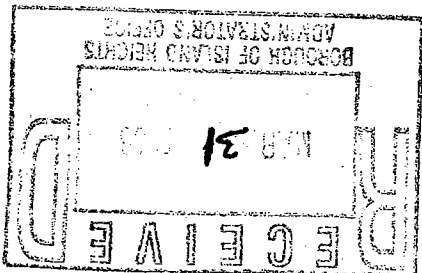


New Jersey State Department of Education
Ocean County Office of Education

March 2006

Ocean County
Central Regional School District

Investigation and Report by the Ocean County
Superintendent of Schools on the Feasibility for the
Dissolution of the Central Regional School District



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- James L. Kirtland, C.P.A.
- Melvin L. Wyns, Consultant

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- Theresa M. Hamilton, Superintendent of Schools

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Ocean County Superintendent of Schools

Feasibility Investigation of the
Advisability of Dissolution of the
Central Regional School District in
Ocean County

The Ocean County Superintendent of Schools on September 24, 2004 convened a meeting of all constituent School Superintendents, boards of education and their respective municipalities. This meeting served to review the procedures to be followed for the withdrawal from, or dissolution of the Central Regional School District. In addition, the meeting fulfilled the statutory requirement 18A:13-52 for the County Superintendent to have such a meeting within 21 days of receipt of dissolution resolutions or prior to the adoption of the required resolutions.

At the request of the Island Heights municipality, the county superintendent attended an informational meeting at the Island Heights municipal building on September 29, 2005. This meeting included NJSBA representatives, board of education representatives and concerned individuals. Again, the process and implications for the dissolution of the Central Regional School District were discussed in detail. Lastly, the county superintendent invited all municipalities and boards of education to an informational meeting at the Central Regional School District on January 31, 2006.

The initial request for a feasibility study was presented to the Ocean County Superintendent in the form of a withdrawal from the Central Regional School District by Seaside Park. This request was altered to a request for dissolution of the Central Regional School District as a result of having a majority of the boards of education and respective governing bodies pass resolutions as required in 18A:13-51.

The following boards of education and their respective governing bodies have passed resolutions authorizing the Ocean County Superintendent of Schools to conduct a feasibility study for the dissolution of the Central Regional School District:

1. Borough of Island Heights	11/15/2005	10/12/2005
2. Borough of the Seaside Heights	07/06/2005	06/27/2005
3. Borough of Seaside Park	06/08/2005	06/13/2005

The feasibility study for dissolution of the Central Regional School District submitted by Donald E. Beineman, Ed.D. and James L. Kirtland, C.P.A. was completed with additional data analysis "A Preliminary Study to Determine the Feasibility of Dissolution of the Central Regional School District" to the county superintendent on December 7, 2005.

On November 9, 2005 the Ocean County Office of Education also received the feasibility study conducted by the Central Regional School District titled "Financial Impact of the Withdrawal of the Borough of Seaside Park from the Regional District or the Dissolution of the Regional School District" authored by Mel Wyns, Educational Consultant. Both studies examined the educational and financial impact of the constituent municipalities and school districts as well as other pertinent factors.

Further, the county superintendent formally requested all constituent school districts and their respective municipalities for tentative educational plans in the event of dissolution N.J.A.C. 6A:32-11.1. The following school districts and municipalities have complied with this request as listed.

Municipality &	
Board of Education	
01/18/2006	1. Berkeley Township
01/17/2006	2. Island Heights
02/27/2006	3. Ocean Gate
02/10/2006	4. Seaside Heights
01/03/2006	5. Seaside Park

Based on the last submission of educational plans on February 27, 2006, the county superintendent was required to file his report within 60 days of the feasibility study completed submission or by April 27, 2006.

The format of this report follows the outline provided in the Administrative Code 6A:32-11.1. Thus, this report is segmented into two parts. Part one centers on the resolution to request the county superintendent to investigate the feasibility of dissolution and consists of five elements. The second part of the report represents the investigation and report of the county superintendent of schools consisting of fourteen elements designated for analysis.

PART ONE

**Application and Data
Investigation of Advisability of Dissolution**

General Description of Central Regional School District

6A:32-11.1(a) 1

General description of the regional district and of the withdrawing constituent district, including but not limited to, the type of educational system, number of schools and grade levels served, community population, and geographical characteristics:

The following description is taken from the Central Regional CAFFRA June 30, 2004 Report, Page 2.

The Central Regional School District is located in the Central Eastern portion of Ocean County and consists, geographically, of five separate municipalities within its boundaries. These municipalities include Berkeley Township, Island Heights, Ocean Gate, Seaside Heights and Seaside Park. The district encompasses 43.95 square miles.

The District provides a full range of educational services appropriate to grade levels 7 through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2003 - 2004 fiscal year with an average daily enrollment of 2334.7 students, which is 4.74% above the previous year's average daily enrollment and 689.8 students more than the 1993 - 1994 school year.

The estimated population (as of the Census on April 1, 2000) of the five (5) constituent communities comprising the Central Regional School District is 51,663 (Source: U.S. Bureau of the Census Population Estimates Branch, distributed by the NJ Department of Education). The estimated population has increased approximately 7.9% from 1994 to 2003. The five (5) municipalities of the school district have a combined net taxable value of \$3,697,578,692 (as per the abstract of ratables issued by the Ocean County Board of Taxation).

Additional description of the district can be found in Appendix A (Beineman & Kirtland Report, pages 1-3)

Enrollment Analysis

6A:32-11.1(a)2

Enrollment data, including, but not limited to, the number of pupils enrolled as reported by grade on the Annual Application for State School Aid and estimated projected enrollments, by grade level, for the succeeding five school years for both the withdrawing district or municipality and the remaining regional district, based on growth factors using average percentages for the last three school years:

Should the dissolution of the Central Regional School District occur, the sixth grade graduating pupils shall attend the middle school and later high school district with which a sending-receiving relationship is established.

The following tables were part of the Beineman & Kirtland report and meet the requirements of this element:

Table 13
Enrollment Projection 2004-2005 to 2009-2010
Central Regional High School District

Year	Total All Grades	7	8	9	10	11	12	Sub-Total	Spec. Ed.	Total
2004-05	307	322	341	356	306.5	263	254	1,842.5	371.5	2,214
2005-06	319	282	322	356	336	251	266	1,813	398	2,211
2006-07	284	293	282	336	336	276	254	1,777	390	2,167
2007-08	275	261	293	295	318	276	279	1,722	378	2,100
2008-09	306	253	261	306	279	261	279	1,639	360	1,999
2009-10	319	282	253	273	289	229	264	1,590	349	1,939

Table 8
Enrollment Projection 2004-2005 to 2009-2010
Berkeley Township

Year	Total Births	5 Yrs Earlier	K	1	2	3	4	5	6	Sub-Total	Spec. Ed.	Total
2004-05	216	255	248	245	219	226	248	239	1,680	230	1,910	
2005-06	197	204	271	247	253	221	229	248	1,673	115	1,788	
2006-07	273	282	217	270	255	256	224	229	1,733	119	1,852	
2007-08	296	306	300	216	279	258	260	224	1,843	127	1,970	
2008-09	246*	254	325	299	223	283	262	260	1,906	131	2,037	
2009-10	246*	254	270	324	309	226	287	262	1,932	133	2,065	

Table 9
Enrollment Projection 2004-2005 to 2009-2010
Island Heights School District

Year	Total Births	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

Table 10
Enrollment Projection 2004-2005 to 2009-2010
Ocean Gate School District

Year	Total Births	K	1	2	3	4	5	6	Sub-Total	Spec. Ed.	Total
2004-05	36	20	22	16	15	20	20	11	124	34	158
2005-06	24	22	16	20	15	13	17	17	120	29	149
2006-07	26	22	17	15	19	13	11	14	111	26	137
2007-08	29	23	17	16	14	17	11	9	107	26	133
2008-09	23*	26	18	16	15	12	15	9	111	26	137
2009-10	23*	21	23	17	15	13	10	13	112	27	139

Table 11
Enrollment Projection 2004-2005 to 2009-2010
Seaside Heights School District

Year	Total Births	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

Table 12
Enrollment Projection 2004-2005 to 2009-2010
Seaside Park School District

Year	Total Births	K	1	2	3	4	5	6	Sub-Total	Spec. Ed.	Total
2004-05	22	18	17	13	20	10	13	15	106	0	106
2005-06	13	12	18	15	12	18	9	12	96	0	96
2006-07	17	16	12	16	14	11	16	8	93	0	92
2007-08	17	16	16	11	16	13	10	16	96	0	94
2008-09	17*	16	16	14	10	14	12	9	91	0	89
2009-10	17*	16	16	14	13	9	13	11	92	0	90

Racial/Ethnic Composition

6A:32-11.1(a)3

The racial composition of the pupil population enrolled in the regional district from the withdrawing district or municipality, and the effect of such withdrawal upon the racial composition of the remaining pupil population of the regional district;

In the event of dissolution of the Central Regional School District the student population in each independent district reflects the total population of the community it serves. Thus, the effect on racial/ethnicity is expected to have no significant impact regarding dissolution.

The following tables were part of the Beineman & Kirtland report and meet the requirements of this element:

Table 19
Racial/Ethnic Enrollment by Grade
Central Regional High School District
2003-2004 School Year

Grade	White	Black	Hispanic	Amer/Ind	Asian	Pacif/Is.	Total	Percent
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	2,040	88	106	1	16		2,251.5	90.6%
								3.9%
								4.7%
								0.04%
								0.71%

Table 14
Racial/Ethnic Enrollment by Grade
Berkeley Township School District
2003-2004 School Year

Grade	White	Black	Hispanic	Amer/Ind	Asian	Pacif/Is.	Total	Percent
K	206	17	18	0	4		245	
1	224	5	18	0	0		247	
2	199	13	12	0	4		228	
3	215	14	19	0	5		253	
4	227	19	19	0	2		267	
5	237	14	11	0	3		265	
6	237	16	14	0	5		272	
Spec. Ed	83	12	8	0	0		103	
Total	1,628	110	119	0	23		1,880	86.6%
								5.9%
								6.3%
								1.2%

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

Table 17
 Racial/Ethnic Enrollment by Grade
 Seaside Heights School District
 2003-2004 School Year

Grade	White	Black	Hispanic	Amer/Ind	Alask/Nat	Asian	Pacif/Is.	Total
Pre-K	15	0	0	0	0	0	0	15
K	22	0	0	0	0	0	0	22
1	20	0	0	0	0	0	0	20
2	15	0	0	0	0	0	0	15
3	24	0	0	0	0	0	0	24
4	22	0	0	0	0	0	0	22
5	13	0	0	0	0	0	0	13
6	15	0	0	0	0	0	0	15
Spec. Ed	34	0	0	0	0	0	0	34
Total	180	0	0	0	0	0	0	180
Percent	100%	0	0	0	0	0	0	

Table 16
 Racial/Ethnic Enrollment by Grade
 Ocean Gate School District
 2003-2004 School Year

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

Table 15
 Racial/Ethnic Enrollment by Grade
 Island Heights School District
 2003-2004 School Year

Table 18
 Racial/Ethnic Enrollment by Grade
 Seaside Park School District
 2003-2004 School Year

Grade	White	Black	Hispanic	Amer/Ind	Asian	Total
Pre-K	11	0	0	0	0	11
K	14	1	1	0	0	17
1	16	1	2	0	0	19
2	19	0	1	0	0	20
3	12	0	0	0	0	12
4	13	0	1	0	0	14
5	12	1	1	0	0	14
6	14	0	0	0	0	14
Spec. Ed	0	0	0	0	0	0
Total	111	3	6	0	1	121
Percent	91.7%	2.5%	5.0%	0	0.8%	

District Fixed Asset Appraisals

6A:32-11.1(a) 4

Two appraisals of each school site which is part of the regional district prepared by qualified appraisers. If two or more constituent districts or municipalities request such a study, selection of the appraisers and the cost of the required appraisals shall be made and shared jointly:

Two independent appraisals were utilized to determine the value of the fixed assets of the Central Regional School District. American Appraisal Associates and Holzhauer & Holenstein, LLC were used to render appraisals of the fixed assets of the district.

The appraisal included an evaluation of the school site, replacement cost analysis of school building improvements, site improvements, and ancillary buildings, and an evaluation of personal (school) property other than furnishings and equipment (Holzhauer & Holenstein).

The property consists of a 94.63-acre, irregular rectangle shaped lot. The site is improved with two, 2 story block school facilities/complexes, each having one or more gymnasiums and multiple recreation/sports fields. Central Regional High School ("CRHS") (272,420sf) was constructed in 1956, with additions in 1962, & 1965; renovations in 1980, and completion of the new gym and various expansions completed in 2004. Central Regional Middle School ("CRMS") (141,478sf) was constructed in 1981, with renovations completed in 2002. Construction quality, materials and condition are observed to be average. The grounds and athletic fields are typical of graded, seeded, and landscaped regional school facilities. The site is bordered by chain-link fencing. Primary access to the site is achieved via three access points along Forest Hills Parkway. An interior access road connects the two school building (Holzhauer & Holenstein).

Market Value, B356/L1, as though vacant: \$5,110,000.

Replacement Value, school building: \$61,671,000.

Replacement Value, ancillary improvements \$ 1,990,000.

Present Value, personal (school) property: \$ 425,000.

The appraisal reports were incorporated into the Beneman & Kirtland report and summarized with respect to the New Jersey Department of Education facilities standards as follows:

In order to allocate the indebtedness related to fixed assets, the statutes necessitate the estimation of the replacement cost of buildings, grounds, furnishings and equipment. This estimate is calculated by the Bureau of Facility Planning Services of the State's Department of Education. The methodology uses construction cost per square foot times the applicable square footage. The Regional District provided me with the square footage of approximately 463,000. Based on a telephone discussion with the Department of Education, the construction cost per square foot is \$143. The resulting estimated replacement value for the two schools of the Regional District is \$66,209,000. This amount will be used to allocate debt related

to fixed assets. The land and buildings are located in Berkeley Township (Belineman & Kirtland, page 38).

Additional details regarding fixed assets can be found in the appraisal reports and CAFRA report for the Central Regional School District.

