



BOROUGH OF SEA BRIGHT

MONMOUTH COUNTY, NEW JERSEY

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July 12, 2023

Mr. Mark Patterson
President
Oceanport School District Board of Education
29 Wolf Hill Avenue
Oceanport, NJ 07757

Dear Mr. Patterson,

The Borough Council is in receipt of your June 16th correspondence whereby you purportedly indicate you have the best interest of Sea Bright's students in mind. While we appreciate you making this representation, certainly you would agree that Sea Bright's citizens are in a far better position to decide what is in their children's best interest, rather than elected officials from another town.

As you know, the Oceanport Board of Education is comprised of elected officials all of whom are from Oceanport Township. While we are appreciative of the Board's work, Sea Bright's citizens have no voice on the Oceanport Board of Education or control over its decisions. For that reason, the only say our citizens have related to the education of our children is to determine the school district where they are sent. For reasons that remain unclear, your letter seeks to further disenfranchise Sea Bright's citizens by removing from them the right to make educational decisions related to their children. I would ask that you reconsider your involvement in this matter and allow Sea Bright's families to freely determine what is in the best interest of our community's children without interference from elected officials in a neighboring community.

It further is troubling that Oceanport has chosen to use Sea Bright's tax revenue to employ its Board attorney -- at both communities' expense -- to spread misinformation and deprive our community of the right to vote on this important issue. There simply is no justification for spending Sea Bright's tax revenue as a means to oppose the right of Sea Bright's voters to weigh in on this important issue. Unfortunately, Oceanport choosing to expend both communities' limited funds on legal expenses, rather than educating our children, is just another example of Sea Bright having no control over how its educational tax dollars are being used -- in this case to the detriment of Sea Bright's electorate.

I also would be remiss if I did not respond to your representation that the feasibility study fails to take into account various costs. It is unclear where you obtained your information, but your representations are entirely inaccurate. I should note that not one, but two separate studies found substantial savings if Sea Bright were to leave Oceanport. The first was commissioned by Sea Bright, Atlantic Highlands, and Highlands. The second was conducted by Kean University, which was funded by a State grant awarded to the Henry Hudson Regional School District. Both studies reached the same conclusion, that Sea Bright joining a new regional school district would result in substantial savings.

As Sea Bright was part of commissioning the first study, I will focus on that study. However, before I get into the specifics, I think it is important to recognize that Sea Bright, through its legal counsel, spent substantial time identifying experts who are experienced and renowned in this particular work. The credentials of the three experts are unmatched in this State. Dr. Richard Grip presently serves as the Executive Director for Statistical Forecasting LLC. He has performed hundreds of demographic studies projecting student enrollment over 17 years. Former Commissioner of Education David Hespe served twice as New Jersey's Commissioner of Education, first under Governor Whitman from 1999 to 2001 and then under Governor Christie from 2014 to 2016. Commissioner Hespe also has served as the President and Chief Executive Officer for Burlington County College and as the Chief of Staff for the Department of Education. Finally, Mr. Steven Cea holds a Bachelor of Arts in Computer Science from Columbia University and a Masters of Business Administration from the University of California at Berkeley. He has served as the Business Administrator/Board Secretary for several school districts, has served as the President of the Bergen County Association of School Business Officials, the President of the Passaic County Association of School Business Officials, and the Treasurer of the Educational Council of Passaic County. He has been awarded the Distinguished Service Award by the New Jersey Association of School Business Officials.

These three highly qualified and experienced experts spent substantial time preparing the feasibility study. The savings in the report were calculated using a widely accepted methodology and presented to the public in a transparent matter that included providing the backup for the calculations in the report. Naturally, one would expect that when challenging these calculations -- especially on grounds that the methodology failed to take into account important expenses -- the opposition would be rooted in detail and facts. Unfortunately, your representations demonstrate otherwise, as they are inaccurate and based on misinformation. In consultation with our experts, I will address each of your alleged points to explain how the calculated savings took these expenses into consideration.

1. TRANSPORTATION

Your correspondence incorrectly states that the "estimated savings do not consider the cost of transporting students from Sea Bright." Even a cursory review of the Study reveals that this is not accurate. For example, under the heading "Tax Allocation Framework," the Study provides that in determining the methodology to allocate savings so each community can see a reduced tax levy, the analysis focused on ten activities to be completed, one of which was review of the "transportation efficiencies and potential alternative structures." Furthermore, attached to the Study as Appendix AB -- was the "Models of Transportation Efficiency" developed by the New Jersey Department of Education. Finally, under the heading, "Saving Methodology" the Study provides:

Additionally, the analysis anticipates an increase in the cost to transport Sea Bright PK-12 students to the new regional schools. Collectively, the new regional schools are closer than the schools Sea Bright students currently attend in Oceanport and Shore Regional. However, the phase-out period will require additional transportation costs, which is included in the costs associated with the new Sea Bright students across all grade levels.

Furthermore, the savings calculations use the maximum budget cap. As I am sure you understand, the cost of transportation is implicit in the budgeted tax levy, as transportation is an essential service provided by a school district. For these reasons, the resulting tax reductions are consistent and included in the Study's analysis.

2. SALARIES

Your correspondence also makes the conclusory and unsupported statement that salary reconciliation "will certainly decrease the estimated savings." It is not surprising that the statement provides no support, as it ignores clear facts provided in the Study.

When a regional school district is formed or expanded, salary reconciliation takes place. However, that does not necessarily mean there will be a substantive increase in costs. Rather, the law requires that the salary guide from the largest school district be utilized when creating a new district. Henry Hudson Regional has the largest budget and the most teachers, so it was presumed in the study that its salary guides would be used for reconciliation. (The current plan is to expand Henry Hudson Regional into a PK-12 regional district, which would have the same end result) Table U8 of the Study analyzed the differences in the salary guides between the three schools. Henry Hudson Regional's guides are comparable to Highlands and significantly lower than Atlantic Highlands.

As the study discusses, there is precedent for this type of situation that demonstrates that reconciliation does not mean increased costs. Rather the Study discussed how South Hunterdon Regional successfully unified the school districts from Lambertville, West Amwell, and Stockton into a PK-12 all-purpose regional school district, by creating a new guide in which no tenured teacher saw a reduction in compensation, while the regional district was able to contain costs. In particular, the Study provides:

In the end, the Board and Association agreed on a percent increase on the total existing teacher compensation thereby creating a total dollar value to be distributed within the new guide. According to the Business Administrator, the NJEA did a good job developing a new guide and placing each association member on that guide. Although no tenured teacher received less than his or her existing compensation, their guide placement did not necessarily correspond to their years of experience. South Hunterdon is a case study that the collective bargaining issue can be resolved amicably among the parties while containing costs.

It is important to recognize that Porzio, Bromberg & Newman -- the same law firm we have chosen to lead our efforts -- led the South Hunterdon regionalization and the negotiations of the new combined collective negotiations agreement.

Furthermore, the Study discussed a number of positives that come from negotiating a new salary guide, including an opportunity to create a guide that properly compensates employees based on their education levels. In particular, the Study provides:

Settlements over time skew increments causing bubble steps and changes in education levels and compensation that stray from sensible values. A new guide offers the chance to return thoughtful consideration to each row and column of the guide. Furthermore, steps need not equate directly to years of experience. Districts establishing guides for the first time have created a model guide and placed employees at their corresponding education level at a step closest to, but not less than, their existing salary. This would eliminate the need to freeze salaries but would require a change in mindset that often links steps directly to years of experience.

As a result, there are a number of benefits in creating a new guide that history has shown does not mean an increase in costs to the District.

3. SPECIAL EDUCATION

Your letter also indicates that the "estimated savings also fail to consider the cost of special education and out-of-district placements." This again is inaccurate. Rather, special education tuition costs are implicit in the maximum budget tax levy for the regional school district. Your correspondence appears to indicate that Oceanport pays the entire cost related to Sea Bright's special education students, without any contribution from Sea Bright. Of course, this is inaccurate and misleading. Rather, Sea Bright's tax levy payment to Oceanport provides for the cost of educating general and special education students. Similarly, Sea Bright's tax levy payment to the new regional school district will be used to provide for these same costs associated with educating general and special education students.

4. DEBT SERVICE

Your letter indicates that the savings fail to consider the continuing debt service obligation. As discussed above, the new law provides for the payment of transitional support that Sea Bright would pay to Oceanport. The transitional payments are intended to cover all costs related to Sea Bright's transition to a new school. As the transitional payments are included in the savings calculation, your accusation, once again, is inaccurate.

However, one cost that I agree is not included in the study is the fact that Sea Bright has been paying the past few years toward buildings that it neither owns, nor has any control over. Should Sea Bright's voters decide to send their children to another school district, the buildings will continue to be owned by Oceanport and Oceanport will continue to reap the benefit from these assets (for which Sea Bright's citizens already have contributed a significant amount). As it is not mentioned in your correspondence, I will assume that Oceanport does not plan to return the payments

already made by Sea Bright's citizens toward the two buildings should Sea Bright send its students to another school district.

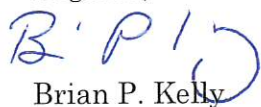
In addition to the above points, your correspondence also inaccurately represents that a municipality cannot submit a question to the voters through a referendum on enlarging a regional school district. Instead, it provides that only the Oceanport Board of Education can move to have the question decided by the voters. It remains unclear why Oceanport remains insistent on making all decisions related to Sea Bright's children, rather than allowing Sea Bright's citizens to make decisions for their own children. As discussed above, Sea Bright has no voice or representation on the Oceanport Board of Education. Essentially, you are seeking to disenfranchise Sea Bright's citizens from having any say in how their children are educated. Of course, this cannot be the case, as the Legislature would never approve of such a law.

Rather, the law in this area is clear. It provides that the "the board of education or governing body" of a non-operating or consolidated school district may "by resolution, withdraw from a limited purpose ... in order to form or enlarge a limited purpose." I note that the same law provides that "the board of education or governing body" of a non-operating or consolidated school district is responsible for transition payments to the limited purpose school district it was formerly a member. Unless Oceanport believes that it is responsible for making transition payments to itself should Sea Bright join a new regional school district -- which is irrational, illogical, and would defeat the intent of the law -- then it must agree that the governing body (Sea Bright's Borough Council) has the ability to pass a resolution to allow its citizens to decide this issue. Of course, the reasoning behind this is clear, the Legislature recognized that the governing body of non-operating and consolidated school districts must have a voice in making educational decisions related to its children. Any other result would leave communities, such as Sea Bright, completely disenfranchised when it comes to the education provided to its children. This cannot be the case, as the Legislature would never seek to disenfranchise an entire community in this regard.

I hope this helps clarify the issues set forth in your letter. I will leave it to you on whether you wish to read this at your next public meeting. Our community knows that your aggressive efforts are motivated by your interest in continuing to receive every last tax dollar it can from Sea Bright; we know this is true because Sea Bright's financial concerns have been at the forefront of this issue for over a decade and NO ONE from Oceanport has reached out to discuss this, much less offer a solution, such as a modification of the tax levy.

I again wish to implore the Oceanport Board of Education not to interfere or otherwise waste Sea Bright's tax revenue on legal expenses in an attempt to thwart the will of Sea Bright's citizens in making decisions that are in the best interest of their children.

Regards,


Brian P. Kelly
Mayor