



## 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. Maryanne McKenzie, Board President  
Sea Bright Borough School District  
PO Box 3125  
Sea Bright, NJ 07760

Dear Ms. McKenzie:

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 Monmouth County Executive County Superintendent to eliminate the non-operating Sea Bright Borough School District and to provide for the education of the children from Sea Bright Borough in the Oceanport 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 Oceanport 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 the existing representative from the Sea Bright Borough Board of Education to serve as a voting member of the Oceanport Borough Board of Education until the first Monday succeeding the first annual election in which a member of the Oceanport 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 that were included in the districts' 2009-10 budgets. Thereafter, the Executive County Superintendent recommends that the levy be apportioned through a combination of 98.1% pupil enrollment and 1.9% 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 Sea Bright Borough School District, and regarding the remaining issues set forth in 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 Monmouth County Executive County Superintendent for the merger of the Sea Bright Borough School District with the Oceanport Borough School District, effective July 1, 2009. I direct the Monmouth 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, Sea Bright Borough School District
- School Business Administrator, Oceanport Borough School District
- Board President, Oceanport Borough School District
- Chief School Administrator, Oceanport Borough School District

**REPORT ON NON-OPERATING SCHOOL DISTRICT**

**MONMOUTH COUNTY**

**SEA BRIGHT**

**Submitted by:**

**Carole Knopp Morris  
Executive County Superintendent**

**Final Report  
June 29, 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 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.

Monmouth County has four Non-Operating School Districts: Lake Como, Allenhurst, Interlaken and Sea Bright. In compliance with A-4141 and N.J.A.C. 6A:23A the Executive County Superintendent submits a plan to create a district that joins Sea Bright and Oceanport into a single school district to serve students from both communities.

## **II. COMMUNITIES**

### **SEA BRIGHT, NEW JERSEY – NON OPERATING DISTRICT**

**Sea Bright** is a Borough in Monmouth County, New Jersey. As of the United States 2000 Census, the borough population was 1,818.

Sea Bright was formed as a borough by an Act of the New Jersey Legislature on March 21, 1889, from portions of Ocean Township, based on the results of a referendum held the previous day. The borough was reincorporated on March 10, 1897.

### **OCEANPORT, NEW JERSEY – K-8 DISTRICT**

**Oceanport** is a Borough in Monmouth County, New Jersey. As of the United States 2000 Census, the borough population was 5,807. Oceanport was formed as a borough by an Act of the New Jersey Legislature on April 6, 1920, from portions of Eatontown Township (now Eatontown), based on the results of a referendum held on May 11, 1920.

## A. POPULATION

### 1. Total Population

	Year 2000	2007*
Sea Bright Borough	1818	1813*
Oceanport Borough	5807	5768*

(Source: U.S. 2000 Census, [www.factfinder.census.gov](http://www.factfinder.census.gov))

\* (Source: <http://en.Wikipedia.org/wiki/>)

### 2. Ages (Ranges)

Age Range	Under 5		6 to 64	Over 65	Total
Sea Bright	59		1563	196	1818
Oceanport	347		4633	827	5807

(Source: U.S. 2000 Census ([www.factfinder.census.gov](http://www.factfinder.census.gov)))

### 3. Birth Rate (1998-2005)

Year	1998	1999	2000	2001	2002	2003	2004	2005
Sea Bright	14	17	14	21	16	21	17	17
Oceanport	62	79	52	52	61	57	53	53

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

## B. HOUSING

### 1. Total – 2000 Census

	Permanent	Seasonal
Sea Bright Borough	1202	460
Oceanport Borough	2114	241

(Source: U.S. Census ([www.factfinder.census.gov](http://www.factfinder.census.gov)))

### 2. Growth (Bldg. permits 2000-2006)

	2000	2001	2002	2003	2004	2005	2006
Sea Bright	0	0	0	0	11	15	8
Oceanport	24	22	22	21	19	12	10

(Source: N.J. Dept. of Labor & Workforce Development -[www.wnjp.in.state.nj.us](http://www.wnjp.in.state.nj.us))

### C. Net Valuation Taxable

	As of 10/01/2008
Sea Bright Borough	524,089,850
Oceanport Borough	1,343,248,986

(Source: Co. Board of Taxation – Net Valuation Table)

## III. SCHOOL DISTRICTS

### A. BOARD OF EDUCATION

Sea Bright Borough is a Type II district with an elected board consisting of nine (9) members elected for staggered three-year terms. Sea Bright presently sends a voting member to the Oceanport Borough Board of Education.

Oceanport Borough is a Type II district with an elected board consisting of nine (9) members elected for staggered three-year terms. Oceanport offers comprehensive Pre-K to grade 8 educational programs to meet the needs of a regular education population, as well as, students with special needs.

### Combined Board of Education

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. The members of the Oceanport 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 Sea Bright to the Oceanport Borough board of education as a voting member, thereby increasing the membership of the board temporarily to ten 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 Oceanport board of education is elected at-large.

### B. ENROLLMENTS

The tables below present the individual resident enrollments by grade levels, for the four years 2005-06 through 2008-09.

### Enrollment – Sea Bright Borough

For Year	Total	K (Full)	1	2	3	4	5	6	MS 7-8	Sp Ed
2005-06	71	8	11	6	5	9	8	8	16	3
2006-07	74	10	9	11	6	5	9	8	16	3
2007-08	67	5	4	9	9	8	5	10	17	4
2008-09	71	8	8	9	10	7	4	8	16	5

(Source: ASSA-summary and DOE data enrollments)

### Enrollment - Oceanport Borough

For Year	Total	K (Full)	1	2	3	4	5	6	MS 7-8	Sp Ed
2005-06	673	62	71	63	74	80	70	79	163	11
2006-07	693	74	61	69	58	74	89	78	160	30
2007-08	719	63	81	62	73	69	84	93	169	25
2008-09	635	77	63	81	62	73	69	84	169	27

(Source: ASSA-summary and DOE-data enrollments)

## C. FINANCIAL

### 1. Budget Information

The following tables summarize the Sea Bright and Oceanport actual financial results for 2007-08, and budget data for 2008-09 and 2009-2010.

	Sea Bright Borough		
	<u>2007-2008</u> Actual	<u>2008-2009</u> Budget	<u>2009-2010</u> Budget
<b>Appropriations</b>			
General Fund	1,140,385	1,190,718	1,197,718
Special Revenues	0	0	0
Debt Service	0	0	0
Total	1,140,385	1,190,718	1,197,718
<b>Revenues</b>			
Less: State Aid	157,761	175,734	175,734
Less: State Aid Adjustment	0	0	0
Less: Other Revenues	118,247	116,032	123,032

Less: Federal, Special, Debt	0	0	0
Total	276,008	291,766	298,766
<b>Taxes to be Raised</b>	<b>864,377</b>	<b>898,952</b>	<b>898,952</b>
<b>Tax as % of Total Approps</b>	<b>75.8%</b>	<b>75.5%</b>	<b>75.1%</b>

(Source: District CAFR 2008, District Budgets 2008-09 and 2009-10)

	<b>Oceanport Borough</b>		
	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
<b>Appropriations</b>			
General Fund	8,302,290	8,719,606	9,022,085
Special Revenues	215,277	180,037	180,037
Debt Service	234,992	300,736	300,837
Total	8,752,559	9,200,379	9,502,959
<b>Revenues</b>			
Less: State Aid	586,218	598,273	575,707
Less: State Aid Adjustment	0	0	0
Less: Other Revenues	798,393	864,721	899,502
Less: Federal, Special, Debt	234,992	244,880	250,106
Total	1,619,603	1,707,874	1,725,315
<b>Taxes to be Raised</b>	<b>7,132,956</b>	<b>7,492,505</b>	<b>7,777,644</b>
General Fund	6,897,964	7,256,612	7,546,876
Debt Service	234,992	235,893	230,768
Total Tax Levy	7,132,956	7,492,505	7,777,644
<b>Tax as % of Total Approps</b>	<b>81.5%</b>	<b>81.6%</b>	<b>81.8%</b>

(Source: District CAFR 2008, District Budgets 2008-09 and 2009-10)

## 2. Equalized Valuation

The tables below present the Sea Bright Borough's and Oceanport 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	
				Assessed	Equalized
<b>Sea Bright Borough</b>	<u>Assessed</u>	<u>Equalized</u>	Ratio		
History					
2004	500,223,181	501,827,678	99.68%	N/A	N/A
2005	501,226,608	628,789,592	79.70%	0.2%	25.3%
2006	513,399,347	883,277,234	58.11%	2.4%	40.5%
2007	520,090,525	859,888,235	60.47%	1.3%	-2.6%
2008	524,089,850	824,894,672	63.52%	0.8%	-4.1%
				Year-Over Year	
				Assessed	Equalized
<b>Oceanport Borough</b>	<u>Assessed</u>	<u>Equalized</u>	Ratio		
History					
2004	494,893,142	957,747,739	51.65%	N/A	N/A
2005	491,851,779	1,087,925,751	45.19%	-0.6%	13.6%
2006*	1,331,987,553	1,231,436,704	108.17%	170.9%	13.2%
2007	1,336,274,205	1,292,983,314	103.35%	0.3%	5.0%
2008	1,343,248,986	1,306,302,889	102.83%	0.5%	1.0%

(Source: Monmouth County Net Valuation Taxation 2004-2008 and Monmouth County Director's Table of Equalized Valuations 2004-2008)

\*Note: In 2006 Oceanport was reassessed

**3. Borrowing Margin/Capacity (as of June 30, 2008)**

Non-operating Sea Bright School District – 25,671,433

Receiving Oceanport School District – 36,105,257

(Source: School District CAFR 2008)

The Borough of Sea Bright has no outstanding bonded-debt and Oceanport has \$2.633 Million outstanding bonded-debt, of which approximately \$1.2 Million matures in 2012. The above represents the full borrowing capacity of Sea Bright and the remaining capacity of Oceanport. It should be noted, in December of 2006 Oceanport approved a \$2.1 Million bond referendum for alterations and renovations at Maples Place and Wolf Hill Schools.

**D. TAXES**

**1. General Fund Tax Levy**

	2009-2010 Budget
<b>Sea Bright</b>	
Local Fair Share	4,599,669

Minimum Tax	<b>835,527</b>
Actual Tax Levy	<b>898,952</b>
<b>Oceanport</b>	
Local Fair Share	<b>8,586,998</b>
Minimum Tax	<b>7,249,114</b>
Actual Tax Levy	<b>7,546,876</b>

**1a. Combined 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' 2009-2010 actual General Fund tax levies.

2009-10 Actual General Fund Levy

	Actual 2009-10 Levy	Levy at 100% Equalized Valuations	Levy at 50% EqVal, 50% Enrollment	Levy at 100% Enrollment
Sea Bright	898,952	3,411,547	2,130,457	849,368
Oceanport	7,546,876	5,034,281	6,315,371	7,596,460

Analysis of the data indicates that the allocation of 1.9% equalized valuations and 98.1% pupil enrollment would result in the same levy allocations in 2009-10. For the first year (09-10), I recommend that Sea Bright raise the same amount included in the 09-10 budget certified for taxes of \$898,952 and Oceanport raise \$7,546,876.

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 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 98.1% of pupil enrollment and 1.9% equalized valuation, a combination of the two methods, as permitted in N.J.S.A. 18A:13-23. A five-year phase in is not necessary and therefore, not recommended.

**2. Debt Service Fund Tax Levy**

	<b>2009-10 Budget</b>
<b>Sea Bright</b>	
Total Debt	<b>0</b>
Total State Aid	<b>0</b>
Debt Service Levy	<b>0</b>
Other Local Sources	<b>0</b>

<b>Oceanport</b>	
Total Debt	<b>300,837</b>
Total State Aid	<b>64,943</b>
Debt Service Levy	<b>230,768</b>
Other Local Sources	<b>5,126</b>

**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 districts in such manner as the commissioner determines to be least fiscally disruptive. I recommend that all existing debt of Oceanport will remain the responsibility of Oceanport and 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 recommended above.

**E. STATE AID**

	2009-10 State Aid
Sea Bright Borough	175,734*
Oceanport Borough	575,707*

\*includes Extraordinary Aid

(Source:2009-10 Budget Data)

Under A-4141, state aid will be calculated as separate districts based on the Sea Bright and Oceanport 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. POTENTIAL COST SAVINGS**

The following summarizes the potential savings exclusive of any final closing costs to be paid from remaining surplus balances that may result from the legislative requirement to eliminate Sea Bright as a “non-operating school district”.

<b>A. General Fund Total (2009-10):</b>	\$1,197,718
<b>B. Estimated Potential Cost Savings:</b>	\$ 74,028

The following summarizes the possible cost savings that may result:

1. Elimination of contracted child study team services
2. Elimination of contracted attendance and social work
3. Elimination of general and central services administrative costs for:

- a. Contracted business administrator/board secretary
  - b. Support staff
  - c. Legal
  - d. Audit
  - e. Board membership fees and other costs
  - f. Other incidental expenses
4. Elimination of Plant costs
  5. Elimination of benefits, including costs for:
    - a. Workers' Compensation Insurance
    - b. Social Security contribution

## **V. DISTRICT SPECIFIC ISSUES/CONCERNS**

### **Deferred Property Taxes**

The Sea Bright and Oceanport municipal governments may defer property taxes collected on behalf of their school districts. The municipal governments 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 Executive County Superintendent recommends elimination of the Sea Bright School District as of July 1, 2009. Sea Bright students will continue to be educated at Oceanport School District, and beginning with 2009-10, will be counted as resident students in the Oceanport School District but for the purposes of calculating State school aid, both Sea Bright and Oceanport will continue to be considered separate school districts. Beginning in 2010-11, the general fund tax levy of the single Oceanport School District will be apportioned to each community, per the above allocation discussed in Section III-D. Sea Bright and Oceanport 9-12 students will continue to be educated at Shore Regional High School District as constituent members of Shore Regional High School District.

Under Section III-A, in 2009-10 the ECS will appoint the existing Sea Bright representative to the Oceanport board of education as a voting member to serve until after the first annual school election in which a member of the nine-member Oceanport board of education is elected. The members of the Oceanport 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. All seats of the nine member board will be elected by at-large vote thereafter.

In accordance with A-4141, Oceanport (receiving district) will have the responsibility to liquidate all remaining assets and close the fiscal books of Sea Bright Board (non-operating district), including arranging for the final audit. The costs of the final audit shall be payable from the Sea Bright accounts prior to the liquidation of the assets. All remaining cash and fund balances on completion of this liquidation process shall be paid to the Sea Bright municipal government and any indebtedness shall be the responsibility of the municipal government.

All books, documents, and records of Sea Bright shall be turned over to the board of education of the merged district.

There is an ongoing K-12 district consolidation study consistent with N.J.S.A. 18A:7-8 (h) and as provided by A-4141, the ECS may continue to consider Sea Bright and Oceanport in that plan notwithstanding this merger.