

Study of the Feasibility of a New Sending-
Receiving Relationship Involving
7th and 8th Graders

Great Meadows Regional School District
Hackettstown School District
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Vision

- Create a middle school capable of providing a 21st Century educational experience that can compete with that provided by the best schools in the State.
- Assist all of the communities in addressing the serious financial, educational and facilities challenges that are facing their schools.

The Environment

- School districts throughout New Jersey are increasingly facing challenges due to factors outside of their control such as demographic changes in the community driving enrollments up or down, financial pressures due to a changing tax base or declining State aid, academic pressures to ensure that their children are prepared for college and careers, or programmatic pressures due to the special needs of students in poverty or English language learners.
- Hackettstown (HT) and Great Meadows Regional (GM) are facing these serious challenges and seeking meaningful solutions.

Hackettstown Challenges

- HT, according to its most recent demographic study, will be experiencing an increase in the number of students attending its schools. Its school buildings will be stretched to their functional capacity by these projected enrollment demands. The schools are aging and require investments to keep them up to date, educationally appropriate, safe and secure.
- The demographic study projected a slight growth in enrollments over the next five years. However, district enrollments for 7th and 8th grade reported as of October 15, 2017 indicate stronger growth may occur.
- Hackettstown will also increasingly need to serve a growing disadvantaged student body requiring additional educational programs and services.
- The tax base is stressed and it may be difficult for the community to continue to support annual levy increases.

Great Meadows Challenges

- Great Meadows is facing significant enrollment declines over the past decade. The GM enrollment has decreased by nearly 26% since 2009.
- It is expected that all three of the district's schools will soon be under 200 students. It is difficult to operate under-enrolled schools efficiently since the fixed costs are spread out among fewer students.
- GM is also experiencing an overstressed tax base with a tax burden above the State average.

Great Meadows Options

- Although GM has taken many steps to operate efficiently (such as a remarkable level of shared services and a tuition based special education program) these steps will be insufficient to cope with the cost consequences of the enrollment declines.
- Although there are options open to the district to address these financial issues, they are difficult:
 - raise class sizes or cut programs substantially
 - achieve savings through a school closure
 - Increase revenues through tuition

GM Option- School Closure

- The district could achieve substantial savings by closing one of its elementary schools and consolidating all grades in the other 2 buildings. Given that the Central School and Middle School form one campus and both have greater capacity than the Liberty School, the greatest advantage would be from closing the Liberty School.
- The district would achieve savings through both operational savings (utilities, building and grounds, maintenance, etc.) and through school level staffing (principal, nurse, media center, custodian, etc.) that can be estimated at \$848,584 annually. Note: this does not include the cost of “moth-balling” the school.

GM Option- Liberty as a Stand Alone Special Education School

- Another option that is being discussed is to consolidate all elementary grade students at the Central School and dedicate the Liberty School solely to serving students with high need special education placements that cannot be fulfilled in a neighborhood school setting. Most of these students will be from out of district on a tuition basis.
- This option is not likely to be viable and may make the situation worse:
 1. The district will still need to incur the costs associated with maintaining 3 schools.
 2. The needs in the region for out of district placements is limited and unlikely to provide the additional students that would be necessary just to defray the fixed costs of operating the school not including programmatic costs.
 3. The district indicated that one of the major draws of its current specialized program is that it is being offered in an inclusive setting (a school with both special education and regular education students). A more isolated, less inclusive setting might lead to fewer not more students being placed in a GM program.

Hackettstown Options

- The options available to HT are also difficult.
- Districts facing capacity and financial pressures will often raise class sizes but class sizes in HT are already over 20 on average in K-8 and it is unlikely that they can be increased much beyond current levels without negative educational and school climate impacts.
- A facilities bond referendum is the normal response to capacity issues but this would be costly and substantially increase debt in the community. In addition, at this point the demographic data is not clear and compelling far enough into the future. The worst thing a community could do is build new schools for kids that never come.

The Proposal Being Studied

- Currently, GM sends its high school students to HT pursuant to a long-standing sending-receiving agreement. The districts are considering a second agreement that will have approximately 219 HT 7th and 8th graders attend GM Middle School (GMMS).
- GM will continue to have three operating schools. Central School will become a PK-3 school and the Liberty School will become grades 4-6 including at least two new self-contained Special Education programs that it can offer to students from surrounding districts on a tuition basis. GM Grades 9-12 will continue to attend HT High Schools under the existing Sending-Receiving Relationship.
- The reconfiguration entails HT having its two elementary schools (Hatchery Hill and Willow Grove) that are currently K-4 become K-3 schools. HMS will then become a 4-6 grade school. HT will continue to have four operating schools.

Questions to Be Addressed

1. What educational benefit will HT 7th and 8th Graders receive by attending the GMMS through a new sending-receiving agreement?
2. What impact will the new agreement have on the education of the GM 7th and 8th Graders?
3. How will the new agreement impact the finances of both districts?
4. How will the new agreement impact the facilities of both districts?
5. How will the new agreement impact the staffing of both districts?
6. What are important considerations for the districts as they enter into this agreement educationally, financially and operationally? How will the new agreement impact the other schools of the districts given the need for grade reconfigurations throughout the districts?

The Advantages of the Proposal for HT

- The HT district will be able to alleviate the facility pressures for at least the short term (until the long term demographic trend lines and facility needs become clearer) through the proposed sending-receiving relationship.
- HT students will have additional educational opportunities due to the new combined middle school. They will have lower class sizes, longer school day and more instructional time, more technology, a class schedule better aligned with the rigors of high school, and more co-curricular and athletic opportunities.

Advantages of the Proposal for GM

- GM has excess capacity in all of its schools and a reputation for providing a quality education. GMMS is a modern facility that can easily accommodate the additional students.
- The net estimated tuition will be \$966,798 (total tuition minus costs of educating the additional HT students) which will provide much needed budgetary relief. This will be augmented through revenues realized through an expansion of its out of district special education programs.

Educational Advantages

- Students from both GM and HT will benefit through expanded programs. The district has indicated that under the proposal they will be able to add such opportunities as robotics, creative writing, S.T.E.M programs, math electives, additional world languages such as Mandarin, German and American Sign Language, culinary arts, performing arts, coding and programming, and additional fine arts electives such as ceramic and clay, painting, and drawing.
- Students will also experience the infusion of instructional technology across the curriculum, as well as increased co-curricular offerings.
- An expansion in athletics at the middle school level would also be made possible forming a bridge to high school interscholastic programs leading to a better student experience as well as higher participation rates.
- School leaders and teachers will be better able to align curriculum and instructional strengths with the expectations of high school and provide a positive school climate by bringing 7th and 8th graders from both districts together during the formative years of middle school prior to their attending high school together. Students will also benefit from a more diverse middle school setting.

Challenges Presented by the Proposal: Staffing

- The study simulates the impact of the proposal and suggests that HTMS will need to engage in a Reduction in Force which can be estimated at 1 fewer administrator, 17.25 fewer teaching staff and 3.4 fewer non-teaching staff depending on policy decisions made by the boards.
- GMMS will need to add an equivalent number of staff.
- State law provides protections to tenured HT teachers impacted by the proposal who will be able, for example, to elect to transfer to other positions in HT based on their seniority rights or become employed in GM.

Challenges Presented by the Proposal: Finance

- The study modeled a tuition amount for the new sending-receiving agreement estimated at \$2,706,840 plus transportation costs. The net impact on HT after savings at HTMS without the 7th and 8th Grade will equal \$998,385.
- The community will need to balance those net tuition costs against potential benefits in both the short term (immediate facility easing/educational benefits) and long term (deferral of bond referendum).
- Anticipated HT increases in State aid in the future might also be helpful in defraying the net tuition costs.

Challenges Presented by the Proposal: Facilities

- GMMS building is a modern building (constructed in 1998) and has been well maintained.
- The school was originally designed to serve as a departmentalized upper middle school and is nicely suited to serving a 7th and 8th Grade population.
- The school has a number of specialized classrooms including science and technology and has over 600 lockers for student use.
- There are sufficient classrooms and spaces to accommodate an expanded student body of 350 plus students.

Impact on Other Schools in the Districts

- The HT district will be impacted by the movement of the 4th graders from both elementary schools to the middle school which will now be an upper elementary school with Grades 4, 5, 6. HT students will also face an additional school transition from HTMS to GMMS to HTHS that will need to be supported by the districts.
- The GM district will be impacted by the movement of the 6th graders from the Middle School to the Liberty School which will now educate Grades 4, 5 and 6 and 3rd graders from Liberty School to Central School which will now be grades PK-3.
- We have not identified any instructional issues, staffing issues or transportation issues that will present major obstacles to either district. Although, there will likely need to be some staff transfers, this should create minimal disruptions given the geographic proximity of the schools.

Increasing Revenues Through Tuition Based Special Education Programs

- The GM district will also be able to increase revenues and operate more efficiently by increasing its current programs that offer tuition based special education programs and services to high needs students throughout the county and region.
- The special services office for GM and HT has conducted a survey of school districts and has identified a need in the county for additional specialized special education programs. GM has a track record of delivering these programs in a cost effective manner which will generate net income for the district. It will also have capacity in the Liberty School to accommodate these additional programs.

Recommendations

- The new proposed sending-receiving relationship provides both districts with potential advantages and could present a viable solution to many of the challenges they are facing such as budgetary issues in GM and future capacity issues in HT.
- We recommend that both districts form a working group at the board and administrative level to develop a plan for moving forward that provides the policy and operational framework to further understanding of the educational, financial and facilities impact of the proposal on the communities and for making the many policy decisions that will be necessary.