



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

Ms. Patty Cooper, Board President
Glen Gardner Borough School District
P.O. Box 158
Glen Gardner, NJ 08826

Dear Ms. Cooper:

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 Assistant Commissioner for Field Services to eliminate the non-operating Glen Gardner Borough School District and to provide for the education of the children from Glen Gardner Borough in the Clinton Town School District.¹

I find that the Assistant Commissioner'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 five member board of education elected for staggered three year terms. Current members of the Clinton Town 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 or Commissioner's designee will appoint a representative from Glen Gardner Borough to serve as a voting member of the Clinton Town Board of Education until the first Monday succeeding the first annual election in which a member of the Clinton Town Board of Education is elected at-large.

The Assistant Commissioner further recommends that for the first year (2009-10), the tax levy be allocated in the final amounts that were included in the districts' 2009-10 budgets. Thereafter, the Assistant Commissioner recommends that the levy be apportioned through five-year phase in to 100% equalized valuation. I find that this recommendation results in the least-fiscally disruptive tax levy allocation as required by the statute.

¹Pursuant to N.J.S.A. 18A:7-2 the Commissioner may designate any one of her Assistant Commissioners to exercise the duties of the Executive County Superintendent without additional compensation. It is under this authority that the Assistant Commissioner for Field Services submitted the plan.

I further agree with the recommendations of the Assistant Commissioner regarding the liquidation of the remaining assets and the closing of the fiscal books of the Glen Gardner Borough School District, and regarding the remaining issues set forth in the Assistant Commissioner'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 Assistant Commissioner for the merger of the Glen Gardner Borough School District with the Clinton Town School District, effective July 1, 2009. I direct the Interim Hunterdon 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: Assistant Commissioner
Interim Hunterdon County Superintendent
Executive County Business Administrator
School Business Administrator, Glen Gardner Borough School District
School Business Administrator, Clinton Town School District
Board President, Clinton Town School District
Chief School Administrator, Clinton Town School District

HUNTERDON COUNTY
REPORT ON NON-OPERATING SCHOOL DISTRICT
GLEN GARDNER

Submitted by:

Gerald Vernotica, Ed. D.

Assistant Commissioner of Field Services

Final Report June 30, 2009

I. FOREWORD

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 reiterate the requirement for the ECS¹ to submit such plans to the Commissioner, to eliminate “non operating school districts.” 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.

Glen Gardner, a Kindergarten to grade 8 district, represents the sole “non-operating school district” within Hunterdon County. Students from Glen Gardner attend school in the Clinton Town School district, through a sending-receiving relationship that has spanned several years. In 1983, the Town of Clinton dissolved its send-receive relationship with Lebanon Borough for seventh and eighth grade students. At the same time they began a send-receive relationship with Glen Gardner that included all students from that borough in grades K-8. Glen Gardner became a “non-operating school district.” Accordingly, both of these districts are academically assimilated, leaving fiscal, governance and management as the three major remaining issues to complete full assimilation. This report presents a plan to join Glen Gardner with Clinton Town into a single school district to serve the students from both communities.

II. COMMUNITIES

A. Description

Hunterdon County is in the New York metropolitan area. It had an estimated population in 2007 of 129,348 residents. This is an increase of 6.3%, from the

¹ Pursuant to N.J.S.A. 18A:7-2, the Commissioner may designate any one of her Assistant Commissioners to exercise the duties of the Executive County Superintendent without additional compensation. It is under the authority that the Assistant Commissioner for Field Services submits this plan.

2000 census data collection. Hunterdon County has been the third fastest growing county in the state, after Ocean (1st) and Warren Counties (2nd).

Glen Gardner:

Glen Gardner Borough is governed by a Mayor and six council members. Its land mass consists of 1.56 square miles. According to population estimates for 2007, Glen Gardner has 1958 residents, with a population that is declining at a rate of 1.6%. Glen Gardner’s median household income as per the 2000 census is \$59,917.

Currently Glen Gardner buses its K-8 students to the neighboring Clinton Town public school district. Glen Gardner pays tuition based upon the total number of students attending the Clinton Town School.

Clinton Town

The town of Clinton is governed by a Mayor and six council members. It is comprised of 1.37 square miles and has a resident population of approximately 2,564. Its population is declining at a rate of 3.2%. Clinton’s median household income as per the 2000 census is \$78,121.

Clinton’s school district receives all of Glen Gardner’s K-8 students. Of the 535 total students in the Clinton District, 182 students are from Glen Gardner. Clinton’s students walk to school, with the exception of a few special needs students. Busing for those students is handled by the Glen Gardner school district.

The following plan recommends the joining of both school districts. Below is an outline of pertinent district data.

B. POPULATION

1. Total

	Year 2000	2007 estimate
Glen Gardner	1902	1958
Clinton Town	2632	2564

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

2. Ages (Ranges)-2000 Census

Age Range	Under 5	5 to 14	15 to 19	20 and over	Total
Glen Gardner	135	280	99	1388	1902
Clinton Town	200	409	215	1,908	2632

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

3. Birth Rate (1998-2005)

Year	1998	1999	2000	2001	2002	2003	2004	2005
Glen Gardner	33	26	30	22	22	32	23	19
Clinton Town	31	39	38	42	36	51	33	33

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

C. HOUSING

1. Total

	Permanent	Seasonal
Glen Gardner	829	3
Clinton Town	1095	4

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

2. Growth (Bldg. permits 2000-2006)

	2000	2001	2002	2003	2004	2005	2006
Glen Gardner	11	11	9	7	7	3	0
Clinton Town	15	0	0	0	0	0	0

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

D. Net Valuation Taxable

	Equalized Valuation as of 10/01/08
Glen Gardner	196,557,913
Clinton Town	436,169,358

(Source: Co. Board of Taxation – Abstract of Ratables)

III. SCHOOL DISTRICTS

A. BOARD OF EDUCATION

Glen Gardner Borough is a Type II district with an elected board consisting of five (5) members elected for staggered three-year terms. The Glen Gardner Board of Education elects one member to serve on the Clinton Town board as a voting member.

Clinton Town is a Type II district with an elected board consisting of five (5) members elected for staggered three-year terms. Glen Gardner's elected member makes it a six (6) member board.

Combined Board of Education

In accordance with A-4141, the new combined district would continue with an elected board consisting of five (5) members elected for staggered three-year terms. The members of the Clinton 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 the existing representative from Glen Gardner to the Clinton board of education as a voting member to be added to the existing Clinton board, thereby temporarily maintaining a board of six members. The 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 the board of education of the new district is elected at-large, at which time the board will continue with five members.

B. ENROLLMENTS

The following tables present Glen Gardner and Clinton's resident enrollments for the five years 2005-06 through 2009-10.

Enrollment- Glen Gardner

Year	2005-06	2006-07	2007-08	2008-09	2009-10 (est.)
Regular	162	161	159	150	132
Special Ed	39	38	31	32	39
Total	201	199	190	182	171

Enrollment- Clinton Town

Year	2005-06	2006-07	2007-08	2008-09	2009-10 (est.)
Regular	459	471	460	457	457
Special Ed	82	84	78	78	70
Total	541	555	538	535	527

(Source: district budgets page A1 of school district budget statement, advertised enrollment)

C. FINANCIAL

1. Budget Information

The following tables summarize Glen Gardner and Clinton's actual financial results for 2006-07 and 2007-08, and budget data for 2008-09 and 2009-10, extracted from budget submissions in 2008-09 and 2009-10.

Glen Gardner (non-op) - Summarized

	Actual	Actual	Revised	Proposed
Operating Budget:	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Budgeted Fund Balance	67,000	-	37,000	
Bud Fund Balance Tuition Adjustment		75,000	-	
Withdrawal from Tuition Reserve	95,000	-	30,000	
Local Tax Levy	1,451,415	1,479,651	1,538,837	1,516,233
Transportation Fees from other LEAs	957	1,002	-	
Unrestricted Misc. Revenue	14,322	8,796	10,000	1,600
Subtotal	1,628,694	1,564,449	1,615,837	1,517,833
Revenues from State Sources	1,103,320	1,138,676	1,149,257	1,131,670
Total Operating Budget	2,732,014	2,703,125	2,765,094	2,649,503
Total Revenues	2,732,014	2,703,125	2,765,094	2,649,503

Clinton Town (receiving district) - Summarized

	Actual	Actual	Revised	Proposed
Operating Budget:	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Budgeted Fund Balance	8,515	58,631	-	
Withdrawal from Tuition Reserve		20,000	-	
Local Tax Levy	3,714,408	3,910,915	4,086,329	4,274,142

Deposit to Capital Reserve				30,000
Tuition	2,296,557	2,307,758	2,435,796	2,394,231
Interest earned on capital reserve funds				300
Unrestricted Misc. Revenue	11,997	10,980	15,000	5,000
Subtotal	6,031,477	6,308,284	6,537,125	6,703,673
Revenues from State Sources	255,757	267,865	286,554	271,865
Total Operating Budget	6,287,234	6,576,149	6,823,679	6,975,538
Total Grants and Entitlements	201,794	225,534	213,255	213,255
Repayment of Debt:				
Local Tax Levy	551,123	568,356	553,625	538,505
State Aid	1,226	1,258	1,208	1,159
Total Local Repayment of Debt	552,349	569,614	554,833	539,664
Total Revenues	7,041,377	7,371,297	7,591,767	7,728,457

2. Equalized Valuation

The tables below present Glen Gardner's and Clinton Town's assessed and equalized valuations, true values ratios and year-over-year growth, for 2004 to 2008.

Assessed and Equalized Valuations

	<u>Assessed</u>	<u>Equalized</u>	<u>Ratio</u>	<u>Year-Over-Year</u>	
				<u>Assessed</u>	<u>Equalized</u>
Glen Gardner					
2004	\$140,164,345	\$152,775,765	91.52%	n/a	n/a
2005	\$139,551,793	\$170,288,287	81.90%	-0.4%	11.5%
2006	\$139,214,343	\$188,826,566	73.66%	-0.2%	10.9%
2007	\$139,609,415	\$198,131,648	70.36%	0.3%	4.9%
2008	\$139,609,415	\$196,557,913	70.99%	0.0%	-0.8%
Clinton Town					
2004	\$311,288,892	\$339,836,368	91.57%	n/a	n/a
2005	\$359,205,736	\$382,220,418	93.96%	15.4%	12.5%
2006	\$402,625,286	\$414,151,268	97.21%	12.1%	8.4%
2007	\$417,943,900	\$435,917,385	96.10%	3.8%	5.3%
2008	\$425,940,156	\$436,169,358	97.65%	1.9%	0.1%

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

As indicated above, Glen Gardner has seen essentially no growth in assessed values for the period 2004 to 2008 compared to over 33% growth in assessed values for Clinton Town over that same period.

3. Borrowing Margin/Capacity (from the 2008 Audit)

Glen Gardner School District (non-op) - \$5,560,128

Clinton Town School District (receiving) - \$8,460,248

The combined borrowing capacity is now over \$13 million, and the combined amount is sufficient to fund expected bonded projects included in Clinton's long range facility plan.

D. TAXES

1. General Fund Tax Levy

	2008-09 Budget	2009-10 Budget
Glen Gardner		
Local Fair Share	1,331,775	1,357,503
Minimum Tax	1,331,775	1,357,503
Actual Tax Levy	1,538,837	1,516,233
Clinton Town		
Local Fair Share	2,797,746	2,903,676
Minimum Tax	2,797,746	2,903,676
Actual Tax Levy	4,086,329	4,274,142

1a. General Fund Tax Levy Allocation

Under A4141 the general fund tax levy apportionment in the first year of the merger is directed in a manner determined by the Commissioner to be least fiscally disruptive.

The allocation of levy can be apportioned by equalized valuations, pupil enrollment, or some combination of apportionment based upon equalized valuations or pupil enrollments. The impact of each method is illustrated below using the actual general fund levy from 2009-10.

	2009-10 Actual Levy	Levy at 100% Equalized Valuations	Levy at 50% Eq.Val. 50% Enrollment	Levy at 100% Enrollment
Glen Gardner	1,516,233	1,717,792	1,860,412	2,003,032
Clinton	4,274,142	4,072,583	3,929,963	3,787,343

There is no combination of equalized valuations and pupil enrollment that will result in the same levy allocation in 2009-10. While the allocation of 100% Equalized Valuations would provide the closest allocation to the current allocation, it would still result in some disruption. Therefore, for the first year FY10, consistent with actual 2009-10 levies, a tax levy of \$1,516,233 is recommended for Glen Gardner and \$4,274,142 is recommended for Clinton Town.

A-4141 further provides that thereafter the apportionment methodology shall be selected from those established in N.J.S.A.18A:13-23 i.e., equalized valuation, pupil enrollment, or some combination thereof and that if necessary the Commissioner may direct a five year phase in of that method. I recommend a five year phase in of the 100% equalized valuation method. Using the 2009-2010 tax levy for illustration the annual phase in would be:

	FY10	FY11	FY12	FY13	FY14	FY15
Glen Gardner	1,516,233	1,556,545	1,596,857	1,637,168	1,677,480	1,717,792
Clinton Town	4,274,142	4,233,830	4,193,518	4,153,207	4,112,895	4,072,583
Total	5,790,375	5,790,375	5,790,375	5,790,375	5,790,375	5,790,375

This phase in will be adjusted annually based on the final total levy of the new district calculated each year.

2. Debt Service Fund Tax Levy

	2008-09 Budget	2009-10 Budget
Glen Gardner (non-op)		
Total Debt	0	
Total State Aid	0	
Debt Service Levy	0	
Other Local Sources	0	
Clinton Town (receiving)		
Total Debt	554,833	539,664
Total State Aid	1,208	1,159
Debt Service Levy	553,625	538,505
Other Local Sources	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 Clinton Town remain the responsibility of Clinton Town. All new debt approved by the merged district will be the responsibility of Glen Gardner and Clinton Town. Any new debt shall be allocated in accordance with the general fund tax levy allocation.

F. STATE AID

State Aid	2008-09		Total
	General Fund	Debt Service	
Glen Gardner (nonop)	1,149,257		1,149,257
Clinton Town (receiving)	286,554	1,208	287,762
Total	1,435,811	1,208	1,437,091
	2009-10		
Glen Gardner (nonop)	1,131,670		1,131,670
Clinton Town (receiving)	271,865	1,159	273,024
Total	1,403,535	1,159	1,404,694

Under A4141 state school aid for the new district will be calculated as if the former non-operating district and the district with which it is merged continue as separate school districts.

IV. POTENTIAL COST SAVINGS

The following summarizes the costs savings that may result from the legislative requirement to eliminate the Glen Gardner non-operating district.

- A. Budget (2009-2010):** \$2,649,503
- B. Estimated Potential Cost Savings:** \$ 37,500
 - 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. Employee benefits

IV. DISTRICT SPECIFIC ISSUES/CONCERNS

1. Pupil Transportation

Currently, the non-operational district transports all of the Glen Gardner regular education students and special education students for Glen Gardner and Clinton Town School Districts. The Clinton Town Board of Education will be responsible for taking over the contract and determining the most cost effective way to provide transportation for all students in the future. The contract should be transferred from Glen Gardner to Clinton.

V. RECOMMENDATIONS TO THE COMMISSIONER

Pursuant to N.J.A.C. 6A:23A-2.4, the Executive County Superintendent sets forth a plan for the elimination of the Glen Gardner School District, as of July 1, 2009. The Glen Gardner Board of education has the option to maintain the school business administrator of the borough through August 31, 2009 to assist in the transition. Clinton Town will pay the business administrator as appropriate. The 182 students of Glen Gardner Borough will continue to be educated at the Clinton Town School, and beginning with 2009-10, will be counted as resident students of Clinton Town School District; but for the purposes of calculating State school aid, both Glen Gardner and Clinton will be considered separate school districts. Beginning in 09-10, the general fund tax levy of the single Clinton Town School District will be apportioned to each community per the above allocation discussed in Section D.

For 2009-10, the Assistant Commissioner of Field Services will appoint the existing Glen Gardner representative to the Clinton board of education as a voting member to serve until after the first annual school election in which a member of the five-member Clinton board of education is elected. The members of the Clinton 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 merged district expires, his successor will be elected at-large by the Glen Gardner and Clinton Town voters of the combined school district.

The board of education of Clinton Public Schools shall cause a final audit of Glen Gardner's accounts and financial transactions pursuant to N.J.S.A. 18A:23-1 et. seq. and shall provide for the liquidation of the assets of Glen Gardner. Glen Gardner shall be responsible for the costs of the final audit prior to the liquidation of assets. Upon completion of the liquidation, any cash balances including any reserve balances, shall be paid to the municipality of Glen Gardner and any indebtedness will be the responsibility of the Glen Gardner municipal governing body.

This recommendation is the least disruptive on existing school district finances and educational operations. The ECS may recommend further review and analysis of the Clinton Town School District as part of the ongoing K-12 consolidation studies and may include the former Glen Gardner School District or merged district in the consolidation plan submitted to the Commissioner pursuant to N.J.S.18A:7-8(h).