



An Open Letter to our Residents

Attached you will find information to a Feasibility Study that examines the impact of creating an all-purpose PK-12 regional school district between Atlantic Highlands, Highlands, and Sea Bright. The Study examines the demographic data of each community, in addition to the financial, educational, and racial impact of the proposed plan. The purpose of Study was to provide greater information to each community so that each can make an informed decision on whether to move forward with the proposal.

The genesis of this idea was brought to Atlantic Highlands and Highlands from Sea Bright, which believed that all three communities could benefit both educationally and financially from the creation of this new school district. As the Study confirms, this initial inclination appears to be accurate. The Study projects that each municipality would have its total tax levy reduced by at least \$450,000 by the 2023-24 school year. Such savings will have a significant impact on each community's ability to continue to provide exceptional services, while maintaining taxes at a reasonable and affordable level.

The Study also found the new PK-12 school district would benefit all three communities educationally. The study addresses in detail the educational benefits to a PK-12 school district. In addition, Sea Bright would bring increased financial resources that would provide for greater investments in education resources, programs, and services. The new school district also would create a more diverse learning environment, which has a significant positive educational impact on students from Highlands and Atlantic Highlands.

The Mayors from Sea Bright, Highlands, and Atlantic Highlands all reviewed the Study and are pleased to see that the proposal will greatly benefit all three of the communities both financially and educationally. However, we encourage all members of the community to review the Study and come to their own conclusion. Once each community has had an opportunity to review the Study, all three municipal governments hope to allow the voters to decide -- by way of a referendum -- whether to move forward with the proposed PK-12 School District. The proposal only will move forward if it has the support of the voters in all three communities.

We expect to organize Town Hall meetings to provide members of the three communities to hear from the experts who prepared the study and to have any questions answered with regard to the study and the expected process. This process has been ongoing for more than a year. In particular, all three municipal governing bodies have been in constant communication with respect to this process and, once finalized, the decision to produce the report and the various related documents for public inspection. While the timing is less than ideal, given the current state of our State and communities, and the respective shut down, the date for this public message had been tentatively agreed to for over a month and it was important to the Mayors and Councils that this information be made public.

We look forward to being able to schedule these Town Hall meetings as soon as we are able to do so safely.

EXECUTIVE SUMMARY

School districts throughout New Jersey are grappling with the issue of how to maintain high quality educational programs that incorporate the demands of the New Jersey Learning Standards, including robust offerings in science and technology, and offer a breadth of enrichment and co-curricular programs that will allow their students to graduate with the skills and knowledge necessary to succeed in life. Investments in teaching and learning from new labs to professional development and instructional resources are necessary in order to accomplish these goals. However, State aid currently is being reduced to many districts, leading to additional pressures on property taxpayers, and these aid reductions likely will accelerate as the economy enters a downturn. In addition, dwindling revenues and reduced enrollments will result in financial pressures that may prevent the necessary educational investments, hurting students and the community.

The New Jersey Department of Education has long advocated that PK-12 districts are more effective and efficient than other more limited governance structures such as PK-8 elementary districts or limited purpose regional districts. The department has pointed to unified governance of educational policy and continuity of curriculum and instruction as examples of greater operational effectiveness that will flow from the PK-12 structure and to the reduced administrative and governance structures and better operational system-wide coordination as examples of reasons for greater efficiency. A PK-12 district also is best capable of accomplishing certain research-based critical education goals (e.g., technology, enrichment, new programs, etc.).

In this environment, a feasibility study was done as the first step in exploring the formation of a new All-Purpose PK-12 Regional District involving Atlantic Highlands, Highlands and Sea Bright. Sea Bright currently is educating students in Grade PK-8 in Oceanport pursuant to a 2009 mandatory merger under the Non-operating District Law, and is a current constituent member of the Shore Regional District for grades 9-12. Highlands and Atlantic Highlands currently operate their own distinct PK-6 district but have formed the Henry Hudson Regional High School District to serve students in Grades 7-12. Shore Regional High School serves students from the constituent municipalities of Monmouth Beach, Oceanport, Sea Bright, and West Long Branch, where the school is located.

The specific proposal studied is based on anticipated implementing legislation providing that:

1. Sea Bright will withdraw from Shore Regional High School District;
2. Sea Bright will cease to be a party to the statutory non-operating merger with the Oceanport School District;
3. Henry Hudson Regional High School District will be dissolved;
4. Atlantic Highlands and Highlands, the constituent members of Henry Hudson Regional High School District, will join Sea Bright in creating a new All-Purpose K-12 regional district;
5. There will be a phase-out of currently enrolled Sea Bright students attending Oceanport on a tuition basis. There also will be a phase-out of students attending Shore

Regional, which will receive a contribution from Sea Bright, phased out over five years, based on 100% of the Sea Bright Local Levy excluding debt service in the year prior to implementation.

This study examined the advantages and disadvantages of the proposal which are summarized below. A demographic analysis is the first step in the review of the proposal in providing contextual information on the communities involved in the proposal as well as current and projected enrollments. In reviewing the demographic data, the trend lines show declining future enrollments in Atlantic Highlands and Sea Bright and slight increases in Highlands. These projections, coupled with the small number of Sea Bright students, means that the new PK-12 regional will not have to make significant building, classroom, staffing or program changes to accommodate the new students from Sea Bright. The study also reviewed the impact of the proposal on student demographics such as race and ethnicity and concluded that, given the similarity of the communities involved, there will be no negative impact on the racial or ethnic makeup of the schools involved.

In the education area, the study found that Sea Bright students will have available to them a high quality educational program at both the elementary and secondary level and that Atlantic Highlands and Highlands students will benefit from the additional resources that Sea Bright students will bring along with the inherent advantages of a seamless PK-12 governance structure, which none of the three communities currently have.

The finance section reviewed the budgetary and taxpayer impact of the proposal. The study indicated that the proposal would have a positive net budgetary savings of approximately \$165,000 annually. The estimated net savings are modest because of the commendable degree of shared services, program alignment and partnership that currently exist between Atlantic Highlands, Highlands, and Henry Hudson Regional High School. The additional savings depends on the participation of Sea Bright.

The study found that State aid implications would be minimal given that none of the districts received wealth-based aid and that the categorical aid provided on a per pupil basis would track existing allocations adjusted for the movement of Sea Bright students. The study noted that Highlands also receives Preschool Expansion Aid to fund the enrollment of additional pre-school students based on a competitive application process. Although it is hard to predict the eligibility of the new regional for this aid category, the proposed implementing legislation contains language to guarantee the continuation of PEA dollars to Highlands.

The new regional will assume ownership of all of the buildings of Highlands, Atlantic Highlands, Henry Hudson Regional and Sea Bright and assume responsibility for all bonded debt of the constituents. This will benefit Highlands and Atlantic Highlands since Sea Bright does not have any existing debt but will now share in their existing debt.

In order to move to a fairer and more equitable allocation of cost methodology, the study recommends that the tax allocation in the newly formed Regional will be based 95% on pupil enrollment and 5% equalized valuation, except that during the five-year transition the allocation

will be 87.5% pupil enrollment and 12.5% equalized valuation to account for the transitional payments to Shore Regional and Oceanport discussed below.

The study concluded that the impact on the taxpayers of Atlantic Highlands, Highlands and Sea Bright will be positive for all three communities in both the short and long term. All three districts will see substantial savings following the five-year period where Sea Bright will be making transitional payments to its former receiving districts.

The fiscal impact of the loss of Sea Bright students on the remaining constituent members of Shore Regional will be significant over time, given the heavy reliance on equalized valuations to allocate costs. However, these districts will see large increases in their respective levy even under the status quo scenario given the reduction in Sea Bright students at the high school level over time. The study concludes that Shore Regional may be able to account for all or most of the loss of the funding without any diminution of programs and services given the teach-out transitional payments which should give the district sufficient time to achieve budgetary savings.

Oceanport will have its contribution from Sea Bright slowly reduce over a period of years in direct relation to the phase-out of Sea Bright students but the district also will have fewer students to educate. The study postulated that Oceanport may be able to account for all or most of the loss of the funding without any diminution of programs and services through the budgetary savings that will be available (i.e., transportation and instructional savings) due to the loss of Sea Bright students. The transitional payments due to the phase-out will provide the district with the time necessary to make the budgetary adjustments.

In conclusion, the study recommended that Highlands, Atlantic Highlands, and Sea Bright continue to pursue the creation of a new regional district and work with local legislators on passing the necessary implementing legislation.

**A Feasibility Study on the Creation of an All Purpose PK-12 Regional
School District with Sea Bright, Atlantic Highlands, and Highlands**

by

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The Oceanport School District, Atlantic Highlands School District, Highlands School District, Shore Regional High School District, Henry Hudson Regional School District and their representatives, Borough of Sea Bright, Borough of Oceanport, Borough of Monmouth Beach, Borough of West Long Branch, Borough of Atlantic Highlands, Borough of Highlands and their officials, the Monmouth County Office of Education, and the New Jersey Department of Education were most cooperative in responding to the consultant team's requests for the volumes of data and information necessary to compile, analyze, and present the applicable recommendations.

I. Introduction

This study is a response to a request to determine the viability and impact of a proposed school district reconfiguration that would combine the communities of Sea Bright, Highlands, and Atlantic Highlands into a new All-Purpose PK-12 Regional School District.

Sea Bright currently is educating students in grades PK-8 in Oceanport pursuant to a 2009 mandatory merger under the Non-Operating District Law and is a current constituent member of the Shore Regional High School District for grades 9-12. Shore Regional High School serves students from the constituent municipalities of Monmouth Beach, Oceanport, Sea Bright, and West Long Branch, where the school is located.

Highlands and Atlantic Highlands currently operate their own distinct PK-6 districts but have formed the Henry Hudson Regional School District to serve students in grades 7-12.

Description Of The Proposal

Although the ultimate goal of the proposal is to create a new All-Purpose PK-12 Regional School District, there are a number of action steps that will need to be taken in order to accomplish that goal. Under the proposal:

1. Sea Bright will withdraw from the limited purpose Shore Regional High School District;
2. Sea Bright will cease to be a party to the statutory non-operating merger with Oceanport;
3. Henry Hudson Regional School District, a limited purpose regional district, will be dissolved;
4. The constituent members of Henry Hudson Regional School District (Atlantic Highlands and Highlands) will join Sea Bright in creating a new All-Purpose PK-12 Regional District; and
5. The PK-6 districts of Atlantic Highlands and Highlands will be dissolved (by operation of law upon creation of a new All-Purpose PK-12 Regional District).

The new regional district will utilize the existing Henry Hudson Regional building for grades 7-12 and the existing Highlands Elementary School and Atlantic Highlands Elementary School buildings for grades PK-6 in order to educate the students of the proposed new All-Purpose PK-12 Regional District. Elementary school students from Highlands and Atlantic Highlands will continue to be educated in their respective current elementary schools. Sea Bright students will be assigned to attend either Highlands Elementary School or Atlantic Highlands Elementary School primarily based on educational and capacity considerations with an effort to lessen the impact of transportation on the Sea Bright students and to keep Sea Bright students together to the extent practicable.

This analysis contemplates a five year phase-out of financial contributions to Shore Regional. In addition, the consultants recommend that Sea Bright students enrolled in Oceanport and Shore Regional be able to complete their education in the school they are attending currently.

Enabling legislation will be required in order to implement the proposal. The proposed legislation specifically will authorize Sea Bright to join in the formation of a new All-Purpose

PK-12 Regional District with the constituent municipalities of the current Henry Hudson Regional School District (Highlands and Atlantic Highlands). The legislation establishes a process requiring that Sea Bright, Highlands, and Atlantic Highlands study and investigate whether it is advisable to form the new All-Purpose PK-12 Regional District. This study will inform that process.

If Sea Bright and the respective governing bodies, either the boards of education or the municipal governing bodies, in Highlands and Atlantic Highlands determine that it is advisable, a proposal to that effect will be submitted to the voters of Sea Bright, Highlands, and Atlantic Highlands. If the proposal is adopted, a new All-Purpose PK-12 Regional District will be formed. Upon voter approval of the new All-Purpose PK-12 Regional District, Sea Bright will, by operation of law, cease to be a merged district with Oceanport pursuant to the application of the Non-Operating Law and also will cease to be a member of the Shore Regional School District.

Scope Of The Study

A feasibility study is the necessary first step in understanding the potential impact of the proposal in comparison to the option of maintaining the status quo. The study will compare the pros and cons of the proposed reconfiguration in both the short term and long term for each of the impacted communities and districts in relation to demographic, educational, operational, financial and facility impacts and in relation to the option of maintaining the status quo. The study will identify a number of metrics for the purpose of evaluating the proposal's impact in the above areas. The study also will identify any impacts that may result during the transition to a new configuration.

II. Demographic Profiles

A. Community Descriptions

1. Borough of Sea Bright

The Borough of Sea Bright (“Sea Bright”) is located in Monmouth County and contains a land area of 0.73 square miles, with an additional 0.56 square miles of water area. Historical and projected populations for Sea Bright from 1940-2040 are shown in Table 1. In 2010, Sea Bright had 1,412 residents, which is 1,934.2 persons per square mile. Sea Bright’s population grew steadily from 1940-1980, with its greatest percentage gain occurring in the 1970s (+35.3%). After declining in the 1980s, the population increased in the 1990s before reversing trend again in the 2000s, losing 406 persons from 2000-2010.

A population estimate for 2017 also is provided in Table 1. The estimated population in 2017 is 1,389, which is a loss of 23 persons from 2010. The Census Bureau publishes estimates every July 1st following the last decennial census, which are computed using the decennial census base counts, number of births and deaths in a community, and migration data (both domestic and international). Population projections for 2020-2040, which were prepared by the North Jersey Transportation Planning Authority, Inc. (“NJTPA”), are projecting the population to remain constant at 1,500 persons from 2020-2040. The population in 2040 would be a gain of 111 persons (+8.0%) from the 2017 population estimate.

Table 1
Historical and Projected Populations for Sea Bright
1940-2040

| Year | Population | Percent Change |
|-------------------------------|------------|----------------|
| Historical¹ | | |
| 1940 | 779 | N/A |
| 1950 | 999 | +28.2% |
| 1960 | 1,138 | +13.9% |
| 1970 | 1,339 | +17.7% |
| 1980 | 1,812 | +35.3% |
| 1990 | 1,693 | -6.6% |
| 2000 | 1,818 | +7.4% |
| 2010 | 1,412 | -22.3% |
| 2017 (est.) | 1,389 | -1.6% |
| Projected² | | |
| 2020 | 1,500 | +8.0% |
| 2030 | 1,500 | 0.0% |
| 2040 | 1,500 | 0.0% |

Sources: ¹United States Census Bureau.

²North Jersey Transportation Planning Authority, Inc. (2013).

2. Borough of Oceanport

The Borough of Oceanport (“Oceanport”), also located in Monmouth County, contains a land area of 3.18 square miles and an additional 0.62 square miles of water area. In 2010, the population in Oceanport was 5,832 residents, which is 1,834.0 persons per square mile. Historical and projected populations for Oceanport from 1940-2040 are shown in Table 2. After its population doubled in the 1940, Oceanport’s population has vacillated up and down for the last six decades. The estimated population in 2017 is 5,755 persons, as the borough’s population has been nearly constant since 2000. Forecasts prepared by the NJTPA project Oceanport’s population to increase to 7,949 in 2040, which would be a gain of 2,194 persons (+38.1%) from the 2017 population estimate.

Table 2
Historical and Projected Populations for Oceanport
1940-2040

| Year | Population | Percent Change |
|-------------------------------|-------------------|-----------------------|
| Historical¹ | | |
| 1940 | 3,159 | N/A |
| 1950 | 7,588 | +140.2% |
| 1960 | 4,937 | -34.9% |
| 1970 | 7,503 | +52.0% |
| 1980 | 5,888 | -21.5% |
| 1990 | 6,146 | +4.4% |
| 2000 | 5,807 | -5.5% |
| 2010 | 5,832 | +0.4% |
| 2017 (est.) | 5,755 | -1.3% |
| Projected² | | |
| 2020 | 6,526 | +13.4% |
| 2030 | 7,949 | +21.8% |
| 2040 | 7,949 | 0.0% |

Sources: ¹United States Census Bureau.

²North Jersey Transportation Planning Authority, Inc. (2013).

3. Borough of Monmouth Beach

The Borough of Monmouth Beach (“Monmouth Beach”), also located in Monmouth County, contains a land area of 1.08 square miles and an additional 0.99 square miles of water area. In 2010, the population in Monmouth Beach was 3,279 residents, which is 3,036.1 persons per square mile. Historical and projected populations for Monmouth Beach from 1940-2040 are shown in Table 3. Monmouth Beach’s population increased from 1940-1980, as the population grew nearly six-fold. After holding nearly constant in the 1980s, the population increased in the 1990s before reversing trend and declining in the 2000s. The estimated population in 2017 is 3,236, which is a loss of 43 persons from 2010. Forecasts prepared by the NJTPA project the population to remain constant at 3,311 persons from 2020-2040. The population in 2040 would be a gain of 75 persons (+2.3%) from the 2017 population estimate.

Table 3
Historical and Projected Populations for Monmouth Beach
1940-2040

| Year | Population | Percent Change |
|-------------------------------|------------|----------------|
| Historical¹ | | |
| 1940 | 584 | N/A |
| 1950 | 806 | +38.0% |
| 1960 | 1,363 | +69.1% |
| 1970 | 2,042 | +49.8% |
| 1980 | 3,318 | +62.5% |
| 1990 | 3,303 | -0.5% |
| 2000 | 3,595 | +8.8% |
| 2010 | 3,279 | -8.8% |
| 2017 (est.) | 3,236 | -1.3% |
| Projected² | | |
| 2020 | 3,311 | +2.3% |
| 2030 | 3,311 | 0.0% |
| 2040 | 3,311 | 0.0% |

Sources: ¹United States Census Bureau.

²North Jersey Transportation Planning Authority, Inc. (2013).

4. Borough of West Long Branch

The Borough of West Long Branch (“West Long Branch”), also located in Monmouth County, contains a land area of 2.86 square miles and an additional 0.04 square miles of water area. In 2010, the population in West Long Branch was 8,097, which is 2,831.1 persons per square mile. Historical and projected populations for West Long Branch from 1940-2040 are shown in Table 4. West Long Branch’s population quadrupled from 1940-2000, with its largest gain occurring in the 1950s when it nearly doubled in size. The population had a small decline from 2000-2010. The estimated population in 2017 is 7,972 persons, which is a loss of 125 persons from 2010. Forecasts prepared by the NJTPA project the population to slowly increase and be 8,635 in 2040, which would be a gain of 663 persons (+8.3%) from the 2017 population estimate.

Table 4
Historical and Projected Populations for West Long Branch
1940-2040

| Year | Population | Percent Change |
|-------------------------------|------------|----------------|
| Historical¹ | | |
| 1940 | 2,030 | N/A |
| 1950 | 2,739 | +34.9% |
| 1960 | 5,337 | +94.9% |
| 1970 | 6,845 | +28.3% |
| 1980 | 7,380 | +7.8% |
| 1990 | 7,690 | +4.2% |
| 2000 | 8,258 | +7.4% |
| 2010 | 8,097 | -1.9% |
| 2017 (est.) | 7,972 | -1.5% |
| Projected² | | |
| 2020 | 8,186 | +2.7% |
| 2030 | 8,436 | +3.1% |
| 2040 | 8,635 | +2.4% |

Sources: ¹United States Census Bureau.

²North Jersey Transportation Planning Authority, Inc. (2013).

5. Borough of Atlantic Highlands

The Borough of Atlantic Highlands (“Atlantic Highlands”), also located in Monmouth County, contains a land area of 1.29 square miles and an additional 3.27 square miles of water area. In 2010, the population in Atlantic Highlands was 4,385, which is 3,399.2 persons per square mile. Historical and projected populations for Atlantic Highlands from 1940-2040 are shown in Table 5. Atlantic Highlands’s population more than doubled from 1940-1970, with its largest percentage gain occurring in the 1950s (+33.6%). With the exception of a small gain in the 1990s, the population has been slowly declining since 1970. The estimated population in 2017 is 4,311, which is a loss of 74 persons from 2010. Forecasts prepared by the NJTPA project the population to be 4,531 in 2040, which would be a gain of 220 persons (+5.1%) from the 2017 population estimate.

Table 5
Historical and Projected Populations for Atlantic Highlands
1940-2040

| Year | Population | Percent Change |
|-------------------------------|------------|----------------|
| Historical¹ | | |
| 1940 | 2,335 | N/A |
| 1950 | 3,083 | +32.0% |
| 1960 | 4,119 | +33.6% |
| 1970 | 5,102 | +23.9% |
| 1980 | 4,950 | -3.0% |
| 1990 | 4,629 | -6.5% |
| 2000 | 4,705 | +1.6% |
| 2010 | 4,385 | -6.8% |
| 2017 (est.) | 4,311 | -1.7% |
| Projected² | | |
| 2020 | 4,453 | +3.3% |
| 2030 | 4,531 | +1.8% |
| 2040 | 4,531 | 0.0% |

Sources: ¹United States Census Bureau.

²North Jersey Transportation Planning Authority, Inc. (2013).

6. Borough of Highlands

The Borough of Highlands (“Highlands”), also located in Monmouth County, contains a land area of 0.77 square miles and an additional 0.60 square miles of water area. In 2010, the population in Highlands was 5,005, which is 6,500.0 persons per square mile. Historical and projected populations for Highlands from 1940-2040 are shown in Table 6. The population in Highlands more than doubled from 1940-1980, with its largest percentage gain occurring in the 1940s (+42.5%). After a small decline in the 1980s, the population increased in the 1990s before reversing trend again in the 2000s. The estimated population in 2017 is 4,821, which is a loss of 184 persons from 2010. Forecasts prepared by the NJTPA project the population to be 5,109 in 2040, which would be a gain of 288 persons (+6.0%) from the 2017 population estimate.

Table 6
Historical and Projected Populations for Highlands
1940-2040

| Year | Population | Percent Change |
|-------------------------------|------------|----------------|
| Historical¹ | | |
| 1940 | 2,076 | N/A |
| 1950 | 2,959 | +42.5% |
| 1960 | 3,536 | +19.5% |
| 1970 | 3,916 | +10.7% |
| 1980 | 5,187 | +32.5% |
| 1990 | 4,849 | -6.5% |
| 2000 | 5,097 | +5.1% |
| 2010 | 5,005 | -1.8% |
| 2017 (est.) | 4,821 | -3.7% |
| Projected² | | |
| 2020 | 5,058 | +4.7% |
| 2030 | 5,109 | +1.0% |
| 2040 | 5,109 | 0.0% |

Sources: ¹United States Census Bureau.

²North Jersey Transportation Planning Authority, Inc. (2013).

B. Demographic Characteristics

In Table 7, relevant demographic characteristics¹ of Sea Bright, Oceanport, Monmouth Beach, West Long Branch, Atlantic Highlands, and Highlands are compared from the 2000 and 2010 Censuses, and the 2013-2017 American Community Survey (“ACS”).

While some Census variables account for everyone in a 100% population count (e.g., age, race, and total housing units), other variables are collected from a sample (e.g., median family income, educational attainment, poverty status, etc.). The ACS replaced the long form of the Census, last administered in 2000 to approximately 16% of the population in the United States. For municipalities with small populations such as those in this study, ACS data represent a sample collected over a five-year time period, where the estimates represent the average characteristics between January 2013 and December 2017. This information does not represent a single point in time like the long form of earlier Censuses. The five-year ACS contains 1% annual samples from all households and persons from 2013-17, resulting in a 5% sample of the population. Due to the small sample size, the sampling error is quite large, which increases the degree of uncertainty of the estimated values.

¹ As the number of demographic variables provided by the United States Census Bureau is voluminous, only variables pertinent to the study are shown.

1. Borough of Sea Bright

From 2000 to 2010, the racial distribution in Sea Bright was largely unchanged. In 2010, Whites were the largest race in Sea Bright at 94.5%, which is nearly unchanged from 2000 (94.4%). The second-largest race in 2010 was Asian, representing 2.3% of the population, which is identical to the 2000 percentage. The Census Bureau does not consider Hispanic as a separate race; rather it identifies the percentage of people having Hispanic origin. Hispanics in the Census population can be part of the White, Black, Asian, or any of the other race categories. The concentration of persons having Hispanic origin slightly increased from 4.5% in 2000 to 5.5% in 2010.

Regarding nativity, 7.3% of Sea Bright residents were foreign-born in the 2013-17 ACS as compared to 11.9% in 2000, a loss of 4.6 percentage points. As a point of comparison, New Jersey's foreign-born resident percentage was 22.1% in the 2013-17 ACS, which is three times greater than Sea Bright's percentage. While not shown in the table, place of birth, which serves as a proxy for country of origin, indicates that the United Kingdom and Ukraine are currently the largest source of immigrants, accounting for 14.7% and 12.6%, respectively, of the foreign-born population in Sea Bright.

The median age in Sea Bright has increased from 40.2 years in 2000 to 46.7 years in 2010, which is much higher than the median age in New Jersey (39.0 years). During the same time period, the percentage of people under the age of 18 years, which corresponds predominantly to school-age children, remained nearly constant at 11.3% in 2010. The percentage of persons under 18 in Sea Bright was the lowest of the six communities.

Regarding educational attainment for adults aged 25 and over, 61.6% of the population had a bachelor's degree or higher in the 2013-17 ACS as compared to 47.0% in 2000, which is a gain of 14.6 percentage points. The percentage of Sea Bright residents having a bachelor's degree or higher is much higher than that of the state of New Jersey (38.1%). During this time period, the percentage of persons possessing a graduate degree increased from 18.5% to 23.0%.

Median family income increased from \$72,031 in 2000 to \$122,885 in the 2013-17 ACS, a 70.6% increase. By comparison, median family income in New Jersey is \$94,337, which is lower than that of Sea Bright. During this time period, the percentage of school-age children (5-17) that are in poverty increased from 18.4% to 22.1%, a gain of 3.7 percentage points.

Regarding housing, there were 1,211 housing units in Sea Bright in 2010, which is nearly unchanged from 2000 (1,202). From 2000 to 2010, the overall occupancy rate decreased from 83.4% to 65.4%. The low occupancy rates are primarily due to second-home owners, as Sea Bright borders the Atlantic Ocean, which is a popular vacation destination. In 2010, 24.9% of the housing units that were vacant were classified as seasonal or recreational properties. More than half of the housing units in 2010 were owner-occupied (54.7%), which is nearly unchanged from 2000 (54.1%). Sea Bright had the highest percentage of renter-occupied units (45.3%) of the six communities in 2010. The median home price of an owner-occupied unit in the 2013-17 ACS was \$491,500, which is more than double the value reported in 2000 (\$227,600).

2. Borough of Oceanport

Like Sea Bright, Whites are also the largest race in Oceanport. The borough's racial distribution was largely unchanged from 2000 to 2010. The percentage of Whites declined slightly from 95.7% in 2000 to 93.4% in 2010, a loss of 2.3 percentage points. The second-largest race in 2010 was Black/African American ("Blacks") representing 3.0% of the population, which is a 1.0 percentage-point gain from 2000. The concentration of persons having Hispanic origin increased from 2.1% in 2000 to 4.0% in 2010, a gain of 1.9 percentage points.

Regarding nativity, 7.6% of Oceanport residents were foreign-born in the 2013-2017 ACS, which is double the 2000 percentage (3.8%) yet much lower than that of New Jersey (22.1%). While not shown in the table, place of birth, which serves as a proxy for country of origin, indicates that Korea and Mexico are currently the largest sources of immigrants, accounting for 23.9% and 20.7%, respectively, of the foreign-born population in Oceanport.

The median age in Oceanport increased from 40.5 years in 2000 to 44.1 years in 2010, which is greater than the median age in New Jersey (39.0 years). During the same time period, the percentage of people under the age of 18 has slightly decreased from 24.5% to 23.4%.

Regarding educational attainment for adults aged 25 and over, 52.5% of the population had a bachelor's degree or higher in the 2013-2017 ACS, which is a 16.8 percentage-point increase from the 2000 percentage (35.7%). The percentage of Oceanport residents having a bachelor's degree or higher is much higher than that of the state of New Jersey (38.1%). The percentage of persons with a graduate degree increased from 10.8% to 18.7% during this time period.

Median family income increased from \$85,038 in 2000 to \$126,856 in the 2013-2017 ACS, a 49.2% increase. Median family income in Oceanport is higher than the median family income in New Jersey (\$94,337). During this time period, the percentage of school-age children (5-17) in poverty increased from 2.7% to 8.9%.

Regarding housing, there were 2,390 housing units in Oceanport in 2010, which is a gain of 276 units (+13.1%) since 2000. The majority of homes in Oceanport were owner-occupied (81.4%) in 2010, which is a 6.8 percentage-point decline from the 88.2% that existed in 2000. The median home price of an owner-occupied unit in the 2013-2017 ACS was \$441,600, which is a 90.8% gain from the value reported in 2000 (\$231,400).

Table 7
Relevant Demographic Characteristics

| Race Origin | Sea Bright | | Oceanport | | Monmouth Beach | | West Long Branch | | Atlantic Highlands | | Highlands | |
|--|---------------------|---------------------------------|---------------------|---------------------------------|---------------------|---------------------------------|---------------------|---------------------------------|---------------------|---------------------------------|---------------------|---------------------------------|
| | 2000 | 2010, 2013-2017 ² | 2000 | 2010, 2013-2017 ² | 2000 | 2010, 2013-2017 ² | 2000 | 2010, 2013-2017 ² | 2000 | 2010, 2013-2017 ² | 2000 | 2010, 2013-2017 ² |
| White | 94.4% | 94.5% | 95.7% | 93.4% | 97.7% | 97.5% | 94.2% | 94.5% | 94.4% | 93.2% | 95.1% | 93.0% |
| Black/African American | 1.8% | 0.8% | 2.0% | 3.0% | 0.5% | 0.3% | 2.2% | 2.2% | 2.3% | 1.4% | 1.6% | 1.6% |
| American Indian/Alaska Native | 0.0% | 0.0% | 0.1% | 0.1% | 0.0% | 0.1% | 0.1% | 0.1% | 0.1% | 0.3% | 0.3% | 0.3% |
| Asian | 2.3% | 2.3% | 0.8% | 1.6% | 0.9% | 0.7% | 1.2% | 1.2% | 1.2% | 2.2% | 1.0% | 1.3% |
| Native Hawaiian/Pacific Islander | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Other Race | 0.9% | 1.5% | 0.6% | 0.7% | 0.3% | 0.3% | 0.5% | 1.0% | 1.0% | 1.3% | 0.6% | 1.9% |
| Two or more Races | 0.7% | 0.9% | 0.9% | 1.3% | 0.6% | 1.0% | 1.7% | 1.1% | 1.0% | 1.7% | 1.4% | 1.9% |
| Total | 100.0% ¹ | 100.0% ¹ | 100.0% ¹ | 100.0% ¹ | 100.0% ¹ | 100.0% ¹ | 100.0% ¹ | 100.0% ¹ | 100.0% ¹ | 100.0% ¹ | 100.0% ¹ | 100.0% ¹ |
| Hispanic Origin | 4.5% | 5.5% | 2.1% | 4.0% | 1.9% | 1.9% | 2.9% | 5.0% | 3.5% | 5.1% | 4.1% | 6.5% |
| Age | | | | | | | | | | | | |
| Under 18 | 11.2% | 11.3% | 24.5% | 23.4% | 20.3% | 20.1% | 21.8% | 19.6% | 21.4% | 19.6% | 18.8% | 14.2% |
| 18-64 | 78.0% | 74.2% | 61.3% | 60.5% | 59.3% | 58.4% | 63.6% | 66.8% | 64.5% | 64.8% | 69.9% | 72.9% |
| 65 and over | 10.8% | 14.5% | 14.2% | 16.1% | 20.4% | 21.5% | 14.6% | 13.6% | 14.1% | 15.6% | 11.3% | 12.9% |
| Median age (years) | 40.2 | 46.7 | 40.5 | 44.1 | 44.6 | 48.7 | 33.8 | 32.4 | 40.2 | 45.0 | 38.6 | 45.1 |
| Nativity | | | | | | | | | | | | |
| Foreign-Born | 11.9% | 7.3% | 3.8% | 7.6% | 5.9% | 3.9% | 7.0% | 6.4% | 6.3% | 8.5% | 6.0% | 6.3% |
| Educational Attainment | | | | | | | | | | | | |
| Bachelor's degree or higher | 47.0% | 61.6% | 35.7% | 52.5% | 48.8% | 65.9% | 34.9% | 40.5% | 36.7% | 49.1% | 26.4% | 31.2% |
| Graduate or professional degree | 18.5% | 23.0% | 10.8% | 18.7% | 19.0% | 24.6% | 14.3% | 19.2% | 11.6% | 24.0% | 9.2% | 16.6% |
| Income | | | | | | | | | | | | |
| Median family income | \$72,031 | \$122,885 | \$85,038 | \$126,856 | \$93,401 | \$143,500 | \$80,127 | \$119,457 | \$79,044 | \$126,548 | \$50,985 | \$86,932 |
| Percentage of Persons in Poverty ages 5-17 | 18.4% | 22.1% | 2.7% | 8.9% | 3.4% | 6.3% | 8.2% | 1.7% | 2.0% | 5.4% | 22.4% | 4.9% |
| Housing Units | | | | | | | | | | | | |
| Total number | 1,202 | 1,211 | 2,114 | 2,390 | 1,969 | 1,981 | 2,535 | 2,528 | 2,056 | 2,002 | 2,820 | 3,146 |
| Occupied units | 1,003 (83.4%) | 792 (65.4%) | 2,043 (96.6%) | 2,227 (93.2%) | 1,633 (82.9%) | 1,494 (75.4%) | 2,448 (96.6%) | 2,384 (94.3%) | 1,969 (95.8%) | 1,870 (93.4%) | 2,450 (86.9%) | 2,623 (83.4%) |
| Owner-Occupied units | 543 (54.1%) | 433 (54.7%) | 1,802 (88.2%) | 1,813 (81.4%) | 1,338 (81.9%) | 1,236 (82.7%) | 2,078 (84.9%) | 1,941 (81.4%) | 1,343 (68.2%) | 1,341 (71.7%) | 1,349 (55.1%) | 1,537 (58.6%) |
| Renter-Occupied units | 460 (45.9%) | 359 (45.3%) | 241 (11.8%) | 414 (18.6%) | 295 (18.1%) | 258 (17.3%) | 370 (15.1%) | 443 (18.6%) | 626 (31.8%) | 529 (28.3%) | 1,101 (44.9%) | 1,086 (41.4%) |
| Median value of an owner-occupied unit | \$227,600 | \$491,500 | \$231,400 | \$441,600 | \$342,000 | \$705,300 | \$203,300 | \$412,300 | \$187,700 | \$376,500 | \$139,300 | \$276,200 |

Sources: United States Census Bureau (2000 and 2010) and American Community Survey (2013-2017).

Notes: ¹Data may not sum to 100.0% due to rounding.

²Cells shaded orange are from the 2010 Census while cells shaded blue are from the American Community Survey (2013-2017).

3. Borough of Monmouth Beach

Like Sea Bright and Oceanport, Monmouth Beach's racial distribution also was largely unchanged from 2000 to 2010. Whites were the largest race at 97.5% in 2010, which is nearly unchanged from 2000 (97.7%). The concentration of persons having Hispanic origin was 1.9% in 2010, which is unchanged from 2000.

The median age in Monmouth Beach increased from 44.6 years in 2000 to 48.7 years in 2010, which is much higher than the median age in New Jersey (39.0 years) and the highest of the six communities. During the same time period, the percentage of people under the age of 18 slightly declined from 20.3% to 20.1%.

Regarding nativity, 3.9% of Monmouth Beach residents were foreign-born in the 2013-2017 ACS, which is a 2.0 percentage-point decline from the 2000 percentage (5.9%). The Monmouth Beach foreign-born percentage is significantly lower than New Jersey's (22.1%). While not shown in the table, place of birth, which serves as a proxy for country of origin, indicates that Egypt is currently the largest source of immigrants, accounting for 15.0% of the foreign-born population.

Regarding educational attainment for adults aged 25 and over, 65.9% of the population had a bachelor's degree or higher in the 2013-2017 ACS, which is a 17.1 percentage-point increase from the 48.8% reported in 2000. The percentage of Monmouth Beach residents having a bachelor's degree or higher is much higher than that of the state of New Jersey (38.1%). Of the six communities, Monmouth Beach has the highest percentage of residents having a bachelor's degree or higher. During this time period, the percentage of persons possessing a graduate degree increased from 19.0% to 24.6%.

Median family income increased from \$93,401 in 2000 to \$143,500 in the 2013-2017 ACS, a 53.6% increase. Median family income in Monmouth Beach is much higher than that of New Jersey (\$94,337). Monmouth Beach has the highest median family income of the six communities. During this time period, the percentage of school-age children (5-17) in poverty increased from 3.4% to 6.3%.

Regarding housing, there were 1,981 housing units in Monmouth Beach in 2010, which is nearly unchanged from 2000 (1,969). From 2000 to 2010, the overall occupancy rate decreased from 82.9% to 75.4%. Like Sea Bright, the low occupancy rates are primarily due to second-home owners, as Monmouth Beach borders the Atlantic Ocean, which is a popular vacation destination. In 2010, 21.0% of the housing units that were vacant were classified as seasonal or recreational properties. The majority of homes in Monmouth Beach are owner-occupied, as 82.7% consisted of owners in 2010, which is nearly unchanged from the 81.9% that existed in 2000. The median home price of an owner-occupied unit in the 2013-2017 ACS was \$705,300, which is more than double the value reported in 2000 (\$342,000). Monmouth Beach has the highest median home price of an owner-occupied unit of the six communities.

4. Borough of West Long Branch

Regarding West Long Branch, it should be noted that its demographic data is heavily influenced by the presence of students from Monmouth University. In 2010, 1,505 people lived in group quarters (college dormitories/university housing) in West Long Branch, which represents nearly 19% of the borough's population.

Like the three previous communities, the borough's racial distribution was largely unchanged from 2000 to 2010. Whites were the largest race in West Long Branch at 94.5% in 2010, which is nearly unchanged from 2000 (94.2%). The second-largest race in 2010 was Blacks representing 2.2% of the population, which is unchanged from 2000. The concentration of persons having Hispanic origin increased from 2.9% in 2000 to 5.0% in 2010, a gain of 2.1 percentage points.

The median age in West Long Branch declined from 33.8 years in 2000 to 32.4 years in 2010, which is much lower than the median age in New Jersey (39.0 years). West Long Branch has the lowest median age of the six communities due to the presence of students from Monmouth University. During the same time period, the percentage of people under the age of 18 declined from 21.8% to 19.6%.

Regarding nativity, 6.4% of West Long Branch residents were foreign-born in the 2013-2017 ACS, which is slightly lower than the 2000 percentage (7.0%). The West Long Branch foreign-born percentage is significantly lower than New Jersey's (22.1%). While not shown in the table, place of birth, which serves as a proxy for country of origin, indicates that Brazil and the former Czechoslovakia (current Czech Republic and Slovakia) are currently the largest sources of immigrants, accounting for 26.2% and 12.6%, respectively, of the foreign-born population.

Regarding educational attainment for adults aged 25 and over, 40.5% of the population had a bachelor's degree or higher in the 2013-2017 ACS, which is a 5.6 percentage-point increase from the 34.9% existing in 2000. The percentage of West Long Branch residents having a bachelor's degree or higher is slightly higher than that of the state of New Jersey (38.1%). During this time period, the percentage of persons possessing a graduate degree increased from 14.3% to 19.2%, a gain of 4.9 percentage points.

Median family income has increased from \$80,127 in 2000 to \$119,457 in the 2013-2017 ACS, a 49.1% increase. Median family income in West Long Branch is slightly higher than the median family income in New Jersey (\$94,337). During this time period, the percentage of school-age children (5-17) in poverty decreased from 8.2% to 1.7%.

Regarding housing, there were 2,528 housing units in West Long Branch in 2010, which is nearly unchanged from 2000 (2,535). From 2000 to 2010, the overall occupancy rate decreased from 96.6% to 94.3%. The majority of homes in West Long Branch were owner-occupied (81.4%) in 2010, which is a 3.5 percentage-point decrease from the 84.9% that existed in 2000. The median home price of an owner-occupied unit in the 2013-2017 ACS was \$412,300, which is more than double the value reported in 2000 (\$203,300).

5. Borough of Atlantic Highlands

Like the previous communities, Atlantic Highlands' racial distribution was largely unchanged from 2000 to 2010. Whites were the largest race in Atlantic Highlands at 93.2% in 2010, which is nearly unchanged from 2000 (94.4%). The second-largest race in 2010 was Asian, representing 2.2% of the population. Blacks had been the second-largest race in 2000. The concentration of persons having Hispanic origin increased from 3.5% in 2000 to 5.1% in 2010.

The median age in Atlantic Highlands increased from 40.2 years in 2000 to 45.0 years in 2010, which is much higher than the median age in New Jersey (39.0 years). From 2000 to 2010, the percentage of people under the age of 18 decreased from 21.4% to 19.6%.

Regarding nativity, 8.5% of the residents in Atlantic Highlands were foreign-born in the 2013-2017 ACS, which is a 2.2 percentage-point gain from 2000 (6.3%). Atlantic Highlands' foreign-born percentage is significantly lower than New Jersey's (22.1%). While not shown in the table, place of birth, which serves as a proxy for country of origin, indicates that Germany and Switzerland are currently the largest sources of immigrants, accounting for 14.2% and 11.2%, respectively, of the foreign-born population. While low compared to New Jersey, Atlantic Highlands has the highest percentage of foreign-born residents of the six communities.

Regarding educational attainment for adults aged 25 and over, 49.1% of the population had a bachelor's degree or higher in the 2013-2017 ACS, which is a 12.4 percentage-point increase from 2000 (36.7%). The percentage of Atlantic Highlands residents having a bachelor's degree or higher is greater than that of the state of New Jersey (38.1%). The percentage of persons with a graduate degree more than doubled from 11.6% to 24.0% during this time period.

Median family income increased from \$79,044 in 2000 to \$126,548 in the 2013-2017 ACS, a 60.1% gain. Median family income in Atlantic Highlands is higher than the median family income in New Jersey (\$94,337). During this time period, the percentage of school-age children (5-17) in poverty increased from 2.0% to 5.4%.

Regarding housing, there were 2,002 housing units in Atlantic Highlands in 2010, which is a loss of 54 units (-2.6%) since 2000. During this time period, the occupancy rate decreased from 95.8% to 93.4%. The majority of homes in Atlantic Highlands were owner-occupied (71.7%) in 2010, which is a 3.5 percentage-point increase from the 68.2% that existed in 2000. The median home price of an owner-occupied unit in the 2013-2017 ACS was \$376,500, which is double the value reported in 2000 (\$187,700).

6. Borough of Highlands

Like the prior communities, Highlands' racial distribution was largely unchanged from 2000 to 2010. Whites were the largest race in Highlands at 93.0% in 2010, which is a loss of 2.1 percentage points from 2000 (95.1%). The concentration of persons having Hispanic origin increased from 4.1% in 2000 to 6.5% in 2010.

The median age in Highlands increased from 38.6 years in 2000 to 45.1 years in 2010, which is much higher than the median age in New Jersey (39.0 years). From 2000 to 2010, the percentage of people under the age of 18 decreased from 18.8% to 14.2%.

Regarding nativity, 6.3% of the residents in Highlands were foreign-born in the 2013-2017 ACS, which is nearly unchanged from 2000 (6.0%). Like the previous communities, the foreign-born percentage in Highlands is significantly lower than New Jersey's (22.1%). While not shown in the table, place of birth, which serves as a proxy for country of origin, indicates that Columbia and Mexico are currently the largest sources of immigrants, accounting for 30.2% and 21.1%, respectively, of the foreign-born population.

Regarding educational attainment for adults aged 25 and over, 31.2% of the population had a bachelor's degree or higher in the 2013-2017 ACS, which is a 4.8 percentage-point increase from 2000 (26.4%). The percentage of Highlands residents having a bachelor's degree or higher is lower than that of the state of New Jersey (38.1%) and was the lowest of the six communities. The percentage of persons with a graduate degree increased from 9.2% to 16.6% during this time period, a gain of 7.4 percentage points.

Median family income increased from \$50,985 in 2000 to \$86,932 in the 2013-2017 ACS, a 70.5% gain. Median family income in Highlands is slightly lower than the median family income in New Jersey (\$94,337) and is the lowest of the six communities. During this time period, the percentage of school-age children (5-17) in poverty significantly decreased from 22.4% to 4.9%.

Regarding housing, there were 3,146 housing units in Highlands in 2010, which is a gain of 326 units (+11.6%) since 2000. During this time period, the occupancy rate decreased from 86.9% to 83.4%. The low occupancy rates are primarily due to second-home owners, as part of Highlands borders the Atlantic Ocean, which is a popular vacation destination. In 2010, 8.8% of the housing units that were vacant were classified as seasonal or recreational properties. The majority of homes in Highlands were owner-occupied (58.6%) in 2010, which is a 3.5 percentage-point increase from the 2000 percentage (55.1%). The median home price of an owner-occupied unit in the 2013-2017 ACS was \$276,200, which is nearly double the value reported in 2000 (\$139,300). Highlands has the lowest median home price of an owner-occupied unit of the six communities.

C. District Overviews

1. Sea Bright

As Sea Bright does not have any schools of its own, children in grades PK-8 attend the Oceanport School District while children in grades 9-12 attend the Shore Regional High School District (“Shore Regional”).

2. Oceanport School District

The Oceanport School District is a PK-8 school district educating children from Oceanport and Sea Bright. There are two schools in the district; Wolf Hill Elementary School (“Wolf Hill”) educates children in grades PK-4 while Maple Place Middle School (“Maple Place”) educates children in grades 5-8. The locations of the district’s schools, where Sea Bright children in grades K-8 currently attend, are shown in Figure 1.

According to the district’s Long Range Facilities Plan (“LRFP”) and using District Practices methodology, total capacity in the district is 743 students. The District Practices methodology provides a reasonable approximation of the capacity of a school building, since it is based on how the building is utilized by the school district and factors in the district’s targeted student-teacher ratios. This method does not take into account square footage allowances per student (known as the “FES methodology”). Since buildings cannot be 100% utilized, due in part to scheduling conflicts, most districts employ either an 85% or 90% utilization factor to determine school capacity.

3. Atlantic Highlands School District

The Atlantic Highlands School District is a PK-6 school district that educates children from Atlantic Highlands. There is one school in the district, Atlantic Highlands Elementary School, which is shown in Figure 1. According to the district, the capacity of Atlantic Highlands Elementary School is 370 students. If the existing relationship between Sea Bright and Oceanport were to be dissolved and a new regional PK-12 school district were created between Sea Bright, Atlantic Highlands, and Highlands where the Henry Hudson Regional School District (“Henry Hudson Regional”) were to be dissolved, Sea Bright students in grades PK-6 could potentially attend Atlantic Highlands Elementary School.

4. Highlands School District

The Highlands School District is a PK-6 school district that educates children from Highlands. There is one school in the district, Highlands Elementary School, which is shown in Figure 1. According to the district’s LRFP, the capacity of Highlands Elementary School is 249 students using District Practices methodology. If the existing relationship between Sea Bright and Oceanport were to be dissolved and a new regional PK-12 school district were created between Sea Bright, Atlantic Highlands, and Highlands where Henry Hudson Regional were to be dissolved, Sea Bright students in grades PK-6 could potentially attend Highlands Elementary School.

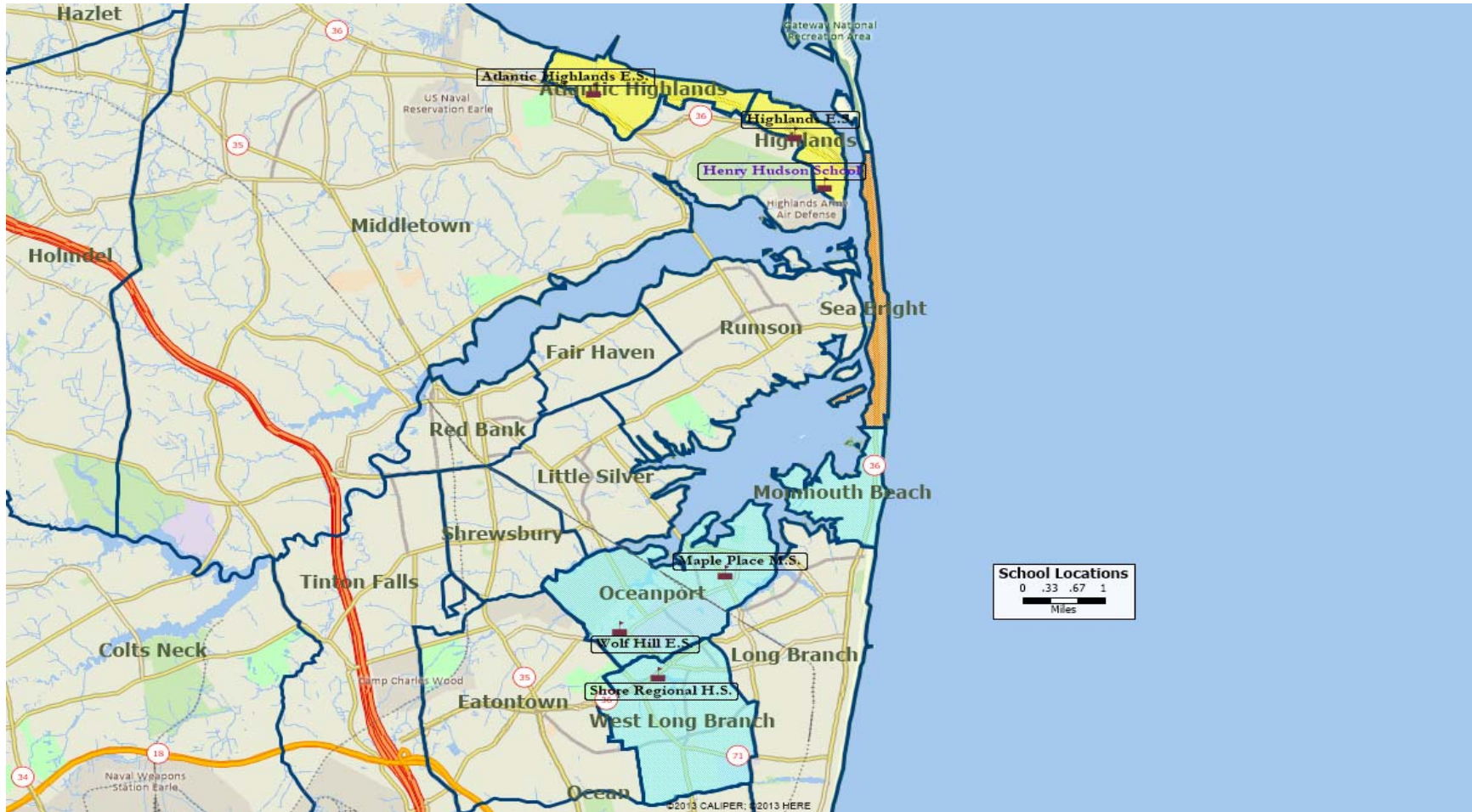
5. Shore Regional High School District

Shore Regional is a limited-purpose regional school district educating children in grades 9-12. Shore Regional has one school in the district, Shore Regional High School, which serves the communities of Sea Bright, Oceanport, Monmouth Beach, and West Long Branch. The school is shown in Figure 1. In addition, the district receives children from the Borough of Deal through a sending-receiving relationship. Children from the Borough of Interlaken and Village of Loch Arbour, which have separate sending-receiving relationships with West Long Branch for grades K-8, also attend Shore Regional. According to the district's LRFP and using District Practices methodology, Shore Regional High School has a functional capacity of 1,068 students.

6. Henry Hudson Regional School District

Henry Hudson Regional is a limited-purpose regional school district educating children in grades 7-12. Henry Hudson Regional has one school in the district, Henry Hudson Regional School, which serves the communities of Atlantic Highlands and Highlands. The school is shown in Figure 1. According to the district, Henry Hudson Regional School has a functional capacity of 563 students. If the existing relationship between Sea Bright and Oceanport were to be dissolved and a new All-Purpose PK-12 regional school district were created with Sea Bright, Atlantic Highlands, and Highlands where Henry Hudson Regional were to be dissolved, whereby Sea Bright withdraws from Shore Regional, Highlands would take ownership of Henry Hudson Regional School. Sea Bright would then send its students in grades 7-12 to attend the former Henry Hudson Regional School in Highlands.

Figure 1
School Locations



D. Explanation of the Cohort-Survival Ratio Method

In this study, historical enrollments from 2013-14 through 2018-19 were obtained from the New Jersey Department of Education (“NJDOE”) and/or the individual school districts, and were used to project enrollments for five years into the future. With the exception of Sea Bright, future enrollments were projected using the Cohort-Survival Ratio method (“CSR”).

The CSR method has been approved by the NJDOE to project public school enrollments. In this method, a survival ratio is computed for each grade, which essentially compares the number of students in a particular grade to the number of students in the previous grade during the previous year. The survival ratio indicates whether the enrollment is stable, increasing, or decreasing. A survival ratio of 1.00 indicates stable enrollment, less than 1.00 indicates declining enrollment, and greater than 1.00 indicates increasing enrollment. If, for example, a school district had 100 fourth graders and the next year only had 95 fifth graders, the survival ratio would be 0.95.

The CSR method assumes that what happened in the recent past will also happen in the future. In essence, this method provides a linear projection of the population. The CSR method is most appropriate for districts that have relatively stable increasing or decreasing trends without any major unpredictable fluctuations from year to year. In school districts encountering rapid growth not experienced historically (i.e., a change in the historical trend), the CSR method must be modified and supplemented with additional information.

In this study, survival ratios were calculated using historical data from the last five or six years. Due to the fluctuation in survival ratios from year to year, it is appropriate to calculate an average survival ratio for each grade progression, which is then used to project enrollments five years into the future.

E. Explanation of Grade Progression Differences

The Grade Progression Differences (“GPD”) method was used to project enrollments for Sea Bright, since the number of students in each grade level was quite small (typically ten or fewer students per grade level). In this method, the change in the number of students, as opposed to the ratio, is computed for each grade progression. As compared to a ratio, a numerical change is less sensitive to the movement inward or outward of a few students and is preferred when grade level sizes are small. A positive value indicates an in-migration of students while a negative value indicates an outward migration of students. The computed changes in enrollment were averaged over a six-year period and these values were used to project enrollments five years into the future.

F. Historical Enrollment Trends

1. Sea Bright

Historical enrollments for Sea Bright students attending the Oceanport School District (grades PK-8) and Shore Regional (grades 9-12) from 2013-14 to 2018-19 are displayed in Table 8. In the last six years, PK-8 enrollment has been generally trending lower. In 2018-19, PK-8 enrollment is 33, which is a loss of 20 students from the 2013-14 enrollment of 53. When the entire PK-12 population is considered and includes those students attending Shore Regional, enrollment was fairly constant from 2013-14 to 2016-17 before declining in the last two years. There are 53 Sea Bright students in grades PK-12 in 2018-19, which is a loss of 20 students from the 2013-14 enrollment of 73. At the high school level, the number of Sea Bright students attending Shore Regional for grades 9-12 has ranged from 20-30 students per year. Table 8 also shows computed average grade progression differences based on the last six years of historical data, which will be used to project future enrollments.

Table 8
Sea Bright Historical Enrollments (PK-12)
2013-14 to 2018-19

| Year | PK RE ¹ | K | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | SE ² | PK-8 Total ³ | 9-12 Total ⁴ | PK-12 Total |
|-----------------------------------|--------------------|---------------------|---------|---------|---------|---------|--------|---------|---------|---------|---------|---------|---------|---------|---------------------|-------------------------|-------------------------|-------------|
| 2013-14 | 2 | 3 | 5 | 6 | 3 | 0 | 7 | 5 | 6 | 16 | 3 | 8 | 7 | 2 | 0 | 53 | 20 | 73 |
| 2014-15 | 0 | 5 | 4 | 4 | 5 | 3 | 0 | 8 | 5 | 6 | 15 | 4 | 5 | 5 | 0 | 40 | 29 | 69 |
| 2015-16 | 1 | 3 | 6 | 4 | 4 | 5 | 3 | 0 | 9 | 5 | 3 | 15 | 3 | 5 | 0 | 40 | 26 | 66 |
| 2016-17 | 2 | 2 | 4 | 6 | 4 | 5 | 5 | 3 | 0 | 10 | 7 | 6 | 14 | 3 | 0 | 41 | 30 | 71 |
| 2017-18 | 2 | 5 | 0 | 3 | 4 | 1 | 4 | 3 | 3 | 0 | 7 | 5 | 7 | 10 | 0 | 25 | 29 | 54 |
| 2018-19 | 0 | 5 | 6 | 1 | 3 | 4 | 2 | 6 | 3 | 3 | 2 | 6 | 6 | 6 | 0 | 33 | 20 | 53 |
| Average 6-Year Differences | | 0.3482 ⁵ | +0.4000 | -0.2000 | -0.6000 | -0.4000 | 0.0000 | +0.2000 | +0.2000 | +0.2000 | -0.6000 | +0.2000 | -0.6000 | -1.4000 | 0.0000 ⁶ | | | |

Notes: ¹ Pre-kindergarten regular education enrollment.
² Self-contained special education enrollment/Ungraded Students.
³ PK-8 enrollments were provided by the Oceanport School District.
⁴ Grade 9-12 enrollments were provided by the Shore Regional High School District.
⁵ Average birth-to-kindergarten cohort-survival ratio based on birth data five years prior.
⁶ Average proportion of special education students with respect to PK-12 subtotals.

2. Oceanport School District

Historical enrollments for students attending the Oceanport School District (PK-8) from 2013-14 to 2018-19 are shown in Table 9. The table also includes students from Sea Bright attending the school district. PK-8 enrollment has been fairly stable in the last six years, ranging from 579-628 students per year. In 2018-19, enrollment is 594, which is slightly lower than the 2013-14 enrollment of 616. Table 9 also shows computed average survival ratios based on the last six years of historical data, which will be used to project future enrollments.

Table 9
Oceanport Historical Enrollments (PK-8)
2013-14 to 2018-19

| Year ¹ | PK RE ² | K | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | SE ³ | PK-8 Total |
|------------------------------|--------------------|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------------------|------------|
| 2013-14 | 20 | 57 | 63 | 56 | 55 | 55 | 77 | 67 | 68 | 59 | 39 | 616 |
| 2014-15 | 36 | 58 | 59 | 64 | 54 | 57 | 56 | 75 | 67 | 69 | 33 | 628 |
| 2015-16 | 34 | 67 | 53 | 57 | 66 | 53 | 61 | 56 | 73 | 67 | 27 | 614 |
| 2016-17 | 35 | 52 | 70 | 53 | 57 | 65 | 54 | 61 | 59 | 77 | 20 | 603 |
| 2017-18 | 20 | 57 | 52 | 72 | 54 | 56 | 68 | 54 | 60 | 62 | 24 | 579 |
| 2018-19 | 22 | 61 | 60 | 56 | 73 | 56 | 58 | 74 | 54 | 60 | 20 | 594 |
| Average 6-Year Ratios | | 1.0404 ⁴ | 1.0093 | 1.0175 | 1.0057 | 1.0044 | 1.0378 | 1.0125 | 1.0021 | 1.0241 | 0.0396 ⁵ | |

Notes: ¹ Enrollment data were provided by the New Jersey Department of Education (<http://www.nj.gov/njded/data/enr/>) and the Oceanport School District.

² Pre-kindergarten regular education enrollment.

³ Self-contained special education enrollment/Ungraded Students.

⁴ Average birth-to-kindergarten ratio based on birth data five years prior for both Sea Bright and Oceanport using last five years of historical data.

⁵ Average proportion of special education students with respect to PK-8 subtotals based on last four years of historical data.

3. Atlantic Highlands School District

Historical enrollments for students attending the Atlantic Highlands School District (PK-6) from 2013-14 to 2018-19 are shown in Table 10. Enrollment has been fairly stable in the last six years, ranging from 311-335 students per year. In 2018-19, enrollment is 311, which is slightly lower than the 2013-14 enrollment of 319. Table 10 also shows computed average survival ratios based on the last six years of historical data, which will be used to project future enrollments.

Table 10
Atlantic Highlands Historical Enrollments (PK-6)
2013-14 to 2018-19

| Year ¹ | PK RE ² | K | 1 | 2 | 3 | 4 | 5 | 6 | SE ³ | PK-6 Total |
|------------------------------|--------------------|---------------------|--------|--------|--------|--------|--------|--------|---------------------|------------|
| 2013-14 | 41 | 27 | 40 | 47 | 36 | 40 | 40 | 34 | 14 | 319 |
| 2014-15 | 39 | 33 | 30 | 38 | 48 | 37 | 40 | 39 | 13 | 317 |
| 2015-16 | 39 | 43 | 37 | 33 | 36 | 50 | 41 | 39 | 9 | 327 |
| 2016-17 | 32 | 39 | 46 | 43 | 31 | 39 | 47 | 44 | 14 | 335 |
| 2017-18 | 37 | 31 | 35 | 44 | 43 | 27 | 39 | 49 | 13 | 318 |
| 2018-19 | 48 | 36 | 31 | 35 | 42 | 40 | 30 | 37 | 12 | 311 |
| Average 6-Year Ratios | | 0.8531 ⁴ | 1.0399 | 1.0337 | 0.9725 | 0.9908 | 1.0318 | 1.0029 | 0.0406 ⁵ | |

Notes: ¹Enrollment data were provided by New Jersey Department of Education (<http://www.nj.gov/njded/data/enr/>) and the Atlantic Highlands School District.

²Pre-kindergarten regular education enrollment.

³Self-contained special education enrollment/Ungraded Students.

⁴Average birth-to-kindergarten ratio based on birth data five years prior using last four years of historical data.

⁵Average proportion of special education students with respect to PK-6 subtotals.

4. Highlands School District

Historical enrollments for students attending the Highlands School District (PK-6) from 2013-14 to 2018-19 are shown in Table 11. Enrollment has been slowly increasing, in general, before reversing trend in the current year. In 2018-19, enrollment is 189, which is a gain of 15 students from the 2013-14 enrollment of 174. Table 11 also shows computed average survival ratios based on the last six years of historical data, which will be used to project future enrollments.

Table 11
Highlands Historical Enrollments (PK-6)
2013-14 to 2018-19

| Year ¹ | PK RE ² | K | 1 | 2 | 3 | 4 | 5 | 6 | SE ³ | PK-6 Total |
|------------------------------|--------------------|---------------------|--------|--------|--------|--------|--------|--------|---------------------|------------|
| 2013-14 | 17 | 21 | 22 | 20 | 16 | 22 | 19 | 19 | 18 | 174 |
| 2014-15 | 27 | 17 | 21 | 24 | 14 | 16 | 20 | 18 | 13 | 170 |
| 2015-16 | 24 | 36 | 18 | 23 | 26 | 18 | 19 | 23 | 5 | 192 |
| 2016-17 | 24 | 29 | 28 | 20 | 22 | 24 | 19 | 24 | 0 | 190 |
| 2017-18 | 29 | 22 | 29 | 25 | 23 | 21 | 29 | 22 | 0 | 200 |
| 2018-19 | 20 | 28 | 21 | 28 | 21 | 18 | 19 | 25 | 9 | 189 |
| Average 6-Year Ratios | | 0.7866 ⁴ | 0.9582 | 1.0311 | 0.9460 | 0.9892 | 1.0530 | 1.0761 | 0.0192 ⁵ | |

Notes: ¹Enrollment data were provided by New Jersey Department of Education (<http://www.nj.gov/njded/data/enr/>) and the Highlands School District.

² Pre-kindergarten regular education enrollment.

³ Self-contained special education enrollment/Ungraded Students.

⁴ Average birth-to-kindergarten ratio based on birth data five years prior using last four years of historical data.

⁵ Average proportion of special education students with respect to PK-6 subtotals based on last four years of historical data.

5. Shore Regional High School District

Historical enrollments for students attending Shore Regional High School (grades 9-12) from 2013-14 to 2018-19 are shown in Table 12. Enrollment declined through 2015-16 before reversing trend. In 2018-19, enrollment is 633, which is nearly identical to the 2013-14 enrollment of 629. Table 12 also shows computed average survival ratios based on the last six years of historical data, which will be used to project future enrollments.

While not shown in the table, PK-8 enrollments from the feeder districts for Shore Regional (Oceanport, Monmouth Beach, and West Long Branch) have been slowly declining. In 2017-18, the aggregated enrollment was 1,376, which is a decline of 120 students from the 2013-14 enrollment of 1,496.

Table 12
Shore Regional Historical Enrollments (9-12)
2013-14 to 2018-19

| Year¹ | 9 | 10 | 11 | 12 | SE² | 9-12 Total |
|----------------------------------|---------------------|-----------|-----------|-----------|-----------------------|-----------------------|
| 2013-14 | 157.5 | 157.5 | 152 | 162 | 0 | 629 |
| 2014-15 | 148.5 | 158.5 | 155.5 | 152.5 | 0 | 615 |
| 2015-16 | 156 | 146.5 | 154.5 | 151.5 | 0 | 608.5 |
| 2016-17 | 153.5 | 171 | 141.5 | 155 | 0 | 621 |
| 2017-18 | 171.5 | 158.5 | 174.5 | 141 | 0 | 645.5 |
| 2018-19 | 160 | 162 | 144 | 167 | 0 | 633 |
| Average 6-Year Ratios | 0.8817 ³ | 1.0132 | 0.9714 | 0.9869 | 0.0000 ⁴ | |

Notes: ¹Enrollment data were provided by New Jersey Department of Education (<http://www.nj.gov/njded/data/enr/>) and the Shore Regional High School District.

²Self-contained special education enrollment/Ungraded Students.

³Grade 8-9 ratio computed using aggregated 8th grade counts from the school districts of Oceanport, Monmouth Beach, and West Long Branch.

⁴Average proportion of special education students with respect to 9-12 subtotals.

6. Henry Hudson Regional School District

Historical enrollments for students attending the Henry Hudson Regional School (grades 7-12) from 2013-14 to 2018-19 are shown in Table 13. Enrollment has been fairly stable in the last six years, ranging from 294.5-314.5 students per year. In 2018-19, enrollment is 307, which is slightly lower than the 2013-14 enrollment of 314.5. Table 12 also shows computed average survival ratios based on the last six years of historical data, which will be used to project future enrollments.

Table 13
Henry Hudson Regional Historical Enrollments (7-12)
2013-14 to 2018-19

| Year¹ | 7 | 8 | 9 | 10 | 11 | 12 | SE² | 7-12 Total |
|------------------------------|---------------------|----------|----------|-----------|-----------|-----------|-----------------------|-------------------|
| 2013-14 | 47 | 61 | 49 | 43.5 | 63.5 | 47.5 | 3 | 314.5 |
| 2014-15 | 54 | 45 | 47 | 50 | 39.5 | 68 | 4 | 307.5 |
| 2015-16 | 58 | 59 | 43 | 48.5 | 42.5 | 36 | 7.5 | 294.5 |
| 2016-17 | 58 | 54 | 58.5 | 45.5 | 40.5 | 43.5 | 7 | 307 |
| 2017-18 | 61 | 61 | 43.5 | 59 | 43.5 | 40.5 | 4 | 312.5 |
| 2018-19 | 71 | 61 | 53 | 39 | 49 | 34 | 0 | 307 |
| Average 6-Year Ratios | 0.9738 ³ | 1.0066 | 0.8784 | 1.0031 | 0.8759 | 0.9575 | 0.0142 ⁴ | |

Notes: ¹Enrollment data were provided by New Jersey Department of Education (<http://www.nj.gov/njded/data/enr/>) and the Henry Hudson Regional School District.

²Self-contained special education enrollment/Ungraded Students.

³Grade 6-7 ratio computed using aggregated 6th grade counts from Atlantic Highlands and Highlands.

⁴Average proportion of special education students with respect to 7-12 subtotals.

G. Birth Data

Kindergarten enrollments were calculated as follows: birth data, lagged five years behind its respective kindergarten class, were used to calculate the survival ratio for each birth-to-kindergarten cohort. For instance, in 2013, there were eight (8) births in Sea Bright and 52 in Oceanport for a total of 60 births. Five years later (the 2018-19 school year), 61 children enrolled in kindergarten in the Oceanport School District, which is equal to a survival ratio of 1.017 from birth to kindergarten. Birth counts and birth-to-kindergarten survival ratios are displayed in Table 14 for Sea Bright, Oceanport, Atlantic Highlands, and Highlands. Since Shore Regional does not educate kindergarten students and births are not needed to project high school enrollments, data from the district (and its sending towns) are excluded in the table.

Birth-to-kindergarten survival ratios greater than 1.000 indicate that some children are born outside of a community's boundaries and are attending kindergarten in the school district five years later, i.e., an inward migration of children into the district. This type of inward migration is typical in school districts with excellent reputations, because the appeal of a good school district draws families into the community. Inward migration is also seen in communities where there are a large number of new housing starts, with families moving into the community having children of age to attend kindergarten. Birth-to-kindergarten survival ratios that are below 1.000 indicate that a number of children born within a community are not attending kindergarten in the school district five years later. This is common in communities where a high proportion of children attend private, parochial, or out-of-district special education facilities, or where there is a net migration of families moving out of the community. It is also common in school districts that have a half-day kindergarten program where parents choose to send their children to a private full-day kindergarten for the first year. It should be noted that the Oceanport, Atlantic Highlands, and Highlands School Districts have had full-day kindergarten programs in operation from 2013-14 to 2018-19.

Since Sea Bright does not educate its own students, birth-to-kindergarten survival ratios in the Oceanport School District reflect births and kindergarten enrollments from both Sea Bright and Oceanport. In the Oceanport School District, birth-to-kindergarten survival ratios have been above 1.000 in four of the last six years. The survival ratios have been fairly consistent in the last five years, ranging from 0.981-1.137. In Atlantic Highlands, birth-to-kindergarten survival ratios have been significantly below 1.000 in five of the last six years, ranging from 0.550-1.091. The survival ratios in Highlands were below 1.000 in each of the last six years yet were very inconsistent, ranging from 0.304-0.935. For both Atlantic Highlands and Highlands, it appears that the survival ratios have been increasing, in general, over time.

Geocoded birth data were provided by the New Jersey Center for Health Statistics ("NJCHS") from 2008-2017 by assigning geographic coordinates to a birth mother based on her street address. Births for 2018 were not yet available. Since the NJCHS did not have geocoded birth data for 2018, estimates were formulated by averaging historical births. Birth counts were needed for 2018 since this cohort will become the kindergarten class of 2023.

Table 14
Birth Counts and Historical Birth-to-Kindergarten Survival Ratios

| Year ¹ | Sea Bright/Oceanport | | | | | Atlantic Highlands | | | Highlands | | |
|-------------------|----------------------|------------------|--------------|-------------------------------------|--------------------|--------------------|-------------------------------------|--------------------|-----------|-------------------------------------|--------------------|
| | Sea Bright Births | Oceanport Births | Total Births | Kindergarten Students 5 years Later | B-K Survival Ratio | Births | Kindergarten Students 5 years Later | B-K Survival Ratio | Births | Kindergarten Students 5 years Later | B-K Survival Ratio |
| 2008 | 17 | 55 | 72 | 57 | 0.792 | 42 | 27 | 0.643 | 50 | 21 | 0.420 |
| 2009 | 11 | 40 | 51 | 58 | 1.137 | 60 | 33 | 0.550 | 56 | 17 | 0.304 |
| 2010 | 18 | 47 | 65 | 67 | 1.031 | 55 | 43 | 0.782 | 53 | 36 | 0.679 |
| 2011 | 12 | 41 | 53 | 52 | 0.981 | 51 | 39 | 0.765 | 31 | 29 | 0.935 |
| 2012 | 10 | 45 | 55 | 57 | 1.036 | 40 | 31 | 0.775 | 35 | 22 | 0.629 |
| 2013 | 8 | 52 | 60 | 61 | 1.017 | 33 | 36 | 1.091 | 31 | 28 | 0.903 |
| 2014 | 11 | 49 | 60 | N/A | N/A | 37 | N/A | N/A | 36 | N/A | N/A |
| 2015 | 13 | 33 | 46 | N/A | N/A | 46 | N/A | N/A | 50 | N/A | N/A |
| 2016 | 7 | 41 | 48 | N/A | N/A | 36 | N/A | N/A | 33 | N/A | N/A |
| 2017 | 10 | 42 | 52 | N/A | N/A | 38 | N/A | N/A | 33 | N/A | N/A |

Note: ¹ Birth data were provided by the New Jersey Center for Health Statistics from 2008-2017.

Of the four communities, Sea Bright has consistently had the fewest annual number of births during this time period, ranging from 7-18. The number of births in Oceanport, Atlantic Highlands, and Highlands was fairly comparable from 2008-2017. In Oceanport, the annual number of births ranged from 33-55 while Atlantic Highlands ranged from 33-60. The annual number of births in Highlands has ranged from 31-56. The number of births in 2017 in each community is lower than in 2008.

H. Potential New Housing

1. Borough of Sea Bright

Ms. Candace Mitchell, Sea Bright Planning Board Secretary, provided information regarding current and future residential development in the community. At present, there is a concept plan in place for the possible redevelopment of waterfront property, which would include 44 condominium/townhouse units and be known as Haven at Sea Bright. However, this project has not been approved and it is not clear whether it will come to fruition. Due to its location, it would likely consist of second-home owners, which would have minimal impact on the affected school districts.

In Table 15, the number of certificates of occupancy (“COs”) is shown for each community from 2014-2018. In the last five years, 14 single- or two-family homes were constructed in Sea Bright, which is an average of three (3) homes per years.

In addition, as several of these communities are located along the New Jersey shore, many of the COs are due to the building of a new home after the demolition of an older one. In these instances, there is no net gain in the number of housing units. Table 16 shows the number of demolished homes from 2014-2018 and the number of housing units gained or lost by year for each community using the data from Tables 15 and 16. From 2014-2018, Sea Bright lost eight (8) housing units.

Table 15
Number of Residential Certificates of Occupancy by Year

| Year | Sea Bright | | | Oceanport | | | Monmouth Beach | | | West Long Branch | | | Atlantic Highlands | | | Highlands | | |
|--------------|------------|-------------------------|-----------|------------|-------------------------|-----------|----------------|-------------------------|-----------|------------------|-------------------------|-----------|--------------------|-------------------------|-----------|------------|-------------------------|-----------|
| | 1&2 Family | Multi-Family /Mixed Use | Total | 1&2 Family | Multi-Family /Mixed Use | Total | 1&2 Family | Multi-Family /Mixed Use | Total | 1&2 Family | Multi-Family /Mixed Use | Total | 1&2 Family | Multi-Family /Mixed Use | Total | 1&2 Family | Multi-Family /Mixed Use | Total |
| 2014 | 0 | 0 | 0 | 3 | 0 | 3 | 13 | 0 | 13 | 8 | 0 | 8 | 4 | 0 | 4 | 6 | 0 | 6 |
| 2015 | 0 | 0 | 0 | 9 | 0 | 9 | 6 | 0 | 6 | 12 | 0 | 12 | 7 | 0 | 7 | 3 | 0 | 3 |
| 2016 | 0 | 0 | 0 | 17 | 0 | 17 | 0 | 0 | 0 | 5 | 0 | 5 | 4 | 0 | 4 | 10 | 0 | 10 |
| 2017 | 10 | 0 | 10 | 18 | 7 | 25 | 23 | 0 | 23 | 4 | 0 | 4 | 3 | 0 | 3 | 4 | 0 | 4 |
| 2018 | 4 | 0 | 4 | 11 | 1 | 12 | 11 | 0 | 11 | 10 | 0 | 10 | 4 | 21 | 25 | 8 | 0 | 8 |
| Total | 14 | 0 | 14 | 58 | 8 | 66 | 53 | 0 | 53 | 39 | 0 | 39 | 22 | 21 | 43 | 31 | 0 | 31 |

Source: New Jersey Department of Community Affairs.

Table 16
Number of Home Demolitions and Net New Housing by Year

| Year | Sea Bright | | | Oceanport | | | Monmouth Beach | | | West Long Branch | | | Atlantic Highlands | | | Highlands | | |
|--------------|------------|-----------|-----------|-----------|-----------|------------|----------------|-----------|------------|------------------|-----------|------------|--------------------|-----------|------------|-----------|-----------|------------|
| | Demos | New COs | Net Total | Demos | New COs | Net Total | Demos | New COs | Net Total | Demos | New COs | Net Total | Demos | New COs | Net Total | Demos | New COs | Net Total |
| 2014 | 0 | 0 | 0 | 10 | 3 | -7 | 30 | 13 | -17 | 1 | 8 | +7 | 7 | 4 | -3 | 36 | 6 | -30 |
| 2015 | 0 | 0 | 0 | 8 | 9 | +1 | 0 | 6 | +6 | 2 | 12 | +10 | 10 | 7 | -3 | 8 | 3 | -5 |
| 2016 | 0 | 0 | 0 | 7 | 17 | +10 | 0 | 0 | 0 | 2 | 5 | +3 | 3 | 4 | +1 | 16 | 10 | -6 |
| 2017 | 15 | 10 | -5 | 4 | 25 | +21 | 0 | 23 | +23 | 3 | 4 | +1 | 15 | 3 | -12 | 5 | 4 | -1 |
| 2018 | 7 | 4 | -3 | 6 | 12 | +6 | 0 | 11 | +11 | 1 | 10 | +9 | 10 | 25 | +15 | 11 | 8 | -3 |
| Total | 22 | 14 | -8 | 35 | 66 | +31 | 30 | 53 | +23 | 9 | 39 | +30 | 45 | 43 | -2 | 76 | 31 | -45 |

Source: New Jersey Department of Community Affairs.

2. Borough of Oceanport

Ms. Jeanne Smith, Oceanport Planning Board Secretary, provided information regarding current and future residential development in the community. As shown in Table 17, there is a significant amount of residential development either under construction or approved within the community. Most of the new housing is related to the redevelopment of Fort Monmouth. It should be noted that the table does not include plans to construct a homeless shelter, which would likely have minimal impact on the district. In total, there is the potential for 885 units, of which 837 units will be in Fort Monmouth.

In the process of determining how many children will come from the new housing units, *Who Lives in New Jersey Housing?*², published by the Rutgers University Center for Urban Policy Research (“CUPR”), was utilized. The resource provides statewide housing multipliers (student yields) based on housing type, number of bedrooms, housing value, housing tenure (ownership versus rental), and whether the housing units are market-rate or affordable. The following CUPR multipliers were used:

1. All market-rate apartment units (5-49 units) were assumed to have the following student yield multipliers: 1-bedroom = 0.127, 2-bedroom = 0.339, 3-bedroom = 0.821.
2. All affordable apartment units were assumed to have the following student yield multipliers: 1-bedroom = 0.088 and 2-bedroom = 0.408.
3. All attached single-family homes (townhouses) were assumed to have the following student yield multipliers: 2-bedroom = 0.226 and 3-bedroom = 0.477.
4. All detached single-family homes were assumed to have the following student yield multipliers: 2-bedroom = 0.052, 3-bedroom = 0.385, 4-5 bedrooms = 0.848.

An estimate was made of the number of public school children that potentially could come from the proposed housing developments. It should be stated clearly that this is a rough estimate, as specific details of the proposed developments, such as bedroom distributions, were unavailable in many instances, which are needed to compute the number of public school children. In addition, the majority of the proposed housing units are on the Fort Monmouth military base. As this is specialty housing, the multipliers could be very different than the statewide average multipliers.

Using the CUPR multipliers, a total of 80 public school children in grades K-12 are projected to be generated from the new housing developments. This value excludes the impact of FM Lodging, since the number of units by type and bedroom distribution was unknown, and also the remaining 422 units in the Fort Monmouth Redevelopment, as construction would likely only begin in five years with occupation to follow later, which is outside of the enrollment

² Listokin, David, and Voicu, Alexandru. (2018). *Who Lives in New Jersey Housing?* Updated New Jersey Demographic Multipliers. Rutgers University Center for Urban Policy Research.

projection timeframe of five years. Using the CUPR expected distribution for the number of public school children in townhouses (one of the predominant new housing types), 75% of the new students (60 students) are likely to be in grades K-8, which would impact the Oceanport School District, while 25% of the new students are likely to be of high school age (20 students), which would impact Shore Regional. The forthcoming enrollment projections do not include the additional children from new housing, but are provided to give a rough estimate of the potential impact.

Table 17
Potential New Housing in Oceanport

| Development | Number of Units | Housing Type | Bedroom Distribution | Project Status/Notes |
|---|------------------------|---------------------------------------|------------------------------|--|
| Martelli (222 Monmouth Boulevard) | 12 | Detached Single-Family | 1-3 BR | Not yet under construction. Anticipated to begin construction in 2020. |
| 275 Port Au Peck Avenue | 2 | Detached Single-Family | 2-4 BR | Pending Planning Board approval. |
| Market on Main (275 E. Main Street) | 20 | Market-rate and Affordable Apartments | 12 1-BR 8 2-BR | Approved but not yet constructed. Will consist of 15-17 market-rate units and 3-5 affordable apartment units. |
| Oceanport Center (179 E. Main Street) | 14 | Market-rate and Affordable Apartments | 2-BR | Approved but not yet constructed. Will consist of 11 market-rate units and 3 affordable apartment units. |
| RPM South Fort Monmouth (Gosselin Avenue) | 48 | Market-rate and Affordable Townhouses | 8 2-BR 40 3-BR | Fully constructed. 24 3-bedroom units occupied as of Fall 2018. Two-bedroom units are not yet rented. |
| RPM North Fort Monmouth (East Gate) | 7 | Detached Single-Family | 3-5 BR | Under construction. Nearly half completed. 22 units have been sold. Should be completed late 2019 or early 2020. |
| RPM North Fort Monmouth (East Gate) | 26 | Townhouse | 3-BR | |
| RPM North Fort Monmouth (East Gate) | 36 | Apartment | 3-BR | |
| Fort Monmouth Lodging Area | 298 | Townhouse and Market-rate Apartments | 1-4 BR (TH) 1-3 BR (Apt.) | Has not started. May begin construction in 2-3 years. Exact bedroom distribution is not known. |
| Fort Monmouth Redevelopment | 422 | N/A | N/A | Type of units to be determined. Might be constructed in next 5-10 years. |
| Total | 885 | | | |

Source: Oceanport Planning Board Secretary

Regarding historical construction, 66 COs were issued in Oceanport from 2014-2018 as shown in Table 15. A total of 58 COs were issued for single-family or two-family homes and eight (8) COs were issued for multi-family homes or mixed use units. Of the six communities, Oceanport has had the greatest number of COs in the last five years. As shown in Table 16, there was a net gain of 31 housing units in Oceanport over this time period due to the demolition of 35 housing units.

3. Borough of Monmouth Beach

Ms. Antonetta Heinzinger, Monmouth Beach Planning Board Secretary, provided information regarding current and future residential development in the community. Currently, there are no residential developments under construction, nor are there applications for residential subdivisions before the planning board. New construction has been limited to building single-family homes on in-fill lots.

From 2014-2018, 53 COs were issued for single-family or two-family homes. As shown in Table 16, there was a net gain of 23 housing units in Monmouth Beach over this time period due to the demolition of 30 housing units.

4. Borough of West Long Branch

Ms. Chris Ann DeGenaro, West Long Branch Planning Board Secretary, provided information regarding current and future residential development in the community. Currently, there are no residential developments under construction, nor are there applications for residential subdivisions before the planning board.

Regarding historical construction, there were 39 COs issued for single- or two-family homes in West Long Branch from 2014-2018 as shown in Table 15. There was a net gain of 30 housing units in West Long Branch over this time period due to the demolition of nine (9) housing units as shown in Table 16.

5. Borough of Atlantic Highlands

Representatives from Atlantic Highlands provided information regarding current and future residential development in the community. As shown in Table 18, there is the potential for 114 units, of which 22 will be affordable apartment units.

Like Oceanport, multipliers from CUPR (shown previously) were used to estimate the number of future children from new housing. As many of the bedrooms distributions were not available, the estimate should be considered a **rough estimate**.

In total, 29 public school children in grades K-12 are projected to be generated from the new housing developments. Using the CUPR expected distribution for the number of public school children in apartments with 5-49 units (the predominant new housing type), 64% of the new students (19 students) are likely to be in grades K-6, which would impact the Atlantic Highlands School District, while 36% of the new students are likely to be of middle and high

school age (10 students), which would impact Henry Hudson Regional. The forthcoming enrollment projections do not include the additional children from new housing, but are provided to give a rough estimate of the potential impact.

Table 18
Potential New Housing in Atlantic Highlands

| Development | Number of Units | Housing Type | Bedroom Distribution | Project Status/Notes |
|--|------------------------|---------------------------------------|-----------------------------|--|
| Bay Village (2 Henessey Boulevard) | 16 | Market-rate and Affordable Apartments | 1-2 BR | Fully constructed. Consists of 14 market-rate units and 2 affordable apartment units. |
| Bay Village (35 First Avenue) | 6 | Market-rate and Affordable Apartments | 1-2 BR | Approved but not yet constructed. Will consist of 3 market-rate units and 3 affordable apartment units. |
| 44-48 First Avenue | 18 | Market-rate and Affordable Apartments | N/A | Approved but not yet constructed. Will consist of 15 market-rate units and 3 affordable apartment units. |
| Atlantic Highlands II (60-64 First Avenue) | 10 | Market-rate and Affordable Apartments | 1-2 BR | Approved but not yet constructed. Will consist of 8 market-rate units and 2 affordable apartment units. |
| 158 First Avenue | 18 | Market-rate and Affordable Apartments | N/A | Approved but not yet constructed. Will consist of 14 market-rate units and 4 affordable apartment units. |
| 21 Leonard Avenue | 2 | Duplex | 1 1-BR 1 2-BR | Will consist of 2 affordable units. |
| 65 First Avenue | 18 | Market-rate and Affordable Apartments | N/A | Pending Planning Board approval. Will consist of 14 market-rate units and 4 affordable apartment units. |
| 15 W. Lincoln Avenue | 10 | Market-rate and Affordable Apartments | 3-BR | Pending Planning Board approval. Will consist of 8 market-rate units and 2 affordable apartment units. |
| The Aegean | 16 | Detached Single-Family | N/A | Approved by Planning Board in April 2019. |
| Total | 114 | | | |

Source: Borough of Atlantic Highlands

From 2014-2018, 43 COs were issued in Atlantic Highlands as shown in Table 15. A total of 22 COs were issued for single- or two-family homes and 21 COs were issued for multi-family homes or mixed use units. However, there was a net loss of two (2) housing units in Atlantic Highlands over this time period due to the demolition of 45 housing units.

6. Borough of Highlands

Ms. Kathy Burgess, Highlands Building Department Secretary, provided information regarding current and future residential development in the community. Currently, there are no

residential developments under construction, nor are there applications for residential subdivisions before the planning board.

Regarding historical construction, there were 31 COs issued for single- or two-family homes in Highlands from 2014-2018 as shown in Table 15. However, there was a net loss of 45 housing units in Highlands over this time period due to the demolition of 76 housing units as shown in Table 16. It is likely that many of the demolitions (36) in 2014 are related to the damage caused by Hurricane Sandy in October 2012.

I. Enrollment Projections

Enrollments were projected for each grade from 2019-20 through 2023-24 for Sea Bright, Oceanport School District, Atlantic Highlands School District, Highlands School District, Shore Regional, and Henry Hudson Regional. The grade-level enrollments from the feeder PK-8 districts (Oceanport, Monmouth Beach, and West Long Branch) also were used to project the grade 9 counts at Shore Regional.

Enrollments for self-contained special education classes were computed by calculating the historical proportions of special education students with respect to the PK-8 and 9-12 subtotals and then multiplying by the future general education subtotals to estimate the future number of self-contained special education students in the PK-8 and 9-12 grade configurations.

With respect to grade-level pre-kindergarten students in the Oceanport, Atlantic Highlands, and Highlands School Districts, an average was computed from historical data and used to estimate future pre-kindergarten enrollment in each district.

On September 10, 2010, former New Jersey Governor Chris Christie signed into law the Interdistrict School Choice Program (“Choice”), which took effect in the 2011-12 school year. This enables students the choice in attending a school outside their district of residence if the selected school is participating in the choice program. The choice school sets the number of openings per grade level. None of the school districts participate in the program and therefore has no impact on the enrollment projections.

As part of the School Funding Reform Act of 2008 (“SFRA”), all school districts in New Jersey are to provide expanded Abbott-quality pre-school programs for at-risk 3- and 4-year olds as outlined in *N.J.A.C. 6A:13A*. The State of New Jersey intends to provide aid for the full-day program based on projected enrollment. School districts categorized as District Factor Group³ (“DFG”) A, B, and CD with a concentration of at-risk pupils equal to or greater than 40 percent, must offer a pre-school program to all pre-school aged children regardless of income, known as “Universal” pre-school. For all other school districts, a pre-school program must be offered only to at-risk children, known as “Targeted” preschool. School districts are required to offer these programs to at least 90% of the eligible pre-school children by 2013-14. School districts may educate the pre-school children in district, by outside providers, or through Head Start programs.

³ Introduced by the New Jersey Department of Education in 1975, it provides a system of ranking school districts in the state by their socio-economic status. While the system is no longer used, the number of pre-kindergarten students was determined by the former DFG rankings.

Due to budgetary constraints, the NJDOE postponed the roll-out of the program, which was scheduled for the 2009-10 school year. According to a recent conversation with Ms. Karin Garver, Educational Program Development Specialist in the NJDOE Early Childhood Education, there are no plans in the imminent future by the State Legislature to fund the program, which would prevent school districts from implementing the program. The pre-school program would have been rolled out over a five-year period according to the following schedule:

- At least 20% of the eligible pre-school universe in Year 1
- At least 35% of the universe in Year 2
- At least 50% of the universe in Year 3
- At least 65% of the universe in Year 4
- At least 90% of the universe in Year 5

The universe of pre-school children in “Universal” districts is computed by multiplying the 1st grade enrollment in 2007-08 by two. The universe of pre-school children in “Targeted” districts is computed by multiplying the 1st grade enrollment in 2007-08 by two and then multiplying by the percentage of students having free or reduced lunch in the district. As Shore Regional and Henry Hudson Regional do not educate pre-kindergarten children, they are not listed in the table below. The remaining three school districts are “Targeted” districts. Highlands’ DFG is “CD,” which is the lowest of the three communities. Table 19 shows the potential impact on the school districts if the program were mandated.

For the purpose of this study, it has been assumed that the school districts will educate the pre-school children within their district. As the table shows, the number of eligible students would be fairly negligible, particularly for Oceanport and Atlantic Highlands. Since it is unclear if and when the program will be funded and subsequently mandated, the forthcoming enrollment projections do not include additional pre-kindergarten students from the SFRA. If the pre-school program were ever mandated, the impact on each of the district’s enrollment would be minimal.

Table 19
Estimated Number of Eligible Pre-School Students by School District
as Per School Funding Reform Act of 2008

| School District | DFG (2000) | % Free/ Reduced Lunch | Total eligible | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---------------------------|------------|-----------------------|----------------|--------|--------|--------|--------|--------|
| Oceanport | GH | 3.74% | 5 | 1 | 2 | 3 | 3 | 5 |
| Atlantic Highlands | GH | 10.23% | 6 | 1 | 2 | 3 | 4 | 5 |
| Highlands | CD | 35.90% | 18 | 4 | 6 | 9 | 12 | 16 |

Source: New Jersey Department of Education, Division of Early Childhood Education.

In a different pre-school initiative, the administration of Governor Phil Murphy announced the availability of Preschool Education Expansion Aid (“PEEA”) in 2018. In September 2018, the first round of funding (\$20.6 million) was publicized, where 31 districts received aid to expand their pre-kindergarten programs. A second round of funding targeted

districts whose free and reduced lunch percentage was above 20% and had not previously received state preschool aid. In January 2019, an additional 33 districts were awarded aid to expand their pre-kindergarten programs through the second round of funding (\$27 million). Some districts that were eligible to apply for PEEA would fall under the “Universal” category while others would be considered “Targeted” districts. However, the main difference with this expansion aid is that districts under SFRA were restricted to serve low-income children where now districts can educate all pre-school age children through PEEA. It appears that the Murphy administration may be moving towards a pre-school program for all children, rather than just for those who are low-income. Of the districts in this study, only the Highlands School District has received aid. Space is limited to 26 children in the district’s pre-kindergarten program.

1. Sea Bright

Projected PK-12 enrollments for Sea Bright are shown in Table 20. PK-8 enrollment, which represents the number of Sea Bright students attending the Oceanport School District, is projected to range from 28-35 students per year and is fairly similar to the 2018-19 enrollment of 33. At the PK-12 level, enrollment is projected to slowly decline to 36 in 2023-24, which would be a loss of 17 students from the 2018-19 enrollment of 53. Enrollment in grades 9-12, which represents the number of students projected to attend Shore Regional High School, is projected to slowly decline. By 2023-24, enrollment is projected to be eight (8) students, which would be a loss of 12 students from the 2018-19 enrollment of 20.

Table 20
Sea Bright Projected Grade PK-12 Enrollments
2019-20 to 2023-24

| Year | PK RE ¹ | K | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | SE ² | PK-8 Total ³ | 9 | 10 | 11 | 12 | 9-12 ⁴ Total | PK-12 Total |
|---------|--------------------|---|---|---|---|---|---|---|---|---|-----------------|-------------------------|---|----|----|----|-------------------------|-------------|
| 2019-20 | 1 | 4 | 5 | 6 | 0 | 3 | 4 | 2 | 6 | 3 | 0 | 34 | 2 | 2 | 5 | 5 | 14 | 48 |
| 2020-21 | 1 | 5 | 4 | 5 | 5 | 0 | 3 | 4 | 2 | 6 | 0 | 35 | 2 | 2 | 1 | 4 | 9 | 44 |
| 2021-22 | 1 | 2 | 5 | 4 | 4 | 5 | 0 | 3 | 4 | 2 | 0 | 30 | 5 | 2 | 1 | 0 | 8 | 38 |
| 2022-23 | 1 | 3 | 2 | 5 | 3 | 4 | 5 | 0 | 3 | 4 | 0 | 30 | 1 | 5 | 1 | 0 | 7 | 37 |
| 2023-24 | 1 | 3 | 3 | 2 | 4 | 3 | 4 | 5 | 0 | 3 | 0 | 28 | 3 | 1 | 4 | 0 | 8 | 36 |

Notes: ¹Pre-kindergarten regular education enrollment.

²Self-contained special education enrollment/Ungraded students for grades PK-8.

³Projected number of students to attend the Oceanport School District.

⁴Projected number of students to attend Shore Regional High School.

2. Oceanport School District

Projected PK-8 enrollments for the Oceanport School District are shown in Table 21. PK-8 enrollment is projected to be fairly stable, ranging from 589-612 students per year. Enrollment is projected to be 590 in 2023-24, which would be slightly lower than the 2018-19 enrollment of 594. Sea Bright students are included in the projections in Table 21. However, the projections do not include the impact of the potential new housing in Oceanport as specific details of the proposed developments, such as bedroom distributions, were unavailable in many instances, which are needed to compute the estimated number of public school children.

Table 21
Oceanport Projected Grade PK-8 Enrollments
2019-20 to 2023-24

| Year | PK RE¹ | K | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | SE² | PK-8 Total |
|----------------|--------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------------------|-------------------|
| 2019-20 | 28 | 62 | 62 | 61 | 56 | 73 | 58 | 59 | 74 | 55 | 23 | 611 |
| 2020-21 | 28 | 48 | 63 | 63 | 61 | 56 | 76 | 59 | 59 | 76 | 23 | 612 |
| 2021-22 | 28 | 50 | 48 | 64 | 63 | 61 | 58 | 77 | 59 | 60 | 22 | 590 |
| 2022-23 | 28 | 54 | 50 | 49 | 64 | 63 | 63 | 59 | 77 | 60 | 22 | 589 |
| 2023-24 | 28 | 55 | 54 | 51 | 49 | 64 | 65 | 64 | 59 | 79 | 22 | 590 |

Notes: ¹Pre-kindergarten regular education enrollment.

²Self-contained special education enrollment/Ungraded students for grades PK-8.

3. Atlantic Highlands School District

Projected enrollments for the Atlantic Highlands School District are shown in Table 22. PK-6 enrollment is projected to be fairly stable, ranging from 292-310. Enrollment is projected to be 292 in 2023-24, which would be slightly lower than the 2018-19 enrollment of 311.

Table 22
Atlantic Highlands Projected Grade PK-6 Enrollments
2019-20 to 2023-24

| Year | PK RE ¹ | K | 1 | 2 | 3 | 4 | 5 | 6 | SE ² | PK-6 Total |
|----------------|--------------------|----|----|----|----|----|----|----|-----------------|------------|
| 2019-20 | 39 | 32 | 37 | 32 | 34 | 42 | 41 | 30 | 12 | 299 |
| 2020-21 | 39 | 39 | 33 | 38 | 31 | 34 | 43 | 41 | 12 | 310 |
| 2021-22 | 39 | 31 | 41 | 34 | 37 | 31 | 35 | 43 | 12 | 303 |
| 2022-23 | 39 | 32 | 32 | 42 | 33 | 37 | 32 | 35 | 11 | 293 |
| 2023-24 | 39 | 32 | 33 | 33 | 41 | 33 | 38 | 32 | 11 | 292 |

Notes: ¹Pre-kindergarten regular education enrollment.

²Self-contained special education enrollment/Ungraded students for grades PK-6.

4. Highlands School District

Projected enrollments for the Highlands School District are shown in Table 23. PK-6 enrollment is projected to slowly increase throughout the projection period. In 2023-24, enrollment is projected to be 221, which would be a gain of 32 students from the 2018-19 enrollment of 189.

Table 23
Highlands Projected Grade PK-6 Enrollments
2019-20 to 2023-24

| Year | PK RE ¹ | K | 1 | 2 | 3 | 4 | 5 | 6 | SE ² | PK-6 Total |
|----------------|--------------------|----|----|----|----|----|----|----|-----------------|------------|
| 2019-20 | 24 | 28 | 27 | 22 | 26 | 21 | 19 | 20 | 4 | 191 |
| 2020-21 | 24 | 39 | 27 | 28 | 21 | 26 | 22 | 20 | 4 | 211 |
| 2021-22 | 24 | 26 | 37 | 28 | 26 | 21 | 27 | 24 | 4 | 217 |
| 2022-23 | 24 | 26 | 25 | 38 | 26 | 26 | 22 | 29 | 4 | 220 |
| 2023-24 | 24 | 29 | 25 | 26 | 36 | 26 | 27 | 24 | 4 | 221 |

Notes: ¹Pre-kindergarten regular education enrollment.

²Self-contained special education enrollment /Ungraded students for grades PK-6.

5. Shore Regional High School District

Projected enrollments for Shore Regional are shown in Table 24. Enrollment is projected to decline throughout the projection period. In 2023-24, enrollment is projected to be 546, which would be a decline of 87 students from the 2018-19 enrollment of 633.

Table 24
Shore Regional High School District Projected Grade 9-12 Enrollments
2019-20 to 2023-24

| Year | 9 | 10 | 11 | 12 | SE ¹ | 9-12 Total |
|----------------|-----|-----|-----|-----|-----------------|------------|
| 2019-20 | 137 | 162 | 157 | 142 | 0 | 598 |
| 2020-21 | 140 | 139 | 157 | 155 | 0 | 591 |
| 2021-22 | 154 | 142 | 135 | 155 | 0 | 586 |
| 2022-23 | 136 | 156 | 138 | 133 | 0 | 563 |
| 2023-24 | 120 | 138 | 152 | 136 | 0 | 546 |

Note: ¹Self-contained special education enrollment/Ungraded students for grades 9-12.

6. Henry Hudson Regional School District

Projected enrollments for Henry Hudson Regional are shown in Table 25. Enrollment is projected to decline in 2021-21 before reversing trend. In 2023-24, enrollment is projected to be 325, which would be a gain of 18 students from the 2018-19 enrollment of 307.

Table 25
Henry Hudson Regional Projected Grade 7-12 Enrollments
2019-20 to 2023-24

| Year | 7 | 8 | 9 | 10 | 11 | 12 | SE ¹ | 7-12 Total |
|----------------|----|----|----|----|----|----|-----------------|------------|
| 2019-20 | 60 | 71 | 54 | 53 | 34 | 47 | 5 | 324 |
| 2020-21 | 49 | 60 | 62 | 54 | 46 | 33 | 4 | 308 |
| 2021-22 | 59 | 49 | 53 | 62 | 47 | 44 | 4 | 318 |
| 2022-23 | 65 | 59 | 43 | 53 | 54 | 45 | 5 | 324 |
| 2023-24 | 62 | 65 | 52 | 43 | 46 | 52 | 5 | 325 |

Note: ¹Self-contained special education enrollment/Ungraded students for grades 7-12.

J. Capacity Analysis

Table 26 shows the capacities of Wolf Hill and Maple Place in Oceanport, Atlantic Highlands Elementary School, Highlands Elementary School, Shore Regional High School, and Henry Hudson Regional School in comparison to the actual enrollments in 2018-19 and the projected enrollments in 2023-24 under two different scenarios. Positive values indicate available extra seating while negative values indicate inadequate seating, also known as “unhoused students.” It is important to note that the term “unhoused” students is not intended to convey that there will be no space for additional students from Sea Bright. Instead, this section is an overview of “functional” capacity, based upon how the space within the school currently is being utilized. Districts with unhoused students can accommodate these children by increasing class sizes, which in turn increases the school’s capacity. As such, the capacity of a school is not a fixed value and can be changed depending on how the building is used.

As discussed previously, students from Sea Bright currently attend the Oceanport School District for grades PK-8. Children in grades 9-12 attend Shore Regional for high school. If the existing relationship between Sea Bright and Oceanport is dissolved and Sea Bright withdraws from Shore Regional, and Henry Hudson Regional is dissolved and a new PK-12 regional is formed between Sea Bright, Atlantic Highlands, and Highlands, the following would take place:

1. The new All-Purpose PK-12 Regional District would take ownership of the Henry Hudson Regional School building.
2. Sea Bright students in grades PK-6 would be educated in either Atlantic Highlands or Highlands Elementary Schools.
3. Sea Bright students in grades 7-12 would be educated in the Henry Hudson Regional School building in Highlands.

According to the Oceanport School District’s LRFP and using District Practices methodology, Wolf Hill has a functional capacity of 414 students while Maple Place has a functional capacity of 329 students. As the table shows, each school currently has a surplus of seats (72 and 77 seats respectively). By 2023-24, the number of surplus seats is projected to increase to 98 in Wolf Hill yet decline to 55 at Maple Place in the status quo scenario. If Sea Bright students no longer attend the Oceanport School District, the number of surplus seats would be 114 in Wolf Hill and 67 in Maple Place.

Atlantic Highlands Elementary School currently has a functional capacity of 370 students according to the school district. In 2018-19, the school has a surplus of 59 seats. By 2023-24, it is estimated that there would be 78 surplus seats in the status quo scenario. If Sea Bright students attend Atlantic Highlands Elementary School instead of the Oceanport School District, it is estimated that there would be 53 surplus seats in the school in 2023-24.

Highlands Elementary School has a functional capacity of 249 students according to its LRFP. Based on the school’s 2018-19 enrollment, the school has 60 surplus seats. By 2023-24, the number of surplus seats is projected to decrease to 28 in the status quo scenario due to increasing enrollment in the school. If Sea Bright students attend Highlands Elementary School instead of the Oceanport School District, it is estimated that there would be three (3) surplus

seats in the school in 2023-24, indicating that the building would be near capacity as it is currently being used.

Table 26
Capacity Analysis

| School | Functional Capacity | Actual Enrollment 2018-19 | Difference | Projected Enrollment¹ 2023-24 Status Quo | Difference | Projected Enrollment 2023-24 With/Without Sea Bright Students | Difference |
|-------------------------------------|----------------------------|----------------------------------|-------------------|--|-------------------|--|-------------------|
| Wolf Hill E.S. (Oceanport) | 414 | 342 | +72 | 316 | +98 | 300 | +114 |
| Maple Place M.S. (Oceanport) | 329 | 252 | +77 | 274 | +55 | 262 | +67 |
| Atlantic Highlands E.S. | 370 | 311 | +59 | 292 | +78 | 317 | +53 |
| Highlands E.S. | 249 | 189 | +60 | 221 | +28 | 246 | +3 |
| Shore Regional H.S. | 1,068 | 633 | +435 | 546 | +522 | 538 | +530 |
| Henry Hudson Regional School | 563 | 307 | +256 | 325 | +238 | 333 | +230 |

Shore Regional High School currently has a functional capacity of 1,068 students according to its LRFP. In 2018-19, there is a surplus of 435 seats in the building, which is the largest value of the six schools under consideration. Due to declining enrollment, it is estimated that the number of surplus seats will increase to 522 in 2023-24 in the status quo scenario. If Sea Bright students withdraw from Shore Regional High School, it is estimated that the number of surplus seats will increase to 530 in 2023-24.

Finally, Henry Hudson Regional School has a functional capacity of 563 students according to the school district. In 2018-19, there is a surplus of 256 seats. By 2023-24, it is estimated that there would be 238 surplus seats in the status quo scenario. If Sea Bright students attend Henry Hudson Regional School instead of Shore Regional High School, it is estimated that the number of surplus seats would be 230 in 2023-24.

Based on the capacity information of the elementary schools, it appears that Atlantic Highlands Elementary School would have the greatest capability to accommodate Sea Bright students in grades PK-6. In addition, the Henry Hudson Regional school building would have ample space for Sea Bright's students.

IV. Racial Impact

The following section analyzes the historical enrollments by race for Sea Bright, the Oceanport School District, the Atlantic Highlands School District, Highlands School District, Shore Regional, and Henry Hudson Regional. In particular, the racial composition of Wolf Place and Maple Place in the Oceanport School District, Atlantic Highlands Elementary School, Highlands Elementary School, Shore Regional High School, and Henry Hudson Regional School will be compared in two scenarios: (1) the status quo where Sea Bright students remain in their current locations; and (2) the dissolution of the existing relationship between Sea Bright and Oceanport, and the withdrawal of Sea Bright from Shore Regional, where Sea Bright students in grades PK-6 would attend either Atlantic Highlands or Highlands Elementary Schools and Sea Bright students in grades 7-12 would attend the former Henry Hudson Regional School in Highlands after Henry Hudson Regional is dissolved and a new PK-12 regional district is formed between Sea Bright, Atlantic Highlands, and Highlands.

Unlike Census data where Hispanics are not considered to be a separate race, the NJDOE classifies students according to the following seven races pursuant to federal guidelines: White, Black/African American, Asian, Native Hawaiian or Pacific Islander, Native American/Alaskan Native, Hispanic, or Two or More Races. In the following tables, Asian, Native Hawaiian, or Pacific Islander (heretofore referred to as Asians) were grouped together for tabulation purposes. Minority students were defined as being a race other than White, which includes Black, Hispanic, Asian, Native American/Alaskan Native, or Two or More Races.

A. Sea Bright Enrollments by Race

1. Sea Bright (PK-12)

In Table 27, the number and percent of Sea Bright students (PK-12) are shown by race from 2013-14 to 2018-19, a six-year period. While Whites are the largest race, they have been generally declining in number and percentage. The number of White students declined from 58 to 40, a loss of 18 students. In 2013-14, 79.45% of the student population was White as compared to 75.47% in 2018-19, which is a loss of 3.98 percentage points.

Table 27
Sea Bright (PK-12) Enrollments by Race
2013-14 to 2018-19

| Year | White | % | Black | % | Hispanic | % | Native American or Alaskan Native | % | Asian, Native Hawaiian, or Pacific Islander | % | 2 or More Races | % | Total Students | Minority Total | Minority % |
|---------|-------|--------|-------|-------|----------|--------|-----------------------------------|-------|---|-------|-----------------|-------|----------------|----------------|------------|
| 2013-14 | 58 | 79.45% | 1 | 1.37% | 10 | 13.70% | 0 | 0.00% | 3 | 4.11% | 1 | 1.37% | 73 | 15 | 20.55% |
| 2014-15 | 56 | 81.16% | 4 | 5.80% | 6 | 8.70% | 0 | 0.00% | 3 | 4.35% | 0 | 0.00% | 69 | 13 | 18.84% |
| 2015-16 | 53 | 80.30% | 1 | 1.52% | 9 | 13.64% | 0 | 0.00% | 3 | 4.55% | 0 | 0.00% | 66 | 13 | 19.70% |
| 2016-17 | 59 | 83.10% | 1 | 1.41% | 8 | 11.27% | 0 | 0.00% | 3 | 4.23% | 0 | 0.00% | 71 | 12 | 16.90% |
| 2017-18 | 41 | 75.93% | 1 | 1.85% | 9 | 16.67% | 0 | 0.00% | 3 | 5.56% | 0 | 0.00% | 54 | 13 | 24.07% |
| 2018-19 | 40 | 75.47% | 1 | 1.89% | 7 | 13.21% | 0 | 0.00% | 2 | 3.77% | 3 | 5.66% | 53 | 13 | 24.53% |

Sources: Oceanport School District and Shore Regional High School District

Hispanic enrollment has been fairly stable, ranging from 6-10 students per year with no apparent increasing or declining trend. The percentage of Hispanic students over this time ranged from 8.70%-13.70%. Hispanics are the second-largest race.

The enrollment of Blacks, Asians, Native Americans/Alaskan Natives, and Two or More Races was insignificant and did not exceed four (4) students in any year.

From 2013-14 to 2018-19, the number of minority students has been very stable, ranging from 12-15 students per year. The percentage of minority students increased in 2017-18 due to a declining White student population. The percentage of minority students has increased from 20.55% in 2013-14 to 24.53% in 2018-19, a gain of 3.98 percentage points.

In Table 28, the number and percent of Sea Bright students by race from 2013-14 to 2018-19 is shown for grades PK-4, 5-8, PK-6, 7-12, and 9-12, which will be used to show the racial impact on the Oceanport School District (Wolf Hill PK-4 and Maple Place 5-8), Shore Regional (9-12), Atlantic Highlands School District (PK-6), Highlands School District (PK-6), and Henry Hudson Regional (7-12).

Table 28
Sea Bright Enrollments by Race
2013-14 to 2018-19

| Year | White | % | Black | % | Hispanic | % | Native American or Alaskan Native | % | Asian, Native Hawaiian, or Pacific Islander | % | 2 or More Races | % | Total Students | Minority Total | Minority % |
|----------------|-------|--------|-------|--------|----------|--------|-----------------------------------|-------|---|--------|-----------------|--------|----------------|----------------|---------------|
| PK-4 | | | | | | | | | | | | | | | |
| 2013-14 | 14 | 73.68% | 1 | 5.26% | 2 | 10.53% | 0 | 0.00% | 2 | 10.53% | 0 | 0.00% | 19 | 5 | 26.32% |
| 2014-15 | 17 | 80.95% | 1 | 4.76% | 1 | 4.76% | 0 | 0.00% | 2 | 9.52% | 0 | 0.00% | 21 | 4 | 19.05% |
| 2015-16 | 21 | 91.30% | 1 | 4.35% | 0 | 0.00% | 0 | 0.00% | 1 | 4.35% | 0 | 0.00% | 23 | 2 | 8.70% |
| 2016-17 | 22 | 95.65% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 1 | 4.35% | 0 | 0.00% | 23 | 1 | 4.35% |
| 2017-18 | 14 | 93.33% | 0 | 0.00% | 1 | 6.67% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 15 | 1 | 6.67% |
| 2018-19 | 16 | 84.21% | 0 | 0.00% | 1 | 5.26% | 0 | 0.00% | 0 | 0.00% | 2 | 10.53% | 19 | 3 | 15.79% |
| 5-8 | | | | | | | | | | | | | | | |
| 2013-14 | 26 | 76.47% | 0 | 0.00% | 7 | 20.59% | 0 | 0.00% | 1 | 2.94% | 0 | 0.00% | 34 | 8 | 23.53% |
| 2014-15 | 14 | 73.68% | 0 | 0.00% | 4 | 21.05% | 0 | 0.00% | 1 | 5.26% | 0 | 0.00% | 19 | 5 | 26.32% |
| 2015-16 | 11 | 64.71% | 0 | 0.00% | 4 | 23.53% | 0 | 0.00% | 2 | 11.76% | 0 | 0.00% | 17 | 6 | 35.29% |
| 2016-17 | 14 | 77.78% | 1 | 5.56% | 2 | 11.11% | 0 | 0.00% | 1 | 5.56% | 0 | 0.00% | 18 | 4 | 22.22% |
| 2017-18 | 6 | 60.00% | 1 | 10.00% | 1 | 10.00% | 0 | 0.00% | 2 | 20.00% | 0 | 0.00% | 10 | 4 | 40.00% |
| 2018-19 | 9 | 64.29% | 1 | 7.14% | 2 | 14.29% | 0 | 0.00% | 1 | 7.14% | 1 | 7.14% | 14 | 5 | 35.71% |

| PK-6 | | | | | | | | | | | | | | | |
|----------------|----|--------|---|--------|---|--------|---|-------|---|-------|---|--------|-----------|-----------|---------------|
| 2013-14 | 22 | 70.97% | 1 | 3.23% | 5 | 16.13% | 0 | 0.00% | 3 | 9.68% | 0 | 0.00% | 31 | 9 | 29.03% |
| 2014-15 | 24 | 82.76% | 1 | 3.45% | 2 | 6.90% | 0 | 0.00% | 2 | 6.90% | 0 | 0.00% | 29 | 5 | 17.24% |
| 2015-16 | 22 | 84.62% | 1 | 3.85% | 1 | 3.85% | 0 | 0.00% | 2 | 7.69% | 0 | 0.00% | 26 | 4 | 15.38% |
| 2016-17 | 27 | 87.10% | 1 | 3.23% | 1 | 3.23% | 0 | 0.00% | 2 | 6.45% | 0 | 0.00% | 31 | 4 | 12.90% |
| 2017-18 | 19 | 86.36% | 1 | 4.55% | 1 | 4.55% | 0 | 0.00% | 1 | 4.55% | 0 | 0.00% | 22 | 3 | 13.64% |
| 2018-19 | 22 | 81.48% | 0 | 0.00% | 2 | 7.41% | 0 | 0.00% | 0 | 0.00% | 3 | 11.11% | 27 | 5 | 18.52% |
| 7-12 | | | | | | | | | | | | | | | |
| 2013-14 | 36 | 85.71% | 0 | 0.00% | 5 | 11.90% | 0 | 0.00% | 0 | 0.00% | 1 | 2.38% | 42 | 6 | 14.29% |
| 2014-15 | 32 | 80.00% | 3 | 7.50% | 4 | 10.00% | 0 | 0.00% | 1 | 2.50% | 0 | 0.00% | 40 | 8 | 20.00% |
| 2015-16 | 31 | 77.50% | 0 | 0.00% | 8 | 20.00% | 0 | 0.00% | 1 | 2.50% | 0 | 0.00% | 40 | 9 | 22.50% |
| 2016-17 | 32 | 80.00% | 0 | 0.00% | 7 | 17.50% | 0 | 0.00% | 1 | 2.50% | 0 | 0.00% | 40 | 8 | 20.00% |
| 2017-18 | 22 | 68.75% | 0 | 0.00% | 8 | 25.00% | 0 | 0.00% | 2 | 6.25% | 0 | 0.00% | 32 | 10 | 31.25% |
| 2018-19 | 18 | 69.23% | 1 | 3.85% | 5 | 19.23% | 0 | 0.00% | 2 | 7.69% | 0 | 0.00% | 26 | 8 | 30.77% |
| 9-12 | | | | | | | | | | | | | | | |
| 2013-14 | 18 | 90.00% | 0 | 0.00% | 1 | 5.00% | 0 | 0.00% | 0 | 0.00% | 1 | 5.00% | 20 | 2 | 10.00% |
| 2014-15 | 25 | 86.21% | 3 | 10.34% | 1 | 3.45% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 29 | 4 | 13.79% |
| 2015-16 | 21 | 80.77% | 0 | 0.00% | 5 | 19.23% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 26 | 5 | 19.23% |
| 2016-17 | 23 | 76.67% | 0 | 0.00% | 6 | 20.00% | 0 | 0.00% | 1 | 3.33% | 0 | 0.00% | 30 | 7 | 23.33% |
| 2017-18 | 21 | 72.41% | 0 | 0.00% | 7 | 24.14% | 0 | 0.00% | 1 | 3.45% | 0 | 0.00% | 29 | 8 | 27.59% |
| 2018-19 | 15 | 75.00% | 0 | 0.00% | 4 | 20.00% | 0 | 0.00% | 1 | 5.00% | 0 | 0.00% | 20 | 5 | 25.00% |

Sources: Oceanport School District and Shore Regional High School District

B. Oceanport School District Enrollments by Race

1. District Totals (PK-8)

As shown in Table 29, the Oceanport School District, which includes Sea Bright students, has experienced a decline in the number of White students in the last two years after being fairly stable for the prior four years. From 2013-14 to 2018-19, the number of White students decreased from 549 to 522, a loss of 27 students. The percentage of White students was fairly stable (88.69%-90.05%) from 2013-14 to 2017-18, before declining to 87.88% in 2018-19.

Table 29
Oceanport School District (PK-8) Enrollments by Race
2013-14 to 2018-19

| Year | White | % | Black | % | Hispanic | % | Native American or Alaskan Native | % | Asian, Native Hawaiian or Pacific Islander | % | 2 or More Races | % | Total Students | Minority Total | Minority % |
|----------------|-------|--------|-------|-------|----------|-------|-----------------------------------|-------|--|-------|-----------------|-------|----------------|----------------|---------------|
| 2013-14 | 549 | 89.12% | 3 | 0.49% | 48 | 7.79% | 0 | 0.00% | 9 | 1.46% | 7 | 1.14% | 616 | 67 | 10.88% |
| 2014-15 | 557 | 88.69% | 2 | 0.32% | 55 | 8.76% | 0 | 0.00% | 7 | 1.11% | 7 | 1.11% | 628 | 71 | 11.31% |
| 2015-16 | 549 | 89.41% | 2 | 0.33% | 51 | 8.31% | 0 | 0.00% | 6 | 0.98% | 6 | 0.98% | 614 | 65 | 10.59% |
| 2016-17 | 543 | 90.05% | 2 | 0.33% | 48 | 7.96% | 0 | 0.00% | 3 | 0.50% | 7 | 1.16% | 603 | 60 | 9.95% |
| 2017-18 | 515 | 88.95% | 3 | 0.52% | 50 | 8.64% | 0 | 0.00% | 3 | 0.52% | 8 | 1.38% | 579 | 64 | 11.05% |
| 2018-19 | 522 | 87.88% | 4 | 0.67% | 56 | 9.43% | 0 | 0.00% | 2 | 0.34% | 10 | 1.68% | 594 | 72 | 12.12% |

Source: New Jersey Department of Education (<http://www.nj.gov/njded/data/enr/>) and the Oceanport School District.

The number of students who were Black was insignificant with four or fewer students per year.

Regarding Hispanics, the number has been fairly stable, ranging from 48-56 students per year with no apparent increasing or declining trend. The Hispanic percentage also has been rather stable, ranging from 7.79%-9.43%. Hispanics are the second-largest race in the district.

The number of Asian students was insignificant, ranging from two to nine students, and generally decreasing over time.

There were no Native American/Alaskan Native students in the district.

Finally, the number of students of Two or More races was fairly stable, ranging from 6-10 students.

In general, the number of minority students has been fairly stable, ranging from 60-72 students per year. Likewise, the percentage of minority students has been rather fairly, ranging from 9.95%-12.12%.

2. Wolf Hill Elementary School

The racial composition of Wolf Hill (grades PK-4), which includes Sea Bright students, is similar to that of the entire district as shown in Table 30. Whites are the largest race in the school. The number of Whites increased through 2015-16 before stabilizing. From 2013-14 to 2018-19, the number of White students increased from 274 to 301, a gain of 27 students. The percentage of White students has been very stable the last four years, ranging from 88.01%-89.60%.

Table 30
Wolf Hill Elementary School (PK-4) Enrollments by Race
2013-14 to 2018-19

| Year | White | % | Black | % | Hispanic | % | Native American or Alaskan Native | % | Asian, Native Hawaiian or Pacific Islander | % | 2 or More Races | % | Total Students | Minority Total | Minority % |
|----------------|-------|--------|-------|-------|----------|--------|-----------------------------------|-------|--|-------|-----------------|-------|----------------|----------------|---------------|
| 2013-14 | 274 | 86.44% | 3 | 0.95% | 30 | 9.46% | 0 | 0.00% | 3 | 0.95% | 7 | 2.21% | 317 | 43 | 13.56% |
| 2014-15 | 292 | 85.88% | 1 | 0.29% | 39 | 11.47% | 0 | 0.00% | 2 | 0.59% | 6 | 1.76% | 340 | 48 | 14.12% |
| 2015-16 | 303 | 89.38% | 1 | 0.29% | 29 | 8.55% | 0 | 0.00% | 1 | 0.29% | 5 | 1.47% | 339 | 36 | 10.62% |
| 2016-17 | 301 | 89.05% | 0 | 0.00% | 31 | 9.17% | 0 | 0.00% | 1 | 0.30% | 5 | 1.48% | 338 | 37 | 10.95% |
| 2017-18 | 293 | 89.60% | 1 | 0.31% | 27 | 8.26% | 0 | 0.00% | 1 | 0.31% | 5 | 1.53% | 327 | 34 | 10.40% |
| 2018-19 | 301 | 88.01% | 1 | 0.29% | 35 | 10.23% | 0 | 0.00% | 0 | 0.00% | 5 | 1.46% | 342 | 41 | 11.99% |

Source: New Jersey Department of Education (<http://www.nj.gov/njded/data/enr/>) and the Oceanport School District.

The number of students who were Black or Asian was insignificant with three or fewer students per year.

Like the district, the number of Hispanic students has been fairly stable, ranging from 27-39 students per year with no apparent increasing or declining trend. The Hispanic percentage also has been rather stable, ranging from 8.26%-11.47%.

There were no Native American/Alaskan Native students in the school.

Finally, the number of students of Two or More races was insignificant, ranging from five to seven students per year.

The number of minority students has been fairly stable, ranging from 34-48 students per year. Likewise, the percentage of minority students has been rather stable, ranging from 10.40%-14.12%.

3. Maple Place Middle School

The racial composition of Maple Place (grades 5-8), which includes Sea Bright students, is similar to that of the entire district as shown in Table 31. While Whites are the largest race in the school, they have been decreasing over time. From 2013-14 to 2018-19, the number of White students decreased from 275 to 221, a loss of 54 students. The percentage of White students has been fairly stable in the last six years, ranging from 87.70%-92.01%.

Table 31
Maple Place Middle School (5-8) Enrollments by Race
2013-14 to 2018-19

| Year | White | % | Black | % | Hispanic | % | Native American or Alaskan Native | % | Asian, Native Hawaiian or Pacific Islander | % | 2 or More Races | % | Total Students | Minority Total | Minority % |
|----------------|-------|--------|-------|-------|----------|-------|-----------------------------------|-------|--|-------|-----------------|-------|----------------|----------------|---------------|
| 2013-14 | 275 | 91.97% | 0 | 0.00% | 18 | 6.02% | 0 | 0.00% | 6 | 2.01% | 0 | 0.00% | 299 | 24 | 8.03% |
| 2014-15 | 265 | 92.01% | 1 | 0.35% | 16 | 5.56% | 0 | 0.00% | 5 | 1.74% | 1 | 0.35% | 288 | 23 | 7.99% |
| 2015-16 | 246 | 89.45% | 1 | 0.36% | 22 | 8.00% | 0 | 0.00% | 5 | 1.82% | 1 | 0.36% | 275 | 29 | 10.55% |
| 2016-17 | 242 | 91.32% | 2 | 0.75% | 17 | 6.42% | 0 | 0.00% | 2 | 0.75% | 2 | 0.75% | 265 | 23 | 8.68% |
| 2017-18 | 222 | 88.10% | 2 | 0.79% | 23 | 9.13% | 0 | 0.00% | 2 | 0.79% | 3 | 1.19% | 252 | 30 | 11.90% |
| 2018-19 | 221 | 87.70% | 3 | 1.19% | 21 | 8.33% | 0 | 0.00% | 2 | 0.79% | 5 | 1.98% | 252 | 31 | 12.30% |

Source: New Jersey Department of Education (<http://www.nj.gov/njded/data/enr/>) and the Oceanport School District.

The number of students who were Black was insignificant with three or fewer students per year.

The number of Hispanic students has been fairly stable, ranging from 16-23 students per year with no apparent increasing or declining trend. The Hispanic percentage also has been rather stable, ranging from 5.56%-9.13%.

The total number of Asian students was insignificant, ranging from two to six students per year and generally decreasing over time.

There were no Native American/Alaskan Native students in the school.

Finally, the number of students of Two or More races was insignificant with five or fewer students per year.

The number of minority students has been fairly stable, ranging from 23-31 students per year. Likewise, the percentage of minority students has been rather stable, ranging from 7.99%-12.30%.

a) Wolf Hill Elementary School without Sea Bright Students

If the relationship were dissolved between Sea Bright and Oceanport, Table 32 estimates what the racial distribution would have been at Wolf Hill from 2013-14 to 2018-19. Table 33 shows the percentage point changes by race over this time period. The percentage point changes were computed by using data from Tables 30 and 32.

Since the number of Sea Bright students ($n = 19$) attending Wolf Hill is small compared to the school's total population (approximately 5.6% of the school's population in 2018-19), the impact on the school would be negligible. Without Sea Bright students, the White percentage in Wolf Hill would have been largely unchanged from 2013-14 to 2018-19, decreasing by 0.14-0.48 percentage points on three occasions and increasing by 0.22-0.81 percentage points on three others. Over the same time period, Hispanics in Wolf Hill would have increased by 0.08-0.67 percentage points on five occasions and decreased by 0.07 percentage points on one other. As discussed above, the number of students who are Black, Asian, Native American/Alaskan Native, or Two or More races is insignificant and would have little or no change if Sea Bright students did not attend Wolf Hill. Over the six-year period, the percentage of minority students would have increased by 0.14-0.48 percentage points on three occasions and decreased by 0.22-0.81 percentage points on three others.

Table 32
Wolf Hill Elementary School (PK-4) Enrollments by Race
Without Sea Bright Students
2013-14 to 2018-19

| Year | White | % | Black | % | Hispanic | % | Native American or Alaskan Native | % | Asian, Native Hawaiian, or Pacific Islander | % | 2 or More Races | % | Total Students | Minority Total | Minority % |
|----------------|--------------|----------|--------------|----------|-----------------|----------|--|----------|--|----------|------------------------|----------|-----------------------|-----------------------|-------------------|
| 2013-14 | 260 | 87.25% | 2 | 0.67% | 28 | 9.40% | 0 | 0.00% | 1 | 0.34% | 7 | 2.35% | 298 | 38 | 12.75% |
| 2014-15 | 275 | 86.21% | 0 | 0.00% | 38 | 11.91% | 0 | 0.00% | 0 | 0.00% | 6 | 1.88% | 319 | 44 | 13.79% |
| 2015-16 | 282 | 89.24% | 0 | 0.00% | 29 | 9.18% | 0 | 0.00% | 0 | 0.00% | 5 | 1.58% | 316 | 34 | 10.76% |
| 2016-17 | 279 | 88.57% | 0 | 0.00% | 31 | 9.84% | 0 | 0.00% | 0 | 0.00% | 5 | 1.59% | 315 | 36 | 11.43% |
| 2017-18 | 279 | 89.42% | 1 | 0.32% | 26 | 8.33% | 0 | 0.00% | 1 | 0.32% | 5 | 1.60% | 312 | 33 | 10.58% |
| 2018-19 | 285 | 88.24% | 1 | 0.31% | 34 | 10.53% | 0 | 0.00% | 0 | 0.00% | 3 | 0.93% | 323 | 38 | 11.76% |

Table 33
Percentage Point Changes by Race at Wolf Hill Elementary School (PK-4)
Without Sea Bright Students
2013-14 to 2018-19

| Year | White | Black | Hispanic | Native American or Alaskan Native | Asian, Native Hawaiian, or Pacific Islander | 2 or More Races | Minority |
|----------------|--------------|--------------|-----------------|--|--|------------------------|-----------------|
| 2013-14 | +0.81% | -0.28% | -0.07% | 0.00% | -0.61% | +0.14% | -0.81% |
| 2014-15 | +0.32% | -0.29% | +0.44% | 0.00% | -0.59% | +0.12% | -0.32% |
| 2015-16 | -0.14% | -0.29% | +0.62% | 0.00% | -0.29% | +0.11% | +0.14% |
| 2016-17 | -0.48% | 0.00% | +0.67% | 0.00% | -0.30% | +0.11% | +0.48% |
| 2017-18 | -0.18% | +0.01% | +0.08% | 0.00% | +0.01% | +0.07% | +0.18% |
| 2018-19 | +0.22% | +0.02% | +0.29% | 0.00% | 0.00% | -0.53% | -0.22% |

b) Maple Place Middle School without Sea Bright Students

If the relationship were dissolved between Sea Bright and Oceanport, Table 34 estimates what the racial distribution would have been at Maple Place from 2013-14 to 2018-19. Table 35 shows the percentage point changes by race over this time period. The percentage point changes were computed by using data from Tables 31 and 34.

Since the number of Sea Bright students ($n = 14$) attending Maple Place is small compared to the school's total population (5.6% of the school's population in 2018-19), the impact on the school would be negligible. Without Sea Bright students, the White percentage in Maple Place would have increased by 0.99 to 1.99 percentage points from 2013-14 to 2018-19. Over the same time period, Hispanics in Maple Place would have decreased by 0.04 to 1.87 percentage points. As discussed above, the number of students who are Black, Asian, Native American/Alaskan Native, or Two or More races is insignificant and would have little or no change if Sea Bright students did not attend Maple Place. From 2013-14 to 2018-19, the percentage of minority students would have decreased by 0.99 to 1.99 percentage points.

Table 34
Maple Place Middle School (5-8) Enrollments by Race
Without Sea Bright Students
2013-14 to 2018-19

| Year | White | % | Black | % | Hispanic | % | Native American or Alaskan Native | % | Asian, Native Hawaiian, or Pacific Islander | % | 2 or More Races | % | Total Students | Minority Total | Minority % |
|----------------|--------------|----------|--------------|----------|-----------------|----------|--|----------|--|----------|------------------------|----------|-----------------------|-----------------------|-------------------|
| 2013-14 | 249 | 93.96% | 0 | 0.00% | 11 | 4.15% | 0 | 0.00% | 5 | 1.89% | 0 | 0.00% | 265 | 16 | 6.04% |
| 2014-15 | 251 | 93.31% | 1 | 0.37% | 12 | 4.46% | 0 | 0.00% | 4 | 1.49% | 1 | 0.37% | 269 | 18 | 6.69% |
| 2015-16 | 235 | 91.09% | 1 | 0.39% | 18 | 6.98% | 0 | 0.00% | 3 | 1.16% | 1 | 0.39% | 258 | 23 | 8.91% |
| 2016-17 | 228 | 92.31% | 1 | 0.40% | 15 | 6.07% | 0 | 0.00% | 1 | 0.40% | 2 | 0.81% | 247 | 19 | 7.69% |
| 2017-18 | 216 | 89.26% | 1 | 0.41% | 22 | 9.09% | 0 | 0.00% | 0 | 0.00% | 3 | 1.24% | 242 | 26 | 10.74% |
| 2018-19 | 212 | 89.08% | 2 | 0.84% | 19 | 7.98% | 0 | 0.00% | 1 | 0.42% | 4 | 1.68% | 238 | 26 | 10.92% |

Table 35
Percentage Point Changes by Race
at Maple Place Middle School (5-8)
Without Sea Bright Students
2013-14 to 2018-19

| Year | White | Black | Hispanic | Native American or Alaskan Native | Asian, Native Hawaiian, or Pacific Islander | 2 or More Races | Minority |
|----------------|--------------|--------------|-----------------|--|--|------------------------|-----------------|
| 2013-14 | +1.99% | 0.00% | -1.87% | 0.00% | -0.12% | 0.00% | -1.99% |
| 2014-15 | +1.29% | +0.02% | -1.09% | 0.00% | -0.25% | +0.02% | -1.29% |
| 2015-16 | +1.63% | +0.02% | -1.02% | 0.00% | -0.66% | +0.02% | -1.63% |
| 2016-17 | +0.99% | -0.35% | -0.34% | 0.00% | -0.35% | +0.05% | -0.99% |
| 2017-18 | +1.16% | -0.38% | -0.04% | 0.00% | -0.79% | +0.05% | -1.16% |
| 2018-19 | +1.38% | -0.35% | -0.35% | 0.00% | -0.37% | -0.30% | -1.38% |

C. Atlantic Highlands School District Enrollments by Race

1. District Totals (PK-6)

The Atlantic Highlands School District enrollments by race (PK-6) from 2013-14 to 2018-19 are shown in Table 36. As there is only one school in the district, the racial percentages for Atlantic Highlands Elementary School and the district are identical. The number of Whites increased through 2015-16 before reversing trend. The number of Whites in 2018-19 (271) is nearly identical to the number in 2013-14 (272). The percentage of Whites in the school district also increased through 2015-16 before reversing trend. Over the six-year period, the White percentage has ranged from 85.27%-91.44%.

Table 36
Atlantic Highlands School District (PK-6) Enrollments by Race
2013-14 to 2018-19

| Year | White | % | Black | % | Hispanic | % | Native American or Alaskan Native | % | Asian, Native Hawaiian, or Pacific Islander | % | 2 or More Races | % | Total Students | Minority Total | Minority % |
|----------------|-------|--------|-------|-------|----------|-------|-----------------------------------|-------|---|-------|-----------------|-------|----------------|----------------|---------------|
| 2013-14 | 272 | 85.27% | 7 | 2.19% | 29 | 9.09% | 0 | 0.00% | 10 | 3.13% | 1 | 0.31% | 319 | 47 | 14.73% |
| 2014-15 | 279 | 88.01% | 5 | 1.58% | 21 | 6.62% | 0 | 0.00% | 11 | 3.47% | 1 | 0.32% | 317 | 38 | 11.99% |
| 2015-16 | 299 | 91.44% | 4 | 1.22% | 14 | 4.28% | 0 | 0.00% | 8 | 2.45% | 2 | 0.61% | 327 | 28 | 8.56% |
| 2016-17 | 297 | 88.66% | 5 | 1.49% | 21 | 6.27% | 0 | 0.00% | 8 | 2.39% | 4 | 1.19% | 335 | 38 | 11.34% |
| 2017-18 | 279 | 87.74% | 5 | 1.57% | 21 | 6.60% | 1 | 0.31% | 8 | 2.52% | 4 | 1.26% | 318 | 39 | 12.26% |
| 2018-19 | 271 | 87.14% | 4 | 1.29% | 19 | 6.11% | 1 | 0.32% | 6 | 1.93% | 10 | 3.22% | 311 | 40 | 12.86% |

Source: New Jersey Department of Education (<http://www.nj.gov/njded/data/enr/>) and the Atlantic Highlands School District.

The number of students who were Black was very small, ranging from four to seven students per year.

The number of Asian students has been fairly constant, ranging from 6-11 per year. The percentage of Asian students was also rather stable over this time period, ranging from 1.93%-3.47%.

With respect to Hispanics, their number has been fairly stable in the last five years, ranging from 14-21 students per year. Over this same time period, the percentage of Hispanic students was also fairly stable, ranging from 4.28%-6.62%. Hispanics are the second-largest race in the district.

The number of students who were Native American/Alaskan Native was insignificant, with one or fewer students each year.

Finally, the number of students of Two or More races has been slowly increasing. After having one (1) student of this race in 2013-14, there were ten (10) students in 2018-19. The Two or More race percentage increased from 0.31% to 3.22% over this six-year period, a gain of 2.91 percentage points.

From 2013-14 to 2018-19, the number of minority students in the district has ranged from 28-47 students. The percentage of minority students has ranged from 8.56%-14.73% over this time period.

a) Atlantic Highlands Elementary School with Sea Bright Students

If the relationship between Sea Bright and Oceanport were dissolved and Sea Bright students in grades PK-6 instead attended Atlantic Highlands Elementary School, Table 37 estimates what the racial distribution would have been from 2013-14 to 2018-19 in Atlantic Highlands Elementary School. The racial percentage point changes, shown in Table 38, were computed by using the data found in Tables 36 and 37.

Table 37
Atlantic Highlands Elementary School (PK-6) Enrollments by Race
with Sea Bright Students
2013-14 to 2018-19

| Year | White | % | Black | % | Hispanic | % | Native American or Alaskan Native | % | Asian, Native Hawaiian, or Pacific Islander | % | 2 or More Races | % | Total Students | Minority Total | Minority % |
|----------------|-------|--------|-------|-------|----------|-------|-----------------------------------|-------|---|-------|-----------------|-------|----------------|----------------|---------------|
| 2013-14 | 294 | 84.00% | 8 | 2.29% | 34 | 9.71% | 0 | 0.00% | 13 | 3.71% | 1 | 0.29% | 350 | 56 | 16.00% |
| 2014-15 | 303 | 87.57% | 6 | 1.73% | 23 | 6.65% | 0 | 0.00% | 13 | 3.76% | 1 | 0.29% | 346 | 43 | 12.43% |
| 2015-16 | 321 | 90.93% | 5 | 1.42% | 15 | 4.25% | 0 | 0.00% | 10 | 2.83% | 2 | 0.57% | 353 | 32 | 9.07% |
| 2016-17 | 324 | 88.52% | 6 | 1.64% | 22 | 6.01% | 0 | 0.00% | 10 | 2.73% | 4 | 1.09% | 366 | 42 | 11.48% |
| 2017-18 | 298 | 87.65% | 6 | 1.76% | 22 | 6.47% | 1 | 0.29% | 9 | 2.65% | 4 | 1.18% | 340 | 42 | 12.35% |
| 2018-19 | 293 | 86.69% | 4 | 1.18% | 21 | 6.21% | 1 | 0.30% | 6 | 1.78% | 13 | 3.85% | 338 | 45 | 13.31% |

If Atlantic Highlands Elementary School received students from Sea Bright, the White percentage in Atlantic Highlands Elementary School would have decreased by 0.09 to 1.27 percentage points from 2013-14 to 2018-19. Over the same time period, Hispanics in Atlantic Highlands Elementary School would have increased by 0.02 to 0.62 percentage points on three occasions and declined by 0.03 to 0.26 percentage points on three others. Asians would have increased by 0.13 to 0.58 percentage points on five occasions and declined by 0.15 percentage points on one other occasion. The number of students who are Black or Native American/Alaskan Native is insignificant and would have little or no change if Sea Bright students attended Atlantic Highlands Elementary School. The percentage change of students of Two or More Races would have increased by 0.63 percentage points in 2018-19 and declined by 0.03 to 0.10 percentage points in the five years prior. Over the six-year period, the percentage of minority students would have increased by 0.09 to 1.27 percentage points.

Table 38
Percentage Point Changes by Race
at Atlantic Highlands Elementary School (PK-6)
with Sea Bright Students
2013-14 to 2018-19

| Year | White | Black | Hispanic | Native American or Alaskan Native | Asian, Native Hawaiian, or Pacific Islander | 2 or More Races | Minority |
|----------------|--------------|--------------|-----------------|--|--|------------------------|-----------------|
| 2013-14 | -1.27% | +0.09% | +0.62% | 0.00% | +0.58% | -0.03% | +1.27% |
| 2014-15 | -0.44% | +0.16% | +0.02% | 0.00% | +0.29% | -0.03% | +0.44% |
| 2015-16 | -0.50% | +0.19% | -0.03% | 0.00% | +0.39% | -0.05% | +0.50% |
| 2016-17 | -0.13% | +0.15% | -0.26% | 0.00% | +0.34% | -0.10% | +0.13% |
| 2017-18 | -0.09% | +0.19% | -0.13% | -0.02% | +0.13% | -0.08% | +0.09% |
| 2018-19 | -0.45% | -0.10% | +0.10% | -0.03% | -0.15% | +0.63% | +0.45% |

D. Highlands School District Enrollments by Race

1. District Totals (PK-6)

The Highlands School District enrollments by race (PK-6) from 2013-14 to 2018-19 are shown below in Table 39. As there is only one school in the district, the racial percentages for Highlands Elementary School and the district are identical. Whites are the largest race in the district. The number of Whites increased through 2016-17 before reversing trend. In 2018-19, there were 146 White students, which is slightly higher than the 2013-14 total of 137. The percentage of Whites in the school district has been fairly stable, ranging from 77.25%-82.63% over the six-year period.

Table 39
Highlands School District (PK-6) Enrollments by Race
2013-14 to 2018-19

| Year | White | % | Black | % | Hispanic | % | Native American or Alaskan Native | % | Asian, Native Hawaiian, or Pacific Islander | % | 2 or More Races | % | Total Students | Minority Total | Minority % |
|---------|-------|--------|-------|-------|----------|--------|-----------------------------------|-------|---|-------|-----------------|-------|----------------|----------------|------------|
| 2013-14 | 137 | 78.74% | 12 | 6.90% | 22 | 12.64% | 0 | 0.00% | 3 | 1.72% | 0 | 0.00% | 174 | 37 | 21.26% |
| 2014-15 | 138 | 81.18% | 11 | 6.47% | 17 | 10.00% | 0 | 0.00% | 4 | 2.35% | 0 | 0.00% | 170 | 32 | 18.82% |
| 2015-16 | 152 | 79.17% | 17 | 8.85% | 20 | 10.42% | 0 | 0.00% | 3 | 1.56% | 0 | 0.00% | 192 | 40 | 20.83% |
| 2016-17 | 157 | 82.63% | 11 | 5.79% | 18 | 9.47% | 0 | 0.00% | 3 | 1.58% | 1 | 0.53% | 190 | 33 | 17.37% |
| 2017-18 | 156 | 78.00% | 9 | 4.50% | 28 | 14.00% | 0 | 0.00% | 3 | 1.50% | 4 | 2.00% | 200 | 44 | 22.00% |
| 2018-19 | 146 | 77.25% | 7 | 3.70% | 31 | 16.40% | 0 | 0.00% | 2 | 1.06% | 3 | 1.59% | 189 | 43 | 22.75% |

Source: New Jersey Department of Education (<http://www.nj.gov/njded/data/enr/>).

The total number of Black students in the district has been slowly decreasing since 2016-17. From 2013-14 to 2017-18, Black enrollment has ranged from 7-17 students. Over this time period, the percentage of Black students ranged from 3.70%-8.85%.

Hispanic enrollment had been fairly stable from 2013-14 to 2016-17 before increasing in the last two years. The number of Hispanic students increased from 22 in 2013-14 to 31 in 2018-19, a gain of nine (9) students. Over this time period, the percentage of Hispanic students ranged from 9.47%-16.40%. Hispanics are the second-largest race in the district.

The number of students who are Asian or Two or More races was insignificant with four (4) or fewer students per year.

There were no Native American/Alaskan Native students in the district.

In general, the number of minority students has been fairly stable from 2013-14 to 2018-19, ranging from 32-44 students. The percentage of minority students has ranged from 17.37%-22.75% over this time period.

a) Highlands Elementary School with Sea Bright Students

If the relationship between Sea Bright and Oceanport were dissolved and Sea Bright students in grades PK-6 instead attended Highlands Elementary School, Table 40 estimates what the racial distribution at Highlands Elementary School would have been from 2013-14 to 2018-19. Table 41 shows the percentage point changes by race for each of these years. The racial percentage point changes were computed by using the data found in Tables 39 and 40.

Table 40
Highlands Elementary School (PK-6) Enrollments by Race
with Sea Bright Students
2013-14 to 2018-19

| Year | White | % | Black | % | Hispanic | % | Native American or Alaskan Native | % | Asian, Native Hawaiian, or Pacific Islander | % | 2 or More Races | % | Total Students | Minority Total | Minority % |
|----------------|-------|--------|-------|-------|----------|--------|-----------------------------------|-------|---|-------|-----------------|-------|----------------|----------------|---------------|
| 2013-14 | 159 | 77.56% | 13 | 6.34% | 27 | 13.17% | 0 | 0.00% | 6 | 2.93% | 0 | 0.00% | 205 | 46 | 22.44% |
| 2014-15 | 162 | 81.41% | 12 | 6.03% | 19 | 9.55% | 0 | 0.00% | 6 | 3.02% | 0 | 0.00% | 199 | 37 | 18.59% |
| 2015-16 | 174 | 79.82% | 18 | 8.26% | 21 | 9.63% | 0 | 0.00% | 5 | 2.29% | 0 | 0.00% | 218 | 44 | 20.18% |
| 2016-17 | 184 | 83.26% | 12 | 5.43% | 19 | 8.60% | 0 | 0.00% | 5 | 2.26% | 1 | 0.45% | 221 | 37 | 16.74% |
| 2017-18 | 175 | 78.83% | 10 | 4.50% | 29 | 13.06% | 0 | 0.00% | 4 | 1.80% | 4 | 1.80% | 222 | 47 | 21.17% |
| 2018-19 | 168 | 77.78% | 7 | 3.24% | 33 | 15.28% | 0 | 0.00% | 2 | 0.93% | 6 | 2.78% | 216 | 48 | 22.22% |

If Highlands Elementary School received students from Sea Bright, the White percentage in Highlands Elementary School would have increased by 0.23 to 0.83 percentage points on five occasions and decreased by 1.17 percentage points on one other occasion from 2013-14 to 2018-19. Over the same time period, Hispanics in Highlands Elementary School would have decreased by 0.45 to 1.12 percentage points on five occasions and increased by 0.53 percentage points on one other occasion. The percentage of Blacks would have been unchanged on one occasion and declined by 0.36 to 0.60 percentage points on five other occasions. The number of students who are Asian, Native American/Alaskan Native, or Two or More races is insignificant and would have little or no change if Sea Bright students attended Highlands Elementary School. The percentage of minority students would have decreased by 0.23 to 0.83 percentage points on five occasions and increased by 1.17 percentage points on one other occasion from 2013-14 to 2018-19.

Table 41
Percentage Point Changes by Race in Highlands Elementary School (PK-6)
with Sea Bright Students
2013-14 to 2018-19

| Year | White | Black | Hispanic | Native American or Alaskan Native | Asian, Native Hawaiian, or Pacific Islander | 2 or More Races | Minority |
|----------------|--------------|--------------|-----------------|--|--|------------------------|-----------------|
| 2013-14 | -1.17% | -0.56% | +0.53% | 0.00% | +1.20% | 0.00% | +1.17% |
| 2014-15 | +0.23% | -0.44% | -0.45% | 0.00% | +0.66% | 0.00% | -0.23% |
| 2015-16 | +0.65% | -0.60% | -0.78% | 0.00% | +0.73% | 0.00% | -0.65% |
| 2016-17 | +0.63% | -0.36% | -0.88% | 0.00% | +0.68% | -0.07% | -0.63% |
| 2017-18 | +0.83% | 0.00% | -0.94% | 0.00% | +0.30% | -0.20% | -0.83% |
| 2018-19 | +0.53% | -0.46% | -1.12% | 0.00% | -0.13% | +1.19% | -0.53% |

E. Shore Regional High School District Enrollments by Race

1. District Totals (9-12)

Shore Regional's enrollments by race from 2013-14 to 2018-19 are shown below in Table 42. As there is only one school in the district, the racial percentages for Shore Regional High School and the district are identical. While Whites are the largest race in the district, their number and percentage has been declining. From 2013-14 to 2018-19, the number of White students declined from 582.5 to 534, a loss of 48.5 students. The percentage of Whites in the school district also has declined, as 92.61% of the student population was White in 2013-14 as compared to 84.36% in 2018-19, a loss of 8.25 percentage points.

Table 42
Shore Regional High School District (9-12) Enrollments by Race
2013-14 to 2018-19

| Year | White | % | Black | % | Hispanic | % | Native American or Alaskan Native | % | Asian, Native Hawaiian, or Pacific Islander | % | 2 or More Races | % | Total Students | Minority Total | Minority % |
|----------------|-------|--------|-------|-------|----------|--------|-----------------------------------|-------|---|-------|-----------------|-------|----------------|----------------|---------------|
| 2013-14 | 582.5 | 92.61% | 8.5 | 1.35% | 26 | 4.13% | 0 | 0.00% | 4 | 0.64% | 8 | 1.27% | 629 | 47 | 7.39% |
| 2014-15 | 563 | 91.54% | 12.5 | 2.03% | 26.5 | 4.31% | 1 | 0.16% | 7 | 1.14% | 5 | 0.81% | 615 | 52 | 8.46% |
| 2015-16 | 559.5 | 91.95% | 6.5 | 1.07% | 23.5 | 3.86% | 1 | 0.16% | 8 | 1.31% | 10 | 1.64% | 608.5 | 49 | 8.05% |
| 2016-17 | 556 | 89.53% | 7 | 1.13% | 32 | 5.15% | 1 | 0.16% | 13 | 2.09% | 12 | 1.93% | 621 | 65 | 10.47% |
| 2017-18 | 555.5 | 86.06% | 5 | 0.77% | 58 | 8.99% | 0 | 0.00% | 14 | 2.17% | 13 | 2.01% | 645.5 | 90 | 13.94% |
| 2018-19 | 534 | 84.36% | 6 | 0.95% | 64 | 10.11% | 0 | 0.00% | 13 | 2.05% | 16 | 2.53% | 633 | 99 | 15.64% |

Source: New Jersey Department of Education (<http://www.nj.gov/njded/data/enr/>) and the Shore Regional High School District.

The total number of Black students in the district has been fairly stable in the last six year, ranging from 5-12.5. Over this time period, the percentage of Black students ranged from 0.77%-2.03%.

Regarding Hispanics, the number and percentage of Hispanics in the district have been increasing in the last three years. From 2013-14 to 2018-19, the number of Hispanics increased from 26 to 64, a gain of 38 students. Expressed as a percentage, 4.13% of the student population was Hispanic in 2013-14 as compared to 10.11% in 2018-19, a gain of 5.98 percentage points. Hispanics are the second-largest race in the district.

The number of Asians in the district slowly increased through 2017-18 before stabilizing. In 2018-19, there are 13 Asian students as compared to four (4) in 2013-14, a gain of nine (9) students. The Asian percentage increased from 0.64% to 2.05% over this time period

The number of students who were Native American/Alaskan Native was insignificant, with one or fewer students each year.

Finally, the number of students of Two or More races has been generally increasing. The number of students of this race increased from eight (8) in 2013-14 to 16 in 2018-19. The Two or More race percentage increased from 1.27% to 2.53% over this time period.

In general, the total number of minority students in the district has been increasing, particularly in the last three years. From 2013-14 to 2018-19, there has been a gain of 52 minority students in the district. The percentage of minority students increased from 7.39% in 2013-14 to 15.64% in 2018-19, a gain of 8.25 percentage points.

a) Shore Regional High School without Sea Bright Students

Since the number of Sea Bright students (n = 20) attending Shore Regional High School is small compared to the school's total population (3.2% of the school's population in 2018-19), the impact on the school would be negligible. If Sea Bright withdrew from Shore Regional, Table 43 estimates what the racial distribution at Shore Regional High School would have been from 2013-14 to 2018-19. Table 44 shows the percentage point changes by race for each of these years. The racial percentage point changes were computed by using the data found in Tables 42 and 43.

Table 43
Shore Regional High School (9-12) Enrollments by Race
without Sea Bright Students
2013-14 to 2018-19

| Year | White | % | Black | % | Hispanic | % | Native American or Alaskan Native | % | Asian, Native Hawaiian, or Pacific Islander | % | 2 or More Races | % | Total Students | Minority Total | Minority % |
|----------------|-------|--------|-------|-------|----------|-------|-----------------------------------|-------|---|-------|-----------------|-------|----------------|----------------|---------------|
| 2013-14 | 564.5 | 92.69% | 8.5 | 1.40% | 25 | 4.11% | 0 | 0.00% | 4 | 0.66% | 7 | 1.15% | 609 | 44.5 | 7.31% |
| 2014-15 | 538 | 91.81% | 9.5 | 1.62% | 25.5 | 4.35% | 1 | 0.17% | 7 | 1.19% | 5 | 0.85% | 586 | 48 | 8.19% |
| 2015-16 | 538.5 | 92.45% | 6.5 | 1.12% | 18.5 | 3.18% | 1 | 0.17% | 8 | 1.37% | 10 | 1.72% | 582.5 | 44 | 7.55% |
| 2016-17 | 533 | 90.19% | 7 | 1.18% | 26 | 4.40% | 1 | 0.17% | 12 | 2.03% | 12 | 2.03% | 591 | 58 | 9.81% |
| 2017-18 | 534.5 | 86.70% | 5 | 0.81% | 51 | 8.27% | 0 | 0.00% | 13 | 2.11% | 13 | 2.11% | 616.5 | 82 | 13.30% |
| 2018-19 | 519 | 84.67% | 6 | 0.98% | 60 | 9.79% | 0 | 0.00% | 12 | 1.96% | 16 | 2.61% | 613 | 94 | 15.33% |

If Sea Bright withdrew from Shore Regional High School, the White percentage in Shore Regional High School would have increased by 0.09 to 0.65 percentage points from 2013-14 to 2018-19. Hispanics would have decreased by 0.03 to 0.75 percentage points on five occasions and increased by 0.04 percentage points on one other occasion. Over the same time period, the percentage of Blacks, Asians, Native Americans/Alaskan Natives, and Two or More races in Shore Regional High School would have been largely unchanged. The percentage of minority students would have decreased by 0.09 to 0.65 percentage points over this time period.

Table 44
Percentage Point Changes by Race at Shore Regional High School (9-12)
without Sea Bright Students
2013-14 to 2018-19

| Year | White | Black | Hispanic | Native American or Alaskan Native | Asian, Native Hawaiian, or Pacific Islander | 2 or More Races | Minority |
|----------------|--------------|--------------|-----------------|--|--|------------------------|-----------------|
| 2013-14 | +0.09% | +0.04% | -0.03% | 0.00% | +0.02% | -0.12% | -0.09% |
| 2014-15 | +0.26% | -0.41% | +0.04% | +0.01% | +0.06% | +0.04% | -0.26% |
| 2015-16 | +0.50% | +0.05% | -0.69% | +0.01% | +0.06% | +0.07% | -0.50% |
| 2016-17 | +0.65% | +0.06% | -0.75% | +0.01% | -0.06% | +0.10% | -0.65% |
| 2017-18 | +0.64% | +0.04% | -0.71% | +0.00% | -0.06% | +0.09% | -0.64% |
| 2018-19 | +0.31% | +0.03% | -0.32% | 0.00% | -0.10% | +0.08% | -0.31% |

F. Henry Hudson Regional School District Enrollments by Race

1. District Totals (7-12)

Henry Hudson Regional's enrollments by race from 2013-14 to 2018-19 are shown below in Table 45. As there is only one school in the district, the racial percentages for the Henry Hudson Regional School and the district are identical. Whites are the largest race in the district and their number has been fairly stable, ranging from 246-274.5. The percentage of Whites in the school district has also been fairly stable, ranging from 83.36%-87.28%.

The total number of Black students in the district has been fairly stable, ranging from 10-14.5 students. Over this time period, the percentage of Black students ranged from 3.25%-4.64%.

In general, there has been a small increase in the Hispanic student population. In 2018-19, there were 30 Hispanic students, which is a gain of 17.5 students from 2013-14. The percentage of Hispanic students has increased from 3.97% to 9.77% over this time period, a gain of 5.80 percentage points. Hispanics are the second-largest race in the district.

Table 45
Henry Hudson Regional School District (7-12) Enrollments by Race
2013-14 to 2018-19

| Year | White | % | Black | % | Hispanic | % | Native American or Alaskan Native | % | Asian, Native Hawaiian, or Pacific Islander | % | 2 or More Races | % | Total Students | Minority Total | Minority % |
|----------------|-------|--------|-------|-------|----------|-------|-----------------------------------|-------|---|-------|-----------------|-------|----------------|----------------|---------------|
| 2013-14 | 274.5 | 87.28% | 13.5 | 4.29% | 12.5 | 3.97% | 0 | 0.00% | 13 | 4.13% | 1 | 0.32% | 314.5 | 40 | 12.72% |
| 2014-15 | 261.5 | 85.04% | 10 | 3.25% | 22 | 7.15% | 0 | 0.00% | 11 | 3.58% | 3 | 0.98% | 307.5 | 46 | 14.96% |
| 2015-16 | 246 | 83.53% | 10 | 3.40% | 20 | 6.79% | 0 | 0.00% | 12 | 4.07% | 6.5 | 2.21% | 294.5 | 48.5 | 16.47% |
| 2016-17 | 256.5 | 83.55% | 14 | 4.56% | 23.5 | 7.65% | 0 | 0.00% | 8 | 2.61% | 5 | 1.63% | 307 | 50.5 | 16.45% |
| 2017-18 | 260.5 | 83.36% | 14.5 | 4.64% | 26.5 | 8.48% | 0 | 0.00% | 6 | 1.92% | 5 | 1.60% | 312.5 | 52 | 16.64% |
| 2018-19 | 259 | 84.36% | 11 | 3.58% | 30 | 9.77% | 0 | 0.00% | 4 | 1.30% | 3 | 0.98% | 307 | 48 | 15.64% |

Source: New Jersey Department of Education (<http://www.nj.gov/njded/data/enr/>) and the Henry Hudson Regional School District.

With respect to Asians, the number in the district has been slowly declining. The number of Asians has declined from 13 in 2013-14 to four (4) in 2018-19. Over this time period, the percentage of Asian students decreased from 4.13% in 2013-14 to 1.30% in 2018-19, a loss of 2.83 percentage points.

There were no Native American/Alaskan Native students in the district.

The number of students who are Two or More races was insignificant with 6.5 or fewer students per year.

In general, the number of minority students has been fairly stable from 2013-14 to 2018-19, ranging from 40-52 students. The percentage of minority students has ranged from 12.72%-16.64% over this time period.

a) Henry Hudson Regional School with Sea Bright Students

If a new regional school district (PK-12) were created between Sea Bright, Atlantic Highlands, and Highlands, Table 46 estimates what the racial distribution at Henry Hudson Regional School would have been from 2013-14 to 2018-19. Table 47 shows the percentage point change by race for each of these years. The racial percentage point changes were computed by using the data found in Tables 45 and 46.

Table 46
Henry Hudson Regional School (7-12) Enrollments by Race
with Sea Bright Students
2013-14 to 2018-19

| Year | White | % | Black | % | Hispanic | % | Native American or Alaskan Native | % | Asian, Native Hawaiian, or Pacific Islander | % | 2 or More Races | % | Total Students | Minority Total | Minority % |
|----------------|-------|--------|-------|-------|----------|--------|-----------------------------------|-------|---|-------|-----------------|-------|----------------|----------------|------------|
| 2013-14 | 310.5 | 87.10% | 13.5 | 3.79% | 17.5 | 4.91% | 0 | 0.00% | 13 | 3.65% | 2 | 0.56% | 356.5 | 46 | 12.90% |
| 2014-15 | 293.5 | 84.46% | 13 | 3.74% | 26 | 7.48% | 0 | 0.00% | 12 | 3.45% | 3 | 0.86% | 347.5 | 54 | 15.54% |
| 2015-16 | 277 | 82.81% | 10 | 2.99% | 28 | 8.37% | 0 | 0.00% | 13 | 3.89% | 6.5 | 1.94% | 334.5 | 57.5 | 17.19% |
| 2016-17 | 288.5 | 83.14% | 14 | 4.03% | 30.5 | 8.79% | 0 | 0.00% | 9 | 2.59% | 5 | 1.44% | 347 | 58.5 | 16.86% |
| 2017-18 | 282.5 | 82.00% | 14.5 | 4.21% | 34.5 | 10.01% | 0 | 0.00% | 8 | 2.32% | 5 | 1.45% | 344.5 | 62 | 18.00% |
| 2018-19 | 277 | 83.18% | 12 | 3.60% | 35 | 10.51% | 0 | 0.00% | 6 | 1.80% | 3 | 0.90% | 333 | 56 | 16.82% |

If Henry Hudson Regional School received students from Sea Bright, the White percentage in Henry Hudson Regional School would have decreased by 0.18 to 1.36 percentage points from 2013-14 to 2018-19, while Hispanics would have increased by 0.33 to 1.58 percentage points. Over the same time period, the percentage of Blacks, Asians, Native Americans/Alaskan Natives, and Two or More races in Henry Hudson Regional School would have been largely unchanged. The percentage of minority students would have increased by 0.18 to 1.36 percentage points over this time period.

Table 47
Percentage Point Changes by Race at Henry Hudson Regional School (7-12)
with Sea Bright Students
2013-14 to 2018-19

| Year | White | Black | Hispanic | Native American or Alaskan Native | Asian, Native Hawaiian, or Pacific Islander | 2 or More Races | Minority |
|----------------|--------|--------|----------|-----------------------------------|---|-----------------|---------------|
| 2013-14 | -0.18% | -0.51% | +0.93% | 0.00% | -0.49% | +0.24% | +0.18% |
| 2014-15 | -0.58% | +0.49% | +0.33% | 0.00% | -0.12% | -0.11% | +0.58% |
| 2015-16 | -0.72% | -0.41% | +1.58% | 0.00% | -0.19% | -0.26% | +0.72% |
| 2016-17 | -0.41% | -0.53% | +1.13% | 0.00% | -0.01% | -0.19% | +0.41% |
| 2017-18 | -1.36% | -0.43% | +1.53% | 0.00% | +0.40% | -0.15% | +1.36% |
| 2018-19 | -1.18% | +0.02% | +0.74% | 0.00% | +0.50% | -0.08% | +1.18% |

G. Racial Summary

The purpose of this section of the study is to determine the racial impact on the composition of the students in Oceanport (at Wolf Hill and Maple Place) and Shore Regional if Sea Bright were permitted to dissolve its relationship with Oceanport and withdraw from Shore Regional and create a new All Purpose PK-12 regional school district with Atlantic Highlands and Highlands upon the dissolution of Henry Hudson Regional. Under this arrangement, Sea Bright students in grades PK-6 would attend either Atlantic Highlands Elementary School or Highlands Elementary School and the former Henry Hudson Regional School for grades 7-12. To perform the racial analysis, enrollments were tabulated by race and racial percentages were computed for district totals and for all affected schools.

The analysis computed the change in racial percentages at Wolf Hill, Maple Place, and Shore Regional High School without Sea Bright students, as well as the addition of Sea Bright students to Atlantic Highlands Elementary School, Highlands Elementary School, and Henry Hudson Regional School if the new organizational structure were to be permitted.

In Sea Bright, Whites are the largest race but have been generally declining in number and percentage. In 2013-14, 79.45% of the student population (PK-12) was White as compared to 75.47% in 2018-19, which is a loss of 3.98 percentage points. Hispanics are the second-largest race and have ranged from 8.70%-13.70% in the last six years.

In the Oceanport School District, the racial demographics have been fairly stable. In 2013-14, the largest race was Whites at 89.12% followed by Hispanics at 7.79%. In 2018-19, Whites remain the largest race at 87.88% followed by Hispanics at 9.43%. The racial compositions at Wolf Hill and Maple Place in 2018-19 are fairly similar to the district totals. Wolf Hill is 88.01% White and 10.23% Hispanic, while Maple Place is 87.70% White and 8.33% Hispanic.

In 2018-19, 19 Sea Bright students attend Wolf Hill, which represents 5.6% of the school's student population. If Sea Bright students did not attend Wolf Hill from 2013-14 to 2018-19, the impact would have been less than a 1.00 percentage point change in the White population in any of the years, or, in other words, less than a 1.00 percentage point change in the minority student population.

With respect to Maple Place, 14 Sea Bright students attend Maple Place, which also represents 5.6% of the school's student population. If Sea Bright students did not attend Maple Place from 2013-14 to 2018-19, the White percentage in Maple Place would have increased by 0.99 to 1.99 percentage points, or, in other words, there would have been a 0.99 to 1.99 percentage point decline in the minority student population.

As the racial composition of Sea Bright students is similar to that of Oceanport, and that the number of Sea Bright students in each of Oceanport's schools is small with respect to the total population in each school, there would be no negative racial impact at either Wolf Hill or Maple Place if Sea Bright terminates its relationship with Oceanport.

Unlike the Oceanport School District, the racial demographics are changing in Shore Regional. In Shore Regional, the largest race in 2013-14 was Whites at 92.61% followed by Hispanics at 4.13%. Due to decreasing White enrollment and increasing Hispanic enrollment, the White percentage is 84.36% in 2018-19 followed by Hispanics at 10.11%.

In 2018-19, 20 Sea Bright students attended Shore Regional High School, which represents 3.2% of the school's student population. If Sea Bright students did not attend Shore Regional High School from 2013-14 to 2018-19, the impact would have been less than a 1.00 percentage point change in the White population in any of the years, or, in other words, less than a 1.00 percentage point change in the minority student population. Due to the small number of Sea Bright students attending Shore Regional High School, there would be no negative racial impact on the school if Sea Bright withdraws from Shore Regional.

The second purpose of the study is to analyze the racial impact on Sea Bright students if they were to attend Atlantic Highlands Elementary School or Highlands Elementary School for grades PK-6 and Henry Hudson Middle and High School for grades 7-12, as well as the impact the inclusion of Sea Bright students would have on the overall student body in these schools.

If Sea Bright students were to attend Atlantic Highlands Elementary School, the Sea Bright students would be afforded a racial environment similar to Oceanport. In the last six years, the White percentage at Atlantic Highlands Elementary School has ranged from 85.27%-91.44% while Hispanics, the second-largest race, ranged from 4.28%-9.09%. If Sea Bright students attended the school, the percentage of minority students would have increased by 0.09 to 1.27 percentage points over the six-year period, slightly adding to the diversity of the school.

If Sea Bright students were to attend Highlands Elementary School, the students would be afforded a slightly more diverse environment than either Wolf Hill or Maple Place. In the last six years, the White percentage at Highlands Elementary School has ranged from 77.25%-82.63% while the Hispanic percentage ranged from 9.47%-16.40%. Hispanics are also the

second-largest race at Highlands Elementary School. If Sea Bright students attended the school, the minority percentage at Highlands Elementary School would have declined by less than 1.00 percentage point in each of the last five years.

If Sea Bright students were to attend Henry Hudson Middle and High School, Sea Bright students would be afforded a racial environment similar to Shore Regional. In the last six years, the White percentage at Henry Hudson Regional has ranged from 83.36%-87.28%. The Hispanic percentage has slowly increased in the last six years and was 9.77% in 2018-19. If Sea Bright students attended the school, the percentage of minority students would have increased by 0.18 to 1.36 percentage points from 2013-14 to 2018-19, slightly adding to the diversity of the school.

IV. Educational Analysis

A. Introduction

This chapter of the feasibility study will identify the impact on educational programs and services of both the new receiving schools and the former receiving schools resulting from the proposed new district structure. The questions this chapter will attempt to answer are:

1. Will Sea Bright students have the opportunity to receive a high quality education in the new All-Purpose PK-12 Regional District?
2. How will the addition of Sea Bright students impact existing students and staff at Highlands Elementary School; Atlantic Highlands Elementary School and Henry Hudson Middle and High School?
3. Can the needs of Sea Bright special student populations be fulfilled at the new schools?
4. Will the loss of Sea Bright students lead to negative educational impacts on Oceanport Wolf Hill and Maple Avenue Schools or Shore Regional High School?
5. What educational issues need to be taken into consideration during the transition to the new schools?

The analysis in this section is informed by a site visit to each of the schools that will form the new All-Purpose PK-12 Regional District, as well as a review of the curriculum, the co-curricular opportunities, the performance and achievement data, the demographic data, school culture and climate indicators, as well as other data sources concerning all of the impacted schools.

As the consultants work through the questions above, the consultants note at the outset that educational impacts will be naturally limited by the very small number of students moving from one school to another. Projected enrollments from the demographic study for Sea Bright indicate approximately 25 students per year total in grades K-6, which number will remain fairly constant throughout the next five years, which translates to only 3-4 students per grade. Similarly, small numbers of students will be involved in Grades 7-12 with the secondary enrollments projected to decline rapidly over the period, from 23 in 2019-20 to only 11 in 2023-24 (less than two students per grade on average).

Analyzing the impact of such small numbers becomes more complicated when the demographic shifts being projected for the former and new receiving schools are factored in. The demographic analysis has determined that sufficient capacity exists in either Highlands Elementary School or Atlantic Highlands Elementary School to serve the additional Sea Bright K-6 students during the projection period. Should the students attend Highlands Elementary School, the building would be at capacity. The demographic study also indicated that Henry Hudson Regional has sufficient capacity in grades 7-12 to accommodate the Sea Bright students. Enrollments at Highlands are projected to grow slightly and enrollments at Atlantic Highlands are anticipated to decline slightly over the next five years. Henry Hudson enrollments are anticipated to decline over the next few years and then stabilize for the remainder of the period. Declining enrollments at the new receiving schools will serve to lessen the impact of the new Sea Bright students on the existing educational programs.

Similarly, the impact of the loss of the Sea Bright students on Oceanport in grades K-8 and Shore Regional for grades 9-12 will not have a substantial negative impact on the educational program given the small number of Sea Bright students involved. The consultants note that the loss of Sea Bright students will be occurring during a period of relative stability at both Oceanport (projected to decrease slightly from 611 to 590) and Shore Regional (projected to decrease slightly from 598 to 546). The relative stability in enrollments over the entire five year projection period will not further exacerbate the impact on either district of the loss of a few Sea Bright students per grade.

B. Overview of Schools

1. Atlantic Highlands Elementary School

The administration of the district is provided to a great extent through the Henry Hudson Tri-District partnership. Atlantic Highlands, Highlands and Henry Hudson Regional have entered into a series of shared services agreements that demonstrate a tremendous degree of partnership and alignment of administration that will be of great importance in a successful regionalization. The Superintendent is shared equally among Highlands, Atlantic Highlands and Henry Hudson Regional. The Business Administrator is shared with Henry Hudson. Both the Supervisor of Special Education and Supervisor of Curriculum and Instruction are also shared equally between Highlands, Atlantic Highlands and Henry Hudson Regional. Finally, the Technology Services Network administrator is shared among the three districts. Except for building level administrators, the central office function is almost entirely shared among the proposed constituent districts.

The educational program serves PK-6 Grades in one school building. The school district operates a pre-school program and a full-day kindergarten program. The early grades operate essentially as self-contained classes (2 classes per grade) with the later elementary grades operating in a semi-departmental setting with 2 teachers responsible for certain content specific instruction (science/math and ELA/social studies). Grades 5 and 6 follow a Middle School model with teachers responsible for content specific instruction at multiple grade levels but averaging out to two subject area teachers per grade level.

The school has one teacher dedicated to basic skills remediation (ASI) and also provides enrichment opportunities. Special educational services are provided through a variety of models including in-class support, in-class resource, pull-out replacement, and if necessary, out-of-district placement. The school operates 2 self-contained classrooms to serve students classified with learning disabilities.

The school offers specialized instruction through the use of appropriately trained and certified staff in the areas of World Languages (Spanish), Music, Art, Library/Technology and Physical Education/Health. Instrumental Music is also offered. The school schedule provides for 2 special periods each day. Instrumental Music, Challenge Art and Challenge Drama are also available during the school day.

The school provides a pull-out enrichment program based on a full replacement model to students in grades 4, 5, and 6 in both reading and math.

The school has a full time social worker dedicated to supporting student emotional and social growth and also assists with intervention and discipline issues.

The school's mission is to "provide an education that successfully meets the needs of our students and prepares them for the future."

The school's strategy for accomplishing this mission involves:

- Creating classrooms where teachers instill a passion for learning.
- Establishing a safe environment that fosters respect and empathy of individual differences.
- Providing a quality education using technology, critical thinking, and instructional methods which enhance student learning.
- Supporting ownership by all stakeholders in the education process.

The school emphasizes the use of technology that includes a 1:1 initiative for 4th, 5th & 6th grades. All students have access to laptops, iPads and a technology lab. Each classroom has an interactive White Board. Teachers were observed to be incorporating the instructional technology into the class work and lessons.

The school focuses on whole-child development through academic rigor, dedication to the arts, STEAM, and child-centered lessons.

Finally, the school has strong parent and community involvement.

2. Highlands Elementary School

The administration of the district is provided to a great extent through the Henry Hudson Tri-District partnership. Atlantic Highlands, Highlands and Henry Hudson Regional have entered into a series of shared services agreements that demonstrate a tremendous degree of partnership and alignment of administration that will be of great importance in a successful regionalization. The Superintendent is shared equally between Highlands, Atlantic Highlands and Henry Hudson Regional. The Business Administrator is shared with Bayshore Jointure Commission. Both the Supervisor of Special Education and Supervisor of Curriculum and Instruction are also shared equally between Highlands, Atlantic Highlands and Henry Hudson Regional. Finally, the Technology Services Network administrator is shared among the three districts. Except for building level administrators, the central office function is almost entirely shared among the proposed constituent districts.

The educational program serves PK-6 Grades in one school building. The school district operates a Pre-school program and a full-day kindergarten program. The early grades operate essentially as self-contained classes (2 classes per grade in PK, K, First and Third Grade and one section in Second Grade) with the later elementary grades operating in a semi-departmental setting with teachers responsible for certain content specific instruction over multiple grade levels. The school runs one class per grade in grades 4, 5 and 6. Math instruction extends to 90 minutes per day in grades 2-6.

Each classroom has an interactive White Board and teachers were observed to be incorporating the instructional technology into the class work and lessons.

The school has two teachers dedicated to basic skills remediation in both math and ELA (ASI) and also provides enrichment opportunities through a Math pull-out program. Special educational services are provided through a variety of models including in-class support, in-class resource, pull-out replacement, and if necessary, out-of-district placement. The school operates 2 self-contained classrooms to serve students classified with learning disabilities.

The school offers specialized instruction through the use of appropriately trained and certified staff in the areas of World Languages (Spanish), Music, Art, Library/Technology and Physical Education/Health. Instrumental Music is also offered.

The school has a full time social worker dedicated to supporting student emotional and social growth and also assists with intervention and discipline issues.

The mission of the 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.” The school expects that all students will achieve the NJ Student Learning Standards at all grade levels. In addition, opportunities will be “provide for students to develop self-esteem, social values and the motivation needed to continue individual growth while also developing a respect for cultural differences” requiring “an active and responsible partnership of students, staff, community and school board.”

The school has won a number of awards and recognitions including:

- NJDOE Lighthouse District Recognition
- NJ Pre-School Expansion Aide Grant Recipient
- NJ Safe Routes to School Gold Award

3. Oceanport School District

The Oceanport School District consists of two schools, the elementary school that consists of the Wolf Hill Elementary School (grades PK-4) and Maple Place Middle School (consisting of grades 5-8). The administration of the school district consists of a superintendent who also serves as the Wolf Hill School principal, Maple Place building principal, Director of Special Services, Shared Director of Curriculum and Instruction (shared with Monmouth Beach, Oceanport, Shore Regional, and West Long Branch public schools) and a business administrator.

The educational program consists of the following:

The Wolf Hill School has a pre-school program, full-day kindergarten program and Grades 1, 2, 3, and 4 that operate essentially as self-contained classes. There is approximately three class section at each grade level. The Wolf Hill School is a National Blue Ribbon School of Excellence.

The Maple Place School operates Grade 5 in a semi-departmental setting with four teachers responsible for content specific instruction. Grades 6, 7, and 8 operate in a fully departmentalized middle school setting with teachers providing content specific instruction across multiple grade levels.

The schools offer basic skills and academic enrichment opportunities. Special educational services are provided to identified students through a variety of models including in-class support, in-class resource, pull-out replacement, and if necessary, out-of-district placement. Specialized instruction is provided through the use of appropriately trained and certified staff in the areas of World Languages (Spanish), Music, Art, Library/Technology and Physical Education/Health. Instrumental Music is also offered.

4. Henry Hudson Regional High School

The administration of the district is provided to a great extent through the Henry Hudson Tri-District partnership. Atlantic Highlands, Highlands, and Henry Hudson Regional have entered into a series of shared services agreements that demonstrate a tremendous degree of partnership and alignment of administration that will be of great importance in a successful regionalization. The Superintendent is shared equally between Highlands, Atlantic Highlands and Henry Hudson Regional. The Business Administrator is shared with Atlantic Highlands. Both the Supervisor of Special Education and Supervisor of Curriculum and Instruction are also shared equally between Highlands, Atlantic Highlands and Henry Hudson Regional. Finally, the Technology Services Network administrator is shared among the three districts. Except for building level administrators, the central office function is almost entirely shared among the proposed constituent districts.

Henry Hudson Regional has a single school campus that serves students in grades 7-12 from Atlantic Highlands and Highlands. Henry Hudson Regional provides a curriculum that is aligned to the Common Core State Standards. All grades operate in a fully departmentalized middle and high school setting with teachers providing content specific instruction across multiple grade levels. The school utilizes a block schedule.

Middle School students participate in a “school within a school” approach to learning. A team of teachers have been trained to work together during a common planning period to develop interdisciplinary problem-based learning opportunities for all 7th and 8th grade students. Middle school students can enroll in honors courses in subjects such as math, science and language arts.

In addition, Henry Hudson Regional permits fifth and sixth grade students from Atlantic Highlands Elementary and Highlands Elementary to participate in athletic teams including providing transportation. This opportunity not only expands the extracurricular offerings for these students but provides them with the ability to be involved with the Middle and High School community and with students from the other constituent community prior to attendance. Athletic program start times are pushed back to 3:30 to accommodate the upper elementary students. Henry Hudson students are provided with a study hall from the end of their school day to 3:30.

The school has a full time guidance counsellor at the high school level and a full time counsellor at the middle school level to provide needed student support.

Students in Grades 9-12 are served in a comprehensive high school setting that fosters high academic achievement for all students. Although small in size, Henry Hudson Regional offers a wide array of honors and Advanced Placement courses either in-house or through online education. Students in the twelfth grade can enroll in courses at Brookdale Community College, through a Dual Enrollment agreement between the two schools.

The school offers an extensive selection of extracurricular activities and athletics. A cooperative agreement with Keyport High School allows students to compete in a wide variety of sports that they would not otherwise have an opportunity to participate in due to the size of the school. The school prides itself on being "A private school in a public school setting."

The schools mission is to provide "a personalized learning experience that enables students to meet and exceed all content area learning standards by maintaining small class size; securing low student-to-teacher ratio; utilizing highly engaging curriculum that fosters academic achievement in a changing global, technological society; and embracing a strong partnership with its community."

The school participates in a dual enrollment with Brookdale Community College and a partnership with Monmouth University in Communications and Science Technology.

The school is implementing a 1:1 Chromebook initiative and has established a STEAM Academy. Each classroom has an interactive White Board and teachers were observed to be incorporating the instructional technology into the class work and lessons.

The district has implemented a number of operational innovations including a comprehensive shared service model involving a shared Superintendent with Atlantic Highlands and Highlands, Business Administrator with Atlantic Highlands; Supervisor of Curriculum & Instruction and Special Services with Atlantic Highlands and Highlands.

The school has won a number of awards and recognitions including:

- 2015-IEEE Robotics'-First Place in NJ;
- Skills USA-First Place in NJ-Broadcast News Production;
- Over 300 awards in Digital Video Production nationally and Internationally recognized;
- 2016-NASSP/NJPSA Nationally Recognized Principal of the Year for NJ -current Principal;
- Nationally recognized Therapy Dog Program;
- TechXcellence Award for Game Design Course of study; Concert Band performed in Disney World;
- Numerous trophies in music;
- 2017-Bronze and Silver Awards in a variety of subjects in Skills USA state competition; Division Champions in MS Girls' Softball and Varsity Girls' Field Hockey. Central I State Champions in Girls' Softball.

The high school also has the great distinction of being accredited by Middle States. The Middle States Association of Colleges and Schools (Middle States Association or MSA) is a voluntary, peer-based, non-profit association that performs peer evaluation and regional accreditation of public and private schools in the Mid-Atlantic United States. 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.

5. Shore Regional High School

Shore Regional High School has a single school campus located in West Long Branch, New Jersey and serves the communities of Monmouth Beach, Oceanport, Sea Bright, and West Long Branch.

The administration of the school district consists of a Superintendent, Business Administrator, Principal, 2 assistant principals, Director of Guidance, shared Director of Curriculum and Instruction, Shared Director of Guidance, and shared Director of Special Education.

Students in Grades 9-12 are served in a comprehensive high school setting with a program of study involving a deep student engagement with the New Jersey Student Learning Standards as well as encouragement and support for students to extend their learning beyond the core requirements. All grades operate in a fully departmentalized high school setting with teachers providing content specific instruction across multiple grade levels. The school offers an extensive selection of extracurricular activities and athletics.

Like Henry Hudson regional, the high school has the distinction of being Middle States accredited. The school has also been designated as an International Baccalaureate World School and is the first comprehensive high school in Monmouth County, and one of only 14 public schools in New Jersey, to offer this prestigious program. Shore Regional's International Baccalaureate Diploma Programme "enables students to delve into a full liberal arts curriculum that stresses the interdependence of content areas and the importance of international-mindedness in a global society."

The school's mission statement is "Working in collaboration with all stakeholders, we pursue a shared vision of a high quality regional high school that puts students first. Shore Regional High School's mission is to produce altruistic graduates who are lifelong learners, equipped with unlimited capacity to compete in a superior manner."

The school has won a number of awards and recognitions including:

- Ranked among the Nation's top high schools.
- AP Program was awarded national recognition for increased enrollment and passing scores.
- The school offers over 25 IB and Advanced Placement courses through block scheduling.

C. Impact of the Proposal on the Schools

1. School Performance: Curriculum and Assessment Results

All of the schools impacted by the creation of the new regional district are implementing the New Jersey Learning Standards. The New Jersey Learning Standards are established by the New Jersey State Board of Education and describe what students should know and be able to do upon completion of their education. The academic standards serve as the foundation for local district curricula that is used by teachers in their daily lesson plans. The standards provide local school districts with clear and specific benchmarks for student achievement in nine content areas and are revised every five years through panels of teachers, administrators, parents, students, and representatives from higher education, business, and the community. The standards define the Constitutional guarantee of a "Thorough and Efficient Education" in order to prepare students for college and careers by emphasizing high-level and real world skills.

Atlantic Highlands, Highlands and Henry Hudson Regional have created a shared curriculum development and implementation office that provides strong learning connections across the schools and grade levels. Teachers at all three schools write the curriculum for all grades K-12. This level of articulation will be exceptionally helpful in the transition to a new All-Purpose regional district.

The course of study at both high schools being reviewed in this study is comprehensive and deep allowing students a broad exposure to various subjects and content areas and the opportunity to explore areas of interest more extensively. The breadth and depth of offerings are evidenced in the course catalog for both schools which is attached as Appendix A.

In order to measure student progress toward achieving mastery of the New Jersey Learning Standards in English Language Arts and Math, the State utilizes the New Jersey Learning Assessment (formerly known as the PARCC Subject Area Tests). Student scores are divided into five categories: Not Meeting; Partially Meeting; Approaching; Meeting; and Exceeding Proficiency Expectations. However, due to the impact of suppression rules (that protect privacy rights of small groups of students), data is not available for all subgroup performance. For this reason, in a number of areas it is difficult to draw insights from the disaggregated PARCC data.

The PARCC data is useful in determining the extent to which a given school is successfully implementing the New Jersey Learning Standards. However, the consultants need to be cautious in drawing conclusions from data that involve a comparison of student performance across differing groups of students in a school or district. Although assessment data can provide some evidence of curriculum and instructional quality and rigor, the schoolwide test scores alone cannot be used to determine whether one group of students in one school will receive a better educational opportunity if they as a group attended another school. This is especially true in schools where students do not share a homogenous background or needs such as at a regional school or where the group to be studied is very small. The PARCC data alone will not be conclusive regarding the question of whether Sea Bright students as a group at Shore Regional (who may have different demographic backgrounds or needs than the general student population) will do better academically at Shore Regional than at Henry Hudson Regional. For this reason, the study will also examine non-assessment data in reaching its conclusions. What

may be of far greater analytic significance would be to follow the performance of a group of students that has remained largely stable over the course of a period of years (cohort grouping). The exploration of these variables, however, was beyond the scope of this study.

2. Student Performance

a) Overall Test Scores and Growth Over Time

Tables 48 and 49 below provide PARCC Spring administration data for each of the impacted schools, indicating the percentage of students who Met or Exceeded Expectations for years 2015, 2016, 2017 and 2018. The last column is the change in percent from 2015 to 2018. The scores are presented in both absolute terms and in year over year growth terms. The consultants should be careful in drawing conclusions solely from the absolute schoolwide scores since the schoolwide data does not control for demographic differences in the student population which the consultants will discuss more below. Growth in scores over time is an important trend indicator since the true quality of a school focuses on the degree to which the school is able to take every child from where they are academically and to support them in their growth toward college and career readiness.

Table 48
State Assessment Data (Percent Proficient or Advanced Proficient)
Elementary Grades

| Test | District Name | 2015 | 2016 | 2017 | 2018 | 2015 to 2018 |
|-------|-------------------------|------|------|------|------|--------------|
| ELA03 | Atlantic Highlands Boro | 75.6 | 50 | 75 | 53.7 | -21.9 |
| ELA03 | Highlands Boro | 33.3 | 60 | 73.9 | 40.9 | +7.6 |
| ELA03 | Oceanport Boro | 52 | 67.2 | 79.7 | 80.8 | +28.8 |
| MAT03 | Atlantic Highlands Boro | 61.4 | 44.1 | 75 | 65.9 | +4.5 |
| MAT03 | Highlands Boro | 38.9 | 56 | 65.2 | 36.4 | -2.5 |
| MAT03 | Oceanport Boro | 45.1 | 67.2 | 74.6 | 73.6 | +28.5 |
| ELA04 | Atlantic Highlands Boro | 64.7 | 76.1 | 60 | 86.7 | +22 |
| ELA04 | Highlands Boro | 16.7 | 31.6 | 69.6 | 76.2 | +59.5 |
| ELA04 | Oceanport Boro | 63.5 | 73.6 | 82.4 | 86 | +22.5 |
| MAT04 | Atlantic Highlands Boro | 47.1 | 63 | 42.5 | 76.7 | +29.6 |
| MAT04 | Highlands Boro | 5.3 | 47.4 | 29.2 | 52.4 | +47.1 |
| MAT04 | Oceanport Boro | 42.3 | 62.3 | 86.8 | 77.2 | +34.9 |
| ELA05 | Atlantic Highlands Boro | 76.9 | 73.2 | 89.8 | 78.9 | +2 |
| ELA05 | Highlands Boro | 35 | 27.3 | 63.2 | 75 | +40 |
| ELA05 | Oceanport Boro | 41 | 52.6 | 61.1 | 64.2 | +23.2 |
| MAT05 | Atlantic Highlands Boro | 56.4 | 48.8 | 53.1 | 52.6 | -3.8 |
| MAT05 | Highlands Boro | 30 | 31.8 | 45 | 39.3 | +9.3 |
| MAT05 | Oceanport Boro | 41 | 45.6 | 64.8 | 59.7 | +18.7 |
| ELA06 | Atlantic Highlands Boro | 81.6 | 76.9 | 81.8 | 88.6 | +7 |
| ELA06 | Highlands Boro | 50 | 38.1 | 40.9 | 43.5 | -6.5 |
| ELA06 | Oceanport Boro | 59.1 | 65.5 | 76.3 | 88.9 | +29.8 |
| MAT06 | Atlantic Highlands Boro | 56.8 | 61.5 | 61.4 | 70.5 | +13.7 |
| MAT06 | Highlands Boro | 30 | 19 | 18.2 | 34.8 | +4.8 |
| MAT06 | Oceanport Boro | 40.9 | 49.1 | 44.1 | 59.3 | +18.4 |

Source: New Jersey Department of Education Assessment Data

Table 49
State Assessment Data (Percent Proficient or Advanced Proficient)
Secondary Grades

| Test | District Name | 2015 | 2016 | 2017 | 2018 | 2015 to 2018 |
|-----------------|-----------------------|------|------|------|-------------|--------------|
| ELA07 | Henry Hudson Regional | 51.9 | 67.8 | 63.8 | 68.3 | +16.4 |
| ELA07 | Oceanport Boro | 55.8 | 67.9 | 72.6 | 82 | +26.2 |
| MAT07 | Henry Hudson Regional | 35.2 | 45.8 | 46.6 | 31.7 | -3.5 |
| MAT07 | Oceanport Boro | 36.5 | 38.5 | 49.2 | 42.6 | +6.1 |
| ELA08 | Henry Hudson Regional | 60.5 | 53.3 | 65.5 | 58.3 | -2.2 |
| ELA08 | Oceanport Boro | 52 | 61.2 | 67.5 | 77.8 | +25.8 |
| MAT08 | Henry Hudson Regional | 29 | 19.6 | 42.6 | 39.6 | +10.6 |
| MAT08 | Oceanport Boro | * | 0 | 45.3 | 52.2 | NA |
| ELA09 | Henry Hudson Regional | 45.5 | 46.7 | 68.9 | 57.1 | +11.6 |
| ELA09 | Shore Regional | 38 | 65.8 | 61 | 60.5 | +22.5 |
| Algebra1 | Henry Hudson Regional | 44.7 | 55.1 | 44.4 | 52.7 | +8 |
| Algebra1 | Shore Regional | 0 | 6.8 | 4.3 | 12 | +12 |
| ELA10 | Henry Hudson Regional | 59.5 | 51 | 44.2 | 66.7 | +7.2 |
| ELA10 | Shore Regional | 43.2 | 59.9 | 68.9 | 62.3 | +19.1 |
| Geo | Henry Hudson Regional | 14.6 | 25.5 | 44.7 | 25 | +10.4 |
| Geo | Shore Regional | 15.9 | 18 | 22.6 | 29.1 | +13.2 |
| ELA11 | Henry Hudson Regional | 68.2 | 41.7 | 34.3 | 61.8 | -6.4 |
| ELA11 | Shore Regional | 52.7 | 35.7 | 47.8 | 35.1 | -17.6 |
| Algebra2 | Henry Hudson Regional | 26.1 | 17.5 | 22.2 | 21.6 | -4.5 |
| Algebra2 | Shore Regional | 18.2 | 11.7 | 18.9 | 13.3 | -4.9 |

Source: New Jersey Department of Education Assessment Data

In grades 3-6, the data indicate that Atlantic Highlands and Oceanport have very similar outcomes while Highlands lags behind in some subject in regards to absolute scores but as the consultants will show below, school performance is much different when using a growth perspective. In terms of year over year growth, Atlantic Highlands and Highlands demonstrated growth over the four year period in 6 of the 8 subjects and grades while Oceanport saw growth in 8 of 8. In the middle grades Oceanport saw growth in 4 of the 4 subjects and grades while Henry

Hudson Regional in 2 of 4. At the high school level Henry Hudson regional saw growth in 4 of 6 subjects and Shore Regional in 4 of 6 subjects.

The academic performance of Henry Hudson Regional in high school grades is mixed when compared with Shore Regional when using absolute scores but as the consultants will show below, school performance is much different when using a peer school comparison.

To the degree that some of these districts lag in comparison on absolute terms, it should be noted that just maintaining a consistent level of student performance over time in the face of increased demographic challenges represents a significant accomplishment and is one that has proved elusive for many similarly situated districts.

b) Comparison with Statewide Scores and District Factor Groups (DFGs) Scores

The consultants believe that a more complete picture of school performance will emerge using a comparison between each individual school and its peer schools. Using these comparisons the consultants can control somewhat for differences in student demographics. For example, performance of students on large-scale standardized assessments tends to reflect the socio-economic status of the community. New Jersey mirrors this national trend and the performance of students in the impacted schools will also follow this pattern.

The consultants can determine an appropriate peer group through the use of District Factor Groups (DFGs). DFGs were first developed in 1975 for the purpose of comparing students' performance on statewide assessments across demographically similar school districts. The categories are intended to be updated based on Census data. The DFGs, with DFG "A" being the lowest and DFG "J" being the highest, represent an approximate measure of a community's relative socioeconomic status (SES). The classification system provides a useful tool for examining student achievement and comparing similarly-situated school districts.

DFGs were calculated using the following six variables that are closely related to SES:

- 1) Percent of adults with no high school diploma;
- 2) Percent of adults with some college education;
- 3) Occupational status;
- 4) Unemployment rate;
- 5) Percent of individuals in poverty; and
- 6) Median family income.

Atlantic Highlands, Oceanport and Shore Regional most recent DFG classification was "GH" putting them into one of the highest classification rankings. Henry Hudson Regional is classified as "DE" and Highlands is classified as "CD" among the lowest rankings.

Tables 50 and 51 provide comparisons with peer schools and the State average. In grades 3-6, Atlantic Highlands and Oceanport exceeded the State average in the Spring 2018 administration in all eight test grades and subjects while Highlands only exceeded the State average in 3 of the eight test grades and subjects. When using schoolwide DFG data, however, Highlands exceeds its respective DFG in 3 of 8 tests, Atlantic Highlands exceeds its respective DFG in 5 of 8 tests, and Oceanport exceeds its DFG in 6 of 8 tests.

Table 50
Spring 18 PARCC Scores Compared to DFG and State Average
Grades 3-8

| Subject | HE (DFG CD) | AHE (DFG GH) | OE (DFG GH) | State Avg. | DFG CD | DFG GH |
|---------------|----------------|-----------------|----------------|------------|--------|--------|
| ELA 3 | 40.9 | 53.7 | 80.8 | 52 | 44.6 | 62.5 |
| Math 3 | 36.4 | 65.9 | 73.6 | 53 | 45.2 | 66.3 |
| ELA 4 | 76.2 | 86.7 | 86 | 58 | 51.1 | 70.3 |
| Math 4 | 52.4 | 76.7 | 77.2 | 50 | 40.6 | 62.0 |
| ELA 5 | 75 | 78.9 | 64.2 | 58 | 48.6 | 69.3 |
| Math 5 | 39.3 | 52.6 | 59.7 | 49 | 39.5 | 61.7 |
| ELA 6 | 43.5 | 88.6 | 88.9 | 56 | 47.1 | 68.0 |
| Math 6 | 34.8 | 70.5 | 59.3 | 44 | 35.4 | 55.3 |

Source: New Jersey Department of Education Assessment Data

In grades 7 and 8 Oceanport exceeded the State average in all 4 test grades and subjects while Henry Hudson Regional exceeded the State average in 2 of the 4. In the high school, Shore Regional exceeded the State average in 2 of the 6 subjects while Henry Hudson Regional exceeded the State average in only 4 of the 6 subjects.

In regards to a comparison with peer schools in 7th and 8th Grade, both Oceanport and Henry Hudson Regional exceeds its respective DFG in 3 out of 4 tests. In high school, Henry Hudson Regional exceeds its DFG in in all 6 tests and Shore Regional exceeds its respective DFG in only 1 of 6 tests. The DFG data allows us to see underneath the absolute scores and account for differences in the socio-economic make-up of the student body. Using these comparisons, Henry Hudson Regional emerges as a high performing district.

Table 51
Spring 18 PARCC Scores Compared to DFG and State Average
Grades 7-12

| Subject | Henry Hudson (DFG DE) | Shore Reg. (DFG GH) | Oceanport (DFG GH) | State Avg. | DFG DE | DFG GH |
|------------------|--------------------------|------------------------|-----------------------|------------|--------|--------|
| ELA 7 | 68.3 | NA | 82 | 63 | 62.1 | 73.4 |
| Math 7 | 31.7 | NA | 42.6 | 43 | 42.2 | 53.5 |
| ELA 8 | 58.3 | NA | 77.8 | 60 | 58.0 | 74 |
| Math 8 | 39.6 | NA | 52.2 | 28 | 25.3 | 35.6 |
| ELA 9 | 57.1 | 60.5 | NA | 54 | 49.8 | 65.0 |
| Algebra 1 | 52.7 | 12 | NA | 46 | 42.4 | 53.6 |
| ELA 10 | 66.7 | 62.3 | NA | 52 | 46.1 | 56.0 |
| Geometry | 25 | 29.1 | NA | 30 | 23.0 | 34.5 |
| ELA 11 | 61.8 | 35.1 | NA | 39 | 35.4 | 35.1 |
| Algebra 2 | 21.6 | 13.3 | NA | 29 | 19.6 | 29.9 |

Source: New Jersey Department of Education Assessment Data

c) Achievement Gap

In reviewing assessment data it is important to disaggregate the data to determine if subgroups of students are achieving at similar rates. The achievement gap compares these subgroups and provides a starting point for implementing remedial measures. Although the relatively small size of both districts and low test takers for non-white students will limit data, all districts show some achievement gaps for special education and economically disadvantaged students which generally track Statewide trends. Although it is difficult to draw any conclusions given the absence of data due to suppression rules, Tables 52 and 53 point to an achievement gap concerning Hispanic and socio-economically disadvantaged student populations at the proposed new receiving schools that may require additional supports and interventions for them to achieve at the same rate as the general student population. The consultants recommend that the new All-Purpose Regional examine the need for additional supports and interventions for the small number of Sea Bright students from disadvantaged backgrounds or from racial/ethnic minorities.

Table 52
Achievement Gap ELA Levels 4 and 5
Elementary

| Subgroup | Highland Elem | Atlantic Highland Elem | Oceanport Maple Place | Oceanport Wolf Hill |
|------------------|----------------------|-------------------------------|------------------------------|----------------------------|
| School | 61.2 | 76.8 | 78.6 | 84.0 |
| White | 70.5 | 77.6 | 79.3 | 83.6 |
| Hispanic | 38.5 | 60.0 | 72.7 | ND |
| Black/AA | ND | ND | ND | ND |
| Asian | ND | ND | ND | ND |
| Eco. Dis. | 52.8 | 66.7 | 62.5 | ND |
| SPED | 37.0 | 25.0 | 45.5 | 42.1 |
| ELL | ND | ND | ND | ND |

Source: New Jersey Department of Education Assessment Data

Note: ND = No data

Table 53
Achievement Gap ELA Levels 4 and 5
Math

| Subgroup | Highland Elem | Atlantic Highland Elem | Oceanport Maple Place | Oceanport Wolf Hill |
|------------------|---------------|------------------------|-----------------------|---------------------|
| School | 41.1 | 66.2 | 57.2 | 75.9 |
| White | 47.1 | 67.9 | 57.8 | 77.6 |
| Hispanic | 23.1 | 50.0 | 50.0 | ND |
| Black/AA | ND | ND | ND | ND |
| Asian | ND | ND | ND | ND |
| Eco. Dis. | 34.0 | 33.3 | 56.3 | ND |
| SPED | 40.7 | 30.0 | 34.5 | 31.6 |
| ELL | ND | ND | ND | ND |

Source: New Jersey Department of Education Assessment Data

Note: ND= No data

Table 54 examines the extent of any achievement gap at the secondary level. The table indicates that the achievement gap at both high schools is relatively small meaning that minority student populations on the whole are being provided with adequate supports and interventions to achieve at the same rate as the general student population. However, the data suggests that students in poverty are achieving at lesser levels than the general population meaning that the small number of Sea Bright students from poverty attending Henry Hudson Regional may need to be provided additional supports and interventions.

Table 54
Achievement Gap Math and ELA Levels 4 and 5
Secondary

| Subgroup | Henry Hudson Regional ELA | Henry Hudson Regional Math | Shore Regional ELA | Shore Regional Math |
|------------------|---------------------------|----------------------------|--------------------|---------------------|
| School | 63.1 | 40.9 | 61.2 | 22.1 |
| White | 64 | 41.2 | 64.8 | 21.9 |
| Hispanic | 68.5 | 40.0 | 38.5 | ND |
| Black/AA | 20 | ND | ND | ND |
| Asian | ND | ND | ND | ND |
| Eco. Dis. | 29.2 | 14.6 | 47.4 | 35.3 |
| SPED | 15.8 | ND | 30.2 | 11.1 |
| ELL | ND | ND | 10.0 | ND |

Source: New Jersey Department of Education Assessment Data

Note: ND = No data

d) Student Growth Percentile

Student growth is a measure of how much students are learning each year. The State calculates a Student Growth Percentile to show how students progressed from grade level to grade level when compared to students Statewide with similar test scores over time. Student Growth Percentile Methodology (SGP) creates a measure of how students progressed in grades 4 through 8 in Language Arts Literacy and in grades 4 through 7 in Math when compared to other students with a similar test score history. A student's SGP falls between 1 and 99 and can be grouped into three levels: Low Growth: Less than 35; Typical Growth: Between 35 and 65; and High Growth: Greater than 65. If the student growth percentiles for all students in the school are ordered from smallest to largest, the median student growth percentile (mSGP) for the school is the percentile in the middle of that list.

Table 55
Student Growth: Median Student Growth Percentile
ELA

| School | All | White | Hispanic | Black | SPED | Poverty |
|-------------------------------|------|-------|----------|-------|------|---------|
| Maple Place Oceanport | 62 | 64 | 54 | N | 50.5 | 62 |
| Wolf Hill Oceanport | 62 | 59 | N | N | 26 | N |
| Atlantic Highlands Elementary | 76 | 76 | N | N | 26.5 | 54 |
| Highlands Elementary | 59.5 | 65.5 | N | N | 37 | 43 |

Source: New Jersey Department of Education School Performance Reports

Note: N = No data

Table 56
Student Growth: Median Student Growth Percentile
Math

| School | All | White | Hispanic | Black | SPED | Poverty |
|-------------------------------|------|-------|----------|-------|------|---------|
| Maple Place Oceanport | 35.5 | 35 | 42.5 | N | 35 | 31.5 |
| Wolf Hill Oceanport | 63 | 64.5 | N | N | 23.5 | N |
| Atlantic Highlands Elementary | 65 | 71 | N | N | 59.5 | 54 |
| Highlands Elementary | 49.5 | 49.5 | N | N | 68 | 51 |

Source: New Jersey Department of Education School Performance Reports

Note: N = No data

Oceanport's Maple Place and Wolf Hill show typical growth in ELA while Wolf Hill shows typical growth in math and Maple Place low growth in math. Atlantic Highlands shows typical to high growth in both ELA and math. Atlantic Highlands demonstrates high growth in both ELA and math which is of great importance in gauging the success of any school. Growth for special populations is mixed for all schools. The SGP data provides a different lens for viewing school performance in terms of how well each school is fostering growth on an individual student basis.

e) Conclusion

It appears from the above comprehensive review of student performance on State assessments using the lens of mastery, year over year growth, student growth percentile, and comparisons with peer schools and the State average, that all of the schools are progressing adequately in implementing the curriculum and instruction necessary for students to achieve the New Jersey Learning Standards that will prepare them for college and careers all of the schools. It is equally clear that each of the schools must continue to strive to support students academically and close achievement gaps. In this regard there should be no issues with continuing the high quality academic program Sea Bright students are receiving at Oceanport in Highlands and Atlantic Highlands for grades PK-6 and Henry Hudson Regional for grades 7-12.

3. School Readiness and Climate Indicators

In order to get a fuller picture of the schools and understand the schools strengths and weakness better the consultants need to look beyond student performance data.

a) NJDOE School Performance Reports

Formerly known as the School Report Card, these reports establish a number of indicators that demonstrate student progress toward being prepared for college and careers as well as school climate. Table 57 presents comparative College and Career Readiness/School Climate indicators collected in the State School Performance Reports for school year 2016-17.

Table 57
Comparison of School Climate and College and Career Readiness Indicators
Elementary Schools

| School | Highlands Elementary | Maple Place Oceanport | Wolf Hill Oceanport | Atlantic Highlands Elementary |
|------------------------------|----------------------|-----------------------|---------------------|-------------------------------|
| Chronic Absenteeism | 29.4 | 2.0 | 6.0 | 7.3 |
| Length of School Day | 6'50" | 6'40" | 6'30" | 6'45" |
| Instructional Time | 6'05" | 5'55" | 5'55" | 5'36" |
| Device Ratio | NR | 1:1 | 1:1 | 2:1 |
| Teacher/Admin. Ratio | 39:1 | 97:1 | 97:1 | 63:1 |
| Teacher/Student Ratio | 8:1 | 10:1 | 10:1 | 10:1 |

Source: New Jersey Department of Education School Performance Reports

Except for the high chronic absenteeism rate at Highlands Elementary School (which is often seen with schools serving a high poverty student body), the report card data on school climate and culture indicators reveals very typical schools in New Jersey and no concerns are surfaced by the data. Highlands Elementary School is taking steps to address Chronic Absenteeism through the addition of a full time social worker and expansion of the pre-kindergarten program. The new all-purpose regional district will need to prioritize new strategies and resources to addressing the chronic absenteeism issue at Highlands as children cannot learn the curriculum if they are not present in school. The consultants also note the greater number of teachers and administrators per student in Highlands which demonstrates a commitment to student engagement.

In Table 58, the consultants will look at these indicators for the secondary grade levels. Both of the high schools are at or above the State average regarding SAT participation, average SAT scores, AP participation and average AP scores and student post-secondary enrollment. In this regards, both high schools can be considered successful schools. The consultants also note the greater number of teachers and administrators per student in Henry Hudson Regional that demonstrates a strong commitment to student engagement.

Table 58
College and Career Readiness/School Climate Indicators
2017-18 Secondary Grades

| Indicator | Henry Hudson Regional | Shore Regional | Comment |
|---|-----------------------|---------------------|--|
| SAT Participation% | 76.5 | 80.6 | State average is 72.2 |
| SAT Mean Scores | 542- RW 558- Math | 559-RW 547- Math | State Average: RW: 542 Math: 543 |
| AP: Percent enrolled One or More Courses% | 49.4 | 58.2 | State Average: 34.9 |
| AP Scores (3,4,5) | 24.1 | 35.9 | State Average: 20.5 |
| Graduation 4 Year Rate | 84 | 95.2 | State Target- 90.9 |
| Post-Secondary Enrollment Avg | 82.9 | 82 | State Average: 72.8 |
| Instructional Time | 6'40" | 6'03" | |
| Length of School Day | 6'40" | 6'55" | |
| Suspension Rate% | 6.6 | 6.3 | |
| Teacher/Student Ratio | 8:1 | 11:1 | |
| Admin./Student Ratio | 50:1 | 90:1 | |
| Participation in Art Courses | 66.5 | 72.4 | State Average: 51.2 |
| Chronic Absenteeism | NR | 10.2 | State Average 14.9 |
| Tech. Devices per student | 1:1 | NR | |

Source: New Jersey Department of Education School Performance Reports

Note: NR designates data not reported for that indicator.

4. Graduation

In this section the consultants will examine the requirements for graduation at each high school and the graduation rate. Both high schools meet or exceed the State graduation requirements as set forth in Table 59.

Table 59
Comparison of Graduation Credit Requirements

| Requirement | Henry Hudson Regional | Shore Regional |
|---|------------------------------|-----------------------|
| Total Credits | 120 | 135 |
| Health, Physical Education and Safety | 15 | 20 |
| Social Studies | 15 | 20 |
| LA Literacy | 20 | 20 |
| Mathematics | 15 | 15 |
| Science | 15 | 15 |
| Fine, Visual and Performing Arts | 5 | 5 |
| World Languages | 5 | 10 |
| Career education, Consumer, Family and Life skills or Vocational Technical Education | 5 | 5 |
| Financial Literacy Course | 2.5 | |
| STEM | | 5 |
| Electives | 22.5 | 20 |

Source: Student Handbook and Website

The graduation rate is presented in Table 60. The table presents the 4 Year Cohort Graduation Rate for the Classes of 2015 through 2018. The data indicate Shore Regional exceeded the State average for all four years while Henry Hudson exceeded the State average in 2 of the 4 years. The dip in the 2018 4-Year Graduation Rate for Henry Hudson High School may be explained in part due to the volatility of the data in terms of the small number of students in the graduating class. In this regards, just 1 or 2 students could significantly impact the numbers. In discussing this issue with school leadership, they noted the impact of Superstorm Sandy as well as the growing disadvantaged populations at Highlands as possible contributing causes. District leadership have indicated that they are pursuing improvement strategies and the consultants recommend that they review the underlying data to understand the root causes of this important indicator in developing strategies.

Table 60
4-Year Adjusted Cohort Graduation Rates
Class of 2015, 2016, 2017, and 2018

| School Name | Class of 2018 4-Year Graduation Rate | Class of 2017 4-Year Graduation Rate | Class of 2016 4-Year Graduation Rate | Class of 2015 4-Year Graduation Rate |
|------------------------------|---|---|---|---|
| Henry Hudson Regional School | 84 | 94.12 | 86.84 | 93.33 |
| Shore Regional High School | 95.21 | 93.87 | 96.36 | 98.15 |
| Statewide Total | 90.91 | 90.50 | 90.06 | 89.67 |

Source: NJDOE Graduation Rate Data, <https://nj.gov/education/data/grate/2018/>

5. School Safety and Security

An important condition for student success is a safe and secure school environment conducive to learning. The State of New Jersey requires school districts to report on an annual basis the number of incidents of violence and vandalism. The incidents are categorized into four areas: Violence, Vandalism, Weapons, and Substance Abuse. The annual report will provide insights into the learning environment for the impacted districts (See Table 61).

Table 61
Violence and Vandalism District Reports

| District | Enrollment | Violence | Vandalism | Weapons | Substances | HIB | Total |
|-----------------------|------------|----------|-----------|---------|------------|-------|--------|
| Highlands | 190 | 1 | 0 | 0 | 0 | 2 | 3 |
| Atlantic Highlands | 335 | 0 | 0 | 0 | 0 | 0 | 0 |
| Oceanport | 603 | 6 | 1 | 0 | 0 | 7 | 14 |
| Henry Hudson Regional | 307 | 1 | 1 | 1 | 2 | 0 | 5 |
| Shore Regional | 621 | 2 | 0 | 0 | 6 | 1 | 9 |
| State | 1,373,271 | 8,245 | 1,348 | 1,093 | 3,157 | 6,419 | 19,795 |

Source: Violence, Vandalism and Substance Abuse in New Jersey Public Schools July 1, 2016 to June 30, 2017; <https://www.state.nj.us/education/schools/vandv/1617/vandv.pdf>

Breaking down the data, Atlantic Highlands has 0 incidents; Highlands has one incident per 63 students, while Oceanport had 1 incident per 43 students; Henry Hudson Regional had 1 incident per 61 students; and Shore Regional had 1 incident per 69 students. To put these numbers into perspective, the Statewide numbers indicate 1 incident for every 69 students. Based upon the low number of incidents in all districts compared to the State average, the consultants do not identify any issues concerning student safety.

6. Enrichment Opportunities and Co-Curricular Activities and Athletics

In this section the consultants will assess enrichment opportunities that are available at the former and proposed receiving schools. This is most relevant at the middle and high school levels although the consultants have also presented some information regarding clubs and activities at the elementary level. Table 62 presents the clubs and activities being provided by Atlantic Highlands, Highlands, Oceanport, Henry Hudson Regional and Shore Regional. Athletics and clubs are an important part of producing well rounded students and in establishing a common school identity and culture. Finally, the consultants note the importance of athletic programs and clubs in middle school that can form a bridge to high school interscholastic programs leading to a better student experience and higher participation rates. Participation in athletics at the middle school level provides many benefits such as promoting good citizenship, healthy life styles and experiences with diverse populations.

The elementary and middle schools provide a similarly broad offering of co-curricular activities and athletics typical for the ages of the children being served. It is clear that the offerings in these areas, taken as a whole, provide students a wide array of opportunities to support the educational program outside of the classroom. In this regard, Henry Hudson Regional permits fifth and sixth grade students from Atlantic Highlands and Highlands to participate in athletic teams including providing transportation. This opportunity not only expands the extracurricular offerings for these students but provides them with the ability to be involved with the Middle and High School community and with students from the other constituent community prior to attendance.

Table 62
Athletics and Clubs at the Elementary/Middle School Level

| Activity | Atlantic Highlands | Highlands | Oceanport (Includes 7-8) |
|--------------------------|---|---|--|
| Athletics | Intramural Available at Henry Hudson | Intramural Available at Henry Hudson | Fall Sports: Soccer/ Field Hockey Winter Sports: Basketball and Cheerleading Spring Sports: Baseball & Softball |
| Clubs/ Activities | Student Council Photography Club Technology Club Media/Book Club | Student Council | Middle School: Art Club; Band; Charger Illustrated; Chorus/Chimes; Games Club; National Junior Honor Society; Play; Student Leadership; Tech Club. Elementary School: Art Club; Basketball Club; Chimes; Chorus; Coding Club; Kindness Club LEGO Club; Mastery Club; STEM Club. |

Source: Student Handbook and Website

In Table 63, the consultants look at the athletics and clubs available at the secondary level. From this data the consultants can safely conclude that both high schools provide a similarly broad offering of co-curricular activities and athletics. It is clear that the offerings in these areas, taken as a whole, provide students a wide array of opportunities to support the educational program outside of the classroom. The consultants note the relatively small student populations in both high schools when drawing these conclusions.

Table 63
Athletics and Clubs at the Secondary Level

| Activity | Henry Hudson Regional | Shore Regional |
|------------------------------|--|---|
| Athletics | <p>Fall- Boys Soccer Varsity, JV; Field Hockey Varsity, JV ; Girls Tennis Varsity; Boys Cross Country Varsity; Girls Cross Varsity; Football Varsity, JV, Freshman; Cheerleading Varsity; Girls Soccer Varsity, JV ; Girls Volleyball Varsity MS Field Hockey; MS Boys Soccer; MS Girls Soccer; MS Boys Cross Country; MS Girls Cross Country.</p> <p>Winter- Boys Basketball Varsity, JV; Girls Basketball Varsity, JV; Girls Bowling Varsity; Boys Bowling Varsity; Boys Winter Track Varsity; Girls Winter Track Varsity; Wrestling; Chess Varsity; Cheerleading Varsity; MS Boys Basketball ; MS Girls Basketball; MS Cheerleading.</p> <p>Spring- Baseball Varsity, JV; Softball Varsity, JV; Boys Spring Track Varsity; Girls Spring Track Varsity; Boys Tennis Varsity; Boys Volleyball Varsity; MS Baseball ; MS Softball; Cooperative Sports; Keyport High School</p> | <p>Fall- Cross Country (Boy's and Girl's), Varsity Field Hockey Varsity, Jr. Varsity, Freshman Football Varsity, Jr. Varsity, Freshman Gymnastics Varsity Soccer (Boy's) Varsity, Jr. Varsity Soccer (Girl's) Varsity, Jr. Varsity, Freshman Tennis (Girl's) Varsity, Jr. Varsity</p> <p>Winter- Basketball (Boy's) Varsity, Jr. Varsity, Freshman Basketball (Girl's) Varsity, Jr. Varsity Bowling (Boy's and Girl's) Varsity Ice Hockey Varsity (Co-op with Ocean Township-Pay to Participate) Swimming (Boy's and Girl's) Varsity Winter Track (Boy's and Girl's) Varsity Wrestling Varsity, Jr. Varsity</p> <p>Spring- Baseball Varsity, Jr. Varsity, Freshman Golf (Boy's and Girl's). Varsity Lacrosse (Girl's) Varsity, Jr. Varsity, Freshman Lacrosse (Boy's) (Pay to Participate) Varsity, Jr. Varsity Tennis (Boy's) Varsity Track and Field (Boy's and Girl's) Varsity Softball Varsity, Jr. Varsity, Freshman</p> |
| Clubs/ Activities | <p>A Cappella Choir; Book Club; Drama; Echo School Newspaper; Gay/Straight Alliance; Health Careers Club; Heroes and Cool Kids; International Club; Key Club; Marching Band; National Honor Society ; Science Club; SkillsUSA; Stage Band; Student Council ; SADD Technology Club; and Yearbook Club</p> | <p>Beacon (Newspaper) CASA (Contemporary Arts & Sciences) Cheerleading (Fall & Winter) Chess Club Choir Class Officers Color Guard Conquer Cancer Club Computer Science Club Dance Club (Fall & Winter) FCA (Fellowship of Christian Athletes) FCCLA (Family, Career, Community Leaders of America) FEA (Future Educators Association) FOR (Friends of Rachel Club) French Club Great Books Club GSA (Gay-Straight Alliance) International Club Italian Club</p> |

| | | |
|--|--|--|
| | | Jazz Band Knitting Club Latin Club Marching Band Math League Medical Career Club Mock Trial (Debating) Model UN National Honor Society Pep Band POP (Plan of Prevention) Poetry Club Red Cross Club Rotary/ Interact Service Club SADD (Students Against Destructive Decisions) SAW (Student for Animal Welfare) Sewing Club Shore Players (Drama) Ski Club Spanish Club SRG (Shore Regional Gaming) Student Advisory Council Student Athletic Trainers Student Council Surf Club Surfrider Video Production Club Voices Voyager (Yearbook) |
|--|--|--|

Source: Student Handbook and Website

Both high schools have also entered into a program with Brookdale Community College that would grant college credit for courses taken while enrolled at the high school. In this way, both high schools benefit from a partnership that will serve to make higher education courses more affordable and accessible for their students.

7. School Calendar

The school calendar for both high schools is very similar beginning after Labor Day and ending on or about the third week of June. Similarly, all of the elementary schools begin the week after Labor Day and end on or about the third week of June. There should no issues with Sea Bright students adjusting to a new school calendar. Finally, all of the schools meet the State minimum of 180 instructional days.

8. Class and School Size

The demographic study estimates that Sea Bright students attending the elementary schools would range from 0-6 additional students per grade with an average increase in 2019-20 of 3.7 students per grade. Given that Atlantic Highlands operates two classrooms per grade (with an average class size of 20-22 students) and Highlands one classroom per grade (with an average class size below 20 students) the impacts on average class sizes would be negligible, especially at the upper elementary grades given the enrichment pull out program. Although the consultants note that in small schools the addition of even one student in the lower grades can have an impact, the consultants do not believe that the projected enrollment numbers will take class sizes beyond normal levels in the elementary schools. These conclusions are reinforced by reference to NJDOE data on student/teacher ratios. Atlantic Highlands (10.8) and Highlands (9.0) all have fewer students per teacher than the average for elementary school districts Statewide which is 10.9 students per teacher.

In drawing this conclusion, the consultants have taken into consideration average class size benchmark data. Although, NJDOE no longer collects class size information the consultants can still use other sources of data to benchmark class size. According to the National Center on Education Statistics (NCES) in 2011-2012, the average class size for elementary grades in New Jersey was 19 (U.S. Average was 21.6) and was 24.6 for departmentalized Middle School grades

(U.S. Average was 25.5). (See https://nces.ed.gov/surveys/sass/tables/sass1112_2013314_t1s_007.asp) International benchmarks provide an average class size in elementary grades of 21.4 and in middle schools/lower secondary schools of 23.9. (Rampell, 2009).

At the secondary level, the demographic study projects 2-3 Sea Bright students per grade will attend Henry Hudson Regional through the period. The class sizes at Henry Hudson Regional currently vary by subject and grade level with no class currently exceeding 25 students and most much smaller. These relatively low class sizes can easily accommodate the addition of Sea Bright students. Again, this conclusion is borne out by reference to data regarding student/teacher ratios that indicate that both Shore Regional and Henry Hudson Regional have fewer students per teacher than the State average. Shore Regional has 11.6 students per teacher and Henry Hudson Regional has only 7.9 students per teacher which was the lowest ratio among all secondary school districts (State average 12.2 students per teacher).

Based on the above analysis, the consultants do not believe that a few students per grade will substantially increase class sizes or force class sizes to exceed the normal ranges for elementary, middle and high school grades in New Jersey.

All of the schools would also continue to be considered "small schools" which is supported by the research as promoting student achievement.

Lee and Loeb (2000) found that smaller school size positively influenced student achievement. They found that smaller school size will have a positive impact on teacher attitudes and motivations and because of that effect will result in higher student achievement. They recommended a school size of no more than 400 students.

Loeb believed that students will learn more in small schools since teachers will take personal responsibility for achievement due to higher levels of collective responsibility. This collective responsibility is due to the smaller organizational size facilitating greater personalized social interactions. In small schools teachers will interact more often with students and know them better and will thereby take personal responsibility for their success.

Mertens et al (2001) confirmed this indirect benefit from smaller school size. They found that middle schools with fewer than 750 students will have better instructional practices, more parent involvement, and more common planning time for teachers all of which are associated with higher student achievement.

9. School Transitions

Transitions from one school to another often pose challenges for students and families both academically and socially. This new sending-receiving agreement will not add any new transition for students from any of the impacted schools. All students will continue to have a one building transition. However, Sea Bright students will transition from 6th Grade at the elementary school to 7th Grade at Henry Hudson Middle/High School instead of from 8th Grade to High School. This number of transitions is still less than the two transitions that most students in the country experience, elementary to middle and middle to high school. Not adding to the number of transitions is important since student achievement often lags the year after the transition to a new school. For example, research suggests that after the transition to high school, students' grade point averages and attendance often decline. (Barone et al., 1991; Reyes et al, 1994).

Alspaugh (1998) found that students experiencing a double transition (where the student moves from elementary to middle and then from middle to high school) experienced a greater achievement loss and higher dropout rates than did a single transition (from a K-to-8 school to high school).

It is also important to observe that having 7th and 8th graders attend the same school as they will high school may also positively impact student achievement. Research indicates that middle grade students in high school earned better grades if they attended the same high school as their middle grade classmates. (Schiller, 1999). This is attributed to a sense of place and belonging where students can increase self-esteem, participation and reduce anonymity. Increased collaboration across grade levels of students and teachers will also lead to this sense of belonging.

In terms of the transition of Sea Bright students to a new school, the research suggests that transitional programs that include counseling, school visits, and special summer courses can be used to help students adjust to the new school environment. The Tri District partnership has led to a focus on the transition from Sixth Grade to Middle School. The districts provide teachers with time to work together in aligning curriculum, student services and programs. It also has established an extensive student orientation program that allows for frequent and deep engagement with the middle school community throughout the year. The school districts should prepare a plan to provide and budget for these supports in order to lessen the impact of the school transition on Sea Bright students.

10. Impact of Greater Diversity on Education

If Sea Bright students attended Henry Hudson Regional, the percentage of minority students would increase slightly adding to the diversity of the school. Similarly, if Sea Bright students were to attend Atlantic Highlands, the percentage of minority students would also increase slightly adding to the diversity of the school. Although neither Henry Hudson Regional nor Atlantic Highlands would be considered diverse, small increases in diversity there are noteworthy. The demographic study also concluded that, if Sea Bright students were to attend Highlands, the students would be afforded a slightly more diverse environment than either Wolf Hill or Maple Place.

Finally, the demographic study concluded that, given the number of Sea Bright students in each of Oceanport's schools is small with respect to the total population in each school, there would be no negative racial impact at either Wolf Hill or Maple Place if Sea Bright terminates its relationship with Oceanport. Similarly, due to the small number of Sea Bright students attending Shore Regional High School, there would be no negative racial impact on the school if Sea Bright withdraws from Shore Regional. For this reason, the consultants do not foresee a substantial negative educational impact on either school district due to the proposal.

In this regard, the positive impact of diversity on educational outcomes has been widely established. Orfield and Frankenberg (2011) indicated that:

The National Academy of Education, a group of 100 of the nation's leading scholars, recently reviewed the massive body of research on school integration and found compelling evidence of its educational value. When desegregation is properly implemented, it is not an alternative to education reform or a barrier to educational change, but is, rather, an important education reform in itself. Desegregation increases learning, raises rates of graduation, and helps students from all backgrounds learn to understand, live, and work together in a diverse community, in a nation where half of the children born this year are not white and where all will live in a society of great diversity. (Page 35).

These benefits include improvements in critical thinking skills with all students becoming better problem solvers and communicators. Black and Latino student academic achievement is "generally higher in desegregated schools compared with black and Latino students in segregated minority schools." The authors concluded that "Racially integrated schools enhance students' learning, expand their future opportunities, and benefits society at large." (Orfield and Frankenberg, 2011 at 35.)

11. Impact on Special Learners

a) Introduction

In this section, the consultants will examine the educational impact of the proposal on special student populations including socio-economically disadvantaged students, disabled students, and English language learners. Table 64 indicates the special student populations in each school impacted by the proposal.

Table 64
Student Profiles- Percentage in Each Category for 2017-18 (%)

| School | Economically Disadvantaged | Disabilities | English Language Learners | English Home Language |
|-------------------------------|----------------------------|--------------|---------------------------|-----------------------|
| Wolf Hill Oceanport | 6.4 | 17.3 | .6 | 94.5 |
| Maple Place Oceanport | 6.8 | 23.9 | .8 | 96.8 |
| Highlands Elementary | 53.8 | 23.6 | 4.1 | 91.8 |
| Atlantic Highlands Elementary | 9.5 | 17.1 | .9 | 94.6 |
| Shore Regional | 5.6 | 19.9 | 2.4 | 93.7 |
| Henry Hudson Regional | 23.3 | 21.5 | 2.0 | 95.4 |

Source: New Jersey Department of Education School Performance Reports

The table indicates that in terms of English Language Learners and students with disabilities, the schools educate very similar populations. In terms of economically disadvantaged students, Highlands Elementary School educates a population that is substantially impacted by poverty. It should be noted that this elementary population will then result in nearly one in four students being socio-economically disadvantaged at Henry Hudson Regional.

b) Students with Disabilities

Table 65 indicates that all of the districts have classification rates higher than the State average of 16.3 with Highlands, Shore Regional and Henry Hudson Regional being significantly higher. The Tri District partnership schools are focused on this issue. For example, Highlands reports that its intervention program has led to a decline in the classification rate as a greater number of students are using Section 504 plans rather than being IDEA classified.

NJDOE data indicates that the largest classifications at Oceanport (where the Sea Bright students are currently attending elementary school) involve OHI, SLD and SLI. In Shore Regional OHI and SLD are the largest classifications. (Note- OHI denotes “other health impairment” and includes chronic or acute health problems that adversely affect a child’s educational performance; SLI denotes speech or language impairment; and SLD denotes Specific Learning Disability.) The Tri District partnership schools have a large numbers of students classified as learning disabled and have developed a wide continuum of programs and related services to address the needs of this population including self- contained classrooms. Henry Hudson Regional has also established a project based special education program named Sandy Hook that incorporates field trip to the national park into the instruction.

The demographic study does not project, based on historical enrollment patterns, that any Sea Bright students will require a self-contained classroom placement and the consultants will assume that the programming needs of the Sea Bright population are consistent with the needs of similar students. Given the extensive programs and supports currently available for disabled

students in the Tri District partnership, there should not be any concerns with the ability of the new receiving districts to identify and provide services for Sea Bright students in need of special education services. The consultants' interview with Tri District school administrators indicated that there was capacity in these programs to accommodate the Sea Bright students.

Table 65
Students with Disabilities by School and Classification Rate

| | Atlantic Highlands Boro | Henry Hudson Regional | Highlands Boro | Oceanport Boro | Shore Regional |
|--------------------------------------|--------------------------------|------------------------------|-----------------------|-----------------------|-----------------------|
| Classification Rate | 17.01 | 25.78 | 24.35 | 19.07 | 23.57 |
| Autism | 2 | 3 | 2 | 6 | 11 |
| Deaf- Blindness | 0 | 0 | 0 | 0 | 0 |
| Emotional Disturbance | 0 | 5 | 3 | 1 | 6 |
| Hearing Impairment | 0 | 0 | 0 | 2 | 1 |
| Multiple Disabilities | 1 | 5 | 0 | 1 | 6 |
| Intellectual Disability | 2 | 2 | 0 | 0 | 1 |
| Orthopedic Impairment | 0 | 0 | 0 | 0 | 0 |
| Other Health Impairment | 10 | 30 | 4 | 34 | 51 |
| Specific Learning Disability | 15 | 36 | 12 | 30 | 49 |
| Speech or Language Impairment | 17 | 2 | 19 | 29 | 0 |
| Traumatic Brain Injury | 0 | 0 | 0 | 0 | 0 |
| Visual Impairment | 0 | 0 | 0 | 0 | 0 |

Source: NJDOE Special Education Data, Ages 6-21, 2015-16 School Year

c) English Language Learners

The only significant population of ELL students is at Highlands and the impact on the school is very limited. Highlands educates approximately (8) students with limited English language skills and provides for their special needs through the services of an ESL teacher. We do not anticipate a significant growth in the ELL population under the proposal.

12. Staffing Impact

The need for additional teaching staff is greatly impacted by student numbers. In this regard, the consultants note that the proposal involves the movement of a very small group of students. Projected enrollments from the demographic study for Sea Bright indicate approximately 25 students per year total in grades K-6 remaining fairly constant throughout the next five years which translates to only 3-4 students per grade difference for Oceanport, Highlands and Atlantic Highlands. The same situation applies at the secondary level where the number of students from Sea Bright will rapidly decline in grades 7-12 from 23 in 2019-20 to 11 in 2023-24 (3-4 students per grade to only 1-2 students per grade). Although class sizes (see subsection above) will rise slightly for Highlands/Atlantic Highlands and will fall slightly for Oceanport, we do not believe that either district will need to increase or reduce (right size) staffing (for educational or operational reasons) to account for the movement of the small number of Sea Bright students.

Although the consultants have indicated above that it is the consultants' opinion that there should be no need for staff reductions, additions, or transfers of staff in order to respond to the movement of the Sea Bright students, these decisions will be made by the local board of education based on the enrollments and financial pressures at the time of implementation. In this section the consultants will discuss the considerations for the districts if, in spite of the small number of students involved, they choose to take staffing actions.

The statutes provide that staff from the dissolved regional district will retain certain tenure, seniority, pension, leave of absence and other similar benefits upon the creation of a new regional district encompassing the constituent districts of the dissolved district.

18A:13-64. Positions, rights and benefits of regional, constituent district employees continued

14. All employees of the regional district shall continue in their respective positions in the withdrawing district, or in each of the constituent districts in the event of a dissolution, and all of their rights of tenure, seniority, pension, leave of absence and other similar benefits shall be recognized and preserved and any periods of prior employment in the regional district shall count toward the acquisition of tenure to the same extent as if all such employment had been under the withdrawing district or in any of the constituent districts in the event of a dissolution. In the event of a withdrawal, any tenured employee in a school located in the withdrawing district who desires to remain in the employ of the regional district, and whose seniority under existing tenure laws so permits, may apply for and shall be granted a transfer to a position with the regional district for which he is certified which is vacant, held by a tenured employee with less seniority or by an employee without tenure; applications for such transfers shall be made within 45 days of the date of the special school election at which the withdrawal was approved. (P.L.1975,c.360,s.14; amended 1993,c.255,s.13.)

The statutes provide that all teachers currently employed in Atlantic Highlands, Highlands, and Henry Hudson Regional will continue to be employed in their respective positions and maintain all of their tenure, seniority and other statutory rights. However, this

study will not be able to determine the impact on **individual** staff members since that analysis will need to be done during the spring prior to the effective date of the new sending-receiving relationship based on the teaching roster and employment rights **at that time** including the number of staff members with statutory protections, tenured versus non-tenured status, certifications held by individual teachers, and seniority rights.

The district must also be mindful of the provisions of the applicable Collective Bargaining Agreement. In the event of a dissolution, the terms and conditions of employment (established through a collective bargaining agreement or past practice) of the constituent school district employing the greatest number of staff will apply until a successor agreement is negotiated with the newly created district.

18A:6-31.4. Terms, conditions of employment

2. Whenever a new school district is created, the terms and conditions of employment, whether established through a collective bargaining agreement or past practice, of the largest constituent school district which is affected, replaced or displaced by, or forms part of the new school district, shall apply until a successor agreement is negotiated with the majority representative of the new school district. As used in this section, the term largest constituent school district means that school district which employs the largest number of teaching staff members.

In the event that there is an employee bargaining unit in a constituent school district with the next largest number of employees and with a majority representative of the unit, which is not so represented in the largest school district, the terms and conditions of employment for all employees holding positions in that unit in the new school district shall apply provided that the terms and conditions of employment shall only apply to the new school district's employees in that bargaining unit. (P.L.1995, c.294, s.2.)

The statute provides that the collective bargaining agreement of the largest school district will control until an agreement is reached with the new bargaining representative at the newly created district. Henry Hudson Regional has both the most students and the most teachers. According to NJDOE data, Henry Hudson has 46.8 teachers, Atlantic Highlands has 33.8 teachers and Highlands 25.4 teachers. Therefore, in the proposed dissolution and creation of a new All-Purpose Regional District, the existing collective bargaining agreement for Henry Hudson Regional will be applied to staff at Highlands and Atlantic Highlands until a successor agreement is negotiated. Although the three districts are currently operating under one administrative umbrella, there are many differences in their respective CBAs in regards to terms of employment and compensation that will need to be reviewed that often flow from the differences between an elementary school CBA and a high school CBA (i.e. length of work day, instructional periods, schedules, grievance procedure, benefits, overloads, stipends, etc.).

As noted above, the application of the collective bargaining agreement for Henry Hudson Regional will be applied to staff at Highlands and Atlantic Highlands until a successor agreement is negotiated. This, at least in the short term, will directly impact the compensation of teachers given differences in the salary guides. For example, the CBA for HHR for the 20-21 school

year specifies a 18 Step salary guide with a starting salary of \$54,825 (BA) and a 10th Step (BA Mid-Point) of \$63,475 and a final step (BA 18) of \$81,256. The CBA for Atlantic Highlands specifies a 20 Step Salary Guide with a starting salary of \$60,015 (BA) and a 11th Step (BA Mid-point) of \$72,965 and a final step (BA 20) of \$87,070. It should be noted that tenured staff will not have their salary reduced given the protections provided elsewhere in the statutes.

In addition, the stipend for club advisors is, as one may expect for elementary schools much lower than for the high school. For example, the yearbook advisor stipend at Atlantic Highlands is \$720 while the stipend is \$5,800 at Henry Hudson Regional. In addition, each district has a different level of benefits. For example, Henry Hudson uses a private provider, while Atlantic Highlands uses the State Health Benefits plan and Highlands uses a joint insurance fund to provide health and medical services. The districts will need to work closely with employee representatives and take steps to address these differences during the transition.

In order to address these differences, the consultants recommend that the new district leadership prioritize the negotiation of a new main agreement or a side bar prior to the effective date of the new district. In addition, although an employee by employee analysis of the application of the Henry Hudson Regional salary guide to employees at Highlands and Atlantic Highlands during the transition period prior to adoption of a new CBA is outside of the scope of this study, in broad strokes, it does not appear that there will be a net cost to the new district.

13. Transportation

The primary education issue concerning student transportation will be the busing of Sea Bright students from Sea Bright to Atlantic Highlands or Highlands for grades K-6 and Henry Hudson Regional for grades 7-12. The distance from Sea Bright to Highlands is approximately 3.7 miles (9 minutes), Atlantic Highlands is approximately 6.7 miles (14 minutes) and to Henry Hudson Regional is 3.5 miles (9 minutes). These distances are quite small and even in rush hour traffic can be traversed in a short period of time. This should not present a transportation hardship for Sea Bright students and would be equivalent to the current bussing to Oceanport (4.7 miles/13 minutes) and Shore Regional (6.5 miles/16 minutes). The consultants envision one additional bus route being needed to transport Sea Bright students in grades PK-6 and one additional bus route for students in grades 7-12. The current estimated cost for each route is \$35,000 - \$40,000 for a total cost of \$70,000- \$80,000.

The consultants travelled these routes and did not encounter any significant traffic or safety issues. Both Atlantic Highlands and Highlands currently accommodate school buses for various populations and will be able to accommodate one Sea Bright bus in terms of drop off and pick up without difficulty. The consultants' observations during a site visit of both schools identified locations where this can be done safely and efficiently.

The consultants note that the special education transportation routes for Highlands and Atlantic Highlands are already being provided by Henry Hudson Regional.

14. Governance

A prime element of a successful school is governance. The governance of Atlantic Highlands, Highlands and Henry Hudson Regional will be impacted by entry into an All-Purpose Regional District. The current Highlands Boards of Education, Atlantic Highlands Board of Education and Henry Hudson Regional School District will be dissolved and replaced by a single All-Purpose Board of Education. Pursuant to NJSA 18A:13-37, the initial members of the newly established board of education would be appointed by the Executive County Superintendent of Schools. Thereafter, the members will be elected to staggered terms at the annual school election. Pursuant to NJSA 18A:13-8 and 13-36, the representation of a newly created regional board is determined by the New Jersey Department of Education in proportion to the overall population in each of the constituent districts as established in the decennial United States Census.

In Table 66, the consultants have presented the population of each community according to the last Decennial Census. Applying the percentages to a nine member board: Sea Bright would have 1 member; Atlantic Highlands would have 4 members; and Highlands would have 4 members.

Table 66
Representation by Community

| Community | Population | Percentage |
|---------------------------|-------------------|-------------------|
| Sea Bright | 1,412 | 13.07% |
| Atlantic Highlands | 4,385 | 40.60% |
| Highlands | 5,005 | 46.33% |
| Total | 10,802 | 100% |

Source: United States Census Bureau (2010)

D. Educational Conclusion

1. Recommendations

Based upon the educational impact analysis above, the consultants conclude that Sea Bright students will have the opportunity to receive a high quality education under either scenario studied. Oceanport and Shore Regional are high performing schools that offer a number of benefits to Sea Bright students. Similarly, Sea Bright students will be equally well served in attending Highlands or Atlantic Highlands for Grades PK-6 and Henry Hudson Regional for Grades 7-12 as part of a new All-Purpose Regional District.

It also is the consultants' opinion that students currently attending Atlantic Highlands, Highlands and Henry Hudson Regional will not be significantly impacted educationally by the change in district structure as their school assignments will remain unchanged. The Sea Bright students will not require significant additional programs and services beyond what is currently being provided at these schools. To the extent the Sea Bright students bring greater diversity to

these schools, the proposal will have a positive educational impact on students from Highlands and Atlantic Highlands. In addition, the increased financial resources that Sea Bright students will bring to the regional district provides the opportunity for greater investments in education resources, programs and services.

The All-Purpose PK-12 Regional District will present distinct advantages for Sea Bright students (as well as students from Highlands and Atlantic Highlands) as opposed to the status quo given the degree of cooperation, alignment and articulation possible through a unified district from PK-12 in areas of curriculum, instruction, student services, transitions, enrichment, athletics and clubs, governance and leadership. The New Jersey Department of Education has long advocated that PK-12 districts are more effective and efficient than other more limited governance structures such as a limited-purpose regional district. The department has pointed to unified governance of educational policy and continuity of curriculum and instruction as examples of greater operational effectiveness that will flow from the PK-12 structure and to the reduced administrative and governance structures and better operational system-wide coordination as examples of reasons for greater efficiency. (See for example, Board of Review Report regarding Dissolution of the Union County Regional High School District.)

The consultants also believe that a PK-12 district is best capable of accomplishing certain critical education goals (i.e. technology, enrichment, new programs, etc.), that are research based. For example, there is a substantial body of research on the characteristics of schools that work. The Southern Regional Education Board, of which the State of New Jersey, Department of Education is a member, has provided on its web site a great deal of research and information on the characteristics of successful schools. See for example, *A New Mission for the Middle Grades: Preparing Students for a Changing World* (2011). SREB in its work on middle schools cites to the following considerations:

- A challenging curriculum aligned to what students must know, understand and be able to do to succeed in high school;
- A positive school culture where all students matter and can achieve at high levels;
- A system of extra help and time recognizing that students learn in different ways and at different rates;
- Instructional practices that engage every student and that focuses on teachers working together across the curriculum;
- Support from parents;
- Qualified teachers;
- Use of data;
- Use of technology for learning;
- Strong principals who are effective instructional leaders.

The consultants believe that a new All-Purpose PK-12 Regional District consisting of Highlands, Atlantic Highlands and Sea Bright will have the best opportunity to put in place those characteristics of successful schools and will be best able to respond to demographic, educational, and fiscal challenges in the future.

It also is the consultants' opinion that the withdrawal of Sea Bright students from Oceanport and Shore Regional will not negatively impact the educational program in either of

those districts given the small (and declining) number of Sea Bright students. Each district will continue to have sufficient student numbers to operate its schools in an effective and efficient manner. Class sizes will decrease slightly but not to the extent that large scale reductions in force or programmatic reductions will be required. Both districts have a track record of operating successful schools in spite of the challenges of declining enrollments and there is no reason to suggest that they will not continue to do so.

For the above reasons, the consultants recommend that Atlantic Highlands and Highlands move forward with Sea Bright on the proposal to create a new All-Purpose Regional School District for Grades PK-12.

2. Transition Issues Including Teach-Out of Students

There should be a minimal movement of students and staff during the transition. Under the proposal being evaluated in this study, Sea Bright students enrolled in Oceanport and Shore Regional will be able to complete their education in the school they are currently attending on a tuition basis. This provision will ensure that students will not have their educational careers disrupted during the transition period to a new governance structure. This teach-out provision will also provide time for the Oceanport and Shore Regional districts to take steps to ameliorate the impact of the Sea Bright students leaving on programs and services which will be discussed more extensively in the Finance Chapter of this report.

Sea Bright students at the elementary level entering the new regional can be assigned to either Highlands or Atlantic Highlands as well as all new students entering the school system over the next five years. The consultants believe that the emotional and educational growth of Sea Bright students will be best supported if they attend one elementary school together during the transition. The demographic study indicated that both elementary schools had sufficient capacity to accommodate all of the Sea Bright students although Atlantic Highlands had more capacity than Highlands. In the consultants' interviews with school leadership, it became clear that the capacity of Atlantic Highlands may be overstated due to how the facilities are being used in actual educational practice. In making this decision regarding the school for Sea Bright students to attend the new regional board of education should take account of the following factors:

1. Atlantic Highlands currently serves a student population very similar to Oceanport with similar levels of enrichment and curricular offerings;
2. Highlands is the closest elementary school building to Sea Bright and would save students at least 5 minutes on the bus each way over attending Atlantic Highlands.
3. The educational program at Highlands and Atlantic Highlands is very similar due to the effects of the Tri District Partnership and shared administrators (especially in curriculum and student services).

4. The consultants believe that class sizes at Highlands, given the current low student-teacher ratio, can better accommodate the additional students without any negative impact.

If Highlands is chosen as the destination school, the consultants would recommend additional enrichment opportunities at the school (in both ELA and Math) in order to ensure that eligible Sea Bright students continue to receive appropriate levels of challenge and inspiration. The response to intervention program and referral services are being successfully implemented at Highlands and the consultants recommend that Sea Bright students enrolled at Highlands be immediately engaged by staff to ensure that appropriate support and interventions are planned for and implemented prior to their arrival.

As a final note, there could be significant educational advantages for the new regional district to create three grade specific schools (PK-3; 4-6; and 7-12) where students from all three communities would attend together instead of pursuing a binary strategy of adding students to Atlantic Highlands Elementary School or Highlands Elementary School.

Students at the secondary level (Grades 7 to 12) not choosing to complete their educational career at Shore Regional will attend Henry Hudson Middle and High School. The consultants believe that Henry Hudson provides a high quality education to its students with a comprehensive course of study and robust enrichment, club and athletic opportunities. The diverse student body at the school, especially the greater number of students from disadvantaged backgrounds, will promote acceptance and awareness. The district may want to consider increasing the capacity of the guidance office during the initial years of the transition to ensure that each incoming Sea Bright student receives needed counselling and social and academic support to succeed in the new setting.

V. Financial Impact

A. Introduction

This chapter sets forth an examination of the financial impact of continuing the school districts as they presently exist (the "status quo") as compared to the formation of a new All-Purpose PK-12 Regional District consisting of Atlantic Highlands, Highlands, and Sea Bright. The chapter also will contain a review of the financial impact on the former receiving districts for Sea Bright students -- Shore Regional and Oceanport.

The Department of Education has established in regulation the information to be examined by the Executive County Superintendent (ECS) in making his or her recommendations regarding a proposed regionalization (*N.J.A.C. 6A:23A-2.4* referring to mandated ECS studies). In the finance area, the required information is very specific and includes the following:

1. A general description of the impacted school districts' finances;
2. An analysis of potential opportunities for greater effectiveness and efficiency resulting from the new configuration;
3. A comparison of the estimated State aid of the impacted districts under the proposal;
4. Financial analysis of current and projected spending;
5. Property tax impact on each of the impacted communities under the proposal based on multiple cost allocation methods;
6. District debt and debt service schedule and borrowing margin of each impacted district or municipality and the projected borrowing margin of the proposed regional school district; and
7. Suitability of facilities and projected additional costs for maintenance and improvements set forth in the districts' Long Range Facility Plans.

This chapter will provide the above referenced analysis, answer key questions regarding the financial impact of the regionalization proposal, and provide the ECS with the information required by regulation.

B. Methodology

In developing this analysis, the following activities were completed:

- Review of the Comprehensive Annual Financial Report for 2017-18, which includes the Independent Auditor's Report on the general purpose financial statements, for the Atlantic Highlands, Highlands, Sea Bright, Oceanport, Shore Regional and Henry Hudson Regional school districts;
- Review of the historical enrollment data and projected enrollment data for each of the impacted school districts;

- Communications with the business administrators and others in various districts to acquire relevant data concerning the proposed alternatives, and, where appropriate, to review the process being used; and
- Review of the New Jersey Department of Education User Friendly Budget, Taxpayer Guide, State Aid information, equalized property values, and other relevant data for each of the districts and communities, as set forth in various internet databases related to the State of New Jersey.

The following methodology was used:

- Modeling of the existing pattern of revenues and expenditures in the six impacted districts was based upon the existing level of educational services being provided in the districts as adjusted to account for the gain/loss of Sea Bright students and versus the status quo.
- Projected State Aid was based on the Projected SFRA State School Aid summaries available on the DOE website. We assume that State-wide aid funding levels remain stable over the period, although any assumptions about future State Aid involve a high level of uncertainty.
- Possible changes in educational program, approach or philosophy are not reflected in the analysis, unless specifically noted herein, as they are independent of the various configurations being considered. However, class sizes may increase or decrease slightly (2-3 students) due to the movement of Sea Bright students but will remain within accepted limits.
- Tax levies were estimated for each community. The tax levies for the 2017-18 and 2023-24 schools years were calculated for each scenario for each community. These levies and rates are calculated solely for the purpose of comparing the scenarios and are not intended to reflect future tax levies and rates.
- The present organizational structure and alternative configurations were calculated as if fully implemented in the first year of implementation.

Finally, the consultants have set the following parameters based on anticipated enabling legislation discussed in Chapter One of this study:

1. There will be budget contributions, phased out over five years, to Shore Regional. The contribution will be based on 100% of the Sea Bright Local Levy for Shore Regional excluding debt service in the year prior to implementation;
2. The tax allocation in the newly formed All-Purpose PK-12 Regional District will be based 95% on pupil enrollment and 5% equalized valuation except that during the five year transition the allocation will be based 87.5% on pupil enrollment and 12.5% equalized valuation; and

3. There will be a teach-out (phase-out) of currently enrolled Sea Bright students attending Oceanport and Shore Regional.
4. Preschool Expansion Aid will continue to be provided to the new regional district for early childhood programs at Highlands Elementary School.

C. Financial Overview of the Communities

In this section, the consultants examine the financial characteristics of the impacted communities in the areas of budget, wealth, and tax rates.

The consultants first will review budgetary expenditures for the impacted districts. The NJDOE has developed a school ranking for comparable types of districts utilizing the Budgetary Per Pupil Cost indicator. This indicator provides for a comparison of educational costs between and among school districts. A district that is ranked number 1 out of X number of districts is spending the least amount out of all districts in that group.

At the elementary level, the districts are very different in terms of spending patterns. Oceanport's 2017-18 Budgeted Costs per pupil rank within its group (Small K-8) was 30 out of 67. In the K-6 group, Highland's rank was 52 out of 56 and Atlantic Highland's rank was 15 out of 56.

At the secondary level, both of the districts being studied had relatively high expenditures per pupil, Henry Hudson had the highest spending per pupil of its group (7-12) with a ranking of 46 out of 46 and Shore Regional was 43 out of 46 in that same group.

The tables below provide further details on these expenditure patterns. At the secondary level, both districts have very similar expenditures across various categories. At the elementary level Highlands' per pupil expenditures are much greater than either Atlantic Highlands or Oceanport with the greatest difference being in the total support services category (this category includes expenditures for student services including attendance, social work, health and guidance services, educational media/school library services, and child study team services).

Table 67
Key Budget Indicators: Per Pupil Secondary

| Indicator | Henry Hudson 2017-18 Revised Budget | Henry Hudson 2018-19 Proposed Budget | Shore 2017-18 Revised Budget | Shore 2018-19 Proposed Budget |
|---|--|---|---|--|
| Total Budgetary Comparative Per Pupil Cost | \$23,582 | \$22,513 | \$20,232 | \$20,244 |
| Total Classroom Instruction | \$13,018 | \$12,395 | \$10,360 | \$10,045 |
| Classroom-Salaries and Benefits | \$11,542 | \$11,263 | \$9,286 | \$9,343 |
| Classroom-General Supplies and Textbooks | \$1,089 | \$797 | \$845 | \$522 |
| Total Administrative Costs | \$2,118 | \$1,982 | \$1,799 | \$1,630 |
| Total Support Services | \$3,710 | \$3,633 | \$2,625 | \$2,911 |
| Total Operations and Maintenance of Plant | \$2,545 | \$2,326 | \$2,844 | \$3,280 |
| Total Extracurricular Costs | \$1,936 | \$1,913 | \$2,455 | \$2,216 |
| Unrestricted General Operating Budget | \$268,085 | \$250,000 | \$499,050 | \$349,325 |
| Total General Current Expense | \$8,999,345 | \$9,213,378 | \$16,897,803 | \$17,615,635 |

Source: User Friendly Budget for SY17-18.

Table 68
Key Budget Indicators: Elementary

| Indicator | Atlantic Highland 2017-18 Revised Budget | Atlantic Highland 2018-19 Proposed Budget | Highland 2017-18 Revised Budget | Highland 2018-19 Proposed Budget | Oceanport 2017-18 Revised Budget | Oceanport 2018-19 Proposed Budget |
|---|---|--|--|---|---|--|
| Total Budgetary Comparative Per Pupil Cost | \$16,224 | \$16,273 | \$22,354 | \$22,437 | \$17,597 | \$18,020 |
| Total Classroom Instruction | \$10,605 | \$10,705 | \$11,981 | \$12,092 | \$10,903 | \$10,905 |
| Classroom-Salaries and Benefits | \$10,115 | \$10,096 | \$10,789 | \$10,727 | \$9,943 | \$10,024 |
| Classroom-General Supplies and Textbooks | \$237 | \$365 | \$527 | \$585 | \$440 | \$363 |
| Total Administrative Costs | \$1,956 | \$1,930 | \$1,838 | \$1,568 | \$1,806 | \$1,760 |
| Total Support Services | \$2,152 | \$2,118 | \$5,954 | \$6,222 | \$2,902 | \$3,048 |
| Total Operations and Maintenance of Plant | \$1,445 | \$1,452 | \$2,510 | \$2,493 | \$1,733 | \$2,059 |
| Total Extracurricular Costs | \$67 | \$68 | \$69 | \$60 | \$253 | \$248 |
| Unrestricted General Operating Budget | \$275,531 | \$250,000 | \$250,000 | \$250,000 | \$261,182 | \$250,000 |
| Total General Current Expense | \$5,359,724 | \$5,522,658 | \$4,592,016 | \$4,817,308 | \$10,735,144 | \$11,209,157 |

Source: User Friendly Budget for SY17-18.

When the communities are compared in terms of equalized valuations and tax rates, differences also emerge. Each of the constituent members of Shore Regional (other than Sea Bright) has aggregate equalized valuations over \$1 billion each, which is much more than Atlantic Highlands, Highlands, or Sea Bright. In terms of tax rates, the communities of Atlantic Highlands, Highlands, Oceanport, and West Long Branch have comparable school tax rates while Monmouth Beach and Sea Bright are much lower. There also is great similarity in terms of the municipal tax rates, with the exception of Highlands, which is much higher. The municipal tax can fluctuate widely based on local needs and priorities. The need for municipal services in less affluent communities often exceeds that required in relatively more affluent communities which may limit the willingness of taxpayers to support additional school levies.

Table 69
Equalized Values and Tax Rates

| Municipality | CY Equalized Property Value (Pre-Appeal) | CY County EQ Tax Rate | CY School EQ Tax Rate | CY Local Purpose Municipal EQ Tax Rate | CY Total Municipal EQ Rate | CY Total EQ Rate (REAP Not Included) |
|---------------------------|--|-----------------------|-----------------------|--|----------------------------|--------------------------------------|
| Atlantic Highlands | 901,467,849 | 0.273 | 1.056 | 0.612 | 0.622 | 1.951 |
| Highlands | 676,983,148 | 0.281 | 1.073 | 1.151 | 1.156 | 2.510 |
| Oceanport | 1,256,357,337 | 0.297 | 1.047 | 0.482 | 0.503 | 1.847 |
| Monmouth Beach | 1,530,022,858 | 0.288 | 0.567 | 0.322 | 0.322 | 1.177 |
| West Long Branch | 1,363,532,435 | 0.298 | 1.085 | 0.631 | 0.631 | 2.014 |
| Sea Bright | 806,200,322 | 0.264 | 0.507 | 0.543 | 0.543 | 1.314 |

Source: 2018 Property Tax Information NJDCA
https://www.state.nj.us/dca/divisions/dlgs/resources/property_tax.html

The table below provides information on the wealth per pupil of each district. The NJDOE uses certain information regarding a school district's property wealth and income to determine eligibility for State aid. A review of this data will provide insights into the wealth of the respective communities and their ability to fund their respective schools.

Table 70
Wealth Per Pupil

| District | Wealth Ratio: EVPP (%) | Wealth Ratio: PIPP (%) |
|------------------------------|------------------------|------------------------|
| Oceanport | 1.70 | 1.64 |
| Atlantic Highlands | 1.94 | 1.79 |
| Henry Hudson Regional | 2.16 | 1.97 |
| Shore Regional | 2.40 | 1.89 |
| Highlands | 2.43 | 2.20 |

Source: njdatabook.rutgers.edu; SY14-15 is latest data available from this source.

D. Potential Opportunities for Greater Effectiveness and Efficiency Resulting from the New Configuration

Although the current Tri-District Partnership (with Henry Hudson Regional, Atlantic Highlands, and Highlands) already extensively engages in shared services, cooperative purchasing, and joint programming, there still are opportunities for savings. For example, the administration of the district is provided, to a great extent, through the Tri-District Partnership. Atlantic Highlands District, Highlands District and Henry Hudson Regional District have entered into a series of shared services agreements that demonstrate a tremendous degree of partnership and alignment of administration that will be of great importance in a successful regionalization. The Superintendent is shared between Highlands, Atlantic Highlands, and Henry Hudson Regional School District. The Business Administrator is shared between Highlands and Henry Hudson Regional while Atlantic Highlands shares a Business Administrator with another entity. Both the Supervisor of Special Education and Supervisor of Curriculum and Instruction also are shared between Highlands, Atlantic Highlands, and Henry Hudson Regional School Districts. Finally, the Technology Services Network administrator is shared among the three districts.

Despite this level of partnership, there still are some opportunities that this new proposal will present for greater efficiency. For example, the business administrator now can perform services across the new PK-12 regional. Legal fees and other costs, including those related to membership fees and audit requirements, would be reduced by having one district and one board rather than three. The new PK-12 district may become more competitive for various insurance costs. The consultants have estimated these cost saving opportunities at approximately \$300,000 recurring annually.

The consultants also examined additional areas of cost savings such as staff development, curriculum development, health services, guidance services, media services, extra and co-curricular activities, common calendar, operation and maintenance of plant, and found the Tri District Partnership already was pursuing them. For example, the Tri-District Partnership procures the following through shared services:

- Non-public and Special Services transportation provided through MOESC;
- Electric and gas purchased through ACES;
- Gasoline purchased from Borough of Atlantic Highlands;
- Telecommunications purchasing provided through the Alliance for Competitive Telecommunications (ACTS);
- Supplies purchased through the county education services commission (MSESC);
- Professional Staff Development Professional Staff Development shared with Atlantic Highlands School District and Highlands School District; and
- Workers Compensation Insurance purchased through the N.J. School Board Assoc. Insurance Group.

E. A Comparison of the Estimated State Aid of the Impacted Districts under the Proposal

Funding for schools in New Jersey comes from four major sources: local property taxes; aid from the State of New Jersey; aid from the federal government; and miscellaneous sources such as grants. The vast majority of aid for school districts comes from State aid and local property taxes.

The State's current school funding formula (School Funding Reform Act- SFRA) has two basic forms of aid: wealth-equalized and categorical. Wealth-equalized aid is allocated according to each district's ability to raise sufficient local revenue through the property tax (the district's fair share) to support a budget adequate to provide the constitutionally required "Thorough and Efficient" education. The equalization formula used in New Jersey considers both a community's property wealth (measured by equalized property valuation) and aggregate income to determine the local ability to pay.

Categorical aid is allocated regardless of a district's wealth or ability to raise local revenue. Categorical amounts are determined by multiplying the cost factor for a particular category (such as special education, transportation, or security) by the number of students that qualify for the aid.

Special Education aid is calculated by determining the average additional costs of providing special education and related services to a student but capped at a specific percentage as a disincentive to over-classification. Two-thirds of the resulting number is then added into the equalization aid calculation discussed above. The remaining one-third is distributed as Special Education Categorical Aid. The state funding formula provides additional aid known as Extraordinary Special Education Aid for individual students based on a reimbursement methodology. This categorical aid is to support students who have excessive special education costs associated with their services (over \$45,000; unless the student is in private placement, in which case the threshold is \$60,000). The state will reimburse the district for 90 percent of the excessive costs if they are provided in district. If the special education services are provided out of district, the reimbursement rate is 75 percent. However, the district is responsible for all costs under the threshold.

Transportation Aid starts with two baselines: the cost per pupil of transporting (1) a regular student; and (2) a special education student. These costs are calculated by the state. On top of these two baselines, two Average Per Mile rates are set; again one for regular students and one for special education students. The distance traveled between a pupil's home and his or her school is multiplied by the Average Per Mile, and that number is added to the applicable transportation baseline. This number represents what the state will reimburse for that particular student's transportation.

In addition to Equalization Aid and Categorical Aid, many districts also will receive Adjustment Aid which is provided to hold the district harmless in the movement from one formula to the next. The original intent was to ensure that no district would lose funding due to the new formula calculations. Although, originally, it was intended as a transitional aid, the

phase-out did not occur until recently. Districts receiving Adjustment Aid were told to expect the funds to be phased-out over a five year period.

The State has underfunded the formula for many years in the Annual Appropriations Act and it is unclear whether the State can afford to fund, on a continuing basis, the new formula at established levels in the future. The consultants project the implications of the new district structure on State aid allocations by assuming that each district's State aid allocations will be funded by the State at existing levels. In calculating the State aid impact, the consultants determine the new combined district's aid as being the sum of the underlying districts aid before the combination. In the table below, the consultants have presented the current State aid allocations for each impacted district.

Table 71
Fiscal Year 2020 K to 12 State School Aid

| District | FY19 K to 12 Aid | Equal Aid | Transport Aid | Special Education Aid | Security Aid | Adjustment Aid | FY20 K to 12 Aid | FY19- FY20 K to 12 Aid Difference | FY 14-15 Aid |
|---------------------------|------------------------|--------------|------------------|-----------------------------|-----------------|-------------------|------------------------|---|-----------------|
| Atlantic Highlands | 190,897 | 0 | 20,451 | 160,426 | 22,613 | 0 | 203,490 | 12,593 | 154,342 |
| Highlands Boro | 609,259 | 0 | 42,233 | 155,353 | 58,540 | 307,198 | 563,324 | -45,935 | 638,065 |
| Oceanport Boro | 498,088 | 0 | 92,108 | 399,674 | 20,253 | 19,855 | 531,890 | 33,802 | 439,595 |
| Henry Hudson | 767,898 | 0 | 183,003 | 264,676 | 60,908 | 230,003 | 738,590 | -29,308 | 797,840 |
| Shore Regional | 549,018 | 0 | 151,104 | 440,377 | 11,107 | 0 | 602,588 | 53,570 | 439,299 |

Source: NJDOE State Aid Data

Note that the Oceanport school aid allocation includes aid generated by Sea Bright students. The FY20 State aid notice indicates that special education aid attributable to Sea Bright students was \$24,699, Security Aid was \$4,243 and Adjustment Aid was \$19,855.

As can be seen in Table 71, none of the impacted districts receive Equalization Aid (which, Statewide, is the largest State aid category) and, as a result, the vast majority of each district's revenue to support its budget comes from the local property tax. Each district receives all of its State funding through the categorical programs of transportation aid, special education aid, and security aid. Highlands, Oceanport, and Henry Hudson also receive Adjustment Aid but these amounts will decrease over time. The consultants also note that the State aid allocations for these districts have been relatively stable over time.

Due to the similarities in terms of each school district's property wealth and income used to determine eligibility for State aid, it is reasonable to assume that the movement of Sea Bright students from one district to another will not change the new regional district's eligibility for Equalization Aid. Given this reality, the impact of the new district structure on State aid will be minimal. Sea Bright's students will generate categorical aid for the new All-Purpose PK-12 Regional and Oceanport and Shore Regional will lose these same categorical amounts. Given that categorical aid is provided to fund the additional per pupil costs of a particular program or

service (i.e., special education or transportation), the reduction in categorical aid due to a loss of students is normally associated with a reduction in costs for the specialized programs and services being received by these students. For example, Shore Regional and Oceanport will lose transportation aid for Sea Bright students but they will no longer need to pay for transportation for those students. This will ameliorate some of the impact of the loss of State aid on Oceanport and Shore Regional. It also will lead to a small net budgetary impact for the new All-Purpose Regional District.

In the chart below, the consultants recreate aid for 2020 for the new combined district as well as for Oceanport and Shore Regional. As expected, the new All-Purpose PK-12 Regional gained a small amount of aid and Oceanport and Shore Regional each lost a small amount of aid.

Table 72
Simulated State Aid Under Proposal (FY20)

| District | Sea Bright Enrollment/ District Enrollment | FY20 Aid Status Quo | Equaliz. Aid | Transport Aid | Special Education Aid | Security Aid | Adjustment Aid | FY20 Total Aid Proposal Gain/Loss |
|---------------------------------|---|---------------------|--------------|---------------|-----------------------|--------------|----------------|-----------------------------------|
| New All-Purpose Regional | 53/860 | 1,505,404 | 0 | 277,487 | 622,834 | 148,877 | 557,056 | 1,606,254/ 100,850 |
| Oceanport | 33/594 | 531,890 | 0 | 72,308 | 374,975 | 16,039 | 0 | 463,322/ (68,568) |
| Shore Regional | 20/633 | 602,588 | 0 | 139,104 | 422,697 | 8,535 | 0 | 570,336/ (32,252) |

Notes: Enrollments for school funding purposes are based on the prior October 15 ASSA counts.

Transportation aid for the Sea Bright students is estimated at \$600 per pupil.

The consultants estimated Special Education Aid for Shore Regional based on historical data.

Security Aid was estimated based on the numbers specified in the NJDOE Education Adequacy Report.

The consultants assumed Adjustment Aid for the new All-Purpose PK-12 Regional will be the cumulative of the combined district amounts.

The aid entitlements calculated for each category may not sum to the State aid total due to the operation of State aid increase caps and loss limitations.

The consultants do not envision any change in the existing debt service aid allocations except that debt service aid received by Atlantic Highlands, Highlands, and Henry Hudson now will be paid to the new All-Purpose PK-12 Regional District, which also now will assume the debt. The allocation of debt will be discussed in greater detail later in this report.

The above aid estimates do not include Extraordinary Special Education Reimbursements for prior year costs as there does not appear to be any Sea Bright students in high cost placements. These estimates are calculated solely for the purpose of comparing the scenarios and are not intended to reflect future aid entitlements.

One final issue concerns Preschool Expansion Aid (PEA) which is being used by the Murphy administration to fund the enrollment of additional pre-school students every budget year. Districts with at least 20 percent of their student population receiving free or reduced lunch are permitted to apply for the funds. However, due to a lack of funding, PEA is being awarded

to districts based on a competitive application process. Highlands is receiving PEA in the amount of \$341,822 (see <https://www.nj.gov/education/ece/psfunding/>) for 2019-20. Given the discretionary nature of the award, this study cannot make any conclusion regarding whether the newly formed district would be awarded PEA funds, but given the express terms of the implementing legislation, we assume that this funding will continue, at least for Highlands students. Any expansion of pre-school to Atlantic Highlands or Sea Bright students will be a policy decision within the authority of the newly formed regional board of education. The board could decide to fund all pre-school students of Atlantic Highlands and Sea Bright or just those who are at-risk or none.

F. Financial Analysis of Projected Spending

1. New All-Purpose PK-12 District

In order to identify the cost impact of the new All-Purpose PK-12 Regional and estimate the impact on the local levy for each member of the new regional district, the consultants will need to create an estimated budget for the new regional district. The budget profile for the new All-Purpose PK-12 Regional District results from the combination of the budgets for the constituent districts. The operating expenditures of Atlantic Highlands, Highlands, and Henry Hudson Regional have been taken from the User Friendly Budgets which are available on the NJDOE website. We also have factored in the need for new programs and services to account for the additional Sea Bright students. The Educational Impact Chapter identified a few areas where additional programs and services should be considered. First, enrichment support services for Sea Bright students attending Highlands Elementary (in both ELA and Math) should be considered in order to ensure that eligible Sea Bright students continue to receive appropriate levels of challenge and inspiration. The consultants recommend an additional enrichment teacher to implement a pull out program. Second, support and interventions for Sea Bright students from poverty to further close the achievement gap. This may require pull out or remedial services but given the small number of students involved we believe that this can be substantially accommodated through existing programs and services. Additional counseling may also be required for incoming Sea Bright students during the transition.

In terms of special education and intervention programs and services, the Educational Impact Chapter determined that the response to intervention program and referral services was successfully being implemented at Atlantic Highlands/Highlands. In addition, given the extensive programs and supports currently available for students with disabilities in the Tri-District partnership, the consultants conclude (based on interviews with school leadership) that there should not be any concerns with the ability of the new receiving district to identify and provide services for Sea Bright students in need of special education services within its existing programs and services. The small number of Sea Bright students with IEPs will require administrative, evaluative and programmatic support but the consultants believe that the additional Special Education aid generated on behalf of these students will be sufficient to cover these new costs so that there will not be a net cost to the district.

In regards to transportation efficiencies, Henry Hudson Regional already provides the transportation for Atlantic Highlands and Highlands under a "shared-services" type agreement. It does not seem that significant savings could result from the changing of "bell schedules" or other coordination especially given that most elementary grade students currently walk to school. The consultants have determined that one additional bus route will be needed to transport Sea Bright students in grades PK-6 and one additional bus route for students in grades 7-12. The current estimated cost for each route is \$35,000 for a total cost of \$70,000 but additional State transportation aid may offset some of these costs.

The consultants believe that the total net costs of the above additional instructional and operational programs and services will approximate \$135,000 on an annual basis.

In Subsection D of this chapter the consultants determined that, despite the high level of existing shared services, there still were some opportunities that the new proposal will present for greater efficiency. The consultants estimated these cost saving opportunities at approximately \$300,000 recurring annually which net of the \$135,000 of estimated costs identified above will result in overall savings of \$165,000 which the consultants will factor into the new regional levy.

Staffing issues are discussed in the Educational Impact Chapter above. The consultants note that, in the proposed dissolution and creation of a new All-Purpose PK-12 Regional district, the existing collective bargaining agreement for Henry Hudson Regional School District will be applied to staff at Highlands School District and Atlantic Highlands School District only until a successor agreement is negotiated. This, at least in the short term, will impact directly the compensation of teachers given differences in the salary guides as the Henry Hudson salary guide generally has lower compensation levels than the elementary schools. Different starting and maximum salaries create one of the obstacles to the new design. The typical approach during the creation of a new regional school district is to freeze individual staff member's compensation until the guide catches up to each person's compensation. If salaries are frozen for multiple years, this may lead to morale issues. For this reason, the pressure for increased compensation will be great as will the pressure to reach a quick settlement with the teaching staff so as to ensure a smooth transition. The Board of Education of the newly created regional district will need to focus on this issue and develop strategies to limit the impact of the new guide.

2. Impact on Oceanport and Shore Regional Budgets

At the outset the consultant's noted that the proposal involves the movement of a very small group of students. Projected enrollments from the demographic study for Sea Bright indicate approximately 25 students per year total in grades K-6, remaining fairly constant throughout the next five years, which translates to on average of only 3-4 students per grade difference for Oceanport. The same situation applies at the secondary level where the number of students from Sea Bright rapidly will decline in grades 7-12 from 23 in 2019-20 to 11 in 2023-24 (3-4 students per grade to only 1-2 students per grade). Although class sizes will rise slightly for the new All-Purpose Regional and will fall slightly for Oceanport and Shore Regional, neither district will need to right size staffing (for educational or operational reasons) to account for the movement of the small number of Sea Bright students.

The full impact on the Oceanport and Shore Regional tax levies due to the movement of Sea Bright students to the new All-Purpose PK-12 Regional district ultimately will be dependent on the extent to which the districts are able to reduce expenditures to account for the loss of Sea Bright students. In this regard, both districts will receive additional support during the transitional period (Oceanport due to the teach-out payments and Shore Regional due to the phase-out contribution), which will provide the districts time to gradually reduce spending attributable to the departing Sea Bright students. The consultants believe that Oceanport (given that the Sea Bright contribution to Oceanport is determined almost entirely on a per pupil basis) and Shore Regional (given that it is a very high spending district compared to its peer group) may be able to account for all or most of the loss of the funding without any diminution of programs and services through budgetary savings that will be available (i.e., transportation and

instructional savings) due to the loss of Sea Bright students. In making this observation, the consultants also note that the Fort Monmouth Economic Revitalization Authority has approved an amendment to its master plan that would result in the creation of residential housing projects in Oceanport.

G. Tax Levy Impact and Allocation of Costs in Regional Districts

1. Introduction

Near the end of the school year, every board of education in the State adopts its budget for the subsequent school year. The budget is then sent to the Executive County Superintendent for review and approval. Once approved, the board of education determines the amount of taxes that it needs to collect to pay for its budget (which will be referred to in this report as the “tax levy”). The tax levy is calculated by taking the budgeted expenditures and subtracting any budgeted income the district anticipates receiving, such as tuition revenue, State and federal aid, or grants. The tax levy in most school districts then is provided to the local municipality, which is responsible for collecting taxes on behalf of the school district.

In regional school districts the process essentially is the same, with the main difference being that one municipality is not responsible for the entire cost of the tax levy. Instead, the tax levy is divided among the constituent municipalities that make up the district.

a) Local Levy Allocation in Regional District

There are three methods that a regional school district is permitted to utilize when allocating its tax levy among its constituent districts: (1) per pupil; (2) equalized valuation; or (3) a combination of per pupil and equalized valuation. For each of these methods, the enrollment figures used are from the previous school year. Every school district in New Jersey takes an enrollment “snapshot” on or about October 15th each year. Those figures then are used for the following year’s tax levy allocation, as set forth below.

Per Pupil Method

The per pupil method is based on the principle that each municipality should pay the percentage of the tax levy that correlates to the percentage of students it sends. Therefore, if one municipality sent 20% of the school’s population, it would be responsible for 20% of the taxes to be collected through the tax levy.

Equalized Valuation Method

Each year the Division of Taxation in the New Jersey Department of the Treasury releases its table of equalized valuations, which provides the “equalized value” of property in each municipality in the State. Equalized valuation is an attempt by the State to calculate the total market value of all taxable property within a municipality.

b) Local Levy Impact of Proposal and Allocation of Taxes

The following analysis will determine the tax impact of the proposal under consideration for both the new All-Purpose Regional PK-12 District and for Shore Regional. The analysis utilizes 2017-18 data and is set forth in the tables below.

New All-Purpose Regional District

In terms of determining the tax impact of the new All-Purpose Regional PK-12 District, the first table provides the current tax levies for operations and for debt service for each of the constituent communities with the levy for Henry Hudson Regional allocated back to Atlantic Highlands and Highlands on a per pupil basis. This baseline data will allow us to estimate the levy in the new regional district in Table 74. An important takeaway from Table 73 is that, had the Henry Hudson Regional district's levy been allocated on a per pupil basis rather than using equalized valuations, some \$669,507 of additional tax levies would have been paid by Atlantic Highlands rather than Highlands in 2017-18. This amount will decline over time (\$321,198 in 2023-24) as indicated in Table 74.

Using the baseline established in Table 73, Table 74 then projects the property tax impact on each of the impacted constituent communities of the New All-Purpose Regional District based on multiple cost allocation methods for the 2017-18 school year.

The consultants' methodology in Table 74 involves estimating the total levy for the new All-Purpose Regional based on the combined 2017-18 budgets for Atlantic Highlands, Highlands, and Henry Hudson Regional adjusted for the estimated net costs of the incoming Sea Bright students (New Costs) as well as estimated savings that the new configuration will make possible (New Savings). The consultants assumed that revenues will remain constant (State and Federal aid, tuition and other revenue). This combined and adjusted levy represents the tax burden that will need to be allocated to Atlantic Highlands, Highlands, and Sea Bright upon creation of this new All-Purpose PK-12 Regional. The consultants then use this combined and adjusted local levy of \$16,637,704 as the basis for the allocation of costs of the new All-Purpose PK-12 Regional among Atlantic Highlands, Highlands, and Sea Bright. The adjusted local levy of \$16,637,704 is composed of the \$15,659,835 General Levy (that includes an adjustment of \$165,000 over the status quo levy attributable to net savings of moving to the new regional) and \$977,869 Debt Levy. The table provides multiple methods for the allocation of the respective tax levies in each municipality based on the following: (1) 100% pupil enrollment; (2) 100% equalized valuation; (3) 50% equalized value and 50% pupil enrollment; and (4) 5% equalized value and 95% pupil enrollment. The table also provides the savings or loss compared to current amounts.

The allocation methods indicate a wide fluctuation in the levy to be paid by the various communities. The only allocation methods examined, however, that produce cost savings for all the communities is the 100% per pupil enrollment option or 95% per pupil enrollment option. Note, however, that Sea Bright's savings will be reduced by the cost of tuition due to Oceanport during the teach-out phase as well as the transitional payments due to Shore Regional under the proposal as discussed later in this chapter.

Tables 75 and 76 projects the tax impact into the future based on projected enrollments set forth in the demographic study for the 2023-24 school year based on both the status quo and under the proposal. The consultants note that enrollment changes over this period will drive changes in the allocation of the levy regardless of the allocation method. The demographic study projects that over the five-year period Highlands enrollment will grow slightly while Atlantic Highlands will decline slightly and Sea Bright will decline significantly, by one-third. Sea Bright's enrollment changes over this time period will impact significantly the tax levy allocation among the districts when pupil enrollment is a significant component of the methodology. However, all three communities will continue to see savings in the projected 2023-24 year based on either a 100% pupil enrollment option or a 95% pupil enrollment option. The decline in Sea Bright students also will impact greatly the tax levy that would be owed to Shore Regional and the contribution to Oceanport if these students were to remain with those districts under a status quo option, which will be discussed later in this section.

Table 73
Status Quo Allocation of Levy for 2017-18 Including Allocating Henry Hudson Regional Levy to Atlantic Highlands and Highlands

| | Atlantic Highlands | Highlands | Henry Hudson Regional | Total Col. 1,2,3 |
|--|---------------------------|-----------------------|------------------------------|-------------------------|
| Tax Levy: General | 4,872,548 | 3,767,561 | 7,184,726 | 15,824,835 |
| Tax Levy: Debt | 347,263 | 0 | 630,606 | 977,869 |
| Total | 5,219,811 | 3,767,561 | 7,815,332 | 16,802,704 |
| Equalized Valuation | 798,321,605 | 613,324,190 | NA | NA |
| Students | 318 PK-6 | 200 PK-6 | 312.5 | 830.50 |
| HHR 7-12 Students Allocated to AH/H | 186.5 | 126 | NA | 312.5 |
| Total HHR Levy 7-12 Allocated to AH/H Per Pupil | 4,319,155 | 3,496,177 | 7,815,332 | NA |
| Total Students PK-12 with HHR Allocated to AH/H | 504.5 | 326 | NA | 830.5 |
| Total Levy PK-12 if Equalized Valuation Allocation/Difference | 9,538,966 | 7,263,738 | NA | 16,802,704 |
| Total Levy PK-12 if Per Pupil Allocation/Difference | 10,207,061/ (668,095) | 6,595,643/ 668,095 | NA | 16,802,704 |

Source: User Friendly Budget for 2017-18

Table 74
New All-Purpose Regional Allocations of Costs and Tax Levy in 2017-18
(Does Not Include Sea Bright's Transitional Payments)

| | Atlantic Highlands | Highlands | Sea Bright | New All-Purpose Regional |
|--|--|---|--|---|
| Total Levy | 5,219,811 | 3,767,561 | 4,091,112 Shore Regional: 3,574,707 Oceanport: 516,405 | 16,637,704 15,659,835 General 977,869 Debt (Current Levy minus \$165,000 net savings) |
| Total Students PK-12 with HHR Allocated to AH/H | 504.5 | 326 | 54 | 884.5 |
| Equalized Valuation/percentage of total | 798,321,605/ .383 | 613,324,190/ .294 | 674,968,532/ .323 | 2,086,614,327 |
| Total Levy Current Structure With HHR Allocated to AH/H | 9,538,966 | 7,263,738 | 4,091,112 | NA |
| Allocation of New Regional Levy: Equalized Valuations | 6,372,241/ 3,166,725 | 4,891,485/ 2,372,253 | 5,373,978/ (1,282,866) | 16,637,704 |
| Allocation of New Regional Levy: Per Pupil Enrollments/Difference | 9,489,793/ 49,173 | 6,132,155/ 1,131,582 | 1,015,756/ 3,075,356 | 16,637,704 |
| Allocation of Regional Levy: 50% EV and 50% PP | 3,186,120 <u>4,744,896</u> 7,931,016/ 1,607,950 | 2,445,742 <u>3,066,078</u> 5,511,820 1,751,918 | 2,686,989 <u>507,878</u> 3,194,867 896,245 | 8,318,852 8,318,852 16,637,704 |
| Allocation of Regional Levy: 5% EV and 95% PP | 318,613 9,015,303 9,333,916/ 205,050 | 244,574 5,825,548 6,070,122/ 1,193,616 | 268,699 964,967 1,233,666/ 2,857,445 | 831,886 15,805,818 16,637,704 |

Source: User Friendly Budget for 2017-18

Note that the amount of the Sea Bright gain/loss indicated above are not adjusted for the transitional payments discussed in the next section of this chapter and are provided here to illuminate the issue of the allocation method following the transition.

Table 75
Status Quo Allocations of Costs and Tax Levy
Projected 2023-24

| | Atlantic Highlands | Highlands | Henry Hudson Regional | Total Col. 1,2,3 | Sea Bright |
|--|--|--|--------------------------------|------------------|---|
| Total Levy | 5,219,811 | 3,767,561 | 7,815,332 | 16,802,704 | 2,632,873 Shore Regional: 2,054,505 Oceanport: 578,368 |
| Equalized Valuation | 798,321,605 | 613,324,190 | NA | NA | |
| Students | 292 PK-6 | 221 PK-6 | 325 7-12 (193- AH 132-H) | 838 | 25- PK-6 11- 7-12 |
| Total 2017-18 Levy Current Structure With HHR Allocated to AH/H | 9,538,966 | 7,263,738 | NA | 16,802,704 | NA |
| Total Levy 2023-24 If Allocated Equalized Valuations/Difference | 9,538,966/ 0 | 7,263,738/ 0 | NA | 16,802,704 | NA |
| Total Levy If Allocated Per Pupil/Difference | 5,219,811 (PK-6) <u>4,641,106 (7-12)</u> 9,860,917/ (\$321,951) | 3,767,561 (PK-6) <u>3,174,227 (7-12)</u> 6,941,788/ \$321,950 | NA | 16,802,704 | NA |

Source: User Friendly Budget for 2017-18

Table 76
New All-Purpose Regional Allocations of Costs and Tax Levy
Projected 2023-24

| | Atlantic Highlands | Highlands | Sea Bright | New All-Purpose Regional |
|--|---|--|---|---|
| Total Levy | 5,219,811 | 3,767,561 | 2,632,873 Shore Regional: 2,054,505 Oceanport: 578,368* | 16,637,704 15,659,835 General 977,869 Debt (Current Levy minus \$165,000 net savings) |
| Total Students PK-12 Demographic Projection | 485 | 353 | 36 | 874 |
| Equalized Valuation/percentage of total | 798,321,605/ .383 | 613,324,190/ .294 | 674,968,532/ .323 | 2,086,614,327 |
| Total Levy Current Structure With HHR Allocated to AH/H | 9,538,966 | 7,263,738 | 2,632,873 | NA |
| Allocation of New Regional Levy: Equalized Valuations | 6,372,241/ 3,350,332 | 4,891,485/ 2,188,646 | 5,373,978/ (2,741,105) | 16,637,704 |
| Allocation of New Regional Levy: Pupil Enrollments/Difference | 9,232,593/ 306,372 | 6,719,805/ 543,933 | 685,306/ 1,947,567 | 16,637,704 |
| Allocation of Regional Levy: 50% EV and 50% PP | 3,186,120 <u>4,616,296</u> 7,802,416/ | 2,445,742 <u>3,359,902</u> 5,805,644 | 2,686,989 <u>342,653</u> 3,029,642 | 8,318,852 <u>8,318,852</u> |
| | 1,736,550 | 1,458,094 | (396,769) | 16,637,704 |
| Allocation of Regional Levy: 5% EV and 95% PP | 318,613 <u>8,770,963</u> 9,089,576/ | 244,574 <u>6,383,814</u> 6,628,388/ | 268,699 <u>651,041</u> 919,740/ | 831,886 <u>15,805,818</u> |
| | 449,390 | 635,350 | 1,713,133 | 16,637,704 |

Source: User Friendly Budget for 2017-18

Note: Assumes Constant Equalized Valuations and Total Levy

*Oceanport tuition based on projected enrollments of 28 Sea Bright PK-8 students in 23-24 up from 25 in 17-18.

Based on the Tables 73 through 76 above, all of the communities will experience savings when comparing their current total tax levies to that estimated for a new All-Purpose PK-12 Regional, when utilizing a tax allocation method based on either 100% pupil enrollment or 95% pupil enrollment and 5% equalized valuation. In comparison, utilizing a method based substantially on equalized valuation (either at 100% or 50%) produces large variations in “winners” and “losers” and would place a heavier burden of costs on the smallest community in terms of number of students sent (and with the highest equalized valuations per pupil)-- here Sea Bright.

The tax allocation method for the new All-Purpose PK-12 Regional based on 95% pupil enrollment and 5% equalized valuation would appear to be the fairest in terms of ensuring that all of the communities will see tax savings. The consultants believe that this method provides the most equitable distribution of taxation among the three municipalities that would comprise the new All-Purpose PK-12 Regional, and ensures that this will not dissipate with slight fluctuations in either equalized property values or pupil enrolment in the future.

Shore Regional

The consultants will use the same methodology as above to estimate the tax impact on the communities that comprise Shore Regional. The Shore Regional Board of Education allocates its tax levy among its four constituent municipalities (Sea Bright, Monmouth Beach, Oceanport, and West Long Branch) based 100% upon equalized valuations. It is important to recognize that how Shore Regional apportions its tax levy has no impact on Shore Regional's annual budget or the amount of tax revenue it collects. Instead, the tax apportionment takes place after the budget is approved, and is limited to how Shore Regional's tax levy is divided among the four municipalities.

The following table provides the equalized valuation (total and amount allocated to high school) for each constituent municipality within Shore Regional and the distribution of the 2017-2018 levy of the Shore Regional School District indicating the specific allocation to each of the districts.

Table 77
Shore Regional: Percentage Share of Levy for
Operating Expenses and Debt Service

| Community | Equalized Valuation | Equalized Valuation Allocated to High School | Percentage Share¹ | Total Levy |
|-------------------------|----------------------------|---|-------------------------------------|-------------------|
| Monmouth Beach | \$1,387,025,613 | \$334,223,000 | 25.27% | \$3,905,830 |
| Oceanport | \$1,190,693,638 | \$305,193,000 | 23.07% | \$3,567,063 |
| West Long Branch | \$1,289,218,121 | \$398,208,000 | 30.10% | \$4,653,916 |
| Sea Bright | \$674,968,532 | \$285,198,000 | 21.56 | \$3,333,669 |
| Total | \$4,541,905,904 | \$1,322,822,000 | 100% | \$15,460,478 |

Note: ¹Based on 2017-2018 User Friendly Budget percentages.

The levy impact of the loss of Sea Bright Students on Shore Regional is set forth in the tables below. The first table simulates the impact if the new district structure began in 2017-18 versus the status quo and the second table projects the impact of the loss of Sea Bright students into the future (2023-24) versus the status quo. As expected, there is a significant impact on the other constituent communities given the heavy reliance on equalized valuations to allocate costs. **However, Table 79 indicates that the remaining constituent members of the regional will see large increases in their respective levy even under the status quo scenario given the reduction in Sea Bright students at the high school level over time.** In addition, the consultants believe that Shore Regional may be able to account for all or most of the funding loss without any diminution of programs and services given the teach-out and transitional payments. This transitional period will give the district additional time to achieve budgetary savings available to it due to the loss of Sea Bright students (i.e., transportation and instructional savings) to ameliorate the impact on taxpayers as well as on instruction and operations.

Table 78
Shore Regional Allocations of Levy
2017-18 Status Quo Versus under Proposal
(Does Not Include Transitional Payments)

| | Monmouth Beach | Oceanport | Sea Bright | West Long Branch | Shore Regional Total | Shore Regional Total w/o Sea Bright |
|--|--|--|---|---|-----------------------------|--|
| Total Levy | 3,905,830 | 3,567,063 | 3,333,669 | 4,653,916 | 15,460,478 | 15,460,478 |
| Student Enrollment | 78 | 209 | 29 | 270 | 586 | 557 |
| Equalized Valuation/ percentage of total with and w/o Sea Bright | 334,223,000/ w/SB- 25.27 w/o SB- 32.21 | 305,193,000/ w/ SB-23.07 w/o SB- 29.41 | 285,198,000/ w/ SB- 21.56 w/o SB- 0 | 3982,08,000/ w/ SB-30.10 w/o SB-38.38 | 1,322,822,000 | 1,037,624,000 |
| Total Levy Status Quo | 3,905,830 | 3,567,063 | 3,333,669 | 4,653,916 | 15,460,478 | NA |
| Allocation of New Regional Levy w/o Sea Bright: Equalized Valuations/ Difference Status Quo | 4,979,546/ (1,073,716) | 4,547,652/ (980,589) | 0 | 5,933,731/ (1,279,815) | NA | 15,460,478 |

Source: User Friendly Budget for 2017-18

Note: For comparative purposes we have kept the budget expenditures constant.

Table 79
Shore Regional Allocations of Levy
Projected 2023-24 Status Quo Versus under Proposal

| | Monmouth Beach | Oceanport | Sea Bright | West Long Branch | Shore Regional Total | Shore Regional w/o Sea Bright |
|--|-----------------------------------|-----------------------------------|-----------------------|-----------------------------------|----------------------|-------------------------------|
| Current Total Levy | 3,905,830 | 3,567,063 | 3,333,669 | 4,653,916 | 15,460,478 | 15,460,478 |
| Enrollment Projection PK-8/9-12 | 250/ 78 | 590/ 207 | 30/ 8 | 560/ 247 | 1430/ 540 | 1400/ 532 |
| 2023-24 Levy Status Quo | 4,404,296 | 3,949,869 | 2,054,505 | 5,051,807 | 15,460,478 | NA |
| Equalized Valuation/percentage of total | 363,846,899/ 28.49 | 326,305,849/ 25.55 | 169,726,384/ 13.29 | 417,338,924/ 32.68 | 1,277,218,056 | 1,107,491,672 |
| Allocation of New Regional Levy w/o Sea Bright: Equalized Valuations/Percentage of Total Difference | 5,079,268/ 32.85/ (674,972) | 4,555,198/ 29.46/ (605,329) | 0 | 5,826,012/ 37.68/ (774,205) | 15,460,478 | 15,460,478 |

Source: User Friendly Budget for 2017-18

Note: Assumes Constant Equalized Valuations and Total Levy

2. Impact on Oceanport

Oceanport will see its contribution from Sea Bright slowly reduce over time in direct relation to the loss of Sea Bright students. In 2017-18 it would have received a \$516,405 contribution from Sea Bright. Under the teach-out provisions we estimate a payment of \$334,343 or a net loss of \$182,062. However, it also will need to educate some 25% less Sea Bright students. In 2023-24 we estimate a status quo contribution of \$578,368 which will be reduced to zero under the proposal but Oceanport also will have no Sea bright students to educate, and thus no costs for educating those students.

3. Sea Bright Net Tax Impact Taking Into Account Teach-out and Transitional Payments

Under the proposal, Sea Bright will make transitional payments to Shore Regional based on its contribution at the time of implementation, phased out over a five-year period of time. However, this amount will be reduced by the cost of the teach-out of current Sea Bright students attending Oceanport. Under the proposal, students who at the time of implementation are attending either of the Oceanport schools (Wolf Hill or Maple) or Shore Regional will be able to continue to attend that school until promotion in order to avoid an additional transition

and allow for educational and social continuity. However, a student promoted from fourth grade at Wolf Hill will attend fifth grade in the All New Purpose PK-12 Regional and a student being promoted from eighth grade at Maple will attend high school at the new All-Purpose PK-12 Regional. Students currently attending Shore Regional will be able to stay at Shore Regional through graduation. Table 80 sets forth the students who will be eligible for the teach-out option over the transition period. **The consultants assume in this table that all students from Sea Bright will be eligible for the teach-out in Year 1 (except rising PK, Grade 5 and Grade 9) with these numbers then phased-out by grade thereafter. With these assumptions, during the early years of the transitional period, the Sea Bright contribution to the new All-Purpose PK-12 Regional will be reduced substantially given the allocation of costs primarily on a per pupil basis.**

Table 80
Students Participating in Teach-Out

| Sea Bright 2017-18 Enrollment | Grade | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
|--|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 2 | PK- Wolf | N | N | N | N | N | N | N |
| 5 | K- Wolf | 5 | N | N | N | N | N | N |
| 0 | 1-Wolf | 0 | 5 | N | N | N | N | N |
| 3 | 2-Wolf | 3 | 0 | 5 | N | N | N | N |
| 4 | 3-Wolf | 4 | 3 | 0 | 5 | N | N | N |
| 1 | 4-Wolf | 1 | 4 | 3 | 0 | 5 | N | N |
| 4 | 5-Maple | N | N | N | N | N | N | N |
| 3 | 6-Maple | 3 | N | N | N | N | N | N |
| 3 | 7-Maple | 3 | 3 | N | N | N | N | N |
| 0 | 8-Maple | 0 | 3 | 3 | N | N | N | N |
| 7 | 9-Shore | N | N | N | N | N | N | N |
| 5 | 10-Shore | 5 | N | N | N | N | N | N |
| 7 | 11-Shore | 7 | 5 | N | N | N | N | N |
| 10 | 12-Shore | 10 | 7 | 5 | N | N | N | N |
| NA | Graduated | N | N | N | N | N | N | N |

Note: N - No students eligible for teach out.

The total number of students eligible by school and district is set forth in Table 81.

Table 81
Total Students Eligible For Teach-Out by District

| School | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|-----------------|--------|--------|--------|--------|--------|--------|
| Oceanport Wolf | 13 | 12 | 8 | 5 | 5 | 0 |
| Oceanport Maple | 6 | 6 | 3 | 0 | 0 | 0 |
| Shore Regional | 22 | 12 | 5 | 0 | 0 | 0 |
| Total | 41 | 30 | 16 | 5 | 5 | 0 |

The cost of the teach-out is set forth in Table 82. The teach-out amount will be set by agreement between the districts. The consultants will estimate the payment amount by using the Comparative Cost Per Pupil set forth in the User Friendly Budget (UFB) for 2018-19 but note that the districts are free to negotiate a lower amount. These amounts will be paid directly by Sea Bright to Oceanport and are included within the transitional contribution to Shore Regional.

Table 82
Estimated Cost of Teach-Out

| | Oceanport Cost Per Pupil ¹ | Oceanport Number of Students | Oceanport Total Tuition | Shore Regional Cost Per Pupil | Shore Regional Number of Students | Shore Regional Total Tuition |
|---------------|---------------------------------------|------------------------------|-------------------------|-------------------------------|-----------------------------------|------------------------------|
| Year 1 | \$17,597 | 19 | 334,343 | \$20,232 | 22 | 445,104 |
| Year 2 | \$17,597 | 18 | 316,746 | \$20,232 | 12 | 242,784 |
| Year 3 | \$17,597 | 11 | 193,567 | \$20,232 | 5 | 101,160 |
| Year 4 | \$17,597 | 5 | 87,985 | \$20,232 | 0 | 0 |
| Year 5 | \$17,597 | 5 | 87,985 | \$20,232 | 0 | 0 |
| Year 6 | \$17,597 | 0 | 0 | \$20,232 | 0 | 0 |

Note: ¹Comparative Cost Per Pupil UFB for 17-18

In Table 83, the consultants calculate the transitional contribution to be paid to Shore Regional. This amount will be the contribution prior to the effective date of the dissolution (2017-18 school year contribution in constant dollars is being used for consistency purposes) phased out over 5 years minus the cost of the teach-out to Oceanport in each year. This methodology will ensure that the total costs to Sea Bright under the proposal will never exceed its current total costs.

Table 83
Sea Bright Transitional Contribution to Shore Regional

| Phase-In Year | 2017-18 Contribution* Phased Out Over 5 Years | Less Total Teach Out Payment: Oceanport | Net Contribution to Shore Regional |
|----------------------|--|--|---|
| Year 1 | 3,195,000 | 334,343 | 2,860,657 |
| Year 2 | 2,556,000 | 316,746 | 2,239,254 |
| Year 3 | 1,917,000 | 193,567 | 1,723,433 |
| Year 4 | 1,278,000 | 87,985 | 1,190,015 |
| Year 5 | 639,000 | 87,985 | 551,015 |
| Year 6 | 0 | 0 | 0 |

Note: *The contribution is based on 100% of the Sea Bright Local Levy for Shore Regional in 2017-18 excluding debt service as specified in the enabling legislation. This amount will change based on the Sea Bright Local Tax Levy when the transition period actually begins.

In the following table, the consultants discuss the impact of the proposed teach-out on the amount to be paid in taxes by Atlantic Highlands, Highlands, and Sea Bright. Given that the costs of the new All-Purpose PK-12 Regional will be allocated mainly on a per pupil basis, the teach-out will impact significantly the contribution of Sea Bright especially in the initial years of the transition. During the transitional period the allocation method for the new All-Purpose PK-12 Regional will be set at 12.5% equalized valuation and 87.5% pupil enrollment. At the end of the transitional period the allocation method will become 5% equalized valuation and 95% pupil enrollment, pursuant to the analysis in the previous section of this report. The impact of using an initial tax allocation method of 87.5% pupil enrollment is set forth below.

Table 84
Impact of Teach-Out in 2017-18 on Atlantic Highlands, Highlands, and Sea Bright

| Community | Students Attending New Regional in 2017- 18 Under Teach-out | Contribution to New All- Purpose Regional with a 87.5% PP and 12.5% EV Allocation | Current Levy/Difference to Current |
|-------------------------------|--|--|---|
| Atlantic Highlands | 504.5 | EV- 796,530 PP- 8,707,181 Total-9,503,711 | 9,538,966/ 35,255 |
| Highlands | 326 | EV-611,436 PP- 5,626,444 Total- 6,237,880 | 7,263,738/ 1,025,858 |
| Sea Bright | 13 | EV-671,747 PP- 224,367 Total- 896,112 | 4,091,112/ 3,194,996 |

The important issue for Sea Bright will be the net cost factoring in the local levy at the new All-Purpose PK-12 Regional, the Teach-out payments, and the transitional payments to Shore Regional. The change in levy for Atlantic Highlands, Highlands and Sea Bright, 2017-18 versus 2023-24, **with transitional payments included**, is set forth in Table 85 below. Utilizing a tax allocation method for the new All-Purpose PK-12 Regional that is set at 87.5% pupil enrollment (12.5% equalized valuation) in years 1-5 and 95% pupil enrollment (5% equalized valuation) in years 6 and thereafter, the net savings to Sea Bright will grow from a break-even amount in 2017-18 to \$1,709,388 in 2023-24. Atlantic Highlands and Highlands will see significant savings in both the short and long term.

Table 85
Change In Levy for Atlantic Highlands, Highlands, and Sea Bright
2017-18 Versus 2023-24 With Transitional Payments Included

| Community | 2017-18 Current | 2017-18 New With Transitional Payments and Allocations | 2017-18 Difference | 2023-24 Current | 2023-24 New | 2023-24 Difference |
|---------------------------|------------------------|---|---------------------------|------------------------|---|---------------------------|
| Atlantic Highlands | 9,538,966 | 9,503,711 | 33,408 | 9,538,966 | 9,089,576 | 449,390 |
| Highlands | 7,263,738 | 6,237,880 | 1,026,648 | 7,263,738 | 6,628,388 | 635,350 |
| Sea Bright | 4,091,112 | 4,091,112 New Reg: 896,112 Shore: 2,860,657 Oceanport: 334,343 | 0 | 2,632,873 | 919,740 New Reg: 919,740 Shore: 0 Oceanport: 0 | 1,713,133 |

H. Facilities

1. Suitability of Existing Buildings

Atlantic Highlands Elementary School and Highlands Elementary School are both older buildings but well maintained and suitable for educating a PK-6 population with appropriate space for academic, student support, enrichment, playground, and athletic activities.

Henry Hudson Regional School is located in a single building with the 7-8th graders mostly occupying classroom space on the second floor in a “school within a school” design. The middle and high school programs are located in comprehensive facilities that provide the curriculum, programs and co-curricular activities needed to prepare graduating students for college and careers. The school has adequate specialized facilities such as labs, media room, gymnasium, athletic fields, etc. to support a robust middle and high school academic, enrichment and athletic program.

According to the Business Administrators, all of the districts are in the process of updating their Long Range Facility Plans. However, none of the buildings have a need for

significant upgrades in the structure, mechanical system or instructional spaces. Atlantic Highlands elementary school, over the next five years, will require incremental upgrades to the HVAC system in order to address climate control issues especially during the months of June and September. In addition, new front doors, security vestibule, roof repairs and a side entrance repair are being considered with a total estimated cost of approximately \$2.5 million. Henry Hudson School, over the next five years, also will require incremental HVAC upgrades as well as a new weight room with an estimated cost of approximately \$1.0 million. Henry Hudson also is in the process of selling land to the Highlands Recreation Department the proceeds from which will be used to fund the facility projects.

Finally, as determined earlier in this study, all buildings have sufficient capacity to accommodate the additional Sea Bright students.

2. Debt Burden

a) Allocation of Existing Debt

The Comprehensive Annual Report of the Henry Hudson Regional School District indicates that the district's indebtedness, consisting of serial bonds, totaled \$5,290,000 at June 30, 2018. This amount represents the total indebtedness of the district related to buildings, grounds, furnishings, equipment, and additions thereto. As of this date, there are no authorized but not issued bonds.

The Comprehensive Annual Report of the Highlands School District indicates that the district's indebtedness is \$0 at June 30, 2018. This amount represents the total indebtedness of the district related to equipment. As of this date, there are no authorized but not issued bonds.

The Comprehensive Annual Report of the Atlantic Highlands School District indicates that the district's indebtedness, consisting of serial bonds and loans payable, totaled \$1,815,000 at June 30, 2018. This amount represents the total indebtedness of the district related to buildings, grounds, furnishings, equipment, and additions thereto. As of this date, there are no authorized but not issued bonds.

It appears that the addition of the Sea Bright to the new regional will not present any concerns to Highlands or Atlantic Highlands since Sea Bright does not have any existing debt. However, Sea Bright will now share in the existing debt of Highlands, Atlantic Highlands and Henry Hudson Regional as indicated above.

The assumption of the Atlantic Highlands debt by the new regional district will have a substantial positive impact on Atlantic Highlands taxpayers in that Highlands and Sea Bright will now share in repaying the debt. The latest User Friendly Budget for Atlantic Highlands indicates Local Repayment of Debt equals \$326,901 and nearly two-thirds of that, on a per pupil basis, will now be assumed by Highlands and Sea Bright.

b) Borrowing Margin for Each Constituent District

The borrowing margin for PK-6 and 7-12 regional school districts, as set forth in N.J.S.A 18A: 24-19 is calculated as 2.5% and 3.5%, respectively, of the average (three years) equalized valuations. PK-12 school districts are at 4.0% of the average equalized values. Below illustrates the available borrowing margin of the existing school districts that comprise the Henry Hudson Regional School District.

Table 86
Borrowing Margin

| School District | Borrowing Margin | Net School Debt June 30, 2018 | Available Borrowing Margin |
|--|------------------|-------------------------------|----------------------------|
| Henry Hudson Regional School District (7-12) | \$49,463,124 | \$5,290,000 | \$44,173,124 |
| Highlands Boro (PK-6) | \$15,413,681 | \$0 | \$15,413,681 |
| Atlantic Highlands (PK-6) | \$19,917,123 | \$1,815,000 | \$18,102,123 |
| Proposed New Regional Including Sea Bright | 83,366,112 | 7,105,000 | 76,261,112 |

Table 86 indicates that the new All-Purpose PK-12 Regional district will have ample borrowing authority to ensure suitable facilities are available in the future.

I. Summary of Fiscal Advantages and Disadvantages

The financial impacts regarding the creation of the new All-Purpose PK-12 Regional District can be summarized as follows:

1. The new All-Purpose PK-12 Regional District will have assumed ownership of all of the buildings as well as the bonded debt of Highlands, Atlantic Highlands, Henry Hudson Regional and Sea Bright. This will have minimal impact on the three communities as there are only small amounts of debt outstanding for Henry Hudson and Atlantic Highlands, no debt for Highlands, and no debt for Sea Bright. The combined district will have over \$76 million of available borrowing margin and no significant facility projects resulting from the creation of the new regional district. However, Atlantic Highlands taxpayers will see a benefit in their debt being assumed by the new regional.
2. Local Levy Impact New All-Purpose Regional Constituents- Under the scenario, Sea Bright, Highlands and Atlantic Highlands each save local tax dollars by moving to the new All-Purpose PK-12 Regional so long as the levy of the new regional district is allocated on a 95% per pupil calculation rather than an entirely equalized valuation

- method. However, given the impact of the teach-out tuition and transitional payments to Oceanport and Shore Regional required in the proposal, the consultants recommend that the levy allocation be set at 87.5% Per Pupil/12.5% Equalized Valuation during the transition and returning thereafter to 95% Per Pupil/5% Equalized Valuation. Sea Bright, Atlantic Highlands, and Highlands will see significant annual savings.
3. Local Levy and Budgetary Impact on Former Communities- The impact of the loss of Sea Bright students on the remaining constituent members of Shore Regional will be significant given the heavy reliance on equalized valuations to allocate costs but note that they will see large increases in their respective levy even under the status quo scenario given the reduction in Sea Bright students at the high school level over time. In any event, the consultants believe that Shore Regional may be able to account for all or most of the loss of the funding without any diminution of programs and services given the teach-out tuition and transitional payments. This transitional period may give the district sufficient time to achieve budgetary savings available to it due to the loss of Sea Bright students (i.e., transportation and instructional savings) to prevent any impact on instruction or operations. In this regard, the consultants note that Shore Regional is a high spending district when compared to its peer group. The impact on Oceanport of the movement of Sea Bright elementary student to the new All-Purpose PK-12 Regional district should be less problematic given the teach-out and current reliance on an almost entirely per pupil allocation method. The consultants believe that Oceanport also may be able to account for all or most of the loss of the funding without any diminution of programs and services through the budgetary savings that will be available (i.e., transportation and instructional savings) due to the loss of Sea Bright students.
 4. State Aid Impact- Given that none of the districts currently receive wealth based formula aid (Equalization Aid) there will not be a major impact on State aid allocations due to the creation of the new All-Purpose PK-12 Regional District. The movement of Sea Bright students from Oceanport and Shore Regional will lead to the loss of the State categorical funding but the required programs and services that Oceanport and Shore Regional would have needed to provide (to the student eligible for the categorical aid) would also shift to the new district. Given the small number of student involved, this shift in funding and service should not be an issue.
 5. Budgetary Impact on New Regional- In light of the fact that all students, except the small number of incoming Sea Bright students, likely will remain in the same buildings with the same teachers, and the same cost structures as are being experienced now, the consultants do not expect any major budgetary changes. The consultants noted, however, the need for additional enrichment opportunities and guidance/counselling support during the first couple years of the transition to support the incoming Sea Bright students as well as additional bus routes but that these costs should not exceed \$135,000 per year in total. Given that the Highlands, Atlantic Highlands and Henry Hudson Regional districts already are heavily engaged through shared services agreements and shared staff, additional savings through the merger

are modest (approximately \$300,000 in potential administrative savings) although the new combined district will be much better positioned to surmount the challenges of revenue reductions, cost increases and enrollment losses in the future. The consultants note that movement to a new Collective Bargaining Agreement will require the new board to be vigilant in its first round of negotiations with its teacher's union lest it negotiate more money for salaries and benefits when the districts are combined and reduce or eliminate any anticipated savings. Further study as to the impact on combining salary guides might be desirable in this regard.

Given, the anticipated tax savings, absence of any insurmountable negative financial implications for any of the impacted communities, and the movement to an arguably fairer and more equitable allocation of cost methodology, the consultants recommend that Highlands, Atlantic Highlands and Sea Bright Regional continue to pursue the creation of a new All-Purpose PK-12 Regional District as outlined in the proposed scenario.