

Appendix A

Beineman and Kirtland Report

**A Preliminary Study To Determine
The Feasibility Of Seaside Park's
Withdrawal From, Or Dissolution Of,
The Central Regional School District**



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SUPERINTENDENT OF
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I. Introduction

In 2004, after decades of dissatisfaction with its grossly disproportionate tax burden in supporting the Central Regional School District, the Borough of Seaside Park retained independent experts Dr. Donald E. Beineman and James L. Kirtland, CPA, to prepare a preliminary study of the educational and financial impacts of the lawful alternatives to the current arrangement. Dr. Beineman and Mr. Kirtland considered the educational and financial impacts, respectively, of a number of scenarios. First, they evaluated a withdrawal from Central Regional, and entrance into a sending-receiving relationship to send its grade 7-12 students there or elsewhere. They also evaluated a possible dissolution of Central Regional, should a majority of the five communities served by same pursue it, whereby those communities could educate their children on a sending-receiving basis at the same facility, to be operated by Berkeley Township as part of a K-12 District, or arrange for a sending-receiving relationship with another school.

Central Regional was formed in 1950, and presently serves as a limited purpose regional school district educating students from Berkeley Township, Island Heights, Ocean Gate, Seaside Heights and Seaside Park in grades 7-12. Originally, when Central Regional was formed, the tax levy to support operational costs was to be apportioned based upon district pupil enrollment. However, following a change in the law, long after Central Regional had been formed, all tax levies were changed so that the regional district's tax levies are apportioned based upon the equalized value of real estate. This revision significantly increased the cost for Seaside Park and Island Heights in supporting Central Regional, to such an extent that Seaside Park and Island Heights have been paying, and continue to pay, a disproportionate share of the costs.

More specifically, the per pupil tax levy for Central Regional for 2005-2006 would be \$11,360. The other four communities' tax levies, calculated on a per pupil basis, range from \$5,525 per pupil to \$11,800 per pupil; meanwhile, for the 2005-2006 school year, Seaside Park would be paying the extraordinary cost of \$51,150 per pupil.

The purpose of this study was to identify for the municipal and school officials in Seaside Park the educational and financial implications of a proposed reconfiguration in a withdrawal or dissolution scenario. In analyzing the educational impact of the proposed reconfigurations, Dr. Beineman visited the schools operated by the constituent districts and Central Regional. Educational staff were interviewed, and materials related to program and curriculum were reviewed. On the basis of the analysis, Dr. Beineman has concluded that all the proposed reconfigurations would meet New Jersey's educational requirements, and would provide an opportunity for a thorough and efficient education for all the students currently served by Central Regional. In conducting the financial analysis, the property tax impact of each alternative configuration is estimated and compared to the status quo scenario. The relative financial impact of each option was obtained by comparing a community's average tax levy and average tax rate to those estimated for the status quo scenario.

Significantly, all five of these communities would benefit in a dissolution scenario. Nonetheless, be the result a withdrawal or a dissolution, Seaside Park would no longer be paying more than the cost of educating its own pupils. Thus, a withdrawal from, or a dissolution of, Central Regional will save Seaside Park taxpayers over \$1,700,000 each year.

As set forth herein, the global benefits of dissolution for all of the constituent communities exceed the benefits available should Seaside Park have to act alone and withdraw. Thus, the recommendation is that Seaside Park share this analysis with the other constituent districts and seek the cooperation of a

II. Educational Analysis of Options

A. Community Descriptions

The Central Regional High School District and its constituent elementary school districts of Berkeley Township, Island Heights, Ocean Gate, Seaside Heights, and Seaside Park are located in Ocean County, the fastest growing county in New Jersey. Seaside Park and Seaside Heights are located on a barrier island between the Atlantic Ocean and Barnegat Bay. Island Heights is on the mainland and is surrounded by Dover Township on two sides and the Toms River on the remaining two sides. Ocean Gate is surrounded by Berkeley Township on three sides and the Toms River on the north. Berkeley Township is by far the largest of the constituent districts and is home to the Central Regional High School District. The following table provides 2000 Census descriptors for each of the constituent districts.

**Table 1
Demographic Characteristics**

	Berkeley Township	Island Heights	Ocean Gate	Seaside Heights	Seaside Park
Population (2000)	39,991	1,751	2,076	3,155	2,263
Race/Origin					
White	38,833	1,712	2,004	2,838	2,213
African-American	519	2	20	127	6
American Indian/Alaskan Native	16	8	3	20	8
Asian	181	11	20	27	14
Pacific Islander	4	0	0	0	2
Other Race	173	1	11	37	4
Two or more Races	265	17	18	106	16
Hispanic Origin	932	24	49	306	52
Age					
Under 5 years	1,089	84	144	238	107
5-18	2,311	308	396	498	218
18-65	14,627	1,056	1,236	2,071	1,370
65 and over	20,806	303	300	348	568
Median Age	66.3 years	43.0 years	36.9 years	33.3 years	46.8 years
Educational Attainment					
High School Graduate or higher	72.4%	90.8%	81.3%	76.3%	88.0%
Bachelor's Degree of higher	10.3%	33.4%	7.3%	15.6%	33.8%
Income					
Per Capita Income	\$22,198	\$26,975	\$19,339	\$18,665	\$30,000
Median Household Income	\$32,134	\$61,125	\$41,067	\$25,963	\$45,390
Median Family Income	\$40,208	\$72,596	\$50,847	\$27,197	\$58,636
Housing Units					
Total Number	22,268	807	1152	2,840	2,811
Occupied Units	19,828	705	832	1,408	1,127
Owner Occupied Units	18,423	616	579	397	697
Renter Occupied Units	1,405	89	253	1,011	448
Median value of single family home	\$102,100	\$167,400	\$101,500	\$124,400	\$215,100
Median Rent	\$774	\$830	\$819	\$635	\$718

1. Cohort Survival Ratios

Table 2
 Cohort Survival 2000-01 - 2004-05
 Berkeley Township School District

Year	Births 5 Yrs. Earlier	SR	K	SR	1	SR	2	SR	3	SR	4	SR	5	SR	6	Total
00-01	197	1.09	215		238		228		242		265		278		273	1739
				1.17		1.09		1.12		1.09		1.09		1.09		
01-02	273	.83	226		251		260		249		271		289		304	1850
				1.06		.95		1.03		1.02		1.01		.99		
02-03	296	.82	244		239		238		264		257		273		287	1802
				1.01		.95		1.01		1.06		1.03		1.00		
03-04	195	1.26	245		247		228		253		267		265		272	1777
				1.01		.99		.89		.96		.93		.90		
04-05	216	1.18	255		248		245		219		226		248		239	1680
Average SR		1.036		1.063		.995		1.013		1.033		1.015		1.00		

Table 4
Cohort Survival 2000-01 to 2004-05
Ocean Gate School District

Year	Births 5 Yrs. Earlier	SR	K	SR	1	SR	2	SR	3	SR	4	SR	5	SR	6	Total
00-01	33	.97	32		30	.83	21	.81	27	.96	25	.92	22	.77	20	177
01-02	25	1.20	30	1.06	34		25		17		26		23		17	172
02-03	29	.97	28	.37	11	.76	26	1.04	26	.88	15	.73	19	1.00	23	148
03-04	28	.79	22	.71	20	1.36	15	.92	24	.85	22	.87	13	.79	15	131
04-05	36	.56	20	1.00	22	.80	16	1.00	15	.83	20	.91	20	.85	11	124
Average SR		.90		.79		.94		.94		.88		.86		.85		

**Table 6
Cohort Survival 2000-01 to 2004-05
Seaside Park School District**

Year	Births 5 Yrs. Earlier	SR	K	SR	1	SR	2	SR	3	SR	4	SR	5	SR	6	Total
00-01	34	.44	15		17		19		22		25		20		18	136
				.93		.88		.89		.82		.76		.65		
01-02	19	1.00	19		14		15		17		18		19		13	115
				1.05		1.00		.87		.76		.83		1.00		
02-03	17	1.12	19		20		14		13		13		15		19	113
				1.00		1.00		.86		1.08		1.08		.93		
03-04	14	1.21	17		19		20		12		14		14		14	110
				1.00		.68		1.00		.83		.93		1.07		
04-05	22	.82	18		17		13		20		10		13		15	106
Average SR		.918		.995	.89	.905	.873	.903	.913							

2. Special Education

The following table indicates the enrollments of students classified as learning disabled in one of the categories recognized by the Department of Education.

	Berkeley Township	Island Heights	Ocean Gate	Seaside Heights	Seaside Park	Central Regional
Year	K-6	K-6	K-6	K-6	K-6	7-12
2000 - 01	97	0	34	29	0	334
2001 - 02	80	0	36	56	0	365
2002 - 03	101	0	40	55	0	477
2003 - 04	103	0	39	32	0	440.5
2004 - 05	230	7	28	66	0	371.5

While it is difficult to predict special education enrollment with complete accuracy, as a basis for the estimation of special education enrollment for the next five years, the percentage of the total enrollment for the grade levels involved was computed for the above five years. The average of those percentages was used to predict special education enrollment for the next five years.

	Berkeley Township	Island Heights	Ocean Gate	Seaside Heights	Seaside Park	Central Regional
Year	K-6	K-6	K-6	K-6	K-6	7-12
2000 - 01	5.3%	0.0%	16.5%	10.5%	0.0%	16.5%
2001 - 02	4.1%	0.0%	17.2%	18.4%	0.0%	16.9%
2002 - 03	5.3%	0.0%	21.3%	17.9%	0.0%	20.3%
2003 - 04	5.5%	0.0%	22.9%	11.4%	0.0%	19.5%
2004 - 05	12.04%	6.8%	18.4%	23.3%	0.0%	16.8%
Average %	6.45%	6.8%	19.26%	16.3%	0.0%	18%

Table 9
Projected Enrollment 2004-05 to 2009-10
Island Heights School District

Year	Births 5 Yrs. Earlier	K	1	2	3	4	5	6	Sub- Total	Spec. Ed.	Total
2004-05	20	16	16	13	17	10	8	16	96	7	103
2005-06	16	12	15	16	13	15	8	8	87	6	93
2006-07	14	10	11	15	16	11	12	8	83	6	89
2007-08	9	7	9	11	15	14	10	12	78	6	84
2008-09	15*	11	7	9	11	13	12	10	73	5	78
2009-10	15*	11	10	7	9	10	11	12	70	5	75

* Average of previous four years

Table 9 demonstrates a slow steady decline throughout the period of the projection.

Table 11
Enrollment Projection 2004-05 to 2009-10
Seaside Heights School District

Year	Births 5 Yrs. Earlier	K	1	2	3	4	5	6	Sub- Total	Spec. Ed.	Total
2004-05	60	35	36	27	16	23	30	26	193	66	259
2005-06	64	43	30	32	19	14	22	34	194	38	232
2006-07	53	36	37	28	23	17	13	25	179	35	214
2007-08	67	45	31	33	20	20	16	15	180	35	215
2008-09	61*	41	38	28	24	18	19	18	186	36	222
2009-10	61*	41	35	34	20	21	17	21	189	37	226

*Average of previous four years

Table 11 shows a decline, followed by a growth, in enrollment throughout the period of the projection.

Table 13
Enrollment Projection 2004-05 to 2009-10
Central Regional High School District

Year	Total All 6th Grades	7	8	9	10	11	12	Sub-Total	Spec. Ed.	Total
2004-05	307	322	341	356	306.5	263	254	1842.5	371.5	2214
2005-06	319	282	322	356	336	251	266	1813	398	2211
2006-07	284	293	282	336	336	276	254	1777	390	2167
2007-08	275	261	293	295	318	276	279	1722	378	2100
2008-09	306	253	261	306	279	261	279	1639	360	1999
2009-10	319	282	253	273	289	229	264	1590	349	1939

Table 13 shows a steady decline in enrollment for the period of the projection.

across New Jersey have been identified by the NJDOE as not meeting the annual student performance improvement goals required by NCLB.

Further, these districts have all met the standards to receive Level I (highest) monitoring approval by the NJDOE. This periodic evaluation process looks at 58 indicators within nine main elements covering student performance, staff certification, special programs, grants, facilities, and finance.

Consistent with monitoring approval, the districts all have five-year curriculum review plans, technology plans, Multi-Year Equity Plans, comprehensive maintenance plans, special education plans/policies, and a myriad of other planning tools and instruments that align to various NJDOE models and/or expectations.

Accordingly, each of the six school districts is a credible public education entity. If Seaside Park is permitted to withdraw, the constituent districts will be in essentially the same situation that they are now. Each will continue to operate their elementary school(s) and send their 7-12 grade students to the regional schools. Seaside Park will maintain its elementary school program and send its 7-12 grade students to another middle and high school.

1. Elementary Schools

A basic program for all children includes reading, mathematics, language arts, science and social studies. In addition, children study art, music, library skills, health education and physical education. The use of computers varies from school to school, but all students are afforded some opportunity to learn about, and use, computers. Programs are available for students who need help in basic skills and for students who are classified and need individual educational programs. Guidance and counseling programs are available, but the degree of sophistication varies from district to district. The withdrawal of Seaside Park from the Regional District will not change the curriculum or educational services of the elementary schools in any of the constituent districts.

K-12 curriculum articulation among the constituent districts is modest at best. It appears that when students leave the elementary schools, they are no longer of concern. No follow-up could be discerned.

2. Central Regional Middle School

The Middle School enrollment is approximately 800 students in grades seven and eight. The school is organized to provide a teaming concept to assist students in making a smooth transition from elementary school to the regional middle school. Students are encouraged to pursue the curricular offerings of the school. If needed, a basic skills course is available in both language arts and mathematics. Average class size is in the low 20's, and 15.9% of the pupils receive special education and related services. The Middle School's 2002 GEPA scores for language arts were about the same as those of their DFG and statewide peers. Their scores on the mathematics section were better than their DFG counterparts, but below those of the statewide group.

Middle School Qualifiers¹

	Central Reg.	Toms River East Intermediate	Pt. Pleasant Boro Middle	Antrim Elem. Sch
Instructional Time	5 hrs. 26 min.	5 hrs. 20 min.	5 hrs. 41 min.	5 hrs. 31 min.
Aver. Class Size	18.5	26.1	25.9	17.2
Grade Organization	7 & 8	7 & 8	6-8	K-8
GEPA Results - 2004 (% Meeting Standard)				
Lang. Arts. Literacy	63.9%	76.4%	82.1%	88.1%
Mathematics	48.7%	67.3%	71.9%	82.0%
Science	75.3%	85.7%	89.6%	92.5%
Language Diversity				
English	97.6%	97.3%	99.6%	96.9%
Other Language	2.4%	2.7%	.4%	3.1%
Student Mobility Rate	9.0%	5.5%	2.7%	5.4%
Attendance Rate	92.6%	93.5%	93.4%	94.8%
Student/Faculty Ratio	15.7	14.7	12.4	11.0
District Per Pupil Cost	\$11,785	\$9,533	\$9,040	\$11,142
Estimated Distance from Seaside Park	15.94 miles	9.92 miles	15.48 miles	13.54 miles

¹ Source: 2003-04 New Jersey School Report Card

Post Graduation Plans**Class of 2003**

4 yr. College	31.0%	45.6%	49.2%	58.8%
2 yr. College	34.7%	38.3%	31.7%	35.6%
Other College	6.4%	—	6.6%	0.6%
Other Post-Sec. College	2.4%	2.9%	—	0.6%
Military	4.0%	3.4%	2.6%	2.5%
FT Employment	15.3%	6.2%	8.5%	1.9%
PT Employment	0.6%	1.3%	—	—
Unemployed	—	—	—	—
Other	5.6%	2.3%	1.4%	—

Language Diversity

English	97.7%	98.4%	99.2%	98.5%
Other	2.3%	1.6%	.8%	1.5%

Student Mobility Rate	9.3%	7.2%	5.5%	8.8%
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Attendance Rate	90.4%	92%	93.9%	92.1%
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Student/Faculty Ratio	13.8	13.2	11.1	11.2
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District Cost Per Pupil	\$11,785	\$9,533	\$9,040	\$11,142
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Estimated Distance from Seaside Park	15.94 miles	6.87 miles	15.48 miles	13.54 miles
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Should the withdrawal of Seaside Park be approved, or should Central Regional be dissolved, Seaside Park sixth grade graduating pupils shall attend the middle school and later the high school of the district with which a sending-receiving relationship is established. Students enrolled in the Regional District at the time of withdrawal should be given a chance to continue as tuition pupils until graduation if possible.

Table 15
Racial/Ethnic Enrollment by Grade In The
Island Heights School District
2003-04 School Year

<u>Grade</u>	<u>White</u>	<u>Black</u>	<u>Hispanic</u>	<u>Amer. Ind.</u> <u>Alask. Nat.</u>	<u>Asian</u> <u>Pac. Is.</u>	<u>Total</u>
K	16	0	0	0	0	16
1	15	0	0	0	0	15
2	20	0	0	0	0	20
3	13	0	0	0	0	13
4	15	0	0	0	0	15
5	18	0	0	0	0	18
6	8	0	0	0	0	8
Spec. Ed.	0	0	0	0	0	0
Total	105 - 100%	0	0	0	0	105

Table 17
Racial/Ethnic Enrollment by Grade In The
Seaside Heights School District
2003-04 School Year

<u>Grade</u>	<u>White</u>	<u>Black</u>	<u>Hispanic</u>	<u>Amer. Ind.</u> <u>Alask. Nat.</u>	<u>Asian</u> <u>Pac. Is.</u>	<u>Total</u>
Pre-K	11	4	7	0	0	22
K	28	10	11	0	1	50
1	19	5	5	0	1	30
2	19	4	7	0	1	31
3	18	3	5	0	0	26
4	21	3	3	0	0	27
5	20	4	3	0	0	27
6	22	3	0	0	0	25
Spec. Ed.	30	7	4	0	1	42
Total	188 - 67.2%	43 - 15.5%	45 - 16.2%	0	4 - 1.1%	280

Table 19
Racial/Ethnic Enrollment by Grade In The
Central Regional High School District
2003-04 School Year

<u>Grade</u>	<u>White</u>	<u>Black</u>	<u>Hispanic</u>	<u>Amer. Ind.</u> <u>Alask. Nat.</u>	<u>Asian</u> <u>Pac. Is.</u>	<u>Total</u>
7	378	17	22	0	3	420
8	363	15	20	0	5	403
9	366	18	23	0	4	411
10	358.5	12	15	0	2	387.5
11	267	11.5	11	1	1	291.5
12	283.5	15	15	0	1	314.5
Spec. Ed.	24	0	0	0	0	24
Total	2040 - 90.6%	88 - 3.9%	106 - 4.7%	1 - 0.04%	16 - 0.71%	2251.5

The student population of Central Regional High School reflects the total population of the communities it serves. Assuming a racial/ethnic composition as set forth in Table 18, and the relative number of Seaside Park students, their departure over a period of six years will have no significant impact upon the racial/ethnic distribution of the student body at the Regional School District.