,919,888 | 2,916,624 | 3,050,322 | 3,184,020 | 3,317,718 | 3,451,415 | 3,585,113 |
| All Communities | 2,068,743 | 2,189,617 | 2,342,022 | 2,589,737 | 2,879,938 | 2,996,600 | 3,237,793 | 3,380,760 | 3,649,803 | 3,887,933 |

Table 15:
Fiscal Year 2022 Constituent Community Equalized Valuations & Tax Rate

| Municipality | Total School Tax Levy | October 2021 Equalized Property Value | October 2021 School Equalized Tax Rate Per \$100 Equalized Value |
|----------------------------|-----------------------|--|--|
| Atlantic Highlands Borough | 10,031,583 | 1,008,559,693 | \$0.9946 |
| Highlands Borough | 8,197,382 | 824,974,003 | \$0.9937 |
| All Constituents | 18,228,965 | 1,833,533,696 | \$0.9942 |

Source: NJ Department of Community Affairs (NJCA) 2021 Property Tax Tables (https://www.nj.gov/dca/divisions/dlgs/resources/property_tax.html)

Tables 16 and 17 present data for the status quo scenario which would see the Tri-District operating as-is through fiscal year 2029. The tables break down the share of the total annual tax levy in each community attributable to each constituent district's elementary school and for the shared Henry Hudson Regional district for middle and high school. Table 17 investigates the impact of a recessionary climate over the studied

period from fiscal year 2024 through fiscal year 2029. In a negative economic outlook scenario, Atlantic would continue to pay its higher share of Hudson through the entire studied period. In the normal scenario presented in Table 16, by fiscal year 2029, Atlantic will see its share decrease to less than 50% of Hudson's total levy.

Table 16:
Scenario 1 — Fiscal Year 2024-Fiscal Year 2029 Apportionment of Tax Levy, Status Quo

| | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Atlantic Highlands | | | | | | |
| K-6 School Tax Levy | 5,740,421 | 5,854,618 | 5,696,004 | 5,809,924 | 5,926,123 | 6,044,645 |
| Share of Henry Hudson School Tax Levy | 4,576,714 | 4,606,678 | 4,651,896 | 4,685,446 | 4,724,875 | 4,454,460 |
| Percentage Share of Henry Hudson School Tax Levy | 52.2% | 51.5% | 51.0% | 50.4% | 49.9% | 49.5% |
| Grand Total School Tax Levy | 10,317,135 | 10,461,296 | 10,347,900 | 10,495,370 | 10,650,998 | 10,499,105 |
| Equalized Valuation | 1,044,226,286 | 1,084,373,280 | 1,124,520,275 | 1,164,667,270 | 1,204,814,265 | 1,244,961,259 |
| Equalized School Tax Rate | 0.9880 | 0.9647 | 0.9202 | 0.9011 | 0.8840 | 0.8433 |
| Highlands Borough | | | | | | |
| K-6 School Tax Levy | 4,369,240 | 4,456,625 | 4,545,757 | 4,636,672 | 4,729,406 | 4,823,994 |
| Share of Henry Hudson School Tax Levy | 4,198,447 | 4,330,241 | 4,473,898 | 4,604,086 | 4,737,808 | 4,552,843 |
| Percentage Share of Henry Hudson School Tax Levy | 47.8% | 48.5% | 49.0% | 49.6% | 50.1% | 50.5% |
| Grand Total School Tax Levy | 8,567,687 | 8,786,866 | 9,019,655 | 9,240,758 | 9,467,214 | 9,376,837 |
| Equalized Valuation | 827,733,142 | 863,416,896 | 899,100,650 | 934,784,404 | 970,468,158 | 1,006,151,912 |
| Equalized School Tax Rate | 1.0351 | 1.0177 | 1.0032 | 0.9885 | 0.9755 | 0.9320 |

Table 17:
Scenario 1 — Fiscal Year 2024 – Fiscal Year 2029 Apportionment of Tax Levy, Status Quo with Recessionary Economic Outlook

| | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 |
|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Atlantic Highlands | | | | | | |
| K-6 School Tax Levy | 5,710,165 | 5,778,097 | 5,571,279 | 5,640,920 | 5,711,431 | 5,782,824 |

| | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Share of Henry Hudson School Tax Levy | 4,491,897 | 4,578,891 | 4,679,818 | 4,767,383 | 4,859,592 | 4,614,852 |
| Percentage Share of Henry Hudson School Tax Levy | 51.54% | 51.94% | 52.35% | 52.75% | 53.15% | 53.55% |
| Grand Total School Tax Levy | 10,202,062 | 10,356,989 | 10,251,097 | 10,408,303 | 10,571,023 | 10,397,676 |
| Equalized Valuation | 986,576,944 | 965,073,336 | 944,038,424 | 923,461,992 | 903,334,048 | 883,644,817 |
| Equalized School Tax Rate | 1.0341 | 1.0732 | 1.0859 | 1.1271 | 1.1702 | 1.1767 |
| Highlands Borough | | | | | | |
| K-6 School Tax Levy | 4,337,113 | 4,391,327 | 4,446,219 | 4,501,796 | 4,558,069 | 4,615,045 |
| Share of Henry Hudson School Tax Levy | 4,223,277 | 4,236,104 | 4,260,119 | 4,270,310 | 4,283,172 | 4,002,304 |
| Percentage Share of Henry Hudson School Tax Levy | 48.46% | 48.06% | 47.65% | 47.25% | 46.85% | 46.45% |
| Grand Total School Tax Levy | 8,560,390 | 8,627,431 | 8,706,338 | 8,772,106 | 8,841,241 | 8,617,348 |
| Equalized Valuation | 794,065,115 | 764,314,274 | 735,678,093 | 708,114,810 | 681,584,226 | 656,047,651 |
| Equalized School Tax Rate | 1.0780 | 1.1288 | 1.1834 | 1.2388 | 1.2972 | 1.3135 |

Tables 18 and 19 provide data on the school district aggregate income and aggregate income per pupil.

Table 18:
Fiscal Year 2022 Constituent School District Aggregate Income and Equalized Valuations
Used in Determination of State Aid

| Municipality | Aggregate Income | October 2021 Equalized Property Value |
|----------------------------|--------------------|--|
| Atlantic Highlands Borough | 140,227,823 | 569,867,002 |
| Highlands Borough | 90,831,174 | 409,496,686 |
| Henry Hudson Regional | 166,960,632 | 711,576,434 |
| All Constituents | 398,019,629 | 1,690,940,122 |

Source: NJ Department of Education (NJDOE) FY22 State Aid Summaries

Table 19:
Tri-District Fiscal Year 2023 Aggregate Income and Aggregate Income Per-pupil

| District | Aggregate Income | Aggregate Income Per-pupil |
|----------|------------------|-------------------------------|
|----------|------------------|-------------------------------|

| | | |
|----------------------------|-------------|---------|
| Atlantic Highlands Borough | 179,842,099 | 716,502 |
| Highlands Borough | 110,834,907 | 719,707 |
| Henry Hudson Regional | 202,989,086 | 702,384 |

Source: NJ Department of Education (NJDOE) FY23 State Aid Summaries

Table 20 provides data on household income in both communities.

Table 20:
Atlantic Highlands and Highlands Borough, Household Income

| District | Average Household Income | Median Household Income |
|----------------------------|--------------------------|-------------------------|
| Atlantic Highlands Borough | 144,830 | 103,712 |
| Highlands Borough | 110,022 | 76,263 |

Source: US Census Bureau, 2020 ACS 5-Year Estimates Subject Tables

Current law provides three methods to determine the apportionment of the tax levy among the constituent municipalities included in the regional school district. Costs may be apportioned on the basis of 1) the portion of each municipality’s equalized valuation allocated to the regional district, 2) the number of students enrolled in the regional district from each municipality, or 3) any combination of apportionment based on equalized valuations and enrollment. In the current Tri-District, costs for Hudson are apportioned solely based on equalized valuations allocated to the regional as described in method one. In fiscal year 2023, Atlantic will pay 51.138% of Hudson’s costs while Highlands will pay 48.862%. For fiscal year 2023, \$388,093,770 of Atlantic’s total equalized valuation of \$1,008,559,693 was designated to the regional, likewise, \$370,825,814 of Highland’s total equalized valuation of \$824,974,003 was designated for Hudson. In the proposed all-purpose regional school district, each community’s total equalized valuation would factor into the regional apportionment calculation. Tables 21 and 22 present the tax levy implications to each community of consolidating the Tri-District into an all-purpose regional school district at each ten percent incremental

weighting of enrollment and equalized value apportionment methods. Table 21 displays fiscal year 2024 alone while Table 22 displays the average annual tax levy implications over the six (6) year period beginning in fiscal year 2024. It is evident from the data provided in both tables that using any cost apportionment method other than 0% enrollment / 100% equalized valuation, Atlantic would see increased costs in the all-purpose regional with costs increasing as the weighting for enrollment incrementally increases. Conversely, Highlands would see substantial annual tax savings with any apportionment method with savings increasing as the weighting for enrollment incrementally increases.

Table 21:
Scenario 2 — Fiscal Year 2024 Apportionment of Tax Levy, Proposed All-Purpose Regional

| Enrollment / Eq. Val. | Atlantic Highlands (AH) | Highlands Borough (HB) | FY24 AH/HB Total | FY24 AH/HB Status Quo | Savings to Atlantic Highlands | Savings to Highlands Borough | AH % Share of Savings | HB % Share of Savings |
|-----------------------|-------------------------|------------------------|------------------|-----------------------|-------------------------------|------------------------------|-----------------------|-----------------------|
| 100% / 0% | 10,983,595 | 7,512,096 | 18,495,691 | 18,896,636 | -654,645 | 1,055,591 | 0.00% | 100.00% |
| 90% / 10% | 10,916,972 | 7,578,719 | 18,495,691 | 18,896,636 | -588,022 | 988,968 | 0.00% | 100.00% |
| 80% / 20% | 10,850,349 | 7,645,342 | 18,495,691 | 18,896,636 | -521,399 | 922,345 | 0.00% | 100.00% |
| 70% / 30% | 10,783,725 | 7,711,965 | 18,495,690 | 18,896,636 | -454,775 | 855,722 | 0.00% | 100.00% |
| 60% / 40% | 10,717,102 | 7,778,588 | 18,495,690 | 18,896,636 | -388,152 | 789,099 | 0.00% | 100.00% |
| 50% / 50% | 10,650,479 | 7,845,211 | 18,495,690 | 18,896,636 | -321,529 | 722,476 | 0.00% | 100.00% |
| 40% / 60% | 10,583,856 | 7,911,834 | 18,495,690 | 18,896,636 | -254,906 | 655,853 | 0.00% | 100.00% |
| 30% / 70% | 10,517,233 | 7,978,458 | 18,495,691 | 18,896,636 | -188,283 | 589,229 | 0.00% | 100.00% |
| 20% / 80% | 10,450,610 | 8,045,081 | 18,495,691 | 18,896,636 | -121,660 | 522,606 | 0.00% | 100.00% |
| 10% / 90% | 10,383,987 | 8,111,704 | 18,495,691 | 18,896,636 | -55,037 | 455,983 | 0.00% | 100.00% |
| 0% / 100%* | 10,317,364 | 8,178,327 | 18,495,691 | 18,896,636 | 11,586 | 389,360 | 2.89% | 97.11% |

*The 0% Enrollment / 100% Equalized Valuation scenario represents how the current apportionment method applies to the proposed regional. In the "Savings" columns, negative numbers represent cost increases while positive numbers represent cost savings.

Table 22:
Scenario 2 — FY24-FY29 Average Annual Apportionment of Tax Levy, Proposed All-Purpose Regional

| Enrollment/ Eq. Val. | Atlantic Highlands (AH) | Highlands Borough (HB) | FY24-FY29 Average AH/HB Total | FY24-FY29 Average AH/HB Status Quo | Average Annual Savings to Atlantic Highlands | Average Annual Savings to Highlands Borough | AH % Share of Savings | HB % Share of Savings |
|----------------------|-------------------------|------------------------|-------------------------------|------------------------------------|--|---|-----------------------|-----------------------|
| 100% / 0% | 11,342,682 | 7,791,683 | 19,134,365 | 19,538,470 | -880,715 | 1,284,820 | 0.00% | 100.00% |

| | | | | | | | | |
|------------|------------|-----------|------------|------------|----------|-----------|-------|---------|
| 90% / 10% | 11,270,913 | 7,863,452 | 19,134,365 | 19,538,470 | -808,946 | 1,213,050 | 0.00% | 100.00% |
| 80% / 20% | 11,199,144 | 7,935,221 | 19,134,365 | 19,538,470 | -737,177 | 1,141,281 | 0.00% | 100.00% |
| 70% / 30% | 11,127,375 | 8,006,990 | 19,134,365 | 19,538,470 | -665,408 | 1,069,512 | 0.00% | 100.00% |
| 60% / 40% | 11,055,606 | 8,078,760 | 19,134,366 | 19,538,470 | -593,639 | 997,743 | 0.00% | 100.00% |
| 50% / 50% | 10,983,837 | 8,150,529 | 19,134,365 | 19,538,470 | -521,869 | 925,974 | 0.00% | 100.00% |
| 40% / 60% | 10,912,068 | 8,222,298 | 19,134,366 | 19,538,470 | -450,101 | 854,205 | 0.00% | 100.00% |
| 30% / 70% | 10,840,299 | 8,294,067 | 19,134,366 | 19,538,470 | -378,332 | 782,436 | 0.00% | 100.00% |
| 20% / 80% | 10,768,530 | 8,365,836 | 19,134,366 | 19,538,470 | -306,563 | 710,667 | 0.00% | 100.00% |
| 10% / 90% | 10,696,761 | 8,437,605 | 19,134,365 | 19,538,470 | -234,793 | 638,898 | 0.00% | 100.00% |
| 0% / 100%* | 10,624,992 | 8,509,374 | 19,134,365 | 19,538,470 | -163,024 | 567,129 | 0.00% | 100.00% |

*The 0% Enrollment / 100% Equalized Valuation scenario represents how the current apportionment method applies to the proposed regional. In the "Savings" columns, negative numbers represent cost increases while positive numbers represent cost savings.

Table 23 presents the implications to each community of consolidating the Tri-District into an all-purpose regional school district at each ten percent increment of enrollment and equalized value and implements a cost sharing agreement which would balance the savings between the two communities, and which is enabled by Senate Bill S3488, P.L. 2021, c. 402. Using such an agreement, since the realized cost savings due to regionalization is fixed, in all apportionment combinations, the savings to each community will be equal. SBO estimates that with a cost-savings sharing agreement, each community would experience an average annual tax savings of \$202,052.

Table 23:
Scenario 3 — Fiscal Year 2024 – Fiscal Year 2029 Average Annual Apportionment of Tax Levy with Cost Savings Sharing Agreement, Proposed All-Purpose Regional

| Enrollment / Eq. Val. | Atlantic Highlands (AH) | Highlands Borough (HB) | FY24-FY29 Average AH/HB Total | FY24-FY29 Average AH/HB Status Quo | Average Annual Savings to Atlantic Highlands | Average Annual Savings to Highlands Borough | AH % Share of Savings | HB % Share of Savings |
|-----------------------|-------------------------|------------------------|-------------------------------|------------------------------------|--|---|-----------------------|-----------------------|
| 100% / 0% | 10,259,915 | 8,874,450 | 19,134,365 | 19,538,470 | 202,052 | 202,053 | 50.00% | 50.00% |
| 90% / 10% | 10,259,915 | 8,874,450 | 19,134,365 | 19,538,470 | 202,052 | 202,053 | 50.00% | 50.00% |
| 80% / 20% | 10,259,915 | 8,874,450 | 19,134,365 | 19,538,470 | 202,052 | 202,053 | 50.00% | 50.00% |
| 70% / 30% | 10,259,915 | 8,874,450 | 19,134,365 | 19,538,470 | 202,052 | 202,053 | 50.00% | 50.00% |
| 60% / 40% | 10,259,915 | 8,874,451 | 19,134,366 | 19,538,470 | 202,052 | 202,052 | 50.00% | 50.00% |
| 50% / 50% | 10,259,915 | 8,874,450 | 19,134,365 | 19,538,470 | 202,052 | 202,053 | 50.00% | 50.00% |
| 40% / 60% | 10,259,915 | 8,874,451 | 19,134,366 | 19,538,470 | 202,052 | 202,052 | 50.00% | 50.00% |
| 30% / 70% | 10,259,915 | 8,874,451 | 19,134,366 | 19,538,470 | 202,052 | 202,052 | 50.00% | 50.00% |

| | | | | | | | | |
|-----------|------------|-----------|------------|------------|---------|---------|--------|--------|
| 20% / 80% | 10,259,915 | 8,874,451 | 19,134,366 | 19,538,470 | 202,052 | 202,052 | 50.00% | 50.00% |
| 10% / 90% | 10,259,915 | 8,874,450 | 19,134,365 | 19,538,470 | 202,052 | 202,053 | 50.00% | 50.00% |
| 0% / 100% | 10,259,915 | 8,874,450 | 19,134,365 | 19,538,470 | 202,052 | 202,053 | 50.00% | 50.00% |

The example cost savings sharing agreement presented in this table assumes it is desirable to share savings equally between the two communities. Savings is equivalent in all apportionment scenarios since the annual cost savings is fixed and the savings-sharing formula is ensuring the fixed cost savings is split equally.

Table 24 presents the implications to each community of consolidating the Tri-District with the inclusion of Sea Bright into an all-purpose regional school district at each ten percent incremental weighting of enrollment and equalized value apportionment methods. The figures presented in Table 24 show the average annual tax levy implications over the six (6) year period beginning in fiscal year 2024. Regionalization with Sea Bright substantially alters the cost savings compared to the regionalization without Sea Bright. Including Sea Bright yields several apportionment method combinations which would provide tax savings to all three communities. SBO has identified the 72% enrollment / 28% equalized valuation ratio as the optimal ratio. This apportionment ratio would split the tax savings as equitably as possible within the parameters allowed. Using the optimal ratio identified, Atlantic Highlands would see an average annual tax savings of \$755,190 through fiscal year 2029, Highlands Borough would see an average annual tax savings of \$2,194,783, and Sea Bright would see an average annual tax savings of \$1,260,796. SBO is noting that a cost savings sharing agreement between the Boroughs of Atlantic Highlands and Highlands similar to the one originally conceptualized to add viability to Tri-District consolidation without Sea Bright, could further ensure the aggregate tax savings in those communities is shared equitably.

Table 24:
Scenario 4 — Fiscal Year 2024 – Fiscal Year 2029 Average Annual Apportionment of Tax Levy with Cost Savings Sharing Agreement, Proposed All-Purpose Regional Including Sea Bright

| Enrollment / Eq. Val. | Atlantic Highlands (AH) | Highlands Borough (HB) | Sea Bright (SB) | FY24 AH/HB Total | FY24-FY29 Average AH/HB Status Quo | Average Annual Savings to Atlantic Highlands | Average Annual Savings to Highlands Borough | Average Annual Savings to Sea Bright (Excludes | AH % Share of Savings | HB % Share of Savings | SB % Share of Savings |
|--------------------------|-------------------------------|------------------------------|--------------------|---------------------|---|--|---|--|--------------------------|--------------------------|--------------------------|
|--------------------------|-------------------------------|------------------------------|--------------------|---------------------|---|--|---|--|--------------------------|--------------------------|--------------------------|

| | | | | | | | | transitional payments) | | | |
|------------|------------|-----------|-----------|------------|------------|-----------|-----------|---------------------------|--------|--------|---------|
| 100% / 0% | 10,868,900 | 7,465,576 | 799,890 | 18,334,475 | 19,538,470 | -406,932 | 1,610,927 | 3,006,774 | -9.66% | 38.26% | 71.41% |
| 90% / 10% | 10,453,856 | 7,257,056 | 1,423,453 | 17,710,912 | 19,538,470 | 8,111 | 1,819,447 | 2,383,210 | 0.19% | 43.21% | 56.60% |
| 80% / 20% | 10,038,813 | 7,048,536 | 2,047,017 | 17,087,349 | 19,538,470 | 423,155 | 2,027,967 | 1,759,647 | 10.05% | 48.16% | 41.79% |
| 72% / 28%* | 9,706,778 | 6,881,720 | 2,545,867 | 16,588,498 | 19,538,470 | 755,190 | 2,194,783 | 1,260,796 | 17.93% | 52.12% | 29.94% |
| 70% / 30% | 9,623,769 | 6,840,016 | 2,670,580 | 16,463,785 | 19,538,470 | 838,198 | 2,236,486 | 1,136,084 | 19.91% | 53.11% | 26.98% |
| 60% / 40% | 9,208,725 | 6,631,497 | 3,294,143 | 15,840,222 | 19,538,470 | 1,253,242 | 2,445,006 | 512,520 | 29.76% | 58.07% | 12.17% |
| 50% / 50% | 8,793,682 | 6,422,977 | 3,917,707 | 15,216,659 | 19,538,470 | 1,668,286 | 2,653,526 | -111,043 | 39.62% | 63.02% | -2.64% |
| 40% / 60% | 8,378,639 | 6,214,457 | 4,541,270 | 14,593,095 | 19,538,470 | 2,083,329 | 2,862,046 | -734,606 | 49.48% | 67.97% | -17.45% |
| 30% / 70% | 7,963,595 | 6,005,937 | 5,164,834 | 13,969,532 | 19,538,470 | 2,498,372 | 3,070,566 | -1,358,170 | 59.33% | 72.92% | -32.25% |
| 20% / 80% | 7,548,551 | 5,797,417 | 5,788,397 | 13,345,968 | 19,538,470 | 2,913,416 | 3,279,086 | -1,981,733 | 69.19% | 77.87% | -47.06% |
| 10% / 90% | 7,133,508 | 5,588,897 | 6,411,960 | 12,722,405 | 19,538,470 | 3,328,460 | 3,487,605 | -2,605,297 | 79.05% | 82.83% | -61.87% |
| 0% / 100% | 6,718,464 | 5,380,378 | 7,035,524 | 12,098,842 | 19,538,470 | 3,743,503 | 3,696,125 | -3,228,860 | 88.90% | 87.78% | -76.68% |

*Reflects the optimal apportionment method that shares savings in each of the three communities equitably.

Tables 25 and 26 display borrowing margin in the Tri-District and Debt Schedules in the Tri-District respectively.

Table 25:
Borrowing Margin in the Tri-District, Fiscal Year 2021

| District | Borrowing Margin Percent | Borrowing Margin | Net Bonded Debt | Borrowing Margin Available | Total Share of Debt Limit Used |
|--|-----------------------------|------------------|-----------------|-------------------------------|-----------------------------------|
| Atlantic Highlands | 2.500% | 23,176,365 | 1,005,000 | 22,171,365 | 4.533% |
| Highlands Borough | 2.500% | 17,661,123 | 0 | 17,661,123 | 0.000% |
| Henry Hudson Regional (Audited)* | 4.000% | 64,813,578 | 3,875,000 | 64,813,574 | 5.979% |
| Henry Hudson Regional (Statutory)** | 3.500% | 57,250,958 | 3,875,000 | 53,375,958 | 7.260% |
| Proposed Expanded All-purpose Regional | 4.000% | 65,429,666 | 4,880,000 | 60,549,666 | 8.059% |

Source: FY2021 Annual Comprehensive Financial Report (ACFR), Exhibit J-13

* Henry Hudson's audited figures provided in Exhibit J-13 use a 4% borrowing margin and are presented here as they are there.

** Recalculated Henry Hudson Borrowing Margin using 3-year average Equalized Valuations in both constituent districts and the statutory 3.5% margin rate.

Table 26:
Debt Schedules in the Tri-District, Fiscal Year 2021

| District | Date of Issue | Original Issue Amount | Annual Maturity Date | Annual Maturity Amount | Interest Rate | Balance on July 30, 2021 |
|----------|---------------|--------------------------|-------------------------|---------------------------|---------------|-----------------------------|
|----------|---------------|--------------------------|-------------------------|---------------------------|---------------|-----------------------------|

| Henry Hudson Regional | | | | | | |
|-----------------------|------------|-----------|----------|---------|-------|-----------|
| Original Issue | 2012-01-18 | 7,415,000 | 3/1/2022 | 515,000 | 3.25% | 3,875,000 |
| | | | 3/1/2023 | 510,000 | 3.00% | |
| | | | 3/1/2024 | 525,000 | 3.13% | |
| | | | 3/1/2025 | 540,000 | 3.25% | |
| | | | 3/1/2026 | 580,000 | - | |
| | | | 3/1/2027 | 595,000 | - | |
| | | | 3/1/2028 | 610,000 | - | |
| Atlantic Highlands | | | | | | |
| Original Issue | 2003-08-01 | 4,063,000 | NA | NA | NA | NA |
| Refunding | 2012-03-06 | 2,620,000 | 3/6/2022 | 240,000 | 2%-4% | 1,005,000 |
| | | | 3/6/2023 | 250,000 | 2%-4% | |
| | | | 3/6/2024 | 250,000 | 2%-4% | |
| | | | 3/6/2025 | 260,000 | 2%-4% | |
| Highlands Borough | | | | | | |
| | NA | NA | NA | NA | NA | 0 |

Source: FY2021 Annual Comprehensive Financial Report (ACFR), Tables J-10 & J-11

Tables 27, 28, 29, 30, and 31 display data on the teacher salary guides for each member of the Tri-District.

Table 27:
Atlantic Highlands Teacher Salary Guide, 2022-23

| Step | BA | BA+30 | MA+30 |
|------|--------|--------|--------|
| 1 | 63,565 | 65,715 | 67,865 |
| 2 | 64,765 | 66,915 | 69,065 |
| 3 | 65,965 | 68,115 | 70,265 |
| 4 | 66,965 | 69,115 | 71,265 |
| 5 | 68,265 | 70,415 | 72,565 |
| 6 | 69,665 | 71,815 | 73,965 |
| 7 | 71,065 | 73,215 | 75,365 |
| 8 | 72,465 | 74,615 | 76,765 |
| 9 | 73,915 | 76,065 | 78,215 |
| 10 | 75,365 | 77,515 | 79,665 |
| 11 | 76,815 | 78,965 | 81,115 |

| | | | |
|----|--------|--------|--------|
| 12 | 78,265 | 80,415 | 82,565 |
| 13 | 79,765 | 81,915 | 84,065 |
| 14 | 81,265 | 83,415 | 85,565 |
| 15 | 82,765 | 84,915 | 87,065 |
| 16 | 84,320 | 86,470 | 88,620 |
| 17 | 85,920 | 88,070 | 90,220 |
| 18 | 87,520 | 89,670 | 91,820 |
| 19 | 89,220 | 91,370 | 93,520 |
| 20 | 90,920 | 93,070 | 95,220 |

Table 28:
Highlands Borough Teacher Salary Guide, 2022-23

| Step | BA | BA+30 | MA | MA+30 |
|-------|--------|--------|--------|--------|
| 1 | 58,230 | 59,530 | 60,830 | 62,130 |
| 2 | 58,730 | 60,030 | 61,330 | 62,630 |
| 3 | 59,230 | 60,530 | 61,830 | 63,130 |
| 4-5 | 59,730 | 61,030 | 62,330 | 63,630 |
| 6 | 61,380 | 62,680 | 63,980 | 65,280 |
| 7 | 63,180 | 64,480 | 65,780 | 67,080 |
| 8 | 65,280 | 66,580 | 67,880 | 69,180 |
| 9 | 67,480 | 68,780 | 70,080 | 71,380 |
| 10 | 69,780 | 71,080 | 72,380 | 73,680 |
| 11 | 72,130 | 73,430 | 74,730 | 76,030 |
| 12 | 74,530 | 75,830 | 77,130 | 78,430 |
| 13 | 77,030 | 78,330 | 79,630 | 80,930 |
| 14 | 79,680 | 80,980 | 82,280 | 83,580 |
| 15-16 | 82,455 | 83,755 | 85,055 | 86,355 |
| 17-18 | 85,735 | 87,035 | 88,335 | 89,635 |
| 19 | 89,135 | 90,435 | 91,735 | 93,035 |

Table 29:
Henry Hudson Regional Teacher Salary Guide, 2022-23

| Step | BA | BA+30 | MA | MA+30 |
|------|--------|--------|--------|--------|
| 1 | 58,166 | 60,966 | 62,166 | 64,366 |
| 2-3 | 58,566 | 61,366 | 62,566 | 64,766 |
| 4 | 58,966 | 61,766 | 62,966 | 65,166 |

| | | | | |
|----|--------|--------|--------|--------|
| 5 | 59,416 | 62,216 | 63,416 | 65,616 |
| 6 | 60,616 | 63,416 | 64,616 | 66,816 |
| 7 | 61,916 | 64,716 | 65,916 | 68,116 |
| 8 | 63,406 | 66,206 | 67,406 | 69,606 |
| 9 | 64,906 | 67,706 | 68,906 | 71,106 |
| 10 | 66,506 | 69,306 | 70,506 | 72,706 |
| 11 | 68,306 | 71,106 | 72,306 | 74,506 |
| 12 | 70,206 | 73,006 | 74,206 | 76,406 |
| 13 | 72,206 | 75,006 | 76,206 | 78,406 |
| 14 | 74,206 | 77,006 | 78,206 | 80,406 |
| 15 | 76,506 | 79,306 | 80,506 | 82,706 |
| 16 | 78,956 | 81,756 | 82,956 | 85,156 |
| 17 | 81,556 | 84,356 | 85,556 | 87,756 |
| 18 | 84,156 | 86,956 | 88,156 | 90,356 |

Table 30:
Salary Guide 2022-23 Summary Report, Tri-District

| District | Length of Guide | BA Lowest Step | BA Highest Step | MA (BA+30)* Lowest Step | MA (BA+30) Highest Step | MA+30 Lowest Step | MA+30 Highest Step | Longevity Provision |
|-----------------------|-----------------|----------------|-----------------|-------------------------|-------------------------|-------------------|--------------------|---------------------|
| Atlantic Highlands | 20 | 63,565 | 90,920 | 65,715 | 93,070 | 67,865 | 95,220 | Yes |
| Highlands | 16 | 58,230 | 89,135 | 60,830 | 91,735 | 62,130 | 93,035 | Yes |
| Henry Hudson Regional | 17 | 58,166 | 84,156 | 62,166 | 88,156 | 64,366 | 90,356 | No |

Source: Collective Bargaining Agreements

* Presenting BA+30 as a substitute for MA in the Atlantic Highlands guide.

Table 31:
Salary Guide 2022-23 Summary Report, Tri-District

| District | Average Salary* | Average Years of Service* |
|-----------------------|-----------------|---------------------------|
| Atlantic Highlands | NA | NA |
| Highlands | NA | NA |
| Henry Hudson Regional | NA | NA |

Scattergrams not provided to SBO

It has been identified that the proposed all-purpose regional school district exclusive of Sea Bright would produce a lower annual tax savings than a regionalization with Sea Bright. However, existing literature on school district regionalization identifies difficulties that may arise when a municipality must withdraw from an existing regionalization arrangement as would be the case with Sea Bright. If difficulties arise and regionalization is delayed, an opportunity cost will present itself for both Atlantic Highlands and Highlands. The opportunity cost represents the lost savings that could have been realized had the Tri-District consolidation proceeded without Sea Bright as such a scenario would not require withdrawal and would therefore not be expected to experience delays. Table 32 shows the potential opportunity cost to Atlantic Highlands and Highlands of regionalizing with Sea Bright if delays occur.

Table 32:
Opportunity Cost of Regionalization with Sea Bright if Delays Extend Starting Year

| Opportunity | Year 1 (FY23) | Year 2 (FY24) | Year 3 (FY25) | Three-Year Total |
|-------------------------------|------------------|------------------|------------------|------------------|
| Unrealized Cost Savings | 0 | 270,000 | 270,000 | 540,000 |
| Unrealized State Aid Benefit | 56,365 | 130,946 | 134,017 | 321,327 |
| Total Opportunity Cost | 56,365 | 400,946 | 404,017 | 861,327 |

Total Opportunity Cost in this table is relative to a regionalization of the Tri-District only starting in fiscal year 2024.

Findings and Recommendations

The key findings are presented below. Findings one through eight address the proposed consolidation of the Tri-District without Sea Bright while findings nine through thirteen address the proposed consolidation of the Tri-District with Sea Bright.

1. To maximize tax savings of which state-aid comprises a large part, regionalization must occur for the start of FY23 if possible, to ensure state aid in the new all-purpose regional school district is pegged to fiscal year 2022. If regionalization cannot begin until fiscal year 2024, tax savings will be realized but will be reduced compared to the FY23 regionalization scenario.
 - a. A new or expanded all-purpose regional will receive the cumulative total state-aid of all constituent districts in the year prior to regionalization if it is higher than the amount the regional would receive under SFRA. Because both Hudson and Highlands are losing state-aid annually, to maximize benefits defined in Senate Bill S3488, P.L. 2021, c. 402, a regionalization must be in effect for fiscal year 2023 or the constituent districts will see another \$172,225 in state-aid removed.
2. However, the Tri-District proceeds with regionalization, the plan should be structured to enlarge and add a purpose to the existing limited purpose 7-12 Henry Hudson Regional school district to include grades PK-6.
 - a. This will make Hudson an all-purpose PK-12 regional and will avoid the costly dissolution process that would be required to dissolve the current Henry Hudson Regional and create a new all-purpose regional.
 - b. SBO is estimating a one-time net cost avoidance of \$200,000 if Hudson is enlarged and not dissolved. This figure assumes \$50,000 will be required for professional services related to the expansion.
3. In nearly all apportionment scenarios examined, Atlantic Highlands will see increased costs due to regionalization of the Tri-District as all savings generated through the cost savings mechanisms identified in this analysis would be applied to Highlands Borough. The cumulative net cost borne by Atlantic Highlands due to the regionalization will translate to Atlantic Highlands paying more over the seven-year period studied than if no regionalization occurred. See Finding 5.

4. In the apportionment scenarios examined, Highlands Borough will immediately begin to benefit throughout the studied period through fiscal year 2029 using any apportionment method. The current apportionment method of 100% equalized valuation / 0% enrollment is the least favorable for Highlands Borough while being the most favorable ratio for Atlantic Highlands. Incrementally increasing the weighting to enrollment in the apportionment ratio yields increasing benefit to Highlands. This is primarily due to:
 - a. A lower equalized valuation relative to Atlantic Highlands (~44.5% compared to ~55.5%); and
 - b. A more favorable share of enrollment once elementary enrollment is factored into the counts being used in the apportionment calculation.

5. Senate Bill S3488, P.L. 2021, c. 402 allows constituent districts expanding a limited purpose regional or creating a new all-purpose regional to use a transitional method of apportionment for up to ten years (18A:13-34.3). We therefore recommend a cost savings sharing agreement between the two districts that would allow each district to share equitably in the total net savings.
 - a. The agreement would allocate some percentage of the annual savings experienced by Highlands' taxpayers to Atlantic Highlands. This would ensure that both districts equitably benefit from regionalization.
 - b. As both districts must vote "yes" to regionalize, this would also increase the chances of the vote being successful.
 - c. Without a cost savings sharing agreement, Atlantic Highlands has little incentive to vote in favor of regionalization and without their vote, the tax savings identified in this analysis will not be available to Highlands Borough.
 - d. Therefore, it is in the best interest of the voters of Highlands Borough and Atlantic Highlands to come to an agreement to share tax savings across both districts.

- e. After the 10-year transitional period, economic factors, enrollment, and equalized valuations at that time may warrant the examination and adoption of an alternative apportionment methodology.
6. If regionalization is delayed such that FY23, FY24, or FY25 state-aid figures are locked in, the regionalization of the Tri-District would produce significantly less savings.
7. In the absence of the cost savings sharing agreement outlined in Finding 5, regionalization of the Tri-District does not possess the potential for a distribution of cost savings that would benefit both communities.
8. The tax savings created through regionalization of the Tri-District stem from the cost savings due to consolidation of duplicative services in the all-purpose regional and the additional state aid gained from the alternate state-aid formula for regionalized districts in Senate Bill S3488, P.L. 2021, c. 402.
9. SBO has reviewed the existing prior studies examining regionalization of the Tri-District with Sea Bright. While our primary analysis focused on the financial feasibility of consolidating Tri-District without Sea Bright, SBO did analyze the inclusion of Sea Bright in the regional. SBO agrees with the findings of the earlier studies that the inclusion of Sea Bright in the regionalization of the Tri-District would indeed provide immediate benefit to taxpayers in Atlantic Highlands and Highlands Borough in many of the apportionment methods studied. This arrangement would also provide significant benefit to Sea Bright. While savings in Sea Bright would not be immediate due to transitional payments that would be owed to Oceanport and Shore Regional, in each year beginning in year two after the expansion/creation of the new all-purpose regional, Sea Bright would see increasing tax savings due to its inclusion in the Tri-District.

10. While secondary in our analysis, our model produced a different optimal apportionment ratio. While still heavily weighted towards enrollment, SBO recommends a 72% enrollment / 28% equalized valuation apportionment ratio. This will balance the savings in each of the communities such that the total tax savings is spread in as equitable manner as possible given the enrollment and tax bases within each of the communities. SBO estimates Sea Bright's average annual tax savings, exclusive of transitional payments, to be \$1.26 million, estimates the average annual tax savings in Atlantic Highlands to be \$755,190, and estimates the average annual tax saving for Highlands Borough to be \$2.2 million. Additionally, SBO notes that a cost savings sharing agreement may serve to further balance the aggregate savings to Atlantic Highlands and Highlands.
11. Consolidation of the Tri-District without Sea Bright does indeed contain merit and will provide small annual tax savings if a cost savings sharing agreement can be implemented. Without such an agreement, a regionalization of the Tri-District alone would produce a savings only for Highlands and at the expense of Atlantic Highlands such that the regionalization would likely not gain approval.
12. Weighing the two options side-by-side, option one being consolidating the Tri-District into an all-purpose PK-12 regional district without Sea Bright and option two being consolidating the Tri-District into an all-purpose PK-12 regional district with Sea Bright, it is clear that option two will produce the greatest near-term and long-term savings to the largest number of communities.
13. SBO notes that if a regionalization of the Tri-District with Sea Bright is advanced but becomes delayed for any reason, an opportunity cost to not regionalizing the Tri-District will present itself for Atlantic Highlands and Highlands Borough. With a cost-savings sharing agreement, the two communities could begin to experience modest savings as soon as FY23. The cumulative opportunity cost will grow to over \$800,000 by FY25. Considering this, if regionalization of the Tri-District including Sea Bright is favored, it should be

advanced as soon as possible. If delays are expected, advancing regionalization of the Tri-District without Sea Bright may be prudent if those delays are expected to delay regionalization past FY24.

Part III: Legal Analysis

Introduction

This Study was commissioned by the Atlantic Highlands School District (“Atlantic”), Highlands Borough School District (“Highlands”), and Henry Hudson Regional School District (“Hudson”), as a result of a grant received through the State’s Local Efficiency Achievement Program (“LEAP”). The respective Boards of Education (hereinafter collectively referred to as the “Tri-District”) requested this analysis, in view of an earlier study that had been commissioned by the municipal government of Sea Bright. That study, and a subsequent update, further discussed below, concluded that the existing Hudson Regional School District should be dissolved and replaced by a newly created PK-12 all-purpose regional district comprised of Atlantic, Highlands and Sea Bright. Sea Bright students currently attend both the Oceanport and Shore Regional High School, in grades K-8 and 9-12, respectively.

Recent Changes in the Law

The State Legislature recently passed a comprehensive restructuring of the school regionalization statutes, stemming from Senate Bill S3488, which was signed into law by Governor Murphy and became effective on January 18, 2022 as P.L. 2021, c. 402 (hereinafter referred to as the “Revised Law”). In addition to revising many of the regionalization statutes, the Revised Law also requires the Department of Community Affairs (“DCA”) to establish a grant program [LEAP], “. . . which shall provide for the reimbursement of eligible costs associated with conducting feasibility studies that support the creation of meaningful and implementable plans to form or expand regional school districts.” N.J.S.A. 18A:13-47. 2, P.L. 2021, c. 402.

LEAP provides support to advance the efforts of shared services in all local governments, including “. . . school consolidation that support the creation of meaningful and implementable regional plans [which take into account] . . . factors like enrollment, facility utilization, contiguous districts with small enrollment, existing send/receive relationships, administrative staffing, class size, enhancing diversity, debt and contractual obligations, faculty needs and attrition, and other factors. . .”

https://www.nj.gov/dca/divisions/dlgs/programs/leapgrants_docs/LEAP%20Implementation%20Grant%20Guidelines.pdf

Scope of This Study

This Study is limited in scope, as it is one of a number of other studies that have been assigned in conjunction with the Tri-District's LEAP Grant. As mentioned, it follows an earlier feasibility study commissioned by the municipal governments of Sea Bright, Atlantic Highlands and Highlands that was undertaken in 2019. At the request of Sea Bright and Highlands, it was subsequently updated at the end of 2021 in conjunction with a separate LEAP Grant that was awarded to the municipal governments of Sea Bright, Atlantic and Highlands.

This Study focuses specifically on the legally mandated processes, procedures, and options associated with restructuring the existing limited-purpose regional school district (Hudson) into an all-purpose, PK-12 regional school district, taking into account the recent changes in the law and in consideration, as well, of the data and analysis provided in the previously commissioned studies. Once the additional studies that are currently underway have been fully analyzed, This Study may require an update based on the information contained in them.

This Study further concentrates on the legal aspects of the various options for regionalization, including the procedures and impact associated with the effectuation of same, as well as the ensuing board of education configurations, terms and conditions of employment.

Required Feasibility Study

As a condition of receipt of LEAP Grant funds, the boards of education or governing bodies of the municipalities involved must demonstrate that a proposed regionalization satisfactorily addresses all of the criteria enumerated in the Revised Law. See N.J.S.A. 18A: 13-47.3b. (1)-(7), P.L.2021, c. 402. Also instructive, is a list of criteria enumerated in the regulations of the Department of Education ("DOE") (see N.J.A.C. 6A:23A-2.5). The initial feasibility study ("*Initial Study*") commissioned by the Borough of Sea Bright was undertaken in 2019 by Statistical Forecasting LLC; David Hespe, Porzio Compliance Services; James L. Kirtland, CPA, and David Corso, and is entitled *A Feasibility Study on the Creation of an All*

Purpose PK-12 Regional School District with Sea Bright, Atlantic Highlands and Highlands, September 2019 Draft.¹ The *Initial Study* was updated in December 2021, by Statistical Forecasting, LLC; David Hespe, Porzio Compliance Services; and Steven Cea, MBA, in *An Update to the Feasibility Study on the Creation of an All Purpose PK-12 Regional School District with Sea Bright, Atlantic Highlands and Highlands* (“2021 Study”). Hereinafter, the *Initial Study* and its 2021 Update collectively are referred to as the “*Prior Studies*”.

The present Study is not intended to replicate what has already been completed, but rather to re-consider certain aspects of it through the lens of the legal requirements regarding the regionalization process, especially in light of the newly Revised Law and, from that perspective, to provide another look at the process and conclusions reached, as well as to suggest a path forward leading to a more complete analysis and final proposal, subject to the other studies that are concurrently underway. To prevent unnecessary replication, the data provided in the *Prior Studies* is incorporated by reference throughout This Study where warranted. Finally, further conclusions and recommendations are provided. Please note that no analysis is provided here regarding the educational, financial and demographic factors inherent in the process, as those matters are being separately addressed by other consultants having specific expertise in those areas.

General Description of Present Operations

The *Prior Studies* provide a thorough summary of the staffing and operational structures of the school districts. A partial, general description is repeated here to provide an introductory context. Please refer to the *Prior Studies* for a more extensive description.

Atlantic Highlands School District (NJDOE District Code 0130)

Atlantic Highlands operates one elementary school, serving Preschool through Sixth Grade. The total enrollment for 2020–2021 (as of the official Fall Report listed on the website of the New Jersey Department of Education (“NJDOE”)) was 255 students. <https://www.nj.gov/education/doedata/enr/>. As of April 2022, the District reports that 265 students are enrolled, excluding the parent-funded preschool. It

expects that the parent-funded preschool will add approximately 20 to 25 new students when it returns next year. The District is governed by a nine-member board of education.

Highlands Borough School District (NJDOE District Code 2160)

Highlands operates one elementary school, serving Preschool through Sixth Grade. The total enrollment for 2020–2021 (as of the official Fall Report listed on the website of the New Jersey Department of Education (“NJDOE”)) was 174 students. As of April 2022, the District reports 178 students. The District is governed by a seven- member board of education.

Henry Hudson Regional School District (NJDOE District Code 2120)

Henry Hudson operates one school which serves grades 7 through 12 for both Atlantic Highlands and Highlands. The total enrollment for 2020–2021 (as of the official Fall Report listed on the website of the New Jersey Department of Education (“NJDOE”)) was 302.5 students. As of April 2022, the District reports 302 students. The District is governed by a nine- member board of education.

Sea Bright

Although Sea Bright is referred to as a “district” throughout this study, it was eliminated as a school district several years ago and consolidated with Oceanport to provides services for its K-8 students. Sea Bright’s 9-12 students attend Shore Regional High School in which Sea Bright is a constituent district. According to information provided in the *2021 Update*, there were some 50.5 Sea Bright students in grades PK-12 during the 2020-2021 school year, none of whom were self-contained special education students. (p. 46). (Sea Bright’s student count is not separately reported by the NJDOE). Whether or not any of the Sea Bright students have special needs that might require significant accommodations resulting additional costs is unknown, as data concerning them is not readily available and is not presented in the *Prior Studies*. This is further discussed below.

Other School Districts

Oceanport consists of two schools: Wolf Hill Elementary School (grades PK-4) and Maple Place Middle School (grades 5-8). Shore Regional High School is a single school campus (grades 9-12) that

serves the communities of Monmouth Beach, Oceanport, Sea Bright and West Long Branch. Oceanport's PK-8 student enrollment for 2020-21 is 537. Please refer to the *Prior Studies* for detailed information regarding the Oceanport and Shore Regional School Districts.

Conversion to All-Purpose Regional School District by Adding a Purpose

As indicated above, the Tri-Districts have their own boards of education and Sea Bright is a non-operating school district. Although the Tri-Districts share a number of administrators and work in concert with each other under various shared services agreements, they are essentially autonomous, in terms of the decision-making authority and the budget of each respective Board. Hudson is a "limited purpose" regional school district, pursuant to N.J.S.A. 18A:13-2b. A proposal simply to modify the current regional by converting it to an all-purpose PK-12 regional district would add a new purpose to the existing limited-purpose regional school district. N.J.S.A. 18A:13-33. With such a conversion it would then be possible to add additional school districts such as Atlantic and Highlands, as well as other school districts, who could join the modified regional district. Once approved, other districts, such as Sea Bright, but not necessarily only Sea Bright, also could opt to join the all-purpose regional district. Adding school districts in this fashion is known as "enlargement." Enlargement would require the dissolution of the joining districts, which then would become constituent districts of the all-purpose regional school district. N.J.S.A. 18A: 13-3. Of course, to the extent that other districts are added, the process becomes increasingly complex. For example, if a school district such as Oceanport were to join, then a number of issues would have to be addressed including, for example, staffing and facilities considerations needed to accommodate its relatively large number of students and staff, transportation, and its withdrawal from Shore Regional if it opted to send its high school students to the newly formed PK-12 regional school district. If both Sea Bright and Oceanport were to attempt to withdraw from Shore Regional at the same time, this likely would create difficulties for Shore Regional which conceivably could result in complications, including its opposition and possible litigation.

Subject to approval by the Commissioner and satisfaction of all of the required criteria, nothing in the Revised Law prevents the foregoing processes from being undertaken sequentially, such that separate applications and referenda could be proposed for first adding a purpose and partial enlargement to Hudson by adding Atlantic and Highlands, and then later an additional enlargement in which Sea Bright and/or other districts might be added. However, the *Prior Studies* appear to have been fashioned upon the *a priori* premise that analysis should begin and end with a one-step process in which Atlantic, Highlands and Sea Bright simultaneously become the constituent districts in a newly created PK-12 all-purpose regional district, and Hudson is dissolved (2021 Update, see Introduction, and pp. 39 -40). This is further discussed and analyzed below. First, each of the processes and requirements for adding a purpose, enlargement, and then the third option, creation of an entirely new regional district, is considered.

Conversion to All-Purpose Regional District – Voter Approval

In the event that the proposal is to convert the existing limited-purpose regional district to an all-purpose one, the regional board must by resolution frame and adopt a proposal to that effect for submission to the voters at any school election of each of the constituent districts of the regional district instead of at large to the voters of the regional district. The proposal to convert to an all-purpose regional district would be considered adopted if a majority of the voters in a majority of the constituent districts that constitute the limited purpose regional district vote to form an all-purpose regional district. In the event that a board of education of a constituent district did not vote to join, it could continue to send such students as were enrolled in the limited-purpose regional district to the schools that were established as part of the limited-purpose regional district. N.J.S.A. 18A: 13-33, as amended by N.J.S.A. 18A:33-2, P.L. 2021, c. 402. (Note, the foregoing process differs slightly from that required for enlargement, discussed below).

County Superintendent Oversight

If approved, an all-purpose regional district comprised of the existing Tri- Districts, as well as any other joining school district that is located in Monmouth County, would be under the supervision of the Executive County Superintendent (“ECS”) for Monmouth County. N.J.S.A. 18A: 13-4.

Reapportionment of Board Membership – Conversion to All-Purpose Regional District

In the event that the proposal is to add an additional purpose by converting to an all-purpose regional district, then the constituent districts constituting the limited-purpose regional district must calculate and apportion the membership of the board of education of the newly formed all-purpose regional district upon the basis of a proportional number of pupils enrolled from each constituent district that constitutes the limited-purpose regional district, including any district that does not vote to join the all-purpose regional district and continues to send students to the schools of the limited-purpose regional district. Each district, including any constituent district that does not vote to join the regional district, but continues to send students to the regional district, must have at least one member seated on the regional board. N.J.S.A. 18A: 13:33.2a. and b., P.L. 2021, c. 402.

The constituent districts may, by resolution, frame and adopt a proposal to calculate and apportion the membership of the board of education of the newly formed all-purpose regional district among the constituent districts as nearly as may be according to the number of their inhabitants, except that each constituent district must have at least one member.

The new members of the board of education of the newly created all-purpose regional district would serve until the election of the first elected members of the newly formed regional district (described below).

The new members would be selected as follows:

- (1) two-thirds must be selected from among the members of the boards of education or governing bodies of the constituent districts constituting the limited-purpose regional district; and
- (2) one-third must be selected from among the members of the board of education of the limited-purpose regional district proposing to add additional purposes, with such members selected according to the number of each constituent district's inhabitants.

The first elected members of the board of education of the newly formed regional district would be elected at the annual election to be held in the calendar year first succeeding the year in which the election for the creation of the district was held, and in accordance with the proposal to calculate and apportion the membership of the board of education described above. N.J.S.A. 18A:13-33.3b., P.L. 2021, c. 402.

Enlargement Versus Creation of New All-Purpose Regional District

In the event that it is decided to add Atlantic, Highlands and possibly Sea Bright and/or other school districts to the all-purpose regional district, this may occur either simultaneously with the change from a limited to an all- purpose regional district, or at a later time by separate referendum, or, as a third option, by the simultaneous dissolution of all of the existing districts, including Hudson, and the creation of an entirely new PK-12 regional district.

Option I - Initial Enlargement with an Added Purpose

In this scenario, the proposal to the Commissioner and the voters would combine adding a purpose with the proposed expansion needed to provide the student to be served in the new PK-12 district. This option could begin with initial expansion to include only Atlantic and Highlands, or if preferred, could include Sea Bright and/or other school districts.

Option II - Further Enlargement Subsequent to Adding a Purpose

In this scenario, the conversion from a limited to an all- purpose regional district with initial enlargement to include the Tri-Districts and/or other selected districts would already have taken place and, as a second step, there would be a further enlargement to include other school districts wishing to join.

Option III - Dissolution of Hudson and Creation of a New All-Purpose Regional District

This is the option recommended in the *Prior Studies*. In this scenario, rather than attempting to add a purpose and simply enlarging the existing limited-purpose regional district, it would also be possible to propose the creation of an entirely new PK-12 regional school district that would include Atlantic, Highlands, and/or other school districts, while altogether eliminating the existing Henry Hudson limited-purpose regional district.

The Revised Law permits boards of education or the governing bodies of two or more of the school districts seeking to form a limited-purpose or an all-purpose regional district to apply for funding under LEAP and if approved, then to commit to participation in a feasibility study that includes analysis of the inclusion of non-participating districts in a proposed regional district, providing alternative findings and

recommendations based on inclusion and of such districts. N.J.S.A. 18A:13-47.3, P.L. 2021, c. 402. As indicated, both the municipal governments and boards of education identified above have received separate LEAP Grants and are proceeding somewhat independently with their own studies which may or may not propose different regionalization plans. Although it is true that two or more municipal governments or boards of education may propose a plan, it is not entirely clear what will happen if the two plans differ markedly and attempt to impose an outcome that appears to be justifiable in one plan, but not in the other. The import of this situation is further discussed below in the section dealing with “Analysis, Conclusions and Recommendations”.

If formation of a regional district is approved by the Commissioner following the foregoing process, then a significant revision to the law applies to the method by which the terms and conditions of employment of personnel who will be employed by the newly formed regional district are to be determined. N.J.S.A. 18A:13-47.5. This change in the law is discussed in greater detail below in the section dealing with “Terms and Conditions of Employment”. It is significant, therefore, that both the Tri-Districts and the municipal governments are recipients of separate LEAP Grants. We note that although the municipal governments of Sea Bright, Atlantic and Highland separately applied for and were awarded a LEAP Grant in or around May of 2021, the *Initial Study* and the *2021 Update* were completed before the effective date (January 18, 2022) of the Revised Law.

Withdrawal by Sea Bright and/or Other School Districts

In the event that Sea Bright wished to join the regional district under any of the foregoing scenarios, it would need to sever its existing relationships with Oceanport and Shore Regional. Likewise, any other school district wishing to join that is engaged in a relationship with another school district, also would need to withdraw from that arrangement. Regarding the legalities involved in Sea Bright’s attempting to withdraw from its current contractual obligations with the Oceanport and Shore Regional School Districts, it is noteworthy that the Revised Law provides:

Notwithstanding any other law, rule, or regulation to the contrary, a board of education of a local school district or of a local school district constituting part of a limited purpose regional district, the board of education or governing body of a non-operating school district, or the governing body of a municipality constituting a constituent district of a limited purpose regional district, part of an all-purpose regional district, or part of a consolidated school district may, by resolution, withdraw from a limited purpose or all-purpose regional district or consolidated school district in order to form or enlarge a limited purpose or all-purpose regional district. . . (emphasis added) N.J.S.A. 18A:13-47.11a, P.L. 2021, c. 402.

The withdrawal by Sea Bright, is expressly conditioned upon approval by the Commissioner of Education, in consultation with the Director of the Division of Local Government Services in the Department of Community Affairs, prior to any election (N.J.S.A. 18A:13-47.11a (1)) to determine whether to form or enlarge a limited-purpose or all-purpose regional district that the withdrawing board of education or governing body will join. Accordingly, this procedural step and any possible delay related to it should be borne in mind as a final determination on how best to proceed is made. Approval by the Commissioner is subject to satisfying the following criteria, demonstrating that the proposed action:

- does not, and is not foreseeably likely to, increase or exacerbate the segregation of students by racial, socioeconomic, disability, or English Language Learner status as determined by the number and percentage of affected students enrolled in the school districts seeking to consolidate or in the regional district or consolidated school district from which a school district is seeking to withdraw;
- consolidates school districts that are in close geographic proximity of each other. School districts need not be immediately contiguous as long as any geographic separation is not so large as to contradict the potential for improved efficiency and cost savings;
- to the maximum extent practicable, reduces student seat time and transportation costs;
- possesses the potential for improved efficiency and cost savings;
- possesses the potential to advance an enhanced learning environment for participating school districts;
- coordinates curriculum across schools and grades throughout the proposed limited purpose or all-purpose regional district; and
- reflects a documented commitment from the affected boards of education to make good faith efforts to implement practices that promote efficiency and quality of education. N.J.S.A. 18A: 13:47.11a., (2) – (8), P.L. 2021, c. 402

If Sea Bright or another district were to avail itself of the above procedure, then the Revised Law also requires that it pay transitional support to the limited-purpose or all-purpose regional district(s) or consolidated school district(s) from which it is withdrawing, according to a detailed formula set forth in the Revised Law. See N.J.S.A. 18A: 13:47.11b., P.L. 2021, c. 402. This process and its financial implications are analyzed in detail in the *2021 Update*.

Special Election for Enlargement

If the board of education of a regional district and the board or boards of education of one or more local districts, and the Commissioner or his representative, after consultation, study and investigation, determine that it is advisable to enlarge the regional school district, the board of education of the regional district and of each such local district to be included shall by resolution frame and adopt a proposal to that effect. (In Sea Bright's case, presumably the resolution would have to be approved by the municipal governing body which would act in the absence of a board of education.) The proposal must be submitted to the voters on the same day, in the regional district and in each such local school district, at a special school election. (See N.J.S.A. 19:60-1 et seq.), or at an election to be held on the third Tuesday in April. The question must briefly describe the contents of the resolution, stating the date of its adoption and also may include any other provision which may be submitted at such a special election under the provisions of the law. N.J.S.A. 18A:13-43, P.L. 2021, c. 402.

Reimbursement of Election Costs

The Department of Education will reimburse participating districts for any costs incurred to hold an election to enlarge the limited purpose to an all-purpose regional district, provided that the decision to do so stems from the completion of a feasibility study conducted in connection with the LEAP Grant program. N.J.S.A. 18A:47-6, P.L. 2021, c. 402.

Certification of Election Results for Enlargement

In the event of a vote to enlarge the regional district, the secretary of the regional district and of each local district which is included in the proposal to enlarge the regional district must certify the outcome

to the county superintendent of the county in which each such district is located, within five days after the election. After the county superintendent has verified the vote tally, s/he must notify the board of education of the regional district and of each proposed constituent district, and the Commissioner. If the proposed enlargement is approved, then the enlarged regional district would become effective on the twentieth day following the day of the election. N.J.S.A. 18A:13-44, P.L. 2021, c. 402.

Certification of Election Results for Creation of New Regional District

The secretary of each local district proposed to be included in the proposed regional district, shall certify the results to the county superintendent of the county, in which each district is located, within 5 days after such election. The county superintendent must then canvass the vote cast in each such municipality. If the county superintendent determines and certifies that a majority of the votes were cast for its adoption in a consolidated district or in each such municipality other than a constituent of a consolidated district, s/he shall immediately certify to the board of education of each such local district, the result of such vote as so determined and the regional school district shall be created and any other provisions included in such proposal would become effective on the twentieth day following the day of such election. N.J.S.A. 18A:13-35.

Number of Regional Board of Education Members in the Event of Enlargement or Creation of New Regional District.

The regional district's board of education must consist of nine members, unless it consists of more than nine constituent districts, in which case the number of board members would be the same as the number of constituent districts, plus one. N.J.S.A. 18A:13-8.

Reapportionment of Board Membership by Board Resolution Alternative

The statutes provide an "alternative" method of reapportionment that permits the board of education of a regional district and the board or boards of education of one or more local districts that have determined to enlarge the regional district or create a new one, to act by resolution to frame and adopt a proposal to calculate and apportion the membership of the new board of education according to the number of each

constituent district's inhabitants (except that each constituent district shall have at least one member)(see N.J.S.A. 18A:13-8). Under this option, the calculation and method of apportionment chosen need not be approved by the Commissioner or his/her representative. If this alternative method is not acted upon, then the reapportionment would be determined by the executive county superintendent, in accordance with N.J.S.A. 18A:13-46

If the Commissioner or his/her representative determines that it is advisable to enlarge the regional district to include the local district or districts therein, and the question of whether or not the proposal to enlarge the regional district is to be submitted to and adopted by the voters (see N.J.S.A. 18A: 13-43 and 44), then all members of the board of education of the enlarged regional district shall be elected in accordance with the proposal to calculate and apportion the membership of the board of education at the next annual school election after the election to enlarge the regional district. N.J.S.A. 18A:13-46.2a., P.L. 2021, c. 402.

For an enlarged regional district with a board of education apportioned using the alternate option set forth in N.J.S.A. 18A:13-46.1, the board of education of the new constituent district(s) of the enlarged regional district shall, not later than 30 days after the election for the enlargement thereof, appoint one member of the enlarged board of education of the regional district from among the members of the board of education of the new constituent district, and the member so appointed shall serve until the first Monday succeeding the first annual April school election of the enlarged regional district. In the case of a regional district in which the annual school election is in November, the member so appointed shall serve until the first week in January next succeeding the first annual November school election of the enlarged district. N.J.S.A. 18A:13-46.2b., P.L. 2021, c. 402). All members of the enlarged regional district board would be elected in accordance with the alternative reapportionment at the next annual school election after the election to enlarge the regional district.

For a newly created district, the members of the board of education of the newly formed regional district would be selected from among the members of the boards of education of each constituent district

of the newly created regional district, presumably by the county superintendent (see N.J.S.A. 18A: 13-37) They would serve until the election of the first elected members of the newly created regional district which must be held in the calendar year first succeeding the year in which the election for the creation of the district was held, and in accordance with the proposal to calculate and apportion the membership of the board of education adopted. N.J.S.A. 18A:13-34b.

Terms of Newly Elected Board Members

The Commissioner would allocate the initial elective terms for the first elective members of the enlarged or newly created board apportioned using the alternative method in the following manner:

In regional districts having nine members:

- three members shall be elected for three years,
- three for two years, and
- three for one year

In regional districts in which there are more than nine constituent school districts, the allocation for the tenth district would be a term of three years, for the eleventh district a term of two years, and for the twelfth district a term of one year, with continuation of such rotation until provision has been made for allocation of the terms to all districts (N.J.S.A. 18A:13-46.1c); 18A:1-38).

How Terms Would be Apportioned

The initial terms of office for newly elected regional board members would be allocated to the constituent districts in accordance with apportioned membership, starting with the allocation of the terms of three years, by allocating one of such terms to each of the constituent districts in the alphabetical order of the names of such districts, and continuing then still in such order with allocation of the terms of two years and with allocation of the terms of one year. N.J.S.A. 18A:13-46.1c. (1); 18A:13-38 (1).

The last federal census officially promulgated in this State as reported by the Secretary of State pursuant to section 1 of P.L.2021, c.198 (N.J.S.A.52:4-1.6) would be the basis for apportionment (N.J.S.A. 18A:13-46.1d).

Reapportionment by the Executive County Superintendent

If the foregoing option to propose the reapportionment to the Commissioner is not selected or successful, then as shown by the last federal census officially promulgated in this State as reported by the Secretary of State pursuant to section 1 of P.L.2021, c.198 (C.52:4-1.6), the Monmouth County ESC would reapportion the membership of the regional board of education and at the same time designate the number of members to be elected from each constituent school district at the succeeding annual school election. The number of board members would be based on the number of inhabitants of each of the constituent districts. However, where, as here, there would be less than nine constituent districts, the ESC must subtract from the number of inhabitants of each constituent school district the number of such inhabitants who according to the records of the Federal Bureau of the Census were patients in any State or federal hospital, or who are military personnel stationed at, or civilians residing within the limits of, any United States Army, Navy or Air Force installation, located in such constituent school district. These number are to be based on the last federal census officially promulgated in this State, as reported by the Secretary of State pursuant to section 1 of P.L.2021, c.198 (C.52:4-1.6). N.J.S.A. 18A:13-46; 13-8; 13-36.

Weight of Board Member Votes on Regional Board with more than Nine Constituent Districts

Although seemingly not the case here, in the event that the regional district was to increase in size to more than nine constituent districts, then the weight of their votes in all proceedings of the board would be determined by the appropriate executive county superintendent or superintendents through a statutorily prescribed ratio that would be proportional to the number of inhabitants of each constituent district (N.J.S.A. 18A:13-8a – h).

Dissolution of Local Districts

Once the constituent districts have joined the enlarged regional district, they must be dissolved, but only after the Regional District Board has taken charge and control of the educational facilities in the constituent districts. Until that time, the boards of the of the constituent districts would remain in office with the power to continue to conduct the schools of their respective districts. Their terms would expire on

the date that the Regional District Board takes charge and control of the educational facilities of their districts. No election may be held for members of any district to be dissolved in or after any year in which the members of the enlarged Regional Board are elected (N.J.S.A. 18A:13-48).

Power of Enlarged Regional Board to Take Control of Educational Facilities

An enlarged regional district board may not take control of the educational facilities of the joining districts before the Commissioner has certified, and in no case earlier than July 1 of the calendar year following that in which the election to enlarge was held, that suitable facilities and accommodations have been made available for the instruction of pupils in the enlarged regional district. The certification is to be made to the Board of Education of the Regional District before its enlargement, and the board of each of the joining constituent districts. Until the certification has been received, the pupils in the regional district and in the constituent districts shall continue under the charge and control of the respective boards as constituted prior to the enlargement. The time for taking charge and control of facilities may be accelerated or postponed by agreement of the board of education of the regional district existing prior to its enlargement and of the board or boards of education of the new constituent district or districts with the approval of the Commissioner. Given the present tri-District arrangement and the likelihood that facilities utilization would remain relatively unaffected by conversion to an enlarged all-purpose regional district, this ought to be a relatively straightforward process that could be accelerated by mutual agreement of the Districts. Whether the introduction of Sea Bright students into this equation would appreciably complicate the process seems unlikely, given their small number and disbursement among the grade levels, but is not fully understood as the extent to which some of those students may require special accommodations that might not be fully reimbursable through state or federal aid is not known at this time. Prior to proceeding with a proposal to add Sea Bright, this information should be provided and evaluated. Of course, the addition of any larger school district could have an appreciable impact and it should be fully analyzed from a cost-benefit perspective.

Upon taking charge and control of the educational facilities of the enlarged regional district the board of education of the enlarged regional district shall have full authority and control with respect thereto and in the meantime the board of the enlarged regional district may exercise any other powers and perform any other duties with respect to the enlarged regional district which the first board of education of a newly formed regional district may exercise and perform (discussed below), as set forth in N.J.S.A. 18A: 14-40 (N.J.S.A. 18A:13-47).

Power of Newly Created Regional Board to Take Control of Educational Facilities

The board of education of a newly created regional district shall take charge and control of the educational facilities of the constituent districts once the Commissioner has certified to the boards of education of each of the constituent districts that suitable facilities and accommodations have been made available for the instruction of the pupils in the new regional district. However, the regional board may not take charge and control of such educational facilities earlier than July 1 of the calendar year next ensuing the date of the election for the creation of the district, except by agreement between the regional board and the boards of education of the constituent districts, approved by the Commissioner. Until the Commissioner shall so certify, the charge and control of the educational facilities of the constituent districts in the classes and grades for which the regional district was formed shall continue to be in the respective boards of education of the constituent districts.

General Powers and Duties of Boards of Enlarged and Newly Created Regional School District

Upon taking charge and control of the educational facilities of the enlarged or newly created regional district, the Board may do all other acts and things which may be necessary for the proper organization and functioning of the public schools of the regional district during its first year, including:

- making of contracts for the employment of necessary personnel and for other proper purposes;
- the preparation and, if applicable, submission to the voters of the regional district for their approval or disapproval of the budget and the appropriations for the conduct of the public schools of the regional district during its first school year;

- the authorization of the purchase of real and personal property, and the construction, enlargement and repair of buildings, for school purposes, and the appropriations of the funds necessary to carry out the same and the authorization of the issuance and sale of bonds in order to provide for the payment therefor in whole or in part and the calling and holding of special elections when necessary for any such purposes and to carry out any or all of said purposes. N.J.S.A. 18A: 13-40

Effect of Regionalization on Existing Employees

Tenure and Seniority Rights, Benefits and Emoluments of Employment Preserved

In the case of an application that was submitted and approved in accordance with a LEAP Grant, whether it calls for the existing limited-purpose regional district to be changed to an all-purpose regional district, enlarged, or dissolved and then newly created, the tenure and seniority rights of all employees from the affected, constituent, replaced, displaced, or dissolved districts, except superintendents without prior underlying tenure and seniority rights, must be recognized and preserved by the newly formed regional district. N.J.S.A. 18A:13-47.5; 18A: 13-47.10, P.L. 2021, c. 402. As the existing Tri-District shares the services of the same superintendent, and Sea Bright has none, the question of how to resolve the status of another superintendent is not presented in the event that only Atlantic, Highlands and Sea Bright were to be added to the regional district. In the event that other districts were to be added, then the relative tenure, seniority and contractual rights of the superintendents of the constituent districts would have to be separately evaluated and addressed.

All periods of employment the school districts would count toward acquisition of tenure and seniority in the newly formed regional district, and all statutory and contractual rights to accumulated sick leave, leave of absence, and pension of an employee that have been acquired through employment in the districts must be recognized by the newly formed regional district. To this end, all employees having statutory seniority would have to be placed on a seniority list in the event of any downsizing in staff resulting from the regionalization. Moreover, any employee not covered by statutory seniority rights must be placed on a seniority list in accordance with the employee's years of employment in the constituent districts for the purposes of employment. N.J.S.A. 18A: 13-47.10, P.L. 2021, c. 402. If the proposal simply is to convert and Hudson to an all-purpose regional district and enlarge it, or dissolve it and create a new

regional district that includes only Atlantic, Highlands and/or Sea Bright, this would be a relatively uncomplicated matter, as the staffing ought to remain relatively unaltered.

Employee Transfers

All principals, teachers and employees of the dissolving constituent school districts would be transferred to the newly formed regional school district and those having tenure would need to be placed at the same or nearest equivalent position:

Whenever . . . any board of education in any school district in this state shall discontinue any high school, junior high school, elementary school or any one or more of the grades from kindergarten through grade 12 in the district and shall, by agreement with another board of education, send the pupils in such schools or grades to such other district, all teaching staff members who are assigned for a majority of their time in such school, grade or grades and who have tenure of office at the time such schools or grades are discontinued shall be employed by the board of education of such other district in the same or nearest equivalent position Any periods of prior employment in such sending district shall count toward the acquisition of tenure in the other district to the same extent as if all such prior employment had been in such other district.

N.J.S.A. 18A: 28-6.1

Reductions in Force

Notwithstanding the mandatory transfers and preservation of accrued rights and benefits provisions included in the statutory framework, it is possible that as a result of consolidation to an enlarged all-purpose, or newly created regional district, that certain positions might need to be reduced or eliminated. Again, the likelihood of this increases with the number of school districts to be added to the region. If this were to become necessary, then all reductions in force would have to occur in a manner that is consistent with tenure and seniority rights, as well as the applicable provisions of the governing collective bargaining agreement(s) (discussed below). Given the current configuration and allocation of grades among the Hudson, Highlands and Atlantic, it does not appear that this should present much of a problem, in that the respective schools in each district likely could continue to service the same grades and populations after the enlarged regionalization, as they presently do. Furthermore, given the relatively small number of Sea Bright students and Sea Bright's non-operating status, it is unlikely that their inclusion would trigger the need for significant staffing reductions, barring any unknown issues of which we are presently aware.

In event that a grade level reconfiguration was to occur, or other school districts from the surrounding municipalities were to become a part of the regional district, then it is more likely that modifications to the existing grade structure, curriculum, course offerings, and numbers of students being served by each facility might change in a manner that could require changes in staffing, include some reductions in force due to consolidation. If this were to occur, then a detailed analysis of the respective legal and contractual rights of the employees involved would be needed prior to implementation.

Additional Staff

Although the formation of a PK-12 all-purpose regional district comprised only of Atlantic, Highlands and Hudson students should not pose any need for additional staff, it is not clear at this juncture to what extent that would be true with the introduction of Sea Bright students. Given their relatively small numbers and the likelihood that they would be phased in, this should not be an issue and they probably could be easily absorbed into the existing structure. However, in the event that some of them require specialized services and/or accommodations that are not presently offered by Atlantic, Highlands or Hudson, then some additional personnel may be needed. Again, given the limited information available at this time, that determination cannot be made. Further data should be obtained and evaluated before reaching a decision.

Terms and Conditions of Employment

The Revised Law significantly modifies the provisions regarding the manner in which the salary guide and terms and conditions of employment are to be determined in the event of an enlarged or newly created regional district formed in conjunction with an approved LEAP Grant application, in the following manner:

. . . [T]he salary guide and terms and conditions of employment, whether established through a collective negotiations agreement or past practice, of the largest constituent school district² shall apply in full **after three years following the formation of the regional district or until a successor agreement is negotiated with the majority representative of the new school district, whichever occurs first. The salary guide and terms and conditions of employment that will apply pursuant to the provisions of this subsection shall be based upon the terms and conditions of employment of the largest constituent district made up of only the identical grade levels. In the event that there is no constituent district made up of only the identical grade levels, the salary guide**

and terms and conditions of employment that will apply pursuant to the provisions of this subsection shall be based upon the terms and conditions of employment of the largest constituent district containing the identical grade levels. . . (emphasis added). N.J.S.A. 18A:13-47.5a (1), P.L. 2021, c. 402.

The analysis of salary guides included in the *2021 Update (pp. 25 -27)* provides a basic overview and comparison of the guides for the 2021-22 school year. That analysis need not be duplicated here, but rather is incorporated by reference. However, as indicated, the law upon which these data were evaluated and used to formulate the recommendation for dissolution of Hudson has changed, as set forth above. The above revisions are not entirely clear and may be subject to multiple interpretations. Further guidance may be needed from the Department of Education in order to distill their exact meaning. However, applying what appears to be their plain meaning to the regionalization of Atlantic, Highlands, Hudson, what the new provisions seem to say is that because none of the proposed constituent districts contain the identical grade levels because each serves distinctly different grade levels, the terms and conditions of each of the respective constituent districts initially would apply to the staff assigned to the grade levels currently served by each. Thus, their respective salary guides and terms and conditions of employment would continue to apply to staff at those grade levels until three years following the newly formed regional district, or the negotiation of a successor CNA, whichever occurs first. Moreover, as Sea Bright is a non-operating school district with no present staff, and in any case is smaller than Atlantic and Highlands, its inclusion in the newly formed regional district would have no impact. Furthermore, in any case, the Revised Law permits the negotiation of a successor agreement as soon as possible.

In addition to the foregoing, the Revised Law provides that in the event that the salary guide and terms and conditions of employment of one or more school districts seeking to join a newly formed or existing limited-purpose or all-purpose regional district is set to expire upon the formation of the new regional district, the school district may either: (a) elect to adopt the expiring salary guide and terms and conditions of employment for a period not to exceed one year or until a successor agreement is negotiated with the majority representative of the new regional district, whichever occurs first; or (b) elect to adopt

the salary guide and terms and conditions of employment of the largest comparable district joining the new regional district. N.J.S.A. 18A:13-47.9, P.L. 2021, c.402. All of the Tri-Districts' current CNAs expire on June 30, 2024.

Majority Representatives

The newly formed regional district would have to recognize each majority representative of the existing bargaining units in the largest constituent district as the majority representatives of those separate bargaining units of employees, except that if the largest constituent district does not have a majority representative currently representing a classification of employees, then the majority representative of the next largest constituent district that represents a bargaining unit representing that classification of employees must be recognized by the newly formed regional district as the majority representative of that classification of employees. N.J.S.A. 18A:13-47.5b.

Prohibition on Subcontracting

Beginning on the date of submission of an application to regionalize, the boards which are party to the proposal would be prohibited from entering into a subcontracting agreement which affects the employment of any employees in a collective bargaining unit represented by a majority representative until the date that the newly formed all-purpose regional district commences operations following the completion of the dissolution and regionalization of the constituent districts. At this time, the provisions of N.J.S.A. 34:13A-46 et seq. would control, limiting the ability to subcontract during an existing collective bargaining agreement and thereafter, without timely notice to and negotiations with the respective majority.

Administrative Staff

2021-2022 Central Office/Administrative Staff

For 2021-2022, administrators and/or administrative staff in each of the Districts include the following (highlighting indicates area of possible change for 2022-2023):

Atlantic Highlands School District (NJDOE District Code 0130)

- Superintendent of Schools (shared with Highlands and Hudson)
- Board Secretary/School Business Administrator (shared with Hudson)

- Principal
- Director of Curriculum & Instruction (shared with Highlands and Hudson)
- Supervisor of Special Services (shared with Highlands and Hudson)
- Administrative Assistant to the Superintendent and Principal
- Network Administrator (shared with Highlands and Hudson)
- Administrative Assistant for Student Services
- Bookkeeper/Board Office Clerk
- Payroll Clerk (shared with Hudson)

Highlands Borough School District (NJDOE District Code 2160)

- Superintendent of Schools (shared with Atlantic and Hudson)
- P/T (.4) Board Secretary/School Business Administrator – contract outside of school hours as individual is fully employed in another district
- Principal
- Director of Curriculum & Instruction (shared with Atlantic and Hudson)
- Supervisor of Special Services (shared with Atlantic and Hudson)
- Network Administrator (shared with Atlantic and Hudson)
- Administrative Assistant to the Superintendent and Principal
- Administrative Assistant for Curriculum & Instruction and Student Services
- Administrative Assistant to the BA/Business Office

Henry Hudson Regional School District (NJDOE District Code 2120)

- Superintendent of Schools (shared with Atlantic and Highlands)
- Board Secretary/School Business Administrator (shared with Atlantic)
- Principal
- Administrative Assistant to the Principal
- Vice Principal/Supervisor of Athletics
- Administrative Assistant to the Vice Principal/Athletics
- Director of Curriculum & Instruction (shared with Atlantic and Highlands)
- Supervisor of Special Services (shared with Atlantic and Highlands)
- Network Administrator (shared with Atlantic and Highlands)
- Administrative Assistant to the Superintendent and Business Administrator
- Administrative Assistant for Curriculum & Instruction and Student Services
- Bookkeeper
- Payroll Clerk (shared with Atlantic)

Currently, there is a plan underway that would modify the above staffing in 2022-23:

Proposed 2022-2023 Central Office/Administrative Structures

Atlantic Highlands School District (NJDOE District Code 0130)

- Superintendent of Schools (shared with Highlands and Hudson)
- Board Secretary/School Business Administrator (shared with Hudson)

- Principal
- Director of Curriculum & Instruction (shared with Highlands and Hudson)
- Supervisor of Special Services (shared with Highlands and Hudson)
- Administrative Assistant to the Principal/Main Office
- Main Office Clerk
- Network Administrator (shared with Highlands and Hudson)
- Bookkeeper/Board Office Clerk (shared with Hudson)
- Payroll Clerk (shared with Hudson)

Highlands Borough School District (NJDOE District Code 2160)

- Superintendent of Schools (shared with Atlantic and Hudson)
- P/T (.4) Board Secretary/School Business Administrator – contract outside of school hours as individual is fully employed in another district
- Principal
- Director of Curriculum & Instruction (shared with Atlantic and Hudson)
- Supervisor of Special Services (shared with Atlantic and Hudson)
- Network Administrator (shared with Atlantic and Hudson)
- Administrative Assistant to the Principal/Main Office Secretary
- Main Office Clerk
- Tri-District Administrative Assistant to the Superintendent (shared with Hudson and Atlantic)
- Tri-District Administrative Assistant for Student Services (shared with Atlantic and Hudson)
- Administrative Assistant to the BA/Business Office

Henry Hudson Regional School District (NJDOE District Code 2120)

- Superintendent of Schools (shared with Atlantic and Highlands)
- Board Secretary/School Business Administrator (shared with Atlantic)
- Principal
- Administrative Assistant to the Principal/Main Office
- Vice Principal/Supervisor of Athletics
- Administrative Assistant to the Vice Principal/Athletics
- Director of Curriculum & Instruction (shared with Atlantic and Highlands)
- Supervisor of Special Services (shared with Atlantic and Highlands)
- Network Administrator (shared with Atlantic and Highlands)
- Administrative Assistant for Curriculum & Instruction (shared with Atlantic and Hudson)
- Bookkeeper
- Payroll Clerk (shared with Atlantic)

Assuming either an enlarged or newly created regional district involving Atlantic, Highlands, Hudson and possibly Sea Bright, there would be an impact on administrative staffing and resultant cost-savings due to associated reductions in force, although this would be minimized to some extent, by the present and proposed sharing arrangements between and among the Tri-Districts. One obvious cost-saving would be the elimination of the contracted part-time Business Administrator currently utilized by Highlands, as this

person is employed by another District. Presumably, building utilization among the three districts would continue, in accordance with the present grade level configurations or with only slight modification, in which case, there should be no impact on the principals and the vice-principal. For those administrators who presently are shared by all three Districts, there should be no impact on staffing levels. Staffing levels regarding all remaining central office personnel--i.e., those not presently shared among all three Districts, would have to be predicated upon the needs of the newly formed regional district, and any reductions in force effectuated in accordance with their tenure and seniority and or respective contractual rights. Again, since Sea Bright is not a functional school district, its inclusion should have little impact, if any.

Analysis, Conclusions, and Recommendations

First and foremost, it is important to bear in mind that all regionalization applications are subject to approval by the Commissioner of Education. A further condition is that all such applications submitted pursuant to a LEAP grant must be consistent with the recommendations contained in the associated feasibility studies, the criteria for which have been referenced above. Where, as here, there may be competing studies commissioned by different entities proceeding under separate LEAP Grants, there may be conflicting conclusions and recommendations that will need to be resolved before the Commissioner is likely to render final approval. It would be best, therefore, for the entities to attempt to work together to reconcile any differences they may have to the fullest possible extent before seeking approval as failure to do so is likely to result not only in delay and possible disapproval, but also litigation in the worst-case scenario, the cost of which would significantly offset any anticipated cost savings to the taxpayers.

We begin with the observation that the *Initial Study* and *2021 Update* provide analysis only of the comparative advantages and disadvantages of continuing the districts as they currently exist, versus the option of dissolution of Hudson, and concomitant creation of a new PK-12 all-purpose regional district that includes Atlantic, Highlands and Sea Bright (*2021 Update*, p. 2). The analysis does not present information about the relative benefits and costs of the other options. Nor is a comparative analysis provided for adding Sea Bright to an enlarged all-purpose Hudson regional district, either initially, or later with or without the

inclusion of other school districts. Thus, notwithstanding the excellent work contained in these studies, they do not provide information upon which the relative merits of each option may be fully evaluated.

Considering the legally permitted alternatives available to achieve conversion to a PK-12 all-purpose district, three basic options are available: (1) add a purpose and enlarge by adding Atlantic and Highlands; (2) add a purpose and also include Sea Bright now or later; or (3) dissolve the existing region and create a new all-purpose PK-12 regional district including Atlantic, Highlands, Sea Bright and possibly other school districts, now or later. From a strictly legal perspective, the first option would be the easiest one to achieve, as the changes that would ensue would be primarily nominal in nature, given the current Tri-District arrangement, shared personnel, use of existing facilities, identical student populations and operational procedures currently in place, all of which could be continued with minimal disruption. From the same vantage point, proceeding with the second and third options would encompass additional layers of complexity that may or may not be warranted, depending on a comparative cost-benefit analysis of each such option. It would be prudent to delay a final determination regarding the best option to propose until the educational, logistical, demographic and financial advantages and disadvantages associated with each alternative are fully presented.

Moreover, the recommendation of the option that calls for the dissolution of Hudson, was based, at least in part, on the manner in which the terms and conditions of employment of staff are to be determined following regionalization:

The consultants recommend the dissolution of the existing limited-purpose regional and the creation of a new all-purpose regional to allow for the establishment of a new collective bargaining agreement. . . . Alternatively, the regionalization statute permits the expansion of an existing regional . . . to include additional grade levels and communities. For example, Henry Hudson Regional would expand from grades 7 - 12 to include Sea Bright in addition to Atlantic Highlands and Highlands for grades PK-6. Ibid.

The rationale provided in the *Prior Studies* to justify the above stated preference is that there exists a significant difference between expansion versus complete dissolution and creation of a new all- purpose regional district, such that:

An expansion would require that members of the Atlantic Highlands' and Highlands' collective bargaining units be placed on the Henry Hudson Regional guide. Although . . .

the regional has lower salaries throughout much of the guide, since tenured staff cannot be reduced in salary, a move to the regional guide is likely to result in higher costs. Cost saving represents one driver to the regionalization decision, dissolution and reformulation remains a better option. *2021 Update*, p. 24.

Although the foregoing rationale was correct at the time of publication of the *2021 Update*, S3488, P.L. 2021, c. 402 had not yet been finalized. The Revised Law that is now in effect changes the underlying premise upon which the rationale was based. As discussed above, the Revised Law, although somewhat unclear, appears to modify the procedure regarding controlling salary guides and terms and conditions of employment in a manner that may alter the financial cost savings estimated by the consultants. At the very least, this requires clarification and evaluation of its impact on the original recommendation.

The recommendation of only the option that calls for the immediate inclusion of Sea Bright raises additional issues regarding Sea Bright's withdrawal from its present arrangements with Oceanport and Shore Regional. There is an implicit assumption that Sea Bright's withdrawal can and will occur without difficulty or delay. Since this is a new process, this assumption may or may not be true. It is possible that issues may arise that could stand in the way of a more expeditious conversion in which Atlantic and Highlands are simply added to the expanded all-purpose Hudson regional district while Sea Bright attempts to effectuate its withdrawal. In this regard, it is noteworthy that the withdrawal must be completely evaluated and approved by the Commissioner before any referendum regarding formation of a regional district that includes Sea Bright may occur. N.J.S.A. 18A:13-47-11a. (1). A safer approach would be to proceed first either with conversion of Hudson to an all-purpose regional district or creation of a new all-purpose regional district that includes Atlantic and Highlands, and then to allow Sea Bright to proceed with its attempts to withdraw and join. If this option is not selected, and it is determined that it is best to proceed by adding Sea Bright to an expanded or a newly created all-purpose regional district now, then it would also be advisable to try to include some type of hold harmless agreement with Sea Bright that would protect the other Boards from any litigation that might ensue with Oceanport and Shore Regional as a result of Sea Bright's withdrawal. A further recommendation would be the inclusion of a conditional opt out provision in the application to the Commissioner that would allow Atlantic, Highlands and Hudson to move forward

without Sea Bright in the event of any appreciable delay caused by complications or litigation with Oceanport and/or Shore Regional.

Whether the final proposal is to add Sea Bright now or later, the question remains whether to dissolve the existing region or simply convert and expand it. Until all of the costs and benefits associated with these options are fully presented and evaluated, it is unlikely that the Commissioner's approval will be forthcoming, especially in the event that competing proposals are submitted by the municipal governing bodies and the boards of education. Therefore, we recommend a complete cost-benefit analysis of all of the options discussed in This Study, including more specific data regarding the characteristics of the Sea Bright students and any special cost drivers associated with the need to pay for such un-reimbursable, mandated costs as may be needed to accommodate them before reaching a conclusion regarding which proposal to submit to the Commissioner and the voters. Once completed, if the desire is to add Sea Bright to the region, then it should be further ascertained why this could not be just as efficaciously accomplished without dissolving Hudson. In the final analysis, this should be a data-driven decision based on all of the available data, as applied to all available options.

¹ We have been provided with a draft of the *Initial Study*, dated September 2019. The *2021 Update* indicates that the *Initial Study* was completed in 2020. Our analysis is based on the September 2019 document and the *2021 Update* with the caveat that the *Initial Study* may have been altered in the 2020 final version of that document and, if so, such alteration possibly may impact our analysis.

² The term, "largest constituent school district" means that school district which employs the largest number of teaching staff members. N.J.S.A. 18A:6-31.4. According to the latest NJDOE data available for 2019 - 2020, Hudson has 40 teachers, Atlantic has 32 and Highlands has 25.
(<https://rc.doe.state.nj.us/district/detail/25/2120/staff?lang=EN>);
(<https://rc.doe.state.nj.us/district/detail/25/0130/staff?lang=EN>);
(<https://rc.doe.state.nj.us/district/detail/25/2160/staff?lang=EN>).

Part IV: Demographic Analysis

Executive Summary

The Henry Hudson Regional Schools is a grade 7-12 high school located in Highlands, New Jersey. Elementary school students from Atlantic Highlands Borough and Highlands Borough attend the Regional School. The enrollment in the Regional has declined from 833 students in 2016-17 to 741 in 2021-22. The projection through the 2026-27 school year is projected to decline to 691. Both of the elementary schools are showing decline in enrollment over the next five years although at Highlands Borough there are indications that the enrollment should stabilize by the end of the projection period. Table 1 provides a ten-year overview of the Regional Enrollment over a ten-year period (2016-17 through 2026-27).

Table 1: Ten-Year Overview

| Ten Year Overview | | | | | |
|--------------------------|----------------|----------------|---------------|----------------|---------------|
| | 2016-17 | 2021-22 | Change | 2026-27 | Change |
| Regional | 833 | 741 | -92 | 691 | -50 |
| Atlantic Highlands | 289 | 254 | -35 | 231 | -23 |
| Highlands Boro | 166 | 138 | -28 | 131 | -7 |
| Henry Hudson Reg | 301 | 295 | -6 | 280 | -15 |
| Prekindergarten | 56 | 37 | -19 | 30 | -7 |
| Special Education | 21 | 17 | -4 | 19 | 2 |

Methodology

This study used the cohort survival method for enrollment projections. The cohort survival method follows students as they move from grade to grade and calculates the percentage of growth and/or decline as they move through the system. This is tracked for six years, and an

average rate of growth is calculated to produce a five-year growth/decline ratio. The final year of actual enrollment is then multiplied by the average growth/decline ratio (also referred to as the migration ratio) to project the next five years of enrollment. Kindergarten projections are based upon a comparison of children born in a given year and the number of kindergarten students enrolled five year later. For example, students born in 2011 became kindergarten students in 2016. This ratio of birth to kindergarten is calculated over a six-year period to develop a five-year average migration ratio (e.g.-if 100 children were born in 2011 and there were 75 kindergarten students in 2016 the migration ratio would be .75). This average is then applied to each year's live births for the projections. The birth data is provided by the State Education Department which attributes the births to the school districts and not the municipalities. This is important, especially in Districts which may be composed of more than one Town, Village, City or Hamlet.

Cohort projections do not include any growth based upon projected construction. In communities in which there is significant growth in new housing developments the potential impact of students to the schools is added into the cohort table. An OPRA was filed in both boroughs in order to ascertain if there are any significant new housing developments which might impact school enrollment. The responses indicated no significant new housing in either community.

Tables 2 and 3 provide an overview of selected demographic characteristics of both of the sending districts to the Regional. It is important to note that the median ages in both communities have increased between 2015 and 2020. In both cases the median age is well above the average median age in the State of New Jersey. The median age in both communities correlates with the significant decline in the schools which comprise the Regional.

Community Demographics

Table 2: Selected Demographics Atlantic Highlands

| Atlantic Highlands Borough | | | |
|----------------------------|--------------|-------|-----------------------|
| | 2015 | 2020 | |
| Population | 4,346 | 4,309 | |
| Median Age | 46.6 | 47.4 | |
| Median Income | \$100,048.00 | | |
| Mean Income | \$141,983.00 | | |
| | | | Percent of Population |
| Race | | | |
| White | 3,855 | 4,042 | 93.80% |
| Black | 124 | 1 | 0.02% |
| Asian | 53 | 18 | 0.42% |
| Hispanic | 165 | 234 | 5.43% |
| Hawaiin | 30 | 0 | 0.00% |
| Multi-racial | 119 | 14 | 0.32% |

Table 3: Selected Demographics Highlands

| Highlands Borough | | | |
|-------------------|-------------|-------------|-----------------------|
| | 2015 | 2020 | |
| Population | 4,947 | 4,621 | |
| Median Age | 48.2 | 52.5 | |
| Median Income | \$62,770.00 | \$73,377.00 | |
| Mean Income | \$85,667.00 | \$97,126.00 | |
| | | | Percent of Population |
| Race | | | |
| White | 4,349 | 4054 | 87.73% |
| Black | 94 | 123 | 2.66% |
| Asian | 45 | 242 | 5.24% |
| Hispanic | 343 | 129 | 2.79% |
| Multi-racial | 99 | 220 | 4.76% |
| Native American | 17 | | 0.00% |

Table 4: Regional-wide Enrollment History and Projection

| Enrollment History and Projection without New Housing Units | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----|------|------------|-------|-------|----|-------|--|--|--|
| Year | Births | | K | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | K-6 | 7-12 | Sub | Sp Ed | Sp Ed | PK | Total | | | |
| | | | | | | | | | | | | | | | | | | Total K-12 | HS | ES | | | | | |
| 2016-17 | 82 | 0.829 | 68 | 74 | 63 | 53 | 63 | 66 | 68 | 58 | 54 | 59 | 46 | 41 | 43 | 455 | 301 | 756 | 7 | 14 | 56 | 833 | | | |
| | | | 0.94 | 0.93 | 1.05 | 0.91 | 1.08 | 1.08 | 0.90 | 1.05 | 0.81 | 1.00 | 0.96 | 1.00 | | | | | | | | | | | |
| 2017-18 | 75 | 0.707 | 53 | 64 | 69 | 66 | 48 | 68 | 71 | 61 | 61 | 44 | 59 | 44 | 41 | 439 | 310 | 749 | 4 | 13 | 66 | 832 | | | |
| | | | 0.98 | 0.98 | 0.91 | 0.88 | 1.02 | 0.90 | 1.00 | 1.02 | 0.92 | 0.91 | 0.92 | 0.84 | | | | | | | | | | | |
| 2018-19 | 64 | 1.016 | 65 | 52 | 63 | 63 | 58 | 49 | 61 | 71 | 62 | 56 | 40 | 54 | 37 | 411 | 320 | 731 | 2 | 21 | 68 | 822 | | | |
| | | | 1.00 | 0.96 | 1.03 | 0.95 | 0.88 | 0.94 | 1.03 | 0.99 | 0.76 | 0.91 | 1.00 | 0.94 | | | | | | | | | | | |
| 2019-20 | 73 | 0.822 | 60 | 65 | 50 | 65 | 60 | 51 | 46 | 63 | 70 | 47 | 51 | 40 | 51 | 397 | 322 | 719 | 6 | 12 | 71 | 808 | | | |
| | | | 0.88 | 1.02 | 0.98 | 0.89 | 0.98 | 0.90 | 0.98 | 0.90 | 0.87 | 0.91 | 0.98 | 1.00 | | | | | | | | | | | |
| 2020-21 | 96 | 0.688 | 66 | 53 | 66 | 49 | 58 | 59 | 46 | 45 | 57 | 61 | 43 | 50 | 40 | 397 | 296 | 693 | 8 | 12 | 23 | 736 | | | |
| | | | 0.95 | 0.96 | 1.05 | 0.94 | 0.97 | 0.98 | 1.09 | 1.04 | 0.88 | 0.92 | 1.05 | 0.94 | | | | | | | | | | | |
| 2021-22 | 69 | 0.710 | 49 | 63 | 51 | 69 | 46 | 56 | 58 | 50 | 47 | 50 | 56 | 45 | 47 | 392 | 295 | 687 | 4 | 13 | 37 | 741 | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | |
| Av | | 0.817 | | 0.97 | 0.99 | 1.01 | 0.92 | 0.99 | 0.98 | 1.01 | 1.03 | 0.84 | 0.94 | 0.98 | 0.93 | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year | 71 | | K | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | K-6 | 7-12 | Sub | Sp Ed | Sp Ed | PK | Total | | | |
| | | | | | | | | | | | | | | | | | | Total K-12 | HS | ES | | | | | |
| 2022-23 | 74 | | 60 | 48 | 62 | 52 | 63 | 46 | 55 | 59 | 52 | 39 | 47 | 55 | 42 | 386 | 294 | 680 | 6 | 13 | 30 | 729 | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2023-24 | 61 | | 50 | 58 | 48 | 63 | 48 | 62 | 45 | 56 | 61 | 44 | 37 | 46 | 51 | 374 | 295 | 669 | 6 | 13 | 30 | 718 | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2024-25 | 67 | | 55 | 49 | 57 | 48 | 58 | 48 | 61 | 45 | 58 | 51 | 41 | 36 | 43 | 376 | 274 | 650 | 6 | 13 | 30 | 699 | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2025-26 | 67 | | 55 | 53 | 49 | 58 | 44 | 57 | 47 | 62 | 46 | 49 | 48 | 40 | 33 | 363 | 278 | 641 | 6 | 13 | 30 | 690 | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2026-27 | 67 | | 55 | 53 | 52 | 49 | 53 | 44 | 56 | 47 | 64 | 39 | 46 | 47 | 37 | 362 | 280 | 642 | 6 | 13 | 30 | 691 | | | |

Table 5: Atlantic Highlands Enrollment History and Projection

| Atlantic Highlands K-6 | | | | | | | | | | | | |
|------------------------|--------|----|----|----|----|----|----|----|-----------|----|----|-------|
| Year | Births | K | 1 | 2 | 3 | 4 | 5 | 6 | Sub Total | PK | Sp | Total |
| | | | | | | | | | | | Ed | |
| 2016-17 | 51 | 39 | 46 | 43 | 31 | 39 | 47 | 44 | 289 | 32 | 14 | 335 |
| 2017-18 | 40 | 31 | 35 | 44 | 43 | 27 | 39 | 49 | 268 | 37 | 13 | 318 |
| 2018-19 | 33 | 36 | 31 | 35 | 42 | 40 | 30 | 37 | 251 | 48 | 12 | 311 |
| 2019-20 | 37 | 36 | 37 | 31 | 37 | 39 | 36 | 28 | 244 | 49 | 8 | 301 |
| 2020-21 | 46 | 44 | 33 | 38 | 30 | 38 | 38 | 31 | 252 | 5 | 1 | 258 |
| 2021-22 | 36 | 38 | 40 | 32 | 41 | 28 | 37 | 38 | 254 | 8 | 0 | 262 |
| | | | | | | | | | | | | |
| Year | | K | 1 | 2 | 3 | 4 | 5 | 6 | Sub Total | PK | Sp | Total |
| | | | | | | | | | | | Ed | |
| 2022-23 | 38 | 40 | 30 | 36 | 32 | 41 | 30 | 37 | 246 | 8 | 0 | 254 |
| 2023-24 | 39 | 33 | 36 | 28 | 39 | 31 | 40 | 30 | 237 | 8 | 0 | 245 |
| 2024-25 | 30 | 37 | 31 | 33 | 29 | 38 | 31 | 41 | 240 | 8 | 0 | 248 |
| 2025-26 | 38 | 37 | 33 | 28 | 36 | 29 | 37 | 32 | 232 | 8 | 0 | 240 |
| 2026-27 | 38 | 37 | 33 | 30 | 30 | 35 | 28 | 38 | 231 | 8 | 0 | 239 |

Table 6: Highlands Borough Enrollment History and Projection

| Highlands K-6 | | | | | | | | | | | | |
|---------------|--------|----|----|----|----|----|----|----|-----------|----|----|-------|
| Year | Births | K | 1 | 2 | 3 | 4 | 5 | 6 | Sub Total | PK | Sp | Total |
| | | | | | | | | | | | Ed | |
| 2016-17 | 31 | 29 | 28 | 20 | 22 | 24 | 19 | 24 | 166 | 24 | 0 | 190 |
| 2017-18 | 35 | 22 | 29 | 25 | 23 | 21 | 29 | 22 | 171 | 29 | 0 | 200 |
| 2018-19 | 31 | 29 | 21 | 28 | 21 | 18 | 19 | 24 | 160 | 20 | 9 | 189 |
| 2019-20 | 36 | 24 | 28 | 19 | 28 | 21 | 15 | 18 | 153 | 22 | 4 | 179 |
| 2020-21 | 50 | 22 | 20 | 28 | 19 | 20 | 21 | 15 | 145 | 18 | 11 | 174 |
| | | 3 | | | | | | | | | | |
| 2021-22 | 33 | 11 | 23 | 19 | 28 | 18 | 19 | 20 | 138 | 29 | 13 | 180 |
| | | | | | | | | | | | | |
| Year | | K | 1 | 2 | 3 | 4 | 5 | 6 | Sub Total | PK | Sp | Total |
| | | | | | | | | | | | Ed | |
| 2022-23 | 33 | 20 | 18 | 26 | 20 | 22 | 16 | 18 | 140 | 24 | 9 | 173 |
| 2023-24 | 35 | 17 | 22 | 20 | 24 | 17 | 22 | 15 | 137 | 24 | 9 | 170 |
| 2024-25 | 31 | 18 | 18 | 24 | 19 | 20 | 17 | 20 | 136 | 24 | 9 | 169 |
| 2025-26 | 29 | 18 | 20 | 21 | 22 | 15 | 20 | 15 | 131 | 24 | 9 | 164 |
| 2026-27 | 29 | 18 | 20 | 22 | 19 | 18 | 16 | 18 | 131 | 24 | 9 | 164 |

Conclusion

The enrollment in prekindergarten through 12 in the Regional and the sending districts has declined significantly over the past six years. With an aging population and little new housing developments the enrollment is projected to continue to decline through the 2026-27 school year. There is no indication that this trend will reverse in the near future.

Part V: Building Capacity Review

Introduction

The purpose of this report is to support the Henry Hudson Regional School District's LEAP grant, which is intended to study the feasibility of consolidating with the Highlands and Atlantic Highlands School Districts into a single PK-12 district. This report will provide an overview of the capacities of the three existing school buildings.

District Building Overview

Currently, students in grades PK through 12 residing in Highlands and Atlantic Highlands attend elementary school (through grade 6) in their home school district, with students in grades 7 through 12 attending Henry Hudson Regional High School. Both elementary schools were originally constructed nearly 100 years ago: Atlantic Highlands ES in 1928, and Highlands ES in 1931. Both schools received additions to accommodate additional instructional space. Highlands School expanded in 1974 and 1998; Atlantic Highlands expanded in 1941 and the early 2000s. Henry Hudson opened in 1962 and was expanded and significantly renovated in the early 2000s.

Highlands Elementary School

Highlands School operates a two story, donut-shaped facility, with classrooms ringing the upper two floors around a central gymnasium/auditorium. There is also a lower (basement) level, housing mechanical space and a cafeteria, below a portion of the school. The building is approximately 32,000 square feet, and sits on approximately eight acres, with a parking lot to the west and a sloping hillside to the east.

Atlantic Highlands Elementary School

At approximately 53,000 square feet, Atlantic Highlands School is a larger facility than Highlands. Most of the school is three stories, with a majority of the classrooms arranged along a linear corridor parallel to East Washington Avenue. Although it is a larger facility than Highlands School, its site is significantly smaller; at roughly two acres bounded on three sides by roadways, the building and play areas take up the entire site, leaving no room for parking.

Henry Hudson Regional School

Henry Hudson Regional School is the largest of the three facilities, totaling approximately 85,000 square feet. It is comprised of a central block housing core facilities such as the gymnasium, cafeteria, media center, and art and music rooms; plus an efficient two-story double-loaded corridor classroom wing, and a one-story science wing at the rear of the facility. The site measures approximately 15 acres, and is located at the top of a hill behind the Twin Lights. The site consists of the building, parking lot, and a pair of PE/athletic fields. There is also access to a condominium development and small bed and breakfast through the school's parking lot.

Building Capacity Methodology

The New Jersey Department of Education, through its Long-Range Facilities Plan requirements, provides for three ways of calculating a school building's capacity: functional capacity (FC), facilities efficiency standards (FES) capacity, and district practices (DP) capacity. This report considers the DP capacity as the most effective way to calculate each of the three schools' actual operational capacities.

Functional Capacity (FC)

N.J.S.A. 18A:7G-3 defines "functional capacity" as "dividing the existing gross square footage of a school building by the minimum area allowance per FTE [full time equivalent] student...The difference between the projected enrollment...and the functional capacity is the unhoused students that are the basis upon which the additional costs of space to provide educationally adequate facilities for the entire projected enrollment are determined." Ultimately, while the functional capacity is the figure set in N.J.S.A. that is used for calculating unhoused students for the purpose of funding new construction, because it is based solely on the gross size of a building, it is not an accurate measure of a school's capacity.

FES Capacity

The FES capacity is a closer approximation of how a school is being utilized. This method allows for the calculation of capacity based on the NJDOE's FES standards of classroom size and occupancy. Classrooms that are equal to, or larger than, the FES standard, are assigned full capacity. Classrooms that

are slightly smaller have their capacities pro-rated downward. The FES capacity also factors in a utilization rate, in recognition that it is unrealistic for schools to have each classroom's capacity maximized for the entire school day. The accepted utilization rate for elementary school grade levels, where students typically remain in one classroom for a majority of the day, is 90%. For middle school grade levels where students change classes, and high school grade levels, the utilization rate is reduced to 85%.

District Practices (DP) Capacity

The DP capacity takes the FES capacity, and allows the school district to make certain modifications to reflect actual operating conditions. For example, the school district can assign capacity to spaces that the FES does not recognize as capacity-generating (oftentimes applicable at the high school level, where some schools include gymnasiums, art, music, and/or lab spaces as capacity-generating). Under the DP methodology, districts can also waive the pro-rating of undersized classrooms, and can increase or decrease room capacity from the FES, based on district standards. The DP capacity is the most accurate measure of how a school district is actually utilizing its buildings, and is therefore the figure utilized throughout the remainder of this report.

Long Range Facilities Plan Coordination

Every school district in New Jersey must maintain a current Long-Range Facilities Plan (LRFP), updated to within five years. In the case of Highlands, Atlantic Highlands, and Henry Hudson, the districts are in compliance, with LRFP approval letters dated February 3, 2021, June 28, 2021, and June 29, 2021, respectively.

Within the current LRFPs, each of the three capacities outlined above are calculated. However, it should be noted that the DP capacities utilized in this report vary slightly from those shown in the LRFPs. The primary reason for the variation is the effect from COVID. Each district LRFP was submitted in late 2020 or early 2021, so the room inventory and usage was based on how the buildings were functioning at that time. Since those submissions, all three schools have opened back up fully, in some cases with rooms being utilized differently than they had been prior to the COVID shutdown, so the room calculations included in this report reflect the room usages as of January 2022.

Capacity Calculations

The charts below reflect the formulae by which the DP capacity was calculated. The FES capacity guidelines were followed: 12 students in each self-contained special education classroom; 15 students in each pre-kindergarten classroom; 21 students in each classroom grades K through 3; 23 students in each classroom grades 4 through 8; and 24 students in each classroom grades 9 through 12. At the elementary level, only general purpose classrooms and self-contained special education rooms are considered to be capacity-generating. At Henry Hudson, in addition to these spaces, science labs and the gymnasium were also considered to be capacity-generating (a double-classroom capacity has been allotted at the gymnasium, as the space is large enough to accommodate two class sections at one time).

The calculated DP capacities are then compared to the five-year enrollment projections, as taken from the “Demographic and Enrollment Study” prepared by Ross Haber, Ed.D, on March 1, 2022. DP capacities are compared to the 2026-27 school year projected enrollment figures. Enrollments were compared in two methods: first, with the grade alignment remaining as it currently is (PK/K-6 in the elementary schools, and 7-12 in the middle/high school), and secondly, with the sixth grade shifting to the middle/high school building.

Highlands Elementary School

For the elementary schools, each room was multiplied by its FES capacity. From that total, the utilization factor of 90% was applied, and the total rounded to the nearest student. Due to rounding, some columns or rows may not add exactly.

| Highlands Elementary School | | | | |
|-----------------------------|--------------------|----------|----------|-------|
| Room # | Grade | Students | Quantity | Total |
| 102 | SE | 12 | 1 | 12 |
| 104 | K | 21 | 1 | 21 |
| 105 | PK | 15 | 1 | 15 |
| 108 | PK | 15 | 1 | 15 |
| 111 | 1 | 21 | 1 | 21 |
| 112 | SE | 12 | 1 | 12 |
| 202 | 3 | 21 | 1 | 21 |
| 203 | 6 | 23 | 1 | 23 |
| 204 | 5 | 23 | 1 | 23 |
| 206 | SE | 12 | 1 | 12 |
| 208 | 2 | 21 | 1 | 21 |
| 209 | 3 | 21 | 1 | 21 |
| 210 | 4 | 23 | 1 | 23 |
| | | | Total | 240 |
| | Utilization Factor | | 90% | 216 |

Highlands Elementary School is currently operating with a DP capacity of 216 students. However, the school does not have classrooms for either art or foreign language. Therefore, to calculate the optimal DP capacity, we remove two classroom spaces from the count, reducing the DP capacity to 176.

| Highlands Elementary School (modified) | | | | |
|--|--------------------|----------|----------|-------|
| Room # | Grade | Students | Quantity | Total |
| 102 | SE | 12 | 1 | 12 |
| 104 | K | 21 | 1 | 21 |
| 105 | PK | 15 | 1 | 15 |
| 108 | PK | 15 | 1 | 15 |
| 111 | 1 | 21 | 1 | 21 |
| 112 | SE | 12 | 1 | 12 |
| 202 | (FL) | 0 | 1 | 0 |
| 203 | (Art) | 0 | 1 | 0 |
| 204 | 5 | 23 | 1 | 23 |
| 206 | SE | 12 | 1 | 12 |
| 208 | 2 | 21 | 1 | 21 |
| 209 | 3 | 21 | 1 | 21 |
| 210 | 4 | 23 | 1 | 23 |
| | | | Total | 196 |
| | Utilization Factor | | 90% | 176 |

The demographic study projects 164 students in grades PK-6, and 146 in grades PK-5. Based on these calculations, and including dedicated rooms for art and foreign language, Highlands Elementary School is under capacity by either 12 or 30 students, depending on the location of sixth grade students.

Atlantic Highlands Elementary School

For the elementary schools, each room was multiplied by its FES capacity. From that total, the utilization factor of 90% was applied, and the total rounded to the nearest student. Due to rounding, some columns or rows may not add exactly.

| Atlantic Highlands Elementary School | | | | |
|--------------------------------------|-------|--------------------|----------|-------|
| Room # | Grade | Students | Quantity | Total |
| 201 | 4-5 | 23 | 1 | 23 |
| 202 | 4-5 | 23 | 1 | 23 |
| 205 | SE | 12 | 1 | 12 |
| 206 | 6 | 23 | 1 | 23 |
| 207 | 4-5 | 23 | 1 | 23 |
| 209 | 4-5 | 23 | 1 | 23 |
| 16 | K | 21 | 1 | 21 |
| 18 | K | 21 | 1 | 21 |
| 007 | PKSE | 12 | 1 | 12 |
| 008 | SE | 12 | 1 | 12 |
| 108 | 1-2 | 21 | 1 | 21 |
| 109 | 1-2 | 21 | 1 | 21 |
| 110 | 1-2 | 21 | 1 | 21 |
| 112 | 1-2 | 21 | 1 | 21 |
| 116 | 3 | 21 | 1 | 21 |
| 118 | 3 | 21 | 1 | 21 |
| | | | Total | 319 |
| | | Utilization Factor | 90% | 287 |

Atlantic Highlands Elementary School is currently operating with a DP capacity of 287 students. The demographic study projects 239 students in grades PK-6, and 201 in grades PK-5. Based on these calculations, Atlantic Highlands Elementary School is under capacity by either 48 or 86 students, depending on the location of sixth grade students.

It should be noted that Atlantic Highlands recently modified its Pre-Kindergarten program. Dr. Haber's report assumes that the PK program will continue in its current iteration, housing only self-contained special education PK students. Should the district return to its prior program, we would expect to see PK enrollments more in line with what was accommodated in the 2016-17 through 2019-20 school years; taking an average of those enrollments would mean a PK population of 41 students, or 33 more than the 8 shown in the current report. This in turn would increase the projected enrollment to 197 (PK-6) or 179 (PK-5), meaning that the school would be slightly over capacity, by either 21 students (PK-6 grade alignment) or 3 students (PK-5 grade alignment).

Henry Hudson School

At Henry Hudson, the building is shared fully between the middle school (grades 7 and 8) and high school programs. While many combined middle and high school facilities dedicate specific classrooms to each grade level grouping, Henry Hudson takes a different approach, whereby most classrooms are shared by the middle and high school programs. Classrooms are not designated as either middle school or high school rooms, so that better advantage can be taken of room vacancies on a period-by-period basis. Ultimately, this leads to a much more highly utilized building than what might be seen in other similar shared facilities; however, this configuration complicates the calculation of the building's capacity.

For purposes of this report, we assumed that classroom period assignments would be pro-rated based on the division of students between middle and high school grade levels. This is a theoretical division, which does not hold true for every classroom every day, but does approximate the allocation of class periods among the classrooms on a school-wide basis. Therefore, with two middle school and four high school grades, we assumed that each capacity-generating space was occupied by a middle school class 2/6ths of the time, and a high school class 4/6th of the time.

| Henry Hudson Regional School | | | | | | | |
|------------------------------|-------|----------|--------------------------|----------|----------|----------|-------|
| # MS Grades | 2 | 33% | Grades 7 and 8 | | | | |
| # HS Grades | 4 | 67% | Grades 9, 10, 11, and 12 | | | | |
| | | | | | | | |
| Room Type | Grade | Students | Quantity | Quantity | Total MS | Total HS | Total |
| MS CR | 7-8 | 23 | 24 | 8 | 184 | | 568 |
| HS CR | 9-12 | 24 | | 16 | | 384 | |
| SE | 7-8 | 12 | 1 | 1 | 12 | | 12 |
| MS Gym | 7-8 | 46 | 1 | 0.33 | 15 | | 47 |
| HS Gym | 9-12 | 48 | | 0.67 | | 32 | |
| | | | | Total | 211 | 416 | 627 |
| | | | Utilization Factor | 85% | 180 | 354 | 533 |

Henry Hudson School is currently operating with a DP capacity of 533 (180 for grades 7-8, and 354 for grades 9-12). The demographic study projects 111 students in grades 7-8, and 175 in grades 9-12. Based on these calculations, Henry Hudson School is under capacity by 69 students in grades 7-8, and 179 students in grades 9-12.

Should grade 6 be moved to Henry Hudson, that would shift the calculation to be 3/7ths middle school, 4/7th high school. While the overall capacity would not change significantly, the pro-rating of grade levels among the capacity generating spaces would increase the middle school capacity, while decreasing the high school capacity. The resultant DP capacity would only be two fewer students, 531, but would increase the middle school grade level capacity to 228, while reducing the high school grade level capacity to 303.

| Henry Hudson Regional School (modified) | | | | | | | |
|---|-------|----------|--------------------------|----------|----------|----------|-------|
| # MS Grades | 3 | 43% | Grades 6, 7, and 8 | | | | |
| # HS Grades | 4 | 57% | Grades 9, 10, 11, and 12 | | | | |
| | | | | | | | |
| Room Type | Grade | Students | Quantity | Quantity | Total MS | Total HS | Total |
| MS CR | 7-8 | 23 | 24 | 10.29 | 237 | 329 | 566 |
| HS CR | 9-12 | 24 | | 13.71 | | | |
| SE | 7-8 | 12 | 1 | 1 | 12 | | 12 |
| MS Gym | 7-8 | 46 | 1 | 0.43 | 20 | 27 | 47 |
| HS Gym | 9-12 | 48 | | 0.57 | | | |
| | | | | Total | 268 | 357 | 625 |
| | | | Utilization Factor | 85% | 228 | 303 | 531 |

The demographic study projects 167 students in grades 6-8, and 175 in grades 9-12. Based on these calculations, Henry Hudson School would be under capacity by 61 students in grades 6-8, and 128 students in grades 9-12.

Long Range Facility Planning

Beyond examining each building's capacity, there are potentially other needs to be considered. As was indicated at Highlands School, the building is currently functioning without dedicated art or foreign language rooms; however, it is important to also look at any other building-related needs. Fortunately, as each school district has relatively recently completed their Long-Range Facilities Plan update in 2021, we can look to those reports for identified projects (see appendix at the end of this report for the most current project listings for each school). It should be noted that costs included within the LRFPP are typically intended to be broad-scope, order of magnitude estimates only; and that the LRFPPs for each district were assembled outside the scope of this report.

Overall, the project listings for each of the three schools are typical for what would be expected for school buildings of similar ages. Each school has been well maintained, and there do not appear to be obvious signs of any system failures or significant infrastructure problems at any of the three sites. The schools each function well, and there are no apparent reasons why any of them would not be suitable to continue in service.

Highlands Elementary School

The 2021 LRFP identified \$12,696,770 in capital projects to be undertaken. However, the entirety of the projects identified were capital in nature; that is, they did not alter or otherwise change the building capacity or room usage. From a cost standpoint, the largest projects were the replacement of classroom unit ventilators and addition of air conditioning (\$2,860,000), lighting replacement (\$823,680), toilet room renovation (\$650,650), removal of cubbies in classroom closets (\$580,580), and interior door and transom replacement (\$514,800). Further development of projects since the time of the 2021 LRFP submission has also been undertaken; and while some projects were added to this LRFP list, it remains that all of the projects are capital in nature.

Atlantic Highlands Elementary School

The 2021 LRFP identified \$2,630,000 in capital projects to be undertaken. However, the entirety of the projects identified were capital in nature; that is, they did not alter or otherwise change the building capacity or usage. From a cost standpoint, the largest projects were a new HVAC building management system (\$500,000) and masonry repointing/repair (\$350,000).

Henry Hudson School

The 2021 LRFP identified \$8,933,000 in capital projects to be undertaken. Only one project altered or changed the building usage; that project, the conversion of room 417 to a PE/weight room, has since been completed, and its impacts reflected in the current building analysis. The remainder of the projects identified were capital in nature. From a cost standpoint, the largest projects were HVAC replacements (\$4,456,000, split among seven projects) and locker room renovations (\$1,500,000).

Summary and Conclusion

Highlands Elementary School has available capacity: 12 seats currently, 30 seats if sixth grade is removed from the school. Atlantic Highlands Elementary School does not have available capacity; it is currently operating 21 students over capacity (assuming a re-instatement of the prior PK program), or 3 students over capacity (assuming a re-instatement of the prior PK program and the removal of sixth grade

from the school). Based on the current configuration, programs, and operations, there is not space available to significantly increase the enrollment at either of the elementary schools.

Henry Hudson School has available capacity: 248 seats currently, 189 if sixth grade is added into the school. Based on the current configuration, programs, and operations, there is space available to increase the enrollment at Henry Hudson. However, planning to add a significant quantity of students would require further review of the facility, particularly regarding the impact on core spaces such as the gymnasium, cafeteria, and “special” spaces (art, music, media, etc.).