



State of New Jersey

DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

JON S. CORZINE
Governor

LUCILLE E. DAVY
Commissioner

June 30, 2009

Mrs. Paula Lee Lore, Board President
Audubon Park School District
20 Road C
Audubon Park, NJ 08106

Dear Mrs. Lore:

Pursuant to P.L. 2007, c.63 and A-4141, signed into law by Governor Corzine on June 30, 2009, I have reviewed the enclosed plan submitted by the Camden County Executive County Superintendent to eliminate the non-operating Audubon Park School District and to provide for the education of the children from Audubon Park in the Audubon Borough School District.

I find that the Executive County Superintendent's plan adequately addresses the statutory requirements for the elimination of the non-operating district. In particular, the plan provides for the continuation of a nine member board of education elected for staggered three year terms. Current members of the Audubon Borough Board of Education will continue in office until the expiration of their respective terms, at which time the successor shall be elected at-large by the voters of the new district. Within 30 days of the merger of the districts, the Executive County Superintendent will appoint a representative from Audubon Park to serve as a voting member of the Audubon Borough Board of Education until the first Monday succeeding the first annual election in which a member of the Audubon Borough Board of Education is elected at-large.

The Executive County Superintendent further recommends that for the first year (2009-10), the tax levy be allocated in the amounts equivalent to the 2009-10 districts' budgets certified for taxes. Thereafter, the Executive County Superintendent recommends that the levy be apportioned through a combination of 2.4% enrollment and 97.6% equalized valuation. I find that this recommendation results in the least-fiscally disruptive tax levy allocation as required by the statute.

I further agree with the recommendations of the Executive County Superintendent regarding the liquidation of the remaining assets and the closing of the fiscal books of the Audubon Park School District, and regarding the remaining issues set forth in the Executive County Superintendent's plan. I conclude that this plan will effectuate the legislative intent

behind P.L. 2007, c.63 and A-4141 while causing the least disruption to the affected districts.

For all of the foregoing reasons, I approve the plan submitted by the Camden County Executive County Superintendent for the merger of the Audubon Park School District with the Audubon Borough School District, effective July 1, 2009. I direct the Camden County Executive County Superintendent to work closely with the two districts to ensure that this plan is implemented promptly, and that the transition to a single combined district is accomplished as seamlessly as possible.

Sincerely,



Lucille E. Davy
Commissioner

Enclosure

c: Executive County Superintendent
Executive County Business Administrator
School Business Administrator, Audubon Park School District
School Business Administrator, Audubon Borough School District
Board President, Audubon Borough School District
Chief School Administrator, Audubon Borough School District

CAMDEN COUNTY
REPORT ON NON-OPERATING SCHOOL DISTRICT

Audubon Park

Submitted by:

Peggy Nicolosi

Executive County Superintendent

Report – June 30, 2009

I. FOREWARD

Public Law 2007, Chapter 63, (known as “CORE legislation”) was enacted to encourage financial accountability of local units of government, including school districts. The CORE legislation serves to empower citizens, reduce waste and duplication of services in districts, and direct shared services and consolidation consistent with amendments to existing law.

The CORE legislation established the position of Executive County Superintendent (ECS). In accordance with plans submitted to the Commissioner of Education, the ECS is required to eliminate districts located in their counties that are not operating schools (“non-operating school districts”). The accountability regulations, N.J.A.C. 6A:23A, promulgated consistent with the above law and recently proposed under the Administrative Procedures Act with substantive amendments reiterates the requirement for the ECS to submit such plans to the Commissioner to eliminate “non operating school districts” (N.J.A.C. 6A:23A-2.4). In addition, the Legislature has passed and the Governor intends to sign A-4141 which clarifies the procedures under which the non-operating school districts will be eliminated and merged into existing school districts.

Camden County has five Non-Operating School districts, Audubon Park, Chesilhurst, HiNella, Pine Valley, and Tavistock. This report presents a plan to join Audubon Park with Audubon Borough into a single school district to serve the students of both communities.

II. COMMUNITIES

A. Description

Audubon Park: (Source: Municipal/County Publications)

Audubon Park is a unique non-operating school district. Audubon Park was established as a community within Audubon in 1941 with the construction of 500 housing units for employees of New York Shipbuilding in Camden, New Jersey. Residents of Audubon, seeking to rid itself of the development's Democratic voters and its public school students, pushed for and passed a referendum to form Audubon Park in 1947. All property in the borough is owned by the Audubon Mutual Housing Corporation, which rents homes to residents. According to the United States Census Bureau, the borough has a total area of 0.2 square miles. Audubon Park borders Audubon, Collingswood, and Oaklyn. Audubon Park's government is composed of a mayor and six council members. Audubon Park is primarily a residential community.

Audubon Park currently sends students to the Audubon School District. With the elimination of Audubon Park there would be no change in the general description of the proposed new school district, no budget impact, change in building capacity, special education needs, and proximity of school districts. Currently, debt service does not exist for Audubon Park. However, the new district Audubon does have a debt service obligation.

Audubon Borough: (Source: Municipal/County Publications)

Audubon was formed as a borough by an Act of the New Jersey Legislature on March 13, 1905, from portions of Haddon Township. Portions of the borough were taken on July 3, 1947, to form the borough of Audubon Park, based on the results of a referendum held on October 28, 1947.

According to the United States Census Bureau, the borough has a total area of 1.5 square miles. Audubon borders Audubon Park, Haddon Heights, Haddon Township, Haddonfield, Mount Ephraim, and Oaklyn. Audubon is primarily a residential community.

Audubon operates under the Walsh Act commission form of New Jersey municipal government. Three non-partisan commissioners are elected at-large to four-year terms of office on a concurrent basis.

The Audubon School District serves public school students in kindergarten through twelfth grade with approximately 1,158 students plus 124 students who reside in Audubon Park. Schools in the district are Haviland Avenue School (PreK-2), Mansion Avenue School (3-6) and Audubon High School for grades 7-12 .

Students from Audubon Park attend the district's schools as part of a sending/receiving relationship established after Audubon Park closed its lone school in 1979. In addition to students from Audubon Park, Audubon also receives high school students from Mount Ephraim Public Schools.

With the elimination of Audubon Park, the Audubon Park municipality will pay its fair share as determined by the apportionment method. There would be no additional costs.

B. Population

1. Total Population

	Year 2000	2003	2006
Audubon Park	1,102	1,089	1,071
Audubon Borough	9,182	9,088	8,981

(Source: U.S. Census, GCT-T1: Population Estimates)

2. Ages (Ranges) 2000

Age Range	Under 5	5 to 14	15 to 19	20 and over	Total
Audubon Park	45	149	61	847	1,102
Audubon Borough	507	1,327	646	6,702	9,182

(Source: U.S. Census www.factfinder.census.gov)

3. Birth Rate (1998-2004)

Year	1998	1999	2000	2001	2002	2003	2004	2005
Audubon Park	6	10	5	6	7	7	3	3
Audubon Borough	94	84	105	97	105	105	99	134

N.J. Dept. of Health & Senior Services (www.state.nj.us/health)

(Source: US Census – 2000)

C. HOUSING

1. Total

	Permanent	Seasonal
Audubon Park	499 Units	0 Units
Audubon Borough	3,813 Units	3 Units

Source: U.S. Census (www.factfinder.census.gov)

2. Growth (Bldg. permits 2000-2006)

	2000	2001	2002	2003	2004	2005	2006
Audubon Park	0	0	0	0	0	0	0
Audubon Borough	1	0	2	4	6	6	7

Source: N.J. Dept. of Labor & Workforce Development www.wnjin.state.nj.us)

Net Valuation Taxable (October 1, 2008)

	As of 10/01/2008
Audubon Park	\$ 9,267,500
Audubon Borough	\$353,426,750

Source: Co. Board of Taxation – Abstract of Ratable

III. SCHOOL DISTRICTS

A. BOARD OF EDUCATION

Audubon Park is a Type II district with an elected board consisting of five (5) members elected for staggered three-year terms.

Audubon Borough is a Type II district with an elected board consisting of nine (9) members elected for staggered three-year terms and a limited voting appointee from Mt. Ephraim. Audubon Borough offers comprehensive Pre-K to grade 12 educational programs to meet the needs of a regular education population, as well as, students with special needs.

Combined Board of Education Scenarios

In accordance with A-4141, the new combined district would continue with an elected board consisting of nine (9) members elected for staggering three-year terms. An appointee from Mt. Ephraim will continue as permitted under the sending-receiving statutes. The members of the Audobon Borough board of education will continue in office as members of the combined district until the expiration of the respective terms for which they were elected. In any year in which the term of a member of the board of education of the new district expires, his successor shall be elected at-large by the voters of the new district. Within 30 days of the merger of the districts, the ECS will appoint a voting member from Audubon Park to be added to the existing Audubon board, thereby increasing the membership of the board temporarily to ten (10) members. Such member appointed by the ECS shall serve on the board until the first Monday succeeding the first annual school election in which a member of Audobon Borough board of education is elected at large. Mount Ephraim will continue to have an appointed member as permitted under the send-receiving statutes.

C. ENROLLMENTS

The tables below present the Audubon Park and Audubon Borough’s resident enrollments by grade levels, for the four years 2005-06 through 2009-10.

Table 1: Enrollment-Audubon Park (Application for State School Aid)

For Year	Total	Half K	K Full	1	2	3	4	5	6	7	8	9-12	Sp Ed
2005-06	153	6		7	9	11	4	14	16	11	15	40	20
2006-07	164	4		5	7	11	9	4	13	14	10	48	39
2007-08	135	4		4	4	8	9	9	4	15	14	45	19
2008-09	133	3		3	3	5	5	9	8	7	13	52	25

Table 2: Enrollment-Audubon Borough (Application for State School Aid)

For Year	Total	Half K	K Full	1	2	3	4	5	6	7	8	9-12	Sp Ed
2005-06	1340	66		76	83	73	71	66	88	104	87	405	221
2006-07	1291	71	1	66	69	76	73	70	70	90	100	383	222
2007-08	1274	72		78	67	69	78	67	70	72	86	389	226
2008-09	1216	58		73	77	71	74	81	63	72	67	355	225

D. FINANCIAL

1. Budget Information

The following tables summarize Audubon Park’s and Audubon Borough’s actual financial results for 2006-07 and 2007-08, and budget data for 2008-09 and 2009-10.

Audubon Park—Summarized (Audubon Park Budget Statements for 2008-09 and 2009-10)

Audubon Park	2006-2007	2007-2008	2008-2009	2009-2010
	Actual	Actual	Actual	Budget
Appropriations				
General Fund	1,752,426	1,714,719	1,750,892	1,664,667
Special Revenues				
Debt Service				
Total	1,752,426	1,714,719	1,750,892	1,664,667
Revenues				
Less: State Aid Other	1,458,462	1,502,216	1,532,260	1,532,260
Less: State Aid-Adjustments				
Less: Other Revenues	243,997	90,086	9,408	
Less: Federal; Special: Debt				
Total	1,702,459	1,592,302	1,541,668	1,532,260
Taxes To be Raised	49,967	122,417	209,224	132,407
Tax as % of Total Appropriations	2.85%	7.14%	11.95%	7.95%

Table 5: Audubon Borough—Summarized (Audubon Borough Budget Statements for 2008-09 and 2009-10)

Audubon Borough	2006-2007	2007-2008	2008-2009	2009-2010
	Actual	Actual	Budget	Budget
Appropriations				
General Fund	17,946,289	18,295,246	19,613,756	19,613,203
Special Revenues	584,337	490,658	400,000	402,566
Debt Service	1,197,050	1,137,379	1,028,098	1,066,135
Total	19,727,676	20,553,283	21,041,854	21,081,904
Revenues				
Less: State Aid Other	5,804,069	5,961,068	6,132,880	6,268,811
Less: State Aide-Adjustments				
Less: Other Revenues	3,706,978	4,027,480	4,271,318	4,170,829
Less: Federal; Special: Debt	746,696	647,142	549,401	416,508
Total	10,257,743	10,635,690	10,953,599	10,856,148
Taxes To be Raised	9,469,933	9,917,593	10,088,255	10,225,756
Tax as % of Total Appropriations.	48.00%	48.25%	47.94%	48.50

2. Equalized Valuation

The tables below present the Audubon Park's and Audubon Borough's assessed and equalized valuations, true values ratios and year-over-year growth, for 2004 to 2008.

Assessed and Equalized Valuations

				Year-Over-Year	Year-Over-Year
	Assessed	Equalized	Ratio	Assessed	Equalized
Audubon Park					
2004	\$9,301,246	\$9,301,246	100.00%		
2005	\$9,301,243	\$9,301,243	100.00%	0.00%	0.00%
2006	\$9,299,122	\$9,299,122	100.00%	-0.02%	-0.02%
2007	\$9,300,056	\$9,300,056	100.00%	0.01%	0.01%
2008	\$9,387,705	\$9,387,705	100.00%	0.94%	0.94%
Audubon Borough					
2004	\$345,354,318	\$492,122,370	70.18%		
2005	\$345,523,565	\$565,458,335	61.11%	.05%	14.90%
2006	\$345,787,153	\$675,502,642	51.19%	.08%	19.46%
2007	\$353,050,643	\$738,350,119	47.82%	2.10%	9.30%
2008	\$354,148,622	\$764,887,818	46.30%	.31%	3.59%

Source: NJ Division of Taxation's Table of Equalized Values at <http://www.state.nj.us/treasury/taxation/lpt/lptvalue.shtml>)

Audubon Park's assessed valuations have remained stable from 2004-2008 with no significant increases. Audubon Borough's assessed valuations have shown minimal property valuation increases during the same time period.

3. Borrowing Margin/Capacity (Comprehensive Annual Financial Report)

Audubon Park School District -	\$ 231,688
Audubon Borough School District -	\$26,373,636

Audubon Park has no outstanding debt and Audubon Borough has \$12.5 million of outstanding bonded-debt. The combined district would appear to have sufficient borrowing capacity.

E. TAXES

1. General Fund Tax Levy

	2008-09 Budget	2009-10 Budget
Audubon Park Non Op		
Local Fair Share	393,223	408,166
Minimum Tax	122,417	127,314
Actual Tax Levy	209,224	132,407
Audubon Borough Receiving District		
Local Fair Share	8,192,610	8,387,634
Minimum Tax	8,192,610	8,387,634
Actual Tax Levy	9,219,733	9,304,027

1a. General Fund Tax Levy Allocation

Under A-4141, the general fund tax levy apportionment in the first year of the merger is directed in a manner determined by the Commissioner to be the least-fiscally disruptive. The districts' tax levy can be apportioned by equalized valuations, pupil enrollments, or some combination thereof. The impact of each method is illustrated below using the districts' 2009-10 actual General Fund tax levies.

	2009-10	Levy at 100%	Levy at 50%	Levy at 100%
	Actual Levy	Equalized	Eq. Val, 50%	Enrollment
		Valuations	Enrollment	
Audubon Park	132,407	114,412	496,110	877,808
Audubon Borough	9,304,027	9,322,022	8,940,324	8,558,626

The allocation of 2.4% of pupil enrollment and 97.6% of equalized valuations would provide an allocation equivalent to the 2009-10 levy included in the final budget certified for taxes. For the first year I recommend that Audubon Park raise the same amount included in the 09-10 budget of \$132,407 and Audubon Borough raise \$9,304,027.

A-4141 further provides that thereafter, the apportionment methodology shall be selected from those established in NJSA 18A:13-23, *i.e.*, equalized valuations, pupil enrollments, or some combination thereof, and that, if necessary, the Commissioner may direct a five-year phase in of that method. I recommend beginning in 2010-11 that the apportionment methodology be 2.4% enrollment and 97.6% equalized valuations, a combination of the two methods, as permitted in NJSA 18A:13-23. A five-year phase in is not necessary and therefore, not recommended.

2. Debt Service Fund Tax Levy (District Budget Statement)

	2008-09 Budget	2009-10 Budget
Audubon Park (nonop)		
Total Debt		
Total State Aid	0	0
Debt Service Levy	0	0
Other Local Sources	0	0
Audubon Borough (receiving)		
Total Debt	1,028,098	1,066,135
Total State Aid	149,401	144,406
Debt Service Levy	868,522	921,729
Other Local Sources	10,175	0

2a. Debt Service Levy Allocation

A-4141 further provides that the amount to be raised for interest upon and the redemption of bonds payable by the district for bonds issued prior to and after the effective date of this act shall be apportioned among the constituent districts of the merged district in such manner as the Commissioner determines to be least fiscally disruptive. I recommend that all existing debt of Audobon Borough remain the responsibility of Audobon Borough. All new debt approved by the combined district will be the responsibility of the combined district and allocated in accordance with the general fund tax levy allocation that I recommend above.

F. STATE AID (DISTRICT BUDGET STATEMENT)

	2009-10 State Aid
Audubon Park (nonop)	1,532,260
Audubon Borough (receiving)	6,268,811

Under A-4141, state aid will still be calculated as separate districts based on the two districts' pupil and wealth characteristics. The resulting aid amounts will then be combined and provided in total to the new single district for development of its combined budget.

IV. COST SAVINGS

The following summarizes the possible costs savings that may result from the legislative requirement to eliminate the Audubon Park non-operating district.

A. General Fund Total (2008-2009):	\$1,750,882
B. Estimated Potential Cost Savings:	\$41,155

The following is a summary of the areas targeted for anticipated savings:

1. General Administrative Services, including the elimination of costs for:
 - a. Legal
 - b. Board conferences
 - c. NJSBA membership
 - d. Telephone
 - e. Treasurer of School Monies
 - f. Auditor
 - g. Election costs
2. Unallocated Benefits, including the elimination of costs for:
 - a. Workers' Compensation Insurance
 - b. Social Security contribution
3. Administrative Central Services: including the elimination of costs for:
 - a. Salary for part time business administrator/board secretary

V. DISTRICT SPECIFIC ISSUES/CONCERNS

A. Deferred Taxes

The Audubon Park government has deferred property taxes collected on behalf of the Audubon Park School District. The Audubon Park government should continue to collect taxes in such a manner that no disruption will result from this merger.

VI. RECOMMENDATIONS TO THE COMMISSIONER

Pursuant to N.J.A.C. 6A:23A-2.4, the ECS recommends the elimination of the Audubon Park Township School District as of July 1, 2009. The 133 students of Audubon Park Township will continue to be educated at the Audubon Borough schools and beginning with 09-10 will be counted as resident students in Audubon Borough School District but for the purposes of calculating State school aid, both the Borough and the Township will continue to be considered separate school districts. Beginning in 09-10, the general fund tax levy of the Audubon Park Township School District will be apportioned as the Audubon Borough School District, per the above allocation.

In accordance with A-4141, the new combined district would continue with an elected board consisting of nine (9) members elected for staggering three-year terms. Within 30 days of the merger of the districts, the ECS will appoint a voting member from Audubon Park to be added to the existing Audubon board for 2009-10 to serve until the first Monday succeeding the first annual election in which a member of the Audubon Park board of education is elected at large. An appointee from Mt. Ephraim will continue as permitted under the sending-receiving statutes. The members of the Audubon Borough board of education will continue in office as members of the combined district until the expiration of the respective terms for which they were elected. In any year in which the term of a member of the board of education of the new district expires, his successor shall be elected at-large by the voters of the new district.

This recommendation is the least disruptive for the Audubon Borough School District finances and educational operations. The ECS may recommend further review and analysis of the Audubon Borough School District as part of the ongoing K-12 consolidation studies.

Further, the ECS recommends that Audubon Borough School District will have the responsibility to liquidate all assets, close the fiscal books (and conduct the final audit) of the Audubon Park School District. Audubon Park will bear the financial cost of the audit.

Finally, the ECS recommends that all remaining cash balances after completion of the liquidation process go to the Audubon Park municipality, and any indebtedness shall be the responsibility of that municipal government.

All documents and records of Audubon Park shall be turned over to the Board of education of the merged district.