STATISTICAL FORECASTING LLC

PORZIO Compliance Services

A Feasibility Study for the Franklin and Union Township School Districts

by

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and

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Commissioned by and in consultation with Porzio, Bromberg & Newman, P.C.

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TABLE OF CONTENTS

Acknowledgements

The Bethlehem Township School District, Franklin Township School District, and Union Township School District and their representatives, Bethlehem Township, Franklin Township, Union Township and their officials, the Hunterdon County Offices of Education, and the New Jersey Department of Education were most cooperative in responding to the consultant team's requests for the volumes of data and information necessary to compile, analyze, and present the applicable recommendations.

I. INTRODUCTION

The Franklin and Union Boards of Education resolved to study the options available with respect to the education of their PK-8 student population. In doing so, Franklin and Union sought to analyze the following options for the education of their PK-8 students:

1. Formation of a PK-8 regional school district with the Townships of Franklin, Union and Bethlehem; or

2. Formation of a PK-8 regional school district with the Townships of Franklin and Union.

Through Porzio, Bromberg & Newman, PC, Franklin and Union retained the following independent experts to analyze the viability of these options and to prepare a preliminary study of the educational, financial, and racial impact of the formation of a new PK-8 regional school district: Dr. Richard S. Grip of Statistical Forecasting LLC primarily was responsible for the demographics and the racial impacts; David Hespe, former Commissioner of Education NJ Department of Education and Mary Robinson-Cohen, retired school administrator, primarily were responsible for the educational impacts; and Mr. Steven Cea, former School Business Administrator primarily was responsible for the financial impacts.

This report analyzes the educational, financial, and racial impacts of the formation of a new PK-8 regional school district. In particular, this feasibility study also analyzes the impact on the quality of education received by pupils in each of the aforementioned districts, and the effect on the racial composition of the pupil population of each of these districts.

In analyzing the educational impact of a proposed new PK-8 regional school district, the experts have concluded that either scenario above would result in a new district that would meet New Jersey's educational requirements and would provide an opportunity for a thorough and efficient education for all the PK-8 students currently served.

The financial analysis was calculated in "2023 dollars" to eliminate the variable of inflation and the time value of money. The financial impact was determined based upon the average property tax levies and average tax rates of each of the affected communities. The experts have concluded that the formation of a new PK-8 regional school district would generate savings under either scenario with the three-district regional generating approximately $1 million in savings annually.

Finally, the consultants have concluded that the potential effect on the racial composition of the pupil population of each of the districts is not substantial. In either scenario, the racial distribution of the proposed regional school district would be fairly similar. In addition, as it is likely that all students would be educated in the same buildings in which they currently are housed in either scenario, regionalization would not change the racial make-up of these schools.

The consultants encourage the boards to consider regionalization under either scenario.

II. Demographic Profiles

A. Community Descriptions

1. Bethlehem Township

Located in Hunterdon County, Bethlehem Township ("Bethlehem") contains a land area of 20.71 square miles, with an additional 0.12 square miles of water area. In the 2020 Census, Bethlehem had 3,745 residents, which is 180.8 persons per square mile. Historical and projected populations for Bethlehem from 1940-2050 are shown in Table D1. From 1940-2010, Bethlehem's population quintupled, with its greatest gain occurring in the 1970s (+119.9%) when the population more than doubled. However, the population reversed trend in 2020, declining by 234 persons in the last decade.

A population projection for 2050, which was prepared by the North Jersey Transportation Planning Authority ("NJTPA"), indicates that the population will increase. However, as the projection was based off data from 2017, the NJTPA needs to revise its projection now that the 2020 Census results are available. As it currently stands, the forecast projects the population to be 4,204 in 2050, which would be a 12.3% increase from the 2020 Census and a gain of 459 persons.

Table D1
Historical and Projected Populations for Bethlehem Township
1940-2050

Year	Population	Percent Change
Historical[1]		
1940	791	N/A
1950	857	+8.3%
1960	1,090	+27.2%
1970	1,385	+27.1%
1980	3,045	+119.9%
1990	3,104	+1.9%
2000	3,820	+23.1%
2010	3,979	+4.2%
2020	3,745	-5.9%
Projected[2]		
2050	4,204	+12.3%

Sources: [1] United States Census Bureau
[2] North Jersey Transportation Planning Authority, Inc. (2021)

2. Franklin Township

Franklin Township ("Franklin") also is located in Hunterdon County and contains a land area of 22.80 square miles, with an additional 0.20 square miles of water area. Historical and projected populations for Franklin from 1940-2050 are shown in Table D2. In 2020, the population in Franklin was 3,267, which is 143.3 persons per square mile. Franklin has the smallest population of the three communities. From 1940-2020, Franklin's population nearly tripled, with its greatest gain occurring in the 1950s (+41.6%).

A population projection for 2050, which was prepared by the NJTPA, is projecting the population to increase. However, as the projection was based off data from 2017, the NJTPA needs to revise its projection now that the 2020 Census results are available. As it currently stands, the forecast projects the population to be 3,599 by 2050, which would be a gain of 332 persons (+10.2%) from the 2020 Census.

Table D2
Historical and Projected Populations for Franklin Township
1940-2050

Year	Population	Percent Change
Historical[1]		
1940	1,211	N/A
1950	1,255	+3.6%
1960	1,777	+41.6%
1970	2,154	+21.2%
1980	2,294	+6.5%
1990	2,851	+24.3%
2000	2,990	+4.9%
2010	3,195	+6.9%
2020	3,267	+2.3%
Projected[2]		
2050	3,599	+10.2%

Sources: [1] United States Census Bureau
[2] North Jersey Transportation Planning Authority, Inc. (2021)

3. Union Township

Located in Hunterdon County, Union Township ("Union") contains a land area of 18.74 square miles, with an additional 1.87 square miles of water area. Historical and projected populations for Union from 1940-2050 are shown in Table D3. In the 2020 Census, Union had 6,507 residents, which is 347.2 persons per square mile. Union has the largest population of the three communities. Union's population nearly quintupled from 1940-2000, with its greatest gain occurring in the 1970s (+68.9%). After declining in the 2000s, the population reversed trend again, gaining 599 persons in the most recent decade.

A population projection for 2050, which was prepared by the NJTPA, indicates that the population will decline. However, as the projection was based off data from 2017, and the 2020 Census count has already surpassed the 2050 projection, the NJTPA needs to revise its projection now that the 2020 Census results are available.

Table D3
Historical and Projected Populations for Union Township
1940-2050

Year	Population	Percent Change
Historical[1]		
1940	1,303	N/A
1950	1,557	+19.5%
1960	1,717	+10.3%
1970	2,351	+36.9%
1980	3,971	+68.9%
1990	5,078	+27.9%
2000	6,160	+21.3%
2010	5,908	-4.1%
2020	6,507	+10.1%
Projected[2]		
2050	6,078	-6.6%

Sources: [1] United States Census Bureau
[2] North Jersey Transportation Planning Authority, Inc. (2021)

B. Relevant Demographic Characteristics

In Table D4, relevant demographic characteristics[1] of Bethlehem, Franklin, and Union are compared from the 2010 and 2020 Censuses and the 2008-2012 and 2018-2022 American Community Surveys ("ACS"). While some Census variables account for everyone in the population (e.g., age and race), other variables are collected from a sample (e.g., median household income, educational attainment, poverty status, etc.). The ACS replaced the long form of the Census, last administered in 2000 to approximately 16% of the population in the United States. For communities with fewer than 65,000 persons such as these, ACS data represent a sample collected over a five-year time period, where the estimates represent the average characteristics between January 2018 and December 2022, for example. This information does not represent a single point in time like the long form of earlier Censuses. The five-year ACS contains 1% annual samples from all households and persons from 2018 to 2022, resulting in a 5% sample of the population. Due to the small sample size, the sampling error is quite large, which increases the degree of uncertainty of the estimated values. Therefore, the forthcoming ACS data should be interpreted with caution.

1. Bethlehem Township

With respect to race, Whites are the largest race in Bethlehem. In the 2020 Census, Bethlehem was 87.2% White as compared to 92.2% in 2010, which is a loss of 5.0 percentage points. Hispanic was the second-largest race at 5.6% in 2020, which is a gain of 1.6 percentage points from 2010 (4.0%).

Regarding nativity, 4.2% of Bethlehem residents were foreign-born in the 2018-2022 ACS, which is a loss of 2.1 percentage points from the 2008-2012 ACS percentage (6.3%). As a point of comparison, New Jersey's foreign-born resident percentage was 23.5% in the 2022 ACS, which is significantly higher than Bethlehem's. While not shown in the table, place of birth, which serves as a proxy for country of origin, indicates that Poland was the largest source of immigrants in the 2018-2022 ACS, accounting for 31.6% of the foreign-born population.

The median age in Bethlehem has increased from 44.2 years in 2010 to 47.7 years in 2020, which is much higher than the median age in New Jersey (39.9 years). During the same time period, the percentage of people under the age of 18 years, which corresponds predominantly to school-age children, declined from 27.6% to 20.6%, a 7.0 percentage-point decline.

With respect to educational attainment for adults aged 25 and over, 61.8% of the population had a bachelor's degree or higher in the 2018-2022 ACS, which is a gain of 9.7 percentage points from the 2008-2012 ACS percentage (52.1%). Bethlehem is a highly-educated population, as its percentage of persons having a bachelor's degree or higher is much greater than that of New Jersey (43.5%) and is the highest of the three communities. Persons with

[1] As the number of demographic variables provided by the United Stated Census Bureau is voluminous, only variables pertinent to the study are shown.

graduate or professional degrees declined from 26.1% to 17.6% during this time period, a loss of 8.5 percentage points.

Median household income increased from $126,837 in the 2008-2012 ACS to $156,875 in the 2018-2022 ACS, a gain of 23.7%. By comparison, median household income in New Jersey is $96,346, which is $61,000 lower than that of Bethlehem. Bethlehem has the highest median household income of the three communities. During this time period, the percentage of school-age children (5-17) that are in poverty decreased from 7.4% to 0.0%.

Regarding housing, there were 1,406 housing units in Bethlehem in 2020, which is a gain of 20 units (+1.4%) from 2010. Over this time period, the overall occupancy rate slightly declined from 97.0% to 95.8% and the average household size declined from 2.96 to 2.78 persons. The majority of housing units in Bethlehem are owner-occupied (94.6%) in 2020. Renter-occupied units accounted for 5.4% of the housing units in 2020, which is nearly unchanged from the 2010 percentage (4.8%). As a point of comparison, the percentage of renter-occupied units in Bethlehem is much lower than that of New Jersey (38.7%). Finally, the median home price of an owner-occupied unit in the 2018-2022 ACS was $475,300, which is a 7.2% increase from the value reported in the 2008-2012 ACS ($443,300). The median home price of an owner-occupied unit in Bethlehem is $46,000 greater than that of New Jersey ($428,900).

2. Franklin Township

Like Bethlehem, Whites also are the largest race in Franklin yet are declining. In the 2020 Census, Franklin was 86.6% White, which is a decline of 7.5 percentage points from the 2010 percentage (94.1%). Like Bethlehem, the second-largest race in Franklin was Hispanic in 2020, representing 6.6% of the population, which is a gain of 3.2 percentage points from the 2010 percentage (3.4%).

With respect to nativity, 4.7% of Franklin residents were foreign-born in the 2018-2022 ACS, which is nearly unchanged from the 2008-2012 ACS percentage (4.8%). Franklin's foreign-born percentage is significantly lower than that of New Jersey (23.5%). While not shown in the table, place of birth, which serves as a proxy for country of origin, indicates that the United Kingdom was the largest source of immigrants in the 2018-2022 ACS, accounting for 24.3% of the foreign-born population.

The median age in Franklin increased from 45.0 years in 2010 to 49.7 years in 2020, which is much higher than the median age in New Jersey (39.9 years) and is the highest median age of the three communities. During the same time period, the percentage of people under the age of 18, which corresponds predominantly to school-age children, declined from 24.7% to 18.2%, a loss of 6.5 percentage points.

Table D4
Relevant Demographic Characteristics

	Bethlehem Township		Franklin Township		Union Township	
Race Origin[1]	**2008-2012 ACS 2010 Census**	**2018-2022 ACS 2020 Census**	**2008-2012 ACS 2010 Census**	**2018-2022 ACS 2020 Census**	**2008-2012 ACS 2010 Census**	**2018-2022 ACS 2020 Census**
White	3,670 (92.2%)	3,267 (87.2%)	3,008 (94.1%)	2,828 (86.6%)	4,706 (79.7%)	5,026 (77.2%)
Black or African American	39 (1.0%)	40 (1.1%)	18 (0.6%)	28 (0.9%)	502 (8.5%)	481 (7.4%)
Hispanic or Latino	160 (4.0%)	209 (5.6%)	110 (3.4%)	214 (6.6%)	359 (6.1%)	543 (8.3%)
American Indian and Alaska Native	4 (0.1%)	2 (0.1%)	5 (0.2%)	1 (0.0%)	7 (0.1%)	1 (0.0%)
Asian	75 (1.9%)	92 (2.5%)	37 (1.2%)	58 (1.8%)	244 (4.1%)	258 (4.0%)
Native Hawaiian and Other Pacific Islander	0 (0.0%)	0 (0.0%)	3 (0.1%)	0 (0.0%)	3 (0.1%)	1 (0.0%)
Other Race	3 (0.1%)	12 (0.3%)	4 (0.1%)	20 (0.6%)	8 (0.1%)	23 (0.4%)
Two or more Races	28 (0.7%)	123 (3.3%)	10 (0.3%)	118 (3.6%)	79 (1.3%)	174 (2.7%)
Age						
Under 18	27.6%	20.6%	24.7%	18.2%	18.4%	14.7%
18-64	62.7%	62.2%	60.0%	58.3%	72.0%	65.1%
65 and over	9.7%	17.2%	15.3%	23.5%	9.6%	20.2%
Median age (years)	44.2 years	47.7 years	45.0 years	49.7 years	43.7 years	47.9 years
Nativity						
Foreign-Born	6.3%	4.2%	4.8%	4.7%	10.1%	10.0%
Educational Attainment						
Bachelor's degree or higher	52.1%	61.8%	46.1%	49.0%	38.3%	47.2%
Graduate or professional degree	26.1%	17.6%	16.9%	17.0%	12.4%	16.9%
Income						
Median household income	$126,837	$156,875	$103,214	$151,563	$108,313	$118,370
Percentage of Persons in Poverty ages 5-17	7.4%	0.0%	3.3%	0.0%	0.0%	1.6%
Housing Units						
Total number	1,386	1,406	1,204	1,257	1,830	1,917
Occupied units	1,344 (97.0%)	1,347 (95.8%)	1,137 (94.4%)	1,172 (93.2%)	1,752 (95.7%)	1,840 (96.0%)
Owner-Occupied units	1,280 (95.2%)	1,274 (94.6%)	1,019 (89.6%)	1,026 (87.5%)	1,573 (89.8%)	1,582 (86.0%)
Renter-Occupied units	64 (4.8%)	73 (5.4%)	118 (10.4%)	146 (12.5%)	179 (10.2%)	258 (14.0%)
Median value of an owner-occupied unit	$443,300	$475,300	$500,000	$489,800	$441,500	$415,500
Average household size	2.96	2.78	2.80	2.69	2.57	2.54

Sources: American Community Survey (2008-2012 and 2018-2022), United States Census (2010 and 2020)

Notes: [1] Data may not sum to 100.0% due to rounding.

Cells shaded orange are from the decennial Census while cells shaded blue are from the American Community Survey.

Regarding educational attainment for adults aged 25 and over, 49.0% of the population had a bachelor's degree or higher in the 2018-2022 ACS, which is a gain of 2.9 percentage points from the 2008-2012 ACS percentage (46.1%). The percentage of residents having a bachelor's degree or higher in Franklin is slightly higher than that of New Jersey (43.5%). The percentage of persons with a graduate degree remained nearly constant during this time period (17.0% in the 2018-2022 ACS).

Median household income increased from $103,214 in the 2008-2012 ACS to $151,563 in the 2018-2022 ACS, a 46.8% increase. Median household income in Franklin is $55,000 greater than that of New Jersey ($96,346). During this time period, the percentage of school-age children (ages 5-17) in poverty declined from 3.3% to 0.0%.

Regarding housing, there were 1,257 housing units in Franklin in 2020, which is a gain of 53 units (+4.4%) since 2010. Over this time period, the overall occupancy rate slightly declined from 94.4% to 93.2% and the average household size declined from 2.80 to 2.69 persons. In 2020, 87.5% of housing units were owner-occupied. Renter-occupied units accounted for 12.5% of the occupied units in 2020, which is a 2.1 percentage-point gain from the 2010 percentage (10.4%). The percentage of renter-occupied units in Franklin is much lower than that of New Jersey (38.7%). Finally, the median home price of an owner-occupied unit in the 2018-2022 ACS was $489,800, which is a 2.0% decline from the value reported in the 2008-2012 ACS ($500,000). The median home price of an owner-occupied unit in Franklin is $61,000 greater than that of New Jersey ($428,900) and is the highest of the three communities.

3. Union Township

Like the previous communities, Whites also are the largest race in Union. In the 2020 Census, Union was 77.2% White, which is a loss of 2.5 percentage points from the 2010 percentage (79.7%). Like Bethlehem and Franklin, the second-largest race in 2020 was Hispanic, representing 8.3% of the population, which is a gain of 2.2 percentage points from the 2010 percentage of 6.1%.

With respect to nativity, 10.0% of Union residents were foreign-born in the 2018-2022 ACS, which is nearly unchanged from the 2008-2012 ACS percentage (10.1%). The foreign-born percentage in Union is the highest of the three communities, yet is still much lower than that of New Jersey (23.5%). While not shown in the table, place of birth, which serves as a proxy for country of origin, indicates that the United Kingdom was the largest source of immigrants in the 2018-2022 ACS, accounting for 30.8% of the foreign-born population.

The median age in Union increased from 43.7 years in 2010 to 47.9 years in 2020, which is much higher than the median age in New Jersey (39.9 years). During the same time period, the percentage of people under the age of 18, which corresponds predominantly to school-age children, decreased from 18.4% to 14.7%, a loss of 3.7 percentage points.

Regarding educational attainment for adults aged 25 and over, 47.2% of the population had a bachelor's degree or higher in the 2018-2022 ACS, which is a gain of 8.9 percentage points from the 2008-2012 ACS percentage (38.3%). The percentage of residents having a bachelor's degree or higher in Union is slightly greater than that of New Jersey (43.5%). The

percentage of persons with a graduate degree increased from 12.4% to 16.9% during this time period.

Median household income increased from $108,313 in the 2008-2012 ACS to $118,370 in the 2018-2022 ACS, a 9.3% increase. While the median household income in Union is $22,000 greater than the median household income in New Jersey ($96,346), it is the lowest of the three communities. During this time period, the percentage of school-age children (ages 5-17) in poverty slightly increased from 0.0% to 1.6%.

Regarding housing, there were 1,917 housing units in Union in 2020, which is a gain of 87 units (+4.8%) since 2010. Over this time period, the overall occupancy rate was nearly unchanged (96.0% in 2020) as well as the average household size (2.54 persons in 2020). The majority of housing units in Union are owner-occupied (86.0%) according to the 2020 Census. Renter-occupied units accounted for 14.0% of the occupied units in 2020, which is a gain of 3.8 percentage points from the 2010 percentage of 10.2%. While the percentage of renter-occupied units in Union is much lower than that of New Jersey (38.7%), it is the highest of the three communities. Finally, the median home price of an owner-occupied unit in the 2018-2022 ACS was $415,500, which is a 5.9% decline from the value reported in the 2008-2012 ACS ($441,500). The median home price of an owner-occupied unit in Union is $13,000 lower than that of New Jersey ($428,900) and is the lowest of the three communities.

C. District Overviews

1. Bethlehem Township School District

The Bethlehem Township School District is a PK-8 school district consisting of two schools. Children attend Thomas B. Conley Elementary School ("Conley") for grades PK-5 and Ethel Hoppock Middle School ("Hoppock") for grades 6-8. In 2020-21, the district changed from a PK-5, 6-8 configuration to a PK-6, 7-8 configuration before reverting back to its former grade structure in 2022-23. The locations of the schools are shown in Figure 1.

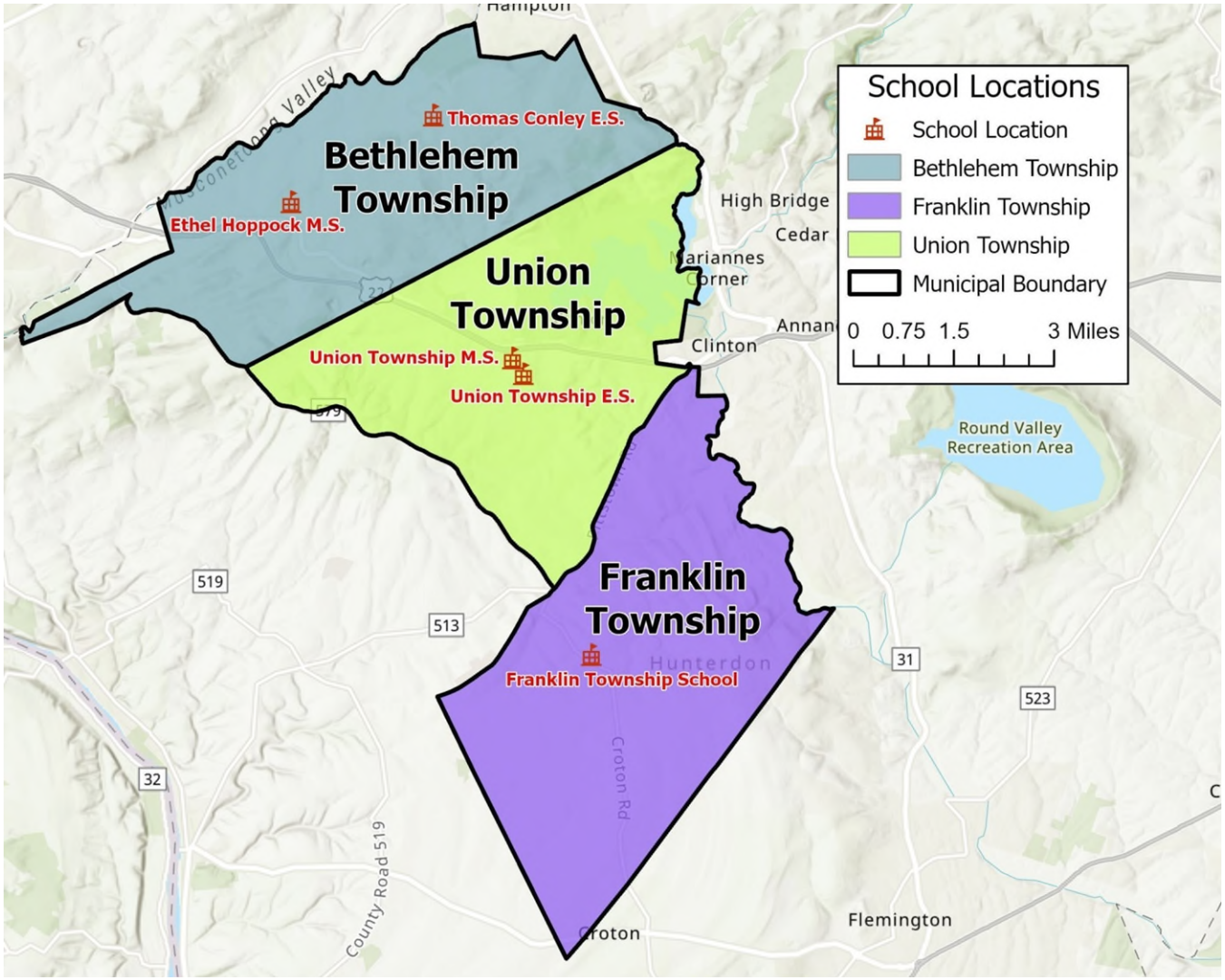
2. Franklin Township School District

The Franklin Township School District is a PK-8 school district consisting of one school, Franklin Township School. The location of the school is shown in Figure 1.

3. Union Township School District

The Union Township School District is a PK-8 school district consisting of two schools. Children attend Union Township Elementary School for grades PK-3 and Union Township Middle School for grades 4-8. In 2023-24, the district changed from a PK-4, 5-8 configuration to its current configuration. The locations of the schools are shown in Figure 1.

Figure 1
School Locations



D. Explanation of the Cohort-Survival Ratio Method

In this study, historical enrollments from 2018-19 through 2023-24 were obtained from the New Jersey Department of Education ("NJDOE") and/or the individual school districts and were used to project enrollments for ten years into the future. Enrollments were projected using the Cohort-Survival Ratio method ("CSR"). The CSR method has been approved by the NJDOE to project public school enrollments. In this method, a survival ratio is computed for each grade progression, which essentially compares the number of students in a particular grade to the number of students in the previous grade during the previous year. The survival ratio indicates whether the enrollment is stable, increasing, or decreasing. A survival ratio of 1.00 indicates stable enrollment, less than 1.00 indicates declining enrollment and outward migration, while greater than 1.00 indicates increasing enrollment and inward migration. If, for example, a school district had 100 fourth graders and the next year had 95 fifth graders, the survival ratio would be 0.95.

The CSR method assumes that what happened in the past will also happen in the future. The CSR method is most applicable for districts that have relatively stable trends without any major unpredictable fluctuations from year to year. In school districts encountering rapid growth or decline not experienced historically (a change in the historical trend), the CSR method must be modified and supplemented with additional information. In this study, survival ratios were calculated using historical data from the last six years. Due to the fluctuation in survival ratios from year to year, it is appropriate to calculate an average survival ratio, which is then used to calculate grade-level enrollments ten years into the future.

E. Historical Enrollment Trends

1. Bethlehem Township School District

Historical enrollments for students attending the Bethlehem Township School District (PK-8) from 2018-19 to 2023-24 are displayed in Table D5. In 2020-21, the district changed from a PK-5, 6-8 configuration to a PK-6, 7-8 configuration before reverting back to its former grade structure in 2022-23. Enrollments slowly declined through 2020-21 before reversing trend and stabilizing. In 2023-24, enrollment is 363, which is slightly higher (+9) than the 2018-19 enrollment of 354. Table D5 also shows computed average survival ratios based on the last six years of historical data, which will be used to project future enrollments.

Enrollments also are shown by school in Table D5. At Conley (PK-5), enrollment is 229 in 2023-24, which is slightly lower (-4) than the 2018-19 enrollment of 233. At Hoppock (6-8), enrollment is 134, which is slightly higher (+13) than the 2018-19 enrollment of 121.

Table D5
Bethlehem Township Historical Enrollments (PK-8)
2018-19 to 2023-24

Year[1]	PK RE[2]	K	1	2	3	4	5	6	7	8	SE[3]	PK-5/ PK-6 Total	6-8/ 7-8 Total	PK-8 Total
2018-19	17	22	35	37	37	40	42	32	46	43	3	**233**	**121**	**354**
2019-20	22	27	20	36	39	38	39	40	34	43	7	**228**	**117**	**345**
2020-21[4]	13	32	25	21	33	42	42	38	43	36	6	**252**	**79**	**331**
2021-22[4]	23	35	38	30	21	41	47	44	36	45	4	**283**	**81**	**364**
2022-23	5	38	40	41	31	26	42	47	46	37	2	**225**	**130**	**355**
2023-24	8	34	37	44	39	34	31	41	46	47	2	**229**	**134**	**363**
Average 6-Year Ratios		1.2275[5]	1.0278	1.0644[6]	0.9911	1.1362	1.0832	0.9901	1.0218	1.0179	0.0117[7]			

Notes: [1] Data were obtained from the New Jersey Department of Education (http://www.nj.gov/njded/data/enr/) and the Bethlehem Township School District.
[2] Pre-kindergarten regular education enrollment.
[3] Self-contained special education enrollment/ungraded students.
[4] District changed from a PK-5, 6-8 configuration to a PK-6, 7-8 configuration before reverting back to its former grade structure in 2022-23.
[5] Average birth-to-kindergarten ratio based on birth data five years prior.
[6] Outlier survival ratio from 2021-22 was not used in the computation of the average ratio.
[7] Average proportion of self-contained special education/ungraded students with respect to PK-8 subtotals.

2. Franklin Township School District

Historical enrollments for students attending the Franklin Township School District (PK-8) from 2018-19 to 2023-24 are displayed in Table D6. As there is only one school in the district, Franklin Township School, enrollments for the district and the school are the same. Enrollments declined through 2020-21 before reversing trend. In 2023-24, enrollment is 265, which is slightly lower (-13) than the 2018-19 enrollment of 278. Table D6 also shows computed average survival ratios based on the last six years of historical data, which will be used to project future enrollments.

Table D6
Franklin Township Historical Enrollments (PK-8)
2018-19 to 2023-24

Year[1]	PK RE[2]	K	1	2	3	4	5	6	7	8	SE[3]	PK-8 Total
2018-19	21	17	16	22	27	33	29	38	33	41	1	**278**
2019-20	19	28	18	20	22	29	34	31	38	33	0	**272**
2020-21	7	27	29	22	18	22	30	33	29	36	0	**253**
2021-22	11	22	27	33	22	20	23	35	35	29	1	**258**
2022-23	23	25	21	32	35	25	20	22	39	37	1	**280**
2023-24	14	28	27	24	35	36	22	18	23	38	0	**265**
Average 6-Year Ratios		1.0009[4]	1.0258	1.1876	1.0109	1.0700	0.9980	1.0125	1.0312	0.9958	0.0018[5]	

Notes: [1] Data were obtained from the New Jersey Department of Education (http://www.nj.gov/njded/data/enr/) and the Franklin Township School District.
[2] Pre-kindergarten regular education enrollment.
[3] Self-contained special education enrollment/ungraded students.
[4] Average birth-to-kindergarten ratio based on birth data five years prior using the last three years of historical data.
[5] Average proportion of self-contained special education/ungraded students with respect to PK-8 subtotals.

3. Union Township School District

Historical enrollments for students attending the Union Township School District (PK-8) from 2018-19 to 2023-24 are shown in Table D7. During this time period, enrollments were fairly stable before declining in 2020-21 (-42), which likely is due to the COVID-19 pandemic, before rebounding in 2021-22 as students returned to the school district. Enrollments have increased fairly significantly in the last three years (+77). Enrollment is 472 in 2023-24, which is a gain of 40 students from the 2018-19 enrollment of 432. Table D7 also shows computed average survival ratios based on the last six years of historical data, which will be used to project future enrollments.

Enrollments also are shown by school in Table D7. In 2023-24, the school district changed its grade configuration from PK-4, 5-8 to PK-3, 4-8, which prevents a numerical comparison of historical enrollments over time. While enrollments in Union Township Elementary School have been fairly stable, enrollments in Union Township Middle School have been declining.

Table D7
Union Township Historical Enrollments (PK-8)
2018-19 to 2023-24

Year[1]	PK RE[2]	K	1	2	3	4	5	6	7	8	SE[3]	PK-4/ PK-3 Total	5-8/ 4-8 Total	PK-8 Total
2018-19	21	30	34	33	47	39	53	50	57	60	8	**207**	**225**	**432**
2019-20	25	37	36	39	36	49	41	54	52	61	7	**226**	**211**	**437**
2020-21	12	29	37	31	38	39	48	42	55	52	12	**195**	**200**	**395**
2021-22	18	38	42	41	37	40	42	50	42	54	13	**227**	**190**	**417**
2022-23	25	35	47	44	46	39	42	38	57	45	11	**245**	**184**	**429**
2023-24	28	45	45	51	50	53	48	45	41	65	1	**220**	**252**	**472**
Average 6-Year Ratios		1.2806[4]	1.2342	1.0498	1.1034	1.0769	1.0777	1.0122	1.0555	1.0528	0.0212[5]			

Notes: [1] Data were obtained from the New Jersey Department of Education (http://www.nj.gov/njded/data/enr/) and the Union Township School District.
[2] Pre-kindergarten regular education enrollment.
[3] Self-contained special education enrollment/ungraded students.
[4] Average birth-to-kindergarten ratio based on birth data five years prior.
[5] Average proportion of self-contained special education/ungraded students with respect to PK-8 subtotals.

F. Birth Data

Kindergarten enrollments were calculated as follows: birth data, lagged five years behind its respective kindergarten class, were used to calculate the survival ratio for each birth-to-kindergarten cohort. For instance, in 2018, there were 25 births in Bethlehem. Five years later (the 2023-24 school year), 34 children enrolled in kindergarten, which is equal to a survival ratio of 1.360 from birth to kindergarten. Birth counts and birth-to-kindergarten survival ratios are displayed in Table D8 for Bethlehem, Franklin, and Union. Birth-to-kindergarten survival ratios greater than 1.000 indicate that some children are born outside of a community's boundaries and are attending kindergarten in the school district five years later, i.e., an inward migration of children into the district. This type of inward migration is typical in school districts with excellent reputations, because the appeal of a good school district draws families into the community. Inward migration also is seen in communities where there are a large number of new housing starts (or home resales), with families moving into the community having children of age to attend kindergarten. Birth-to-kindergarten survival ratios that are below 1.000 indicate that a number of children born within a community are not attending kindergarten in the school district five years later. This is common in communities where a high proportion of children attend private, parochial, charter, or out-of-district special education facilities, or where there is a net migration of families moving out of the community. It also is common in school districts that have a half-day kindergarten program where parents choose to send their child to a private full-day kindergarten for the first year. It should be noted that all of the school districts have had full-day kindergarten programs throughout the historical enrollment period, 2018-19 to 2023-24.

Table D8
Birth Counts and Historical Birth-to-Kindergarten Survival Ratios

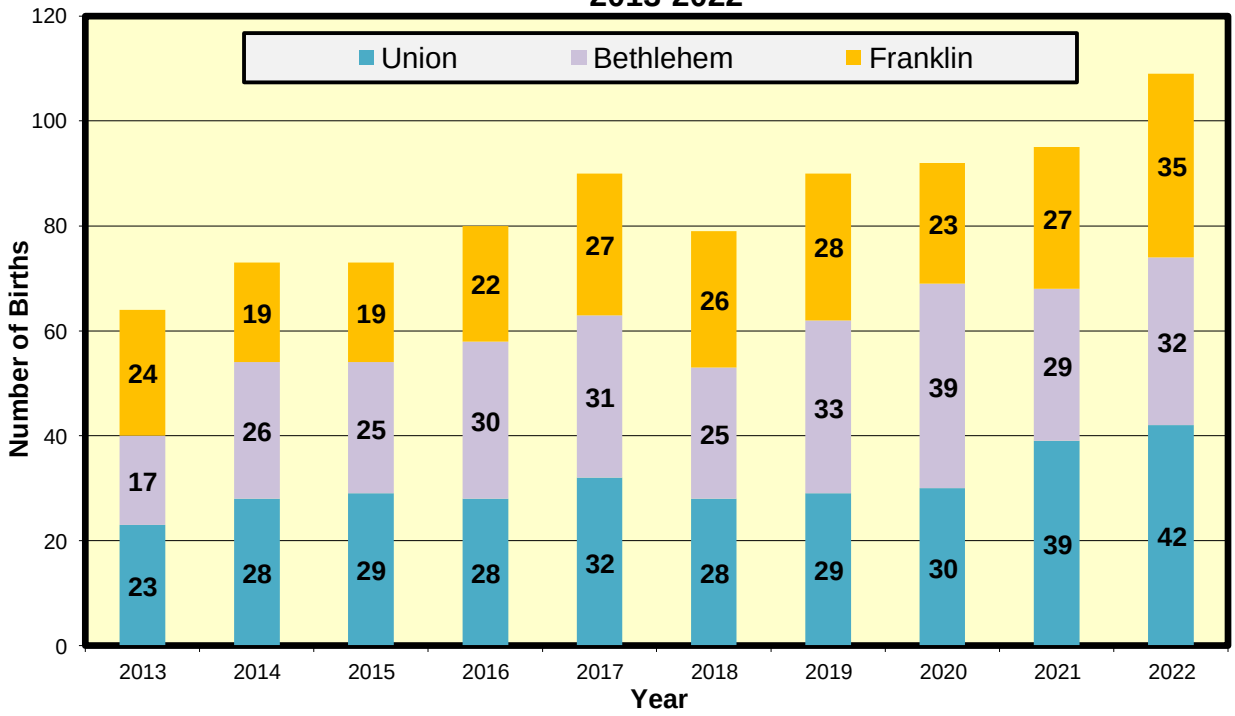
Year[1]	Bethlehem Township			Franklin Township			Union Township		
	Births	Kinder-garten Students 5 years Later	B-K Survival Ratio	Births	Kinder-garten Students 5 years Later	B-K Survival Ratio	Births	Kinder-garten Students 5 years Later	B-K Survival Ratio
2013	17	22	1.294	24	17	0.708	23	30	1.304
2014	26	27	1.038	19	28	1.474	28	37	1.321
2015	25	32	1.280	19	27	1.421	29	29	1.000
2016	30	35	1.167	22	22	1.000	28	38	1.357
2017	31	38	1.226	27	25	0.926	32	35	1.094
2018	25	34	1.360	26	28	1.077	28	45	1.607
2019	33	N/A	N/A	28	N/A	N/A	29	N/A	N/A
2020	39	N/A	N/A	23	N/A	N/A	30	N/A	N/A
2021	29	N/A	N/A	27	N/A	N/A	39	N/A	N/A
2022	32	N/A	N/A	35	N/A	N/A	42	N/A	N/A

Note: [1] Birth data were provided by the New Jersey Center for Health Statistics.

Birth-to-kindergarten survival ratios have been fairly inconsistent in each school district, particularly in Franklin, which is a function of the low birth and kindergarten counts that lead to increased variability. In Bethlehem, birth-to-kindergarten survival ratios have been above 1.000 in each of the last six years, ranging from 1.038-1.360. In Franklin, birth-to-kindergarten survival ratios have been above 1.000 in four of the last six years, ranging from 0.708-1.474. In Union, the survival ratios were above 1.000 in five of the last six years, ranging from 1.000-1.607. As the birth-to-kindergarten survival ratios have been primarily above 1.000 in each district, this indicates that many children who were born in other communities are moving into the three communities to enroll in kindergarten in the respective school districts, reflecting inward migration.

Geocoded birth data were provided by the New Jersey Center for Health Statistics ("NJCHS") from 2013-2022 by assigning geographic coordinates to a birth mother based on her street address. Births for 2022 are preliminary. Of the three communities, Union has had the greatest number of births, in general, during this time period. As shown in Figure 2, the number of births in Franklin was fairly stable from 2013-2021 ranging from 19-28, before increasing to 35 in 2022. In Bethlehem, while the annual number of births has ranged from 17-39, the number of births has been generally higher in the last four years. In Union, the number of births was fairly stable from 2013-2020 ranging from 23-32, before increasing in the last two years. Combining the data from all three communities, the annual number of births has been generally increasing. In 2022, there were 109 births, which are 45 additional births than in 2013 (64).

Figure 2
Historical Birth Counts
2013-2022



G. Potential New Housing

Representatives from Bethlehem, Franklin, and Union provided information regarding current and future development in their respective communities. A list of approved developments in each municipality, if any, follows and includes the number of units, bedroom distribution, housing type, and project status. New houses to be built on single in-fill lots, or the subdivision of existing lots, or homes that are built after the demolition of an existing older home, were excluded. In the latter instance, there is no net gain in the number of housing units.

1. Bethlehem Township

In Bethlehem, there are no residential developments under construction, nor are there applications for residential subdivisions before the planning board.

2. Franklin Township

In Franklin, there are no residential developments under construction, nor are there applications for residential subdivisions before the planning board.

3. Union Township

In Union, there are two residential developments currently under construction. In total, there is the potential for 90 detached single-family homes as shown in Table D9. The first development, Perryville Ridge, will consist of 74 detached single-family homes. The development is nearly completed, as approximately 70 homes have been constructed. The second development, The Estates at Hunterdon Hills, will consist of 16 detached single-family homes. This development is also partially built and occupied, as approximately six (6) homes have been constructed.

Table D9
Approved Residential Developments in Union Township

Subdivision/ (Location)	Number of Units	Bedroom Distribution	Housing Type	Project Status/Notes
Perryville Ridge (Oakwood Boulevard)	74	4-BR	Detached Single-Family	Under construction. 70 homes are completed
The Estates at Hunterdon Hills (Glacier Way)	16	4-5 BR	Detached Single-Family	Under construction. Six (6) homes are completed
Total	**90**			

Source: Union Township Planning Board Secretary and Tax Assessor

Historical Residential Construction

Regarding historical new construction, the number of certificates of occupancy ("CO") is shown for each community from 2018-2023 in Table D10. Over this time period, a total of 72 COs were issued in the three communities, all of which were for single- or two-family homes. Union had the greatest number (49) of COs issued of the three communities, which is primarily due to the construction of homes in Perryville Ridge. In the last six years, five (5) COs were issued in Bethlehem and 18 COs were issued in Franklin. While not shown in the table, 13 single-family, two-family, or mixed use housing units were demolished during the same time period (5 in Bethlehem, 2 in Franklin, and 6 in Union) as reported by the New Jersey Department of Community Affairs, which results in a net gain of 59 non age-restricted housing units since 2018.

Table D10
Number of Residential Certificates of Occupancy by Year

Year	Bethlehem Township			Franklin Township			Union Township		
	1&2 Family	Multi-Family/ Mixed Use	Total	1&2 Family	Multi-Family/ Mixed Use	Total	1&2 Family	Multi-Family/ Mixed Use	Total
2018	0	0	**0**	2	0	**2**	1	0	**1**
2019	0	0	**0**	2	0	**2**	1	0	**1**
2020	1	0	**1**	2	0	**2**	2	0	**2**
2021	0	0	**0**	4	0	**4**	1	0	**1**
2022	2	0	**2**	8	0	**8**	31	0	**31**
2023	2	0	**2**	0	0	**0**	13	0	**13**
Total	**5**	**0**	**5**	**18**	**0**	**18**	**49**	**0**	**49**

Source: New Jersey Department of Community Affairs.

Estimate of Public School Children from New Housing

In the process of determining how many children will come from the new housing units in Union, the actual student yield from the Perryville Ridge development was utilized using 2023-24 student address data from the Union Township School District. To project the number of public school children per housing unit, several additional assumptions were made:

1. The estimated number of students reflects units yet to be completed (e.g., four (4) units in Perryville Ridge and 10 units in The Estates at Hunterdon Hills have yet to be constructed).

2. All detached single-family homes were assumed to have the student yield multiplier as computed from Perryville Ridge: 0.824.

3. The full build-out and occupation of Perryville Ridge would be completed in the 2024-25 school year.

4. The full build-out and occupation of The Estates at Hunterdon Hills would be completed over a two-year period (2024-25 and 2025-26).

All of the multipliers utilized were for grades K-8. Additional children are expected for grades 9-12 but they are not considered here as they would not impact the analysis. In total, 11 public school children (K-3 = 7 and 4-8 = 4) are projected to be generated according to the following distribution:

- Perryville Ridge – 3 (2 K-3, 1 4-8)
- The Estates at Hunterdon Hills – 8 (5 K-3, 3 4-8)

H. Enrollment Projections

Enrollments were projected from 2024-25 through 2033-34 for the following school districts: Bethlehem Township, Franklin Township, and Union Township. In addition, the aggregated enrollments of the PK-8 school districts will be shown in two scenarios: (1) Franklin and Union become a PK-8 regional school district; and (2) Bethlehem, Franklin, and Union become a PK-8 regional school district.

As discussed previously, enrollments were projected by grade from 2024-25 through 2033-34, a ten-year period. It should be noted that a five-year projection is more reliable than a ten-year projection[2]. Since birth data are used to project kindergarten students five years later, the ten-year projection in years 6-10 relies on estimated birth counts in order to project the number of kindergarten students. For instance, in the 8th year of the ten-year projection, which corresponds to 2031-32, estimated birth data for 2026 would be needed to project the number of kindergarten students. For this reason, elementary projections are much more susceptible to higher error rates in a ten-year projection as compared to middle or high school projections, which rely on either children who have already been born or who are currently enrolled.

Enrollments for the self-contained special education/ungraded classes were computed by calculating the historical proportions of self-contained special education/ungraded students with respect to the regular education subtotals in each school and multiplying an average proportion by the future regular education subtotals. Pre-kindergarten children with special needs are included in the special education projections.

With respect to projecting grade-level pre-kindergarten students, an average was computed from historical data in each school district and used to estimate future pre-kindergarten enrollments.

On September 10, 2010, New Jersey Governor Chris Christie signed into law the Interdistrict School Choice Program ("Choice"), which took effect in the 2011-12 school year. This enables students the choice in attending a school outside their district of residence if the selected school is participating in the choice program. The choice school sets the number of openings per grade level. The Bethlehem Township School District is a Choice school district. According to the districts' Choice profile on the NJDOE website, the Bethlehem Township School District will accept three (3) students in grades K-8 for 2024-25. Choice students are included in the historical counts shown previously and the forthcoming projections.

As part of the School Funding Reform Act of 2008 ("SFRA"), all school districts in New Jersey were to provide expanded Abbott-quality pre-school programs for at-risk 3- and 4-year olds as outlined in N.J.A.C. 6A:13A. The State of New Jersey intended to provide aid for the full-day program based on projected enrollments. School districts categorized as District Factor Group[3] ("DFG") A, B, and CD with a concentration of at-risk pupils equal to or greater than 40

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[2] The DCA grant program requires feasibility studies to include a 10 year projection.

[3] Introduced by the New Jersey Department of Education in 1975, DFG provides a system of ranking school districts in the state by their socio-economic status. While the system is no longer used, the number of pre-kindergarten students was determined by the former DFG rankings.

percent, were required to offer a pre-school program to all pre-school aged children regardless of income, known as "Universal" pre-school. For all other school districts, a pre-school program was required only for at-risk children, known as "Targeted" preschool. School districts were required to offer these programs to at least 90% of the eligible pre-school children by 2013-14. However, due to budgetary constraints, the NJDOE postponed the roll-out of the program, which was scheduled for the 2009-10 school year.

In a different pre-school initiative, the administration of Governor Phil Murphy announced the availability of Preschool Education Expansion Aid ("PEEA") in 2018. In September 2018, the first round of funding ($20.6 million) was publicized, where 31 districts received aid to expand their pre-kindergarten programs. A second round of funding was announced in January 2019, providing 33 additional school districts with roughly $27 million in funding. The second round targeted districts whose free and reduced lunch percentage is above 20% and who have not previously received State preschool aid. Districts that receive PEEA funding will be expected to develop a plan for implementing all elements of high quality education across the preschool program in the coming years, including conversion of all half-day slots to full-day slots with a minimum six-hour day and decreasing maximum class size to 15 children. Districts receiving funds also will be expected to provide certified teachers and aides for such programs and to include special needs students in such programs. PEEA is open to all age-eligible children who are residents of the district. PEEA funds can be used to cover costs of transportation for preschoolers, and if the district provides busing for K-12 students, it is required to provide transportation for preschoolers as well. Some districts that were eligible to apply for PEEA would fall under the "Universal" category while others would be considered "Targeted" districts. However, the main difference with this expansion aid is that districts under SFRA were restricted to serve low-income children where now districts can educate all pre-school age children through PEEA. It appears that the Murphy administration may be moving towards a pre-school program for all children, rather than just for those who are low-income.

Of the three school districts, only Franklin Township School District was awarded a PEEA grant at the time this study was written. To project future enrollments in this district, the school district's administration provided the projected pre-kindergarten enrollments for the next five years, which was based on their universe of pre-kindergarten students. As of today, Union has also been awarded a PEEA grant.

1. Bethlehem Township School District

Projected PK-8 enrollments for the Bethlehem Township School District are shown in Table D11. Enrollments (PK-8) are projected to slowly increase before stabilizing near the end of the projection period. Enrollment is projected to be 449 in 2033-34, which would be a gain of 86 students from the 2023-24 enrollment of 363.

In addition, Table D11 displays the projected enrollments by school. In Conley (PK-5), enrollments are projected to increase through 2029-30 before stabilizing. In 2033-34, enrollment is projected to be 283, which would be a gain of 54 students from the 2023-24 enrollment of 229. At Hoppock (6-8), enrollments are projected to decline for the next two years before reversing trend. Enrollment is projected to be 166 in 2033-34, which would be a gain of 32 students from the 2023-24 enrollment of 134.

Table D11
Bethlehem Township Projected Enrollments (PK-8)
2024-25 to 2033-34

Year	PK RE[1]	K	1	2	3	4	5	6	7	8	SE[2]	PK-5 Total	6-8 Total	PK-8 Total
2024-25	7	41	35	39	44	44	37	31	42	47	4	**251**	**120**	**371**
2025-26	7	48	42	37	39	50	48	37	32	43	5	**276**	**112**	**388**
2026-27	7	36	49	45	37	44	54	48	38	33	5	**277**	**119**	**396**
2027-28	7	39	37	52	45	42	48	53	49	39	5	**275**	**141**	**416**
2028-29	7	39	40	39	52	51	45	48	54	50	5	**278**	**152**	**430**
2029-30	7	41	40	43	39	59	55	45	49	55	5	**289**	**149**	**438**
2030-31	7	41	42	43	43	44	64	54	46	50	5	**289**	**150**	**439**
2031-32	7	39	42	45	43	49	48	63	55	47	5	**278**	**165**	**443**
2032-33	7	39	40	45	45	49	53	48	64	56	5	**283**	**168**	**451**
2033-34	7	39	40	43	45	51	53	52	49	65	5	**283**	**166**	**449**

Notes: [1] Pre-kindergarten regular education enrollment.
[2] Self-contained special education enrollment/ungraded students.

2. Franklin Township School District

Projected enrollments (PK-8) for the Franklin Township School District are shown in Table D12. Since there is only one school in the district, the enrollment projections for the Franklin Township School and Franklin Township School District are identical. Enrollments are projected to slowly increase throughout the projection period. Some of the gain is related to the district's expansion of its existing pre-kindergarten program. In 2033-34, enrollment is projected to be 364, which would be a gain of 99 students from the 2023-24 enrollment of 265.

Table D12
Franklin Township Projected Enrollments (PK-8)
2024-25 to 2033-34

Year	PK RE[1]	K	1	2	3	4	5	6	7	8	SE[2]	PK-8 Total
2024-25	25	28	29	32	24	37	36	22	19	38	1	**291**
2025-26	36	23	29	34	32	26	37	36	23	19	1	**296**
2026-27	40	27	24	34	34	34	26	37	37	23	1	**317**
2027-28	46	35	28	29	34	36	34	26	38	37	1	**344**
2028-29	46	28	36	33	29	36	36	34	27	38	1	**344**
2029-30	46	28	29	43	33	31	36	36	35	27	1	**345**
2030-31	46	28	29	34	43	35	31	36	37	35	1	**355**
2031-32	46	29	29	34	34	46	35	31	37	37	1	**359**
2032-33	46	30	30	34	34	36	46	35	32	37	1	**361**
2033-34	46	29	31	36	34	36	36	47	36	32	1	**364**

Notes: [1] Pre-kindergarten regular education enrollment.
[2] Self-contained special education enrollment/ungraded students.

3. Union Township School District

Projected enrollments (PK-8) for the Union Township School District are shown in Table D13. Enrollments are projected to increase throughout the projection period. In 2033-34, enrollment is projected to be 686, which would be a gain of 214 students from the 2023-24 enrollment of 472.

In addition, Table D13 displays the projected enrollments by school. At Union Township Elementary School (PK-3), enrollments are projected to increase through 2030-31 before stabilizing. In 2033-34, enrollment is projected to be 301, which would be a gain of 81 students from the 2023-24 enrollment of 220. In Union Township Middle School (4-8), enrollments are projected to increase throughout the projection period. Enrollment is projected to be 385 in 2033-34, which would be a gain of 133 students from the 2023-24 enrollment of 252.

Table D13
Union Township Projected Enrollments (PK-8)
2024-25 to 2033-34

Year	PK RE[1]	K	1	2	3	4	5	6	7	8	SE[2]	PK-3 Total	4-8 Total	PK-8 Total
2024-25	25	43	53	47	55	53	56	48	47	43	9	**229**	**250**	**479**
2025-26	25	45	49	56	50	59	55	56	50	49	10	**232**	**272**	**504**
2026-27	25	54	52	51	59	52	61	55	58	52	10	**248**	**281**	**529**
2027-28	25	58	62	54	54	62	54	61	57	60	11	**260**	**298**	**558**
2028-29	25	57	67	64	57	57	65	54	63	59	12	**278**	**302**	**580**
2029-30	25	58	66	69	67	60	59	65	55	65	12	**293**	**308**	**601**
2030-31	25	58	67	68	73	71	62	59	67	57	12	**299**	**320**	**619**
2031-32	25	58	67	69	72	77	74	62	61	69	12	**299**	**347**	**646**
2032-33	25	58	67	69	73	76	80	75	64	63	13	**301**	**362**	**663**
2033-34	25	58	67	69	73	77	79	81	77	66	14	**301**	**385**	**686**

Notes: [1] Pre-kindergarten regular education enrollment.
[2] Self-contained special education enrollment/ungraded students.

4. PK-8 Regional School District

If Franklin and Union become a PK-8 regional school district; projected enrollments for this configuration are shown in Table D14. Enrollments are projected to steadily increase throughout the ten-year projection period. In 2033-34, enrollment is projected to be 1,050, which would be a gain of 313 students from the 2023-24 aggregated enrollment of 737.

If Bethlehem, Franklin, and Union become a PK-8 regional school district, projected enrollments for this configuration are also shown in Table D14. Enrollments are also projected to steadily increase throughout the ten-year projection period. In 2033-34, enrollment is projected to be 1,499, which would be a gain of 399 students from the 2023-24 aggregated enrollment of 1,100.

Table D14
PK-8 Regional School District Projected Enrollments
2024-25 to 2033-34

Year	PK RE[1]	K	1	2	3	4	5	6	7	8	SE[2]	PK-8 Total
PK-8 Regional - Franklin and Union												
2024-25	50	71	82	79	79	90	92	70	66	81	10	**770**
2025-26	61	68	78	90	82	85	92	92	73	68	11	**800**
2026-27	65	81	76	85	93	86	87	92	95	75	11	**846**
2027-28	71	93	90	83	88	98	88	87	95	97	12	**902**
2028-29	71	85	103	97	86	93	101	88	90	97	13	**924**
2029-30	71	86	95	112	100	91	95	101	90	92	13	**946**
2030-31	71	86	96	102	116	106	93	95	104	92	13	**974**
2031-32	71	87	96	103	106	123	109	93	98	106	13	**1,005**
2032-33	71	88	97	103	107	112	126	110	96	100	14	**1,024**
2033-34	71	87	98	105	107	113	115	128	113	98	15	**1,050**
PK-8 Regional - Bethlehem, Franklin, and Union												
2024-25	57	112	117	118	123	134	129	101	108	128	14	**1,141**
2025-26	68	116	120	127	121	135	140	129	105	111	16	**1,188**
2026-27	72	117	125	130	130	130	141	140	133	108	16	**1,242**
2027-28	78	132	127	135	133	140	136	140	144	136	17	**1,318**
2028-29	78	124	143	136	138	144	146	136	144	147	18	**1,354**
2029-30	78	127	135	155	139	150	150	146	139	147	18	**1,384**
2030-31	78	127	138	145	159	150	157	149	150	142	18	**1,413**
2031-32	78	126	138	148	149	172	157	156	153	153	18	**1,448**
2032-33	78	127	137	148	152	161	179	158	160	156	19	**1,475**
2033-34	78	126	138	148	152	164	168	180	162	163	20	**1,499**

Notes: [1] Pre-kindergarten regular education enrollment.
2 Self-contained special education enrollment/ungraded students for grades PK-8.

I. Capacity Analysis

Table D15 shows the capacities of the Bethlehem Township School District, Franklin Township School District, and Union Township School District in comparison to the enrollments in 2023-24 and the projected enrollments in 2028-29. While the projections were completed through 2033-34, the capacities are compared to the projections in 2028-29 as a five-year projection is more reliable than a ten-year projection. Using the capacities from the districts' Long Range Facilities Plans, the differences between building capacity and current/projected number of students were computed. Positive values indicate available extra seating while negative values indicate inadequate seating, also known as "unhoused students." It is important to note that the term "unhoused" students is not intended to convey that there will not be available space for students. Instead, this section is an overview of capacity, based upon how the space within the school district currently is being utilized. Districts with unhoused students can accommodate these children by increasing class sizes, and/or recouping existing space, which in turn increases the school's capacity. As such, the capacity of a school is not a fixed value and can be changed depending on how the building is used.

Table D15
Capacity Analysis

District	School	Capacity[1,2]	Current Enrollment 2023-24	Difference	Projected Enrollment 2028-29	Difference
Bethlehem	Thomas B. Conley E.S.	255	229	**+26**	278	**-23**
	Ethel Hoppock M.S.	166	134	**+32**	152	**+14**
Franklin	Franklin Township School	416	265	**+151**	344	**+72**
Union	Union Township E.S.	338	220	**+118**	278	**+60**
	Union Township M.S.	444	252	**+192**	302	**+142**

Notes: [1] District Practices capacity from the Long Range Facility Plan

[2] If the buildings' instructional spaces are being used differently than when the capacities were computed, the current capacities of the buildings may be different than the value shown.

In the Bethlehem Township School District, there is currently surplus seating in both Conley (+26) and Hoppock (+32) in 2023-24. Due to a projected increase in enrollment, the number of surplus seats is projected to decline in Hoppock (+14) while a small number of unhoused students is projected in Conley (-23) in 2028-29.

At the Franklin Township School in the Franklin Township School District, there is a surplus of 151 seats in 2023-24. It is projected that there will be a fewer number of surplus seats (+72) in 2028-29 due to an increase in enrollment.

In the Union Township School District, there is currently surplus seating in Union Township Elementary School (+118) and Union Township Middle School (+192). In 2028-29, fewer surplus seats are projected at Union Township Elementary School (+60) and Union Township Middle School (+142) due to a projected increase in enrollment.

J. Economically Disadvantaged Students

As a proxy for measuring poverty in a school district, counts of students receiving free or reduced lunch were compiled from 2018-19 through 2023-24. The total number of economically disadvantaged students was compiled by district (Table D16) and the within-district percentages (Table D17) also were computed.

Table D16
Number of Economically Disadvantaged Students by District and School 2018-19 to 2023-24

District/School	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Thomas B. Conley E.S.	12	8	7	7	6	8
Ethel Hoppock M.S.	5	4	2	1	3	3
Bethlehem Township Total	**17**	**12**	**9**	**8**	**9**	**11**
Franklin Township Total	**15**	**14**	**9**	**8**	**28**	**16**
Union Township E.S.	5	11	5	4	2	10
Union Township M.S.	9	9	5	5	4	9
Union Township Total	**14**	**20**	**10**	**9**	**6**	**19**
Proposed K-8 Regional Total (Franklin and Union)	**29**	**34**	**19**	**17**	**34**	**35**
Proposed K-8 Regional Total (Bethlehem, Franklin and Union)	**46**	**46**	**28**	**25**	**43**	**46**

Sources: New Jersey Department of Education (http://www.nj.gov/njded/data/enr/) and the Bethlehem Township, Franklin Township, and Union Township School Districts.

1. Bethlehem Township School District

From 2018-19 through 2023-24, the number of economically disadvantaged students in the Bethlehem Township School District ranged from 8-17 students. Over this time period, the percentage of economically disadvantaged students in the district has ranged from 2.2%-4.8%. At the school level, both schools in the district have had low percentages of economically disadvantaged students. In 2023-24, the percentage of economically disadvantaged students was fairly similar in Conley (3.5%) and Hoppock (2.2%).

2. Franklin Township School District

In the Franklin Township School District, the number of economically disadvantaged students declined through 2021-22 before reversing trend, ranging from 8-28 students. From 2018-19 through 2023-24, the percentage of economically disadvantaged students declined through 2021-22 before reversing trend, ranging from 3.1%-10.0%. In 2023-24, 6.0% of students in the district were economically disadvantaged. Of the three school districts, the Franklin Township School District has had the highest percentage of economically disadvantaged students in each of the last six years.

Table D17
Within-School Percentages of Economically Disadvantaged Students by District 2018-19 to 2023-24

District/School	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Thomas B. Conley E.S.	5.2%	3.5%	3.3%	2.5%	2.7%	3.5%
Ethel Hoppock M.S.	4.1%	3.4%	1.7%	1.2%	2.3%	2.2%
Bethlehem Township Total	**4.8%**	**3.5%**	**2.7%**	**2.2%**	**2.5%**	**3.0%**
Franklin Township Total	**5.4%**	**5.1%**	**3.6%**	**3.1%**	**10.0%**	**6.0%**
Union Township E.S.	2.4%	4.9%	2.6%	1.8%	0.8%	4.5%
Union Township M.S.	4.0%	4.3%	2.5%	2.6%	2.2%	3.6%
Union Township Total	**3.2%**	**4.6%**	**2.5%**	**2.2%**	**1.4%**	**4.0%**
Proposed K-8 Regional Total (Franklin and Union)	**4.1%**	**4.8%**	**2.9%**	**2.5%**	**4.8%**	**4.7%**
Proposed K-8 Regional Total (Bethlehem, Franklin and, Union)	**4.3%**	**4.4%**	**2.9%**	**2.4%**	**4.0%**	**4.2%**

3. Union Township School District

The number of economically disadvantaged students in the Union Township School District generally declined through 2022-23 before reversing trend in 2023-24, ranging from 6-20 students. The percentage of economically disadvantaged students in the district generally declined through 2022-23 before reversing trend in 2023-24. Over this time period, the percentage of economically disadvantaged students in the district ranged from 1.4%-4.6%.

Both schools in the district have had low percentages of economically disadvantaged students. The percentages generally declined through 2022-23 before reversing trend. In 2023-24, the percentage of economically disadvantaged students was fairly similar in Union Township Elementary School (4.5%) and Union Township Middle School (3.6%).

4. PK-8 Regional School District – Franklin and Union

If the Franklin and Union school districts formed a PK-8 regional school district, the number of economically disadvantaged students would have been ranged from 17-35 in the last six years. From 2018-19 through 2023-24, the percentage of students that are economically disadvantaged would have been low, ranging from 2.5%-4.8%.

5. PK-8 Regional School District – Bethlehem, Franklin, and Union

If the Bethlehem, Franklin, and Union school districts formed a PK-8 regional school district, the number of economically disadvantaged students would have ranged from 25-46 in the last six years. The percentage of students that are economically disadvantaged would have been low, ranging from 2.4%-4.4% over this time period, which is very similar to the PK-8 regional school district without Bethlehem.

III. Racial Impact

The following section analyzes the historical enrollments by race from 2018-19 to 2023-24 for the Bethlehem Township School District, Franklin Township School District, and Union Township School District. The NJDOE classifies students according to the following seven races pursuant to federal guidelines: White, Black/African American, Asian, Native Hawaiian or Pacific Islander, Native American/Alaskan Native, Hispanic, or Two or More Races. In the following tables, Asians, Native Hawaiians, and Pacific Islanders (hereafter referred to as Asians in the narrative) were grouped together for tabulation purposes. Minority students were defined as being a race other than White, which includes Black, Hispanic, Asian, Native American/Alaskan Native, or Two or More Races.

A. Bethlehem Township School District

1. District Totals (PK-8)

In Table R1, the number and percent of students by race in the Bethlehem Township School District is displayed from 2018-19 to 2023-24, a six-year period.

Table R1
Bethlehem Township School District (PK-8) Enrollments by Race
2018-19 to 2023-24

Year	White	%	Black	%	Hisp-anic	%	Native American or Alaskan Native	%	Asian, Native Hawaiian, or Pacific Islander	%	2 or More Races	%	Total Students	Minority Total	Minority %
2018-19	302	85.31%	1	0.28%	32	9.04%	0	0.00%	15	4.24%	4	1.13%	**354**	**52**	**14.69%**
2019-20	299	86.67%	1	0.29%	28	8.12%	0	0.00%	11	3.19%	6	1.74%	**345**	**46**	**13.33%**
2020-21	291	87.92%	2	0.60%	23	6.95%	0	0.00%	9	2.72%	6	1.81%	**331**	**40**	**12.08%**
2021-22	308	84.62%	6	1.65%	32	8.79%	0	0.00%	11	3.02%	7	1.92%	**364**	**56**	**15.38%**
2022-23	293	82.54%	6	1.69%	31	8.73%	0	0.00%	15	4.23%	10	2.82%	**355**	**62**	**17.46%**
2023-24	301	82.92%	7	1.93%	29	7.99%	0	0.00%	15	4.13%	11	3.03%	**363**	**62**	**17.08%**

Source: New Jersey Department of Education (http://www.nj.gov/njded/data/enr/) and the Bethlehem Township School District.

The largest race in the district is White, whose number has been fairly stable. In the last six years, the number of White students ranged from 291-308. However, there has been a small decline in the White student percentage over this time period. In 2018-19, 85.31% of the student population was White as compared to 82.92% in 2023-24, which is a loss of 2.39 percentage points. Hispanic is the second-largest race in the district. From 2018-19 to 2023-24, the number of Hispanic students has been fairly stable, ranging from 23-32. Over this time period, the Hispanic percentage has ranged from 6.95%-9.04%.

Asian is the third-largest race in the school district. From 2018-19 to 2023-24, the number of Asian students has been fairly stable, ranging from 9-15 per year while the Asian percentage ranged from 2.72%-4.24%.

In the last six years, the number of Black students increased from one (1) in 2018-19 to seven (7) in 2023-24. The Black percentage increased from 0.28% to 1.93% over this time period, a gain of 1.65 percentage points.

There were no students who were Native American/Alaskan Native.

Finally, the number of students of Two or More races increased from four (4) in 2018-19 to 11 in 2023-24. The Two or More races percentage increased from 1.13% to 3.03% over this time period, a gain of 1.90 percentage points.

In the last six years, the number of minority students has ranged from 40-62 students per year. Due to the increasing Black and Two or More Races student populations, the percentage of minority students has increased from 14.69% in 2018-19 to 17.08% in 2023-24, a gain of 2.39 percentage points.

2. Thomas B. Conley School (PK-5)

In 2020-21, Conley changed its configuration from grades PK-5 to PK-6 before reverting back to its former grade structure in 2022-23. As shown in Table R2, the racial composition of Conley was fairly similar to the district's racial composition. Whites are the largest race in the school. Excluding 2020-21 and 2021-22 when the school changed its configuration, the number of White students has declined from 204 in 2018-19 to 186 in 2023-24, a loss of 18 students. In 2018-19, 87.55% of the student population was White as compared to 81.22% in 2023-24, which is a loss of 6.33 percentage points.

Table R2
Thomas B. Conley School (PK-5) Enrollments by Race
2018-19 to 2023-24

Year	White	%	Black	%	Hisp-anic	%	Native American or Alaskan Native	%	Asian, Native Hawaiian or Pacific Islander	%	2 or More Races	%	Total Students	Minority Total	Minority %
2018-19	204	87.55%	0	0.00%	18	7.73%	0	0.00%	8	3.43%	3	1.29%	**233**	**29**	**12.45%**
2019-20	200	87.72%	1	0.44%	17	7.46%	0	0.00%	6	2.63%	4	1.75%	**228**	**28**	**12.28%**
2020-21	222	88.10%	2	0.79%	16	6.35%	0	0.00%	7	2.78%	5	1.98%	**252**	**30**	**11.90%**
2021-22	239	84.45%	6	2.12%	26	9.19%	0	0.00%	7	2.47%	5	1.77%	**283**	**44**	**15.55%**
2022-23	184	81.78%	5	2.22%	23	10.22%	0	0.00%	4	1.78%	9	4.00%	**225**	**41**	**18.22%**
2023-24	186	81.22%	5	2.18%	21	9.17%	0	0.00%	6	2.62%	11	4.80%	**229**	**43**	**18.78%**

Source: New Jersey Department of Education (http://www.nj.gov/njded/data/enr/) and the Bethlehem Township School District.

Hispanic is the second-largest race in the school. The number of Hispanic students has ranged from 16-26 in the last six years, while the Hispanic percentage has ranged from 6.35%-10.22%.

Asians are the third-largest race in the school and have ranged from 4-8 students per year. Over this time period, the Asian percentage has ranged from 1.78%-3.43%.

From 2018-19 to 2023-24, the number of Black students increased from zero (0) to five students. Over the same time period, the Black percentage increased from 0.00% to 2.18%.

There were no students who were Native American/Alaskan Native.

Finally, the number of students of Two or More races increased from three (3) in 2018-19 to 11 in 2023-24. The Two or More races percentage increased from 1.29% to 4.80% over this time period, a gain of 3.51 percentage points.

The number of minority students increased from 29 in 2018-19 to 43 in 2023-24, a gain of 14 students, which is primarily due to the increasing Black and Two or More Races student populations. Likewise, the percentage of minority students has increased from 12.45% in 2018-19 to 18.78% in 2023-24, a 6.33 percentage-point increase.

3. Ethel Hoppock Middle School (6-8)

In 2020-21, Hoppock changed its configuration from grades 6-8 to 5-8 before reverting back to its former grade structure in 2022-23. From 2018-19 to 2023-24, the racial composition of Hoppock was fairly similar to the district's racial composition. Whites are the largest race in the school. Excluding 2020-21 and 2021-22 when the school changed its configuration, the number of Whites has increased from 98 in 2018-19 to 115 in 2023-24, a gain of 17 students. Likewise, the percentage of White students has increased from 80.99% to 85.82% in the last six years, a gain of 4.83 percentage points.

Asians are the second-largest race in the school. In the last six years, the total number of Asian students ranged from 2-11 per year, while the percentage of Asian students ranged from 2.53%-8.46%.

The number of Hispanic students declined from 14 in 2018-19 to eight (8) in 2023-24. Likewise, the Hispanic percentage declined from 11.57% in 2018-19 to 5.97% in 2023-24, a 5.60 percentage-point decline. Hispanics are the third-largest race in the school

There were no students who were Native American/Alaskan Native.

The number of students who are Black or Two or More races was insignificant and did not exceed two (2) students in any year.

Table R3
Ethel Hoppock Middle School (6-8) Enrollments by Race
2018-19 to 2023-24

Year	White	%	Black	%	Hisp-anic	%	Native American or Alaskan Native	%	Asian, Native Hawaiian or Pacific Islander	%	2 or More Races	%	Total Students	Minority Total	Minority %
2018-19	98	80.99%	1	0.83%	14	11.57%	0	0.00%	7	5.79%	1	0.83%	**121**	**23**	**19.01%**
2019-20	99	84.62%	0	0.00%	11	9.40%	0	0.00%	5	4.27%	2	1.71%	**117**	**18**	**15.38%**
2020-21	69	87.34%	0	0.00%	7	8.86%	0	0.00%	2	2.53%	1	1.27%	**79**	**10**	**12.66%**
2021-22	69	85.19%	0	0.00%	6	7.41%	0	0.00%	4	4.94%	2	2.47%	**81**	**12**	**14.81%**
2022-23	109	83.85%	1	0.77%	8	6.15%	0	0.00%	11	8.46%	1	0.77%	**130**	**21**	**16.15%**
2023-24	115	85.82%	2	1.49%	8	5.97%	0	0.00%	9	6.72%	0	0.00%	**134**	**19**	**14.18%**

Source: New Jersey Department of Education (http://www.nj.gov/njded/data/enr/) and the Bethlehem Township School District.

Excluding 2020-21 and 2021-22 when the school changed its configuration, the number of minority students has been fairly stable in the last six years, ranging from 10-23. Due to the increasing White student population, the percentage of minority students has declined from 19.01% in 2018-19 to 14.18% in 2023-24, a loss of 4.83 percentage points.

B. Franklin Township School District Enrollments by Race

1. District Totals (PK-8)

As there is only one school in the Franklin Township School District, the district's enrollment and that of Franklin Township School are identical. The enrollments by race from 2018-19 to 2023-24 are shown in Table R4. White is the largest race in the district. The number of White students slowly declined through 2021-22 before reversing trend and stabilizing. In 2023-24, there were 206 Whites as compared to 234 in 2018-19, which is a loss of 28 students. Over this time period, the percentage of White students declined from 84.17% to 77.74%, which is a loss of 6.43 percentage points.

The number and percentage of Hispanics, which are the second-largest race in the district, has increased from 28 in 2018-19 to 45 in 2023-24, a gain of 17 students. Expressed as a percentage, 16.98% of the student population was Hispanic in 2023-24 as compared to 10.07% in 2018-19, which is a gain of 6.91 percentage points.

In 2023-24, Asians are the third-largest race in the district. The number of Asian students declined from 15 in 2018-19 to eight (8) in 2023-24. Likewise, the Asian percentage declined from 5.40% in 2018-19 to 3.02% in 2023-24, a 2.38 percentage-point decline.

Table R4
Franklin Township School District (PK-8) Enrollments by Race
2018-19 to 2023-24

Year	White	%	Black	%	Hisp-anic	%	Native American or Alaskan Native	%	Asian, Native Hawaiian or Pacific Islander	%	2 or More Races	%	Total Students	Minority Total	Minority %
2018-19	234	84.17%	1	0.36%	28	10.07%	0	0.00%	15	5.40%	0	0.00%	**278**	**44**	**15.83%**
2019-20	229	84.19%	1	0.37%	28	10.29%	0	0.00%	14	5.15%	0	0.00%	**272**	**43**	**15.81%**
2020-21	203	80.24%	8	3.16%	31	12.25%	0	0.00%	11	4.35%	0	0.00%	**253**	**50**	**19.76%**
2021-22	191	74.03%	15	5.81%	39	15.12%	0	0.00%	10	3.88%	3	1.16%	**258**	**67**	**25.97%**
2022-23	211	75.36%	15	5.36%	40	14.29%	0	0.00%	10	3.57%	4	1.43%	**280**	**69**	**24.64%**
2023-24	206	77.74%	4	1.51%	45	16.98%	0	0.00%	8	3.02%	2	0.75%	**265**	**59**	**22.26%**

Source: New Jersey Department of Education (http://www.nj.gov/njded/data/enr/) and the Franklin Township School District.

In the last six years, the number of Black students has ranged from 1-15 while the Black percentage ranged from 0.36%-5.81%.

There were no students who were Native American/Alaskan Native.

Finally, the number of students who are Two or More races was insignificant and did not exceed four (4) students in any year.

In the last six years, there has been a gain of 15 minority students in the Franklin Township School District. Due to the increasing Hispanic student population and declining White student population, the percentage of minority students has increased from 15.83% in 2018-19 to 22.26% in 2023-24, a gain of 6.43 percentage points.

C. Union Township School District Enrollments by Race

1. District Totals (PK-8)

Enrollments by race in the Union Township School District from 2018-19 to 2023-24 are shown in Table R5. While Whites are the largest race in the district, their number declined through 2020-21 before reversing trend. In the last six years, the number of White students has ranged from 333-374. Expressed as a percentage, 75.64% of the student population was White in 2023-24 as compared to 86.57% in 2018-19, which is a loss of 10.93 percentage points.

Table R5
Union Township School District (PK-8) Enrollments by Race
2018-19 to 2023-24

Year	White	%	Black	%	Hisp-anic	%	Native American or Alaskan Native	%	Asian, Native Hawaiian or Pacific Islander	%	2 or More Races	%	Total Students	Minority Total	Minority %
2018-19	374	86.57%	9	2.08%	20	4.63%	0	0.00%	26	6.02%	3	0.69%	**432**	**58**	**13.43%**
2019-20	370	84.67%	10	2.29%	22	5.03%	1	0.23%	29	6.64%	5	1.14%	**437**	**67**	**15.33%**
2020-21	333	84.30%	5	1.27%	26	6.58%	2	0.51%	22	5.57%	7	1.77%	**395**	**62**	**15.70%**
2021-22	347	83.21%	7	1.68%	34	8.15%	2	0.48%	20	4.80%	7	1.68%	**417**	**70**	**16.79%**
2022-23	349	81.35%	8	1.86%	35	8.16%	5	1.17%	25	5.83%	7	1.63%	**429**	**80**	**18.65%**
2023-24	357	75.64%	10	2.12%	38	8.05%	5	1.06%	52	11.02%	10	2.12%	**472**	**115**	**24.36%**

Source: New Jersey Department of Education (http://www.nj.gov/njded/data/enr/) and the Union Township School District.

Asians are the second-largest race in the district. From 2018-19 to 2023-24, the number of Asian students doubled from 26 to 52. Over the six-year period, the Asian percentage increased from 6.02% to 11.02%, a gain of 5.00 percentage points.

The number and percentage of Hispanics, which are the third-largest race in the district, has increased from 20 in 2018-19 to 38 in 2023-24, a gain of 18 students. Expressed as a percentage, 4.63% of the student population was Hispanic in 2018-19 as compared to 8.05% in 2023-24, a gain of 3.42 percentage points.

From 2018-19 to 2023-24, the number of Black students has been fairly stable, ranging from 5-10 per year, while the Black percentage ranged from 1.27%-2.29%.

In the last six years, the number of Native American/Alaskan Native students increased from zero (0) in 2018-19 to five (5) in 2023-24. Over this time period, the Native American/Alaskan Native percentage increased from 0.00% to 1.06%.

Finally, the number of students of Two or More races increased from three (3) to ten (10) in the last six years. Over this time period, the Two or More races percentage increased from 0.69% to 2.12%, a gain of 1.43 percentage points.

In the last six years, there has been a gain of 57 minority students, as the number of minority students has approximately doubled. The percentage of minority students has increased from 13.43% in 2018-19 to 24.36% in 2023-24, a gain of 10.93 percentage points.

2. Union Township Elementary School (PK-3)

Union Township Elementary School changed its configuration from grades PK-4 to PK-3 in 2023-24. The racial composition of Union Township Elementary School has been fairly similar to the district's racial composition as shown in Table R6. The largest race in the school is White. The number of Whites was fairly stable, excluding the pandemic year of 2020-21, before declining, ranging from 159-193. The percentage of White students declined from 89.37% to 75.45%, which is a loss of 13.92 percentage points.

Table R6
Union Township Elementary School (PK-3) Enrollments by Race
2018-19 to 2023-24

Year	White	%	Black	%	Hisp-anic	%	Native American or Alaskan Native	%	Asian, Native Hawaiian or Pacific Islander	%	2 or More Races	%	Total Students	Minority Total	Minority %
2018-19	185	89.37%	3	1.45%	7	3.38%	0	0.00%	11	5.31%	1	0.48%	**207**	**22**	**10.63%**
2019-20	193	85.40%	5	2.21%	10	4.42%	1	0.44%	14	6.19%	3	1.33%	**226**	**33**	**14.60%**
2020-21	159	81.54%	3	1.54%	12	6.15%	2	1.03%	15	7.69%	4	2.05%	**195**	**36**	**18.46%**
2021-22	181	79.74%	5	2.20%	20	8.81%	2	0.88%	14	6.17%	5	2.20%	**227**	**46**	**20.26%**
2022-23	164	79.61%	4	1.94%	19	9.22%	4	1.94%	12	5.83%	3	1.46%	**206**	**42**	**20.39%**
2023-24	166	75.45%	5	2.27%	18	8.18%	3	1.36%	23	10.45%	5	2.27%	**220**	**54**	**24.55%**

Source: New Jersey Department of Education (http://www.nj.gov/njded/data/enr/) and the Union Township School District.

Asians are the second-largest race in the school. The number of Asian students was fairly stable for the first five years, ranging from 11-15, before increasing to 23 in 2023-24. Over this time period, the Asian percentage increased from 5.31% to 10.45%, which is a gain of 5.14 percentage points.

Regarding Hispanics, enrollments increased through 2021-22 before stabilizing, ranging from 7-20 students per year. The Hispanic percentage has increased from 3.38% in 2018-19 to 8.18% in 2023-24, a 4.80 percentage-point gain. Hispanics are the third-largest race in the school.

From 2018-19 to 2023-24, the number of Black students has been very stable, ranging from 3-5 per year, while the Black percentage ranged from 1.45%-2.27%.

In the last six years, the number of Native American/Alaskan Native students increased from zero (0) in 2018-19 to three (3) in 2023-24. The Native American/Alaskan Native percentage increased from 0.00% to 1.36% over this time period.

Finally, the number of students of Two or More races increased from one (1) to five (5) in the last six years. Over this time period, the Two or More races percentage increased from 0.48% to 2.27%, a gain of 1.79 percentage points.

In the last six years, the number of minority students has increased from 22 to 54, a gain of 32 students. Over this time period, the percentage of minority students has increased from 10.63% to 24.55%, a gain of 13.92 percentage points.

3. Union Township Middle School (4-8)

Union Township Middle School changed its configuration from grades 5-8 to 4-8 in 2023-24. The racial composition of Union Township Middle School was fairly similar to the district's racial composition as shown in Table R7. Whites are the largest race in the school, whose number declined through 2021-22 before reversing trend, ranging from 166-191. Over this time period, the percentage of White students decreased from 84.00% to 75.79%, which is a loss of 8.21 percentage points.

Asians are the second-largest race in the school. The number of Asian students declined through 2021-22 before reversing trend, ranging from 6-29. Expressed as a percentage, 11.51% of the student population was Asian in 2023-24 as compared to 6.67% in 2018-19, which is a gain of 4.84 percentage points.

Table R7
Union Township Middle School (4-8) Enrollments by Race
2018-19 to 2023-24

Year	White	%	Black	%	Hisp-anic	%	Native American or Alaskan Native	%	Asian, Native Hawaiian or Pacific Islander	%	2 or More Races	%	Total Students	Minority Total	Minority %
2018-19	189	84.00%	6	2.67%	13	5.78%	0	0.00%	15	6.67%	2	0.89%	**225**	**36**	**16.00%**
2019-20	177	83.89%	5	2.37%	12	5.69%	0	0.00%	15	7.11%	2	0.95%	**211**	**34**	**16.11%**
2020-21	174	87.00%	2	1.00%	14	7.00%	0	0.00%	7	3.50%	3	1.50%	**200**	**26**	**13.00%**
2021-22	166	87.37%	2	1.05%	14	7.37%	0	0.00%	6	3.16%	2	1.05%	**190**	**24**	**12.63%**
2022-23	185	82.96%	4	1.79%	16	7.17%	1	0.45%	13	5.83%	4	1.79%	**223**	**38**	**17.04%**
2023-24	191	75.79%	5	1.98%	20	7.94%	2	0.79%	29	11.51%	5	1.98%	**252**	**61**	**24.21%**

Source: New Jersey Department of Education (http://www.nj.gov/njded/data/enr/) and the Union Township School District.

Hispanics are the third-largest race in the school. The number of Hispanic students was fairly stable before increasing in the last two years, ranging from 12-20 students per year. From 2018-19 to 2023-24, the Hispanic percentage increased from 5.78% to 7.94%, which is a gain of 2.16 percentage points.

Blacks are the fourth-largest race in the school, ranging from 2-6 students per year, while the percentage of Black students ranged from 1.00%-2.67%.

The number of students who are Native American/Alaskan Native was insignificant with two (2) or fewer students per year.

Finally, the number of students of Two or More races ranged from 2-5 per year while the Two or More races percentage ranged from 0.89%-1.98% in the last six years.

From 2018-19 to 2022-23, the number of minority students in the school was fairly stable before increasing in 2023-24, which may be due to the change in grade configuration, ranging from 26-61 students per year. The percentage of minority students has increased from 16.00% in 2018-19 to 24.21% in 2023-24, a gain of 8.21 percentage points.

D. PK-8 Regional School District Enrollments by Race – Franklin and Union

1. District Totals (PK-8)

If the Franklin and Union school districts formed a PK-8 regional school district, Table R8 shows what the enrollments by race would have been from 2018-19 to 2023-24. While Whites would have been the largest race in the district, their number would have declined through 2020-21 before reversing trend, ranging from 536-608. Expressed as a percentage, 76.39% of the student population would have been White in 2023-24 as compared to 85.63% in 2018-19, which is a loss of 9.24 percentage points.

Table R8
Franklin and Union Regional School District (PK-8) Enrollments by Race
2018-19 to 2023-24

Year	White	%	Black	%	Hisp-anic	%	Native American or Alaskan Native	%	Asian, Native Hawaiian or Pacific Islander	%	2 or More Races	%	Total Students	Minority Total	Minority %
2018-19	608	85.63%	10	1.41%	48	6.76%	0	0.00%	41	5.77%	3	0.42%	**710**	**102**	**14.37%**
2019-20	599	84.49%	11	1.55%	50	7.05%	1	0.14%	43	6.06%	5	0.71%	**709**	**110**	**15.51%**
2020-21	536	82.72%	13	2.01%	57	8.80%	2	0.31%	33	5.09%	7	1.08%	**648**	**112**	**17.28%**
2021-22	538	79.70%	22	3.26%	73	10.81%	2	0.30%	30	4.44%	10	1.48%	**675**	**137**	**20.30%**
2022-23	560	78.98%	23	3.24%	75	10.58%	5	0.71%	35	4.94%	11	1.55%	**709**	**149**	**21.02%**
2023-24	563	76.39%	14	1.90%	83	11.26%	5	0.68%	60	8.14%	12	1.63%	**737**	**174**	**23.61%**

Source: New Jersey Department of Education (http://www.nj.gov/njded/data/enr/) and the Franklin Township and Union Township School Districts.

Hispanics would have been the second-largest race in the school district. Hispanic enrollment would have increased from 48 in 2018-19 to 83 in 2023-24, a gain of 35 students. Over this time period, the percentage of Hispanic students would have increased from 6.76% to 11.26%, a gain of 4.50 percentage points.

Asians would have been the third-largest race in the school district. The number of Asian students would have been fairly stable for the first five years, ranging from 30-43, before increasing to 60 in 2023-24. Over this time period, the Asian percentage would have increased from 5.77% to 8.14%, which is a gain of 2.37 percentage points.

In the last six years, the number of Black students would have increased through 2022-23 before reversing trend, ranging from 10-23 per year. Over this time period, the Black percentage would have ranged from 1.41%-3.26%. Blacks would have been the fourth-largest race in the school district.

In the last six years, the number of Native American/Alaskan Native students would have increased from zero (0) in 2018-19 to five (5) in 2023-24, while the Native American/Alaskan Native percentage would have increased from 0.00% to 0.68%.

Finally, the number of students of Two or More races would have increased from three (3) in 2018-19 to 12 in 2023-24, while the Two or More races percentage would have increased from 0.42% to 1.63%.

In the last six years, there would have been a gain of 72 minority students. The percentage of minority students would have increased from 14.37% in 2018-19 to 23.61% in 2023-24, a gain of 9.24 percentage points.

E. PK-8 Regional School District Enrollments by Race – Bethlehem, Franklin, and Union

1. District Totals (PK-8)

If the Bethlehem, Franklin, and Union school districts formed a PK-8 regional school district, Table R9 shows what the enrollments by race would have been from 2018-19 to 2023-24. While Whites would have been the largest race in the district, their number would have declined through 2020-21 before reversing trend, ranging from 827-910. Expressed as a percentage, 78.55% of the student population would have been White in 2023-24 as compared to 85.53% in 2018-19, which is a loss of 6.98 percentage points.

Hispanics would have been the second-largest race in the school district. Hispanic enrollment would have increased from 80 in 2018-19 to 112 in 2023-24, a gain of 32 students. Over this time period, the percentage of Hispanic students would have increased from 7.52% to 10.18%, a gain of 2.66 percentage points.

Asians would have been the third-largest race in the school district. The number of Asian students would have been fairly stable for the first five years, ranging from 41-56, before increasing to 75 in 2023-24. From 2018-19 to 2023-24, the Asian percentage would have increased from 5.26% to 6.82%, which is a gain of 1.56 percentage points.

In the last six years, the number of Black students would have increased through 2022-23 before reversing trend, ranging from 11-29 per year, while the Black percentage would have ranged from 1.03%-2.73%. Blacks would have been the fourth-largest race in the school district.

Table R9
Bethlehem, Franklin, and Union Regional School District (PK-8)
Enrollments by Race
2018-19 to 2023-24

Year	White	%	Black	%	Hisp-anic	%	Native American or Alaskan Native	%	Asian, Native Hawaiian or Pacific Islander	%	2 or More Races	%	Total Students	Minority Total	Minority %
2018-19	910	85.53%	11	1.03%	80	7.52%	0	0.00%	56	5.26%	7	0.66%	**1,064**	**154**	**14.47%**
2019-20	898	85.20%	12	1.14%	78	7.40%	1	0.09%	54	5.12%	11	1.04%	**1,054**	**156**	**14.80%**
2020-21	827	84.47%	15	1.53%	80	8.17%	2	0.20%	42	4.29%	13	1.33%	**979**	**152**	**15.53%**
2021-22	846	81.42%	28	2.69%	105	10.11%	2	0.19%	41	3.95%	17	1.64%	**1,039**	**193**	**18.58%**
2022-23	853	80.17%	29	2.73%	106	9.96%	5	0.47%	50	4.70%	21	1.97%	**1,064**	**211**	**19.83%**
2023-24	864	78.55%	21	1.91%	112	10.18%	5	0.45%	75	6.82%	23	2.09%	**1,100**	**236**	**21.45%**

Source: New Jersey Department of Education (http://www.nj.gov/njded/data/enr/) and the Bethlehem Township, Franklin Township, and Union Township School Districts.

In the last six years, the number of Native American/Alaskan Native students would have increased from zero (0) in 2018-19 to five (5) in 2023-24, while the Native American/Alaskan Native percentage would have increased from 0.00% to 0.45%.

The number of students of Two or More races would have increased from seven (7) in 2018-19 to 23 in 2023-24, while the Two or More races percentage would have increased from 0.66% to 2.09%, a gain of 1.43 percentage points.

In the last six years, there would have been a gain of 82 minority students. The percentage of minority students would have increased from 14.47% in 2018-19 to 21.45% in 2023-24, a gain of 6.98 percentage points.

F. Racial Summary

The purpose of this section of the study is to compare the racial composition of the Bethlehem Township School District, Franklin Township School District, and Union Township School District, as well as in two possible scenarios: 1) Franklin and Union become a PK-8 regional school district; and 2) Bethlehem, Franklin, and Union become a PK-8 regional school district. To perform the racial analysis, enrollments were tabulated by race from 2018-19 to 2023-24 and racial percentages were computed for each school district, the individual schools in each of the districts, and the proposed regional school districts.

In the three school districts, Whites are the largest race in each district in 2023-24, ranging from a low of 75.64% in Union to a high of 82.92% in Bethlehem, which is fairly similar. While the White student population has been fairly stable in Bethlehem, it declined in Franklin and Union before reversing trend. Hispanics are the second-largest race in Bethlehem and Franklin and third-largest in Union. The Hispanic student population has been increasing in Franklin and Union yet has been fairly stable in Bethlehem. Franklin has the highest Hispanic percentage of the three school districts in 2023-24. The Hispanic student percentage ranges from 7.99% in Bethlehem to 16.98% in Franklin. Asians are the second-largest race in Union and third-largest in Bethlehem and Franklin and range from 3.02% in Franklin to 11.02% in Union in 2023-24. Blacks are the smallest race in each district and range from approximately 1-2% of the student population in each district in 2023-24.

If the Franklin and Union school districts formed a PK-8 regional school district, the White percentage would have ranged from 76.39%-85.63% from 2018-19 to 2023-24, while the minority percentage would have ranged from 14.37%-23.61%. If the Bethlehem, Franklin, and Union school districts formed a PK-8 regional school district, the White percentage would have ranged from 78.55%-85.53% while the minority percentage would have ranged from 14.47%-21.45%. In either scenario, the racial distribution of the proposed regional school districts would be fairly similar. In addition, as it is likely that all students would be educated in the same buildings in which they currently are housed in either scenario, regionalization would not change the racial make-up of these schools. Therefore, there would be no substantial racial impact on any of the school districts in either regionalization scenario.

IV. EDUCATIONAL IMPACT

A. Introduction

This section of the feasibility study will identify the impact on educational programs and services in the event of the regionalization of Franklin Township, Bethlehem Township and Union Township to form a new PK-8 regional school district or Franklin and Union to form a new PK-8 regional school district. Under either scenario, High school students will continue to attend North Hunterdon-Voorhees Regional High School District. This chapter of the study will review the two alternative scenarios:

1. Franklin and Union form a PK-8 regional school district or
2. Franklin, Bethlehem and Union form a PK-8 regional school district.

This section will first establish a baseline for review by describing the schools and districts involved in the study and comparing them to each other and to Statewide averages on key metrics in order to understand the opportunities for improvement and the issues that may arise in the event that regionalization is pursued. Based on our understanding of the schools and districts involved, we will then answer the following questions:

1. Will all students in the constituent districts have the opportunity to receive a high-quality education in the new PK-8 regional school district? In answering this question, we will determine whether the new regional district will be able to better support implementation of educational best practices.
2. Will the proposed regionalization present the potential to advance an enhanced learning environment for all students?
3. Will the proposed regionalization present the potential to better coordinate curriculum across schools and grades?
4. Will the proposed regionalization lead to the consolidations of school districts that are in close geographic proximity of each other?
5. Will the regionalization present challenges for certain communities or special student populations?
6. What educational issues need to be taken into consideration during the transition to the new regional district?

The analysis in this section is informed by public reports including enrollment reports; NJ Department of Education reports including school performance reports, assessment reports, violence and vandalism reports; taxpayer guides; web site materials; outreach to school administrators regarding:

1. Curriculum and instruction.
2. Enrichment through co-curricular and athletic opportunities.
3. Performance and achievement data.
4. Student demographic data.
5. School culture and climate indicators; and
6. Other data sources concerning all of the impacted schools.

Site visits were made to all of the schools in the three districts and included meetings with key administrators and a walk-through of each of the schools; observations from this site visit form a vital part of our data collection and inform our conclusions.

1. Educational Profile of Each School

In approaching the question of regionalization, it is important to understand that each school and community is unique in terms of its educational characteristics, goals, points of pride, needs, and strategies for impacting and improving student achievement. In order to recognize this uniqueness, this section will provide a broad overview of each school district involved in this regionalization study. This narrative description was developed through site visits to each of the schools, discussions with school leadership, including the superintendents and principals at each of the schools, information from the NJDOE School Performance Reports, and district web sites.

Bethlehem Township School District- The Bethlehem Township School District is a public school district that serves over 300 (2022-23) students in pre-kindergarten through eighth grade from Bethlehem Township, in Hunterdon County. The district is led by a seven-member Board of Education. The district is a member of the North Hunterdon-Voorhees Regional High School District for grades 9-12 with students attending North Hunterdon High School. The district is composed of two schools on two campuses, Thomas B. Conley Elementary School for students in grades PreK-5 and Ethel Hoppock Middle School for students in grades 6-8. Currently the district is looking at potentially consolidating on one campus (Conley) and encompassing universal pre-K. The district estimates that it presently enrolls 40% to 50% of its eligible pre-K students. Bethlehem participates in the Inter-district Choice program and has additional room to accommodate students.

Bethlehem has a Superintendent/Principal for the middle school and a principal for the elementary school.

The mission of the Bethlehem Township School District is to "provide each student a comprehensive education in a safe, supportive environment that promotes social and emotional learning, self-discipline, and motivation to achieve their potential. The Bethlehem Township School District partners with parents and the community to assist our students in developing skills to become independent and self-sufficient adults who will succeed and contribute responsibly in a global community."

Franklin Township School District- The Franklin Township School District is a public school district that serves 280 (2022-23) students in pre-kindergarten through eighth grade from Franklin Township in Hunterdon County. The district is led by a seven-member Board of Education. The district is a member of the North Hunterdon-Voorhees Regional High School District for grades 9-12 with students attending North Hunterdon High School. The district has one school, Franklin Township Elementary School. Franklin participates in the Inter-district Choice Program but intends to phase it out once the current group of students in the program graduate.

Franklin shares a superintendent, curriculum coordinator and child study team with Union. Franklin has one principal.

"The mission of the Franklin Township School, in partnership with the entire community, is to educate all students to the fullest extent of their individual capabilities, to foster a desire for excellence and prepare students to succeed in future educational endeavors, in order to become responsible, respectful members in a democratic society."

Union Township School District- The Union Township School District is a public school district that serves over 400 (2022-23) students in kindergarten through eighth grade from Union Township in Hunterdon County. The district is led by a nine-member Board of Education. The district is a member of the North Hunterdon-Voorhees Regional High School District for grades 9-12 with students attending North Hunterdon High School. The district is comprised of two schools on two campuses, Union Township Elementary School serving students in grades K-3 and Union Township Middle School serving students in grades 4-8.

Union shares a superintendent, curriculum coordinator and child study team with Franklin. Union has a principal for each school.

Union Township School District: "We are a K-8 school specializing in educating the whole student, focusing on the academic and life-skills necessary for success. Mission: Free public education for all children is a cornerstone of a democratic society that values the worth and dignity of each individual. Vision: "Inspiring Excellence, Igniting Potential."

B. Curriculum and Programs

1. Curriculum Development and Implementation

All of the schools engaged in this study currently are implementing the New Jersey Student Learning Standards ("NJSLS"). The NJSLS are established by the New Jersey State Board of Education and describe what students should know and be able to do upon completion of their education. The academic standards serve as the foundation for local district curricula that is then used by teachers in their daily lesson plans. The standards provide local school districts with clear and specific benchmarks for student achievement in nine content areas and are revised every five years through panels of teachers, administrators, parents, students, and representatives from higher education, business, and the community. The standards define the Constitutional guarantee of a "Thorough and Efficient Education" in order to prepare students for college and careers by emphasizing high-level and real-world skills. Although the foundation for the curriculum and instruction in each school is provided by the NJSLS, each school will implement the standards in different ways dependent on local needs and school capacity. In the following section we will discuss how each school is implementing the NJSLS. This information comes directly from the NJDOE School Performance Reports, the district websites, and information provided to us by the districts.

New Jersey Administrative Code requires that each local Board of Education "ensure that curriculum and instruction are designed and delivered in such a way that all students are able to demonstrate the knowledge and skills specified by the New Jersey Student Learning Standards." In order to accomplish this, schools will develop curriculum and curriculum guides that provide for scope, pacing and sequencing that is aligned with these standards. Basically, scope, pacing and sequencing establish the content of a particular curriculum (scope) and the order in which the curriculum presents that material (sequence) and

the recommended number of lessons and amount of time for instruction. The curriculum guides help teachers to teach the right content at the right time, to connect previous learning to new learning goals, and allow lessons to build on one another. The curriculum guides can then be used to link learning strategies, materials, and texts at the school level as well as guide professional development.

Pacing of instruction is important to help teachers stay on track and to ensure curricular continuity across grades and schools in the district. Another important consideration for pacing is to ensure that the content that will be tested on the New Jersey Student Learning Assessment ("NJSLA") is taught prior to the testing dates.

In order to facilitate the development of curriculum and curriculum guides, the NJDOE has developed a model curriculum which includes all standards of the grade-level content organized into five units of study, each with targeted student learning objectives, intended for six weeks of instruction each. Sequencing and pacing of the curriculum are also provided. Formative assessments that allow for measuring student proficiency of those target skills are included. Based on these resources, teachers will be able to develop unit and lesson plans to implement the curriculum. See Model Curriculum (nj.gov). Guidance on scheduling is also referenced. For example, the NJDOE recommends that, in order to implement the model curriculum, 90-minutes of uninterrupted literacy instruction for all students in grades K-5, and 80 minutes for grades 6 through 8, should be provided.

However, schools cannot just adopt the model curriculum as their own. It is important for curriculum guides to be developed and driven locally in order to ensure that they meet the specific needs of the school and the students they serve. This is best done through a teacher-led process informed by data and developed through reflection and consensus. The guides must also be continually reviewed and adapted to meet changing needs. It appears that Franklin, Union and Bethlehem school districts all engage in this type of collegial localized curriculum review process.

For this reason, the role of the new regional district – whether it is comprised of Franklin and Union or Franklin, Union and Bethlehem - will not be to prescribe a curriculum and curriculum guides to be implemented in each school regardless of capacity, need and circumstances, but will be to provide support, guidance, expertise, and resources for the individual schools as they engage in these necessary tasks.

For students to actually learn the curriculum, teachers must be highly adept at monitoring the progress of each student and adjusting instruction accordingly. For this reason, students cannot be moved through the curriculum in mass as this will lead to many students moving from grade level to grade level without sufficient knowledge to understand and master more challenging concepts. Teachers need to adapt the curriculum and differentiate instruction so that individual students move to the next unit only when they exhibit mastery. Teachers must be able to analyze and respond to the individual learning needs of students. An effective evaluation and professional development program tailored to the needs of teachers is important to support these instructional goals. We will discuss this issue at greater length later in this chapter.

As indicated below, each school district has established a curriculum development process and has adopted and implemented curriculum that is aligned to the content and skills

outlined in the NJSLS. The following are some specific curriculum highlights regarding the participating schools:

Franklin and Union school districts already share a Chief School Administrator, a curriculum coordinator, and a Child Study Team. Teachers in both districts participate in county professional development offerings and share professional development programs and days. A recent focus has been on using "data dives" to determine specific curricula and professional development needs. Teachers have monthly professional learning community meetings (PLC'S) wherein they focus on individual and whole group instruction; special education teachers have received multi-sensory training (Orton). The joint district keynote was provided by Jonathan Alsheimer, author of "Next Level Teaching Empowering Students and Transforming School Culture."

Bethlehem school district has a Director of Curriculum and Instruction. A recent curricular focus has been on using data to drive instruction and establishing PLC's. Currently, Bethlehem has a 30% special education classification rate and is seeking to understand and address it by undertaking a Special Education audit. Additionally, the Director of Special Services has been focusing on Response to Intervention (RtI) and using the Multi-tiered System of Supports (MTSS) framework. The district has been partnering with Dr. Tracey Severns of Teach4results.com.

C. Implications of Regionalization for Curriculum and Programs

It is clear from our review that all three districts are committed to best practices that include challenging their students with well-developed, engaging curricula; focuses on data driven instruction and differentiation of instruction; and offer high-level professional development opportunities for staff. Resources from the new regional district – whether the region is comprised of Franklin and Union or Franklin, Bethlehem and Union - could be used to establish a PK-8 curriculum office serving all the districts which will further enhance services and expertise including the development and implementation of a coordinated curriculum and aligned instruction. The consultants envision that the positive best practices that were observed will continue and that there will be many opportunities to accelerate student achievement throughout the regional district through a robust curriculum office that will:

- Provide support for better mapping curriculum to the State standards.
- Align instruction, student tasks and assessment with the rigor of State content standards.
- Share strategies and resources to provide effective instruction that meets the needs of all students including Multi-lingual/English Language Learners, Exceptional Student Education (ESE) and Gifted.
- Offer guidance in the development and use of standards-aligned formative and summative assessments.
- Collaborate with district personnel to perform classroom walkthroughs for district or school-identified purposes and provide academic feedback that is appropriate and timely.
- Provide lesson/content planning conferences.
- Analyze and interpret district, school, classroom, and/or individual student data reports and collaborate with districts/administrators/teachers to identify next steps.

1. Comparison Of Student Performance On State Assessments

Performance on the NJSLA is an important indicator for the effectiveness of the curriculum and in the instruction being provided in any given school and the need for additional interventions to ensure students are college and career ready. In order to measure student progress toward achieving mastery of the New Jersey Learning Standards in English Language Arts and Math, the State utilizes the New Jersey Learning Assessment (formerly known as the PARCC Subject Area Tests). Student scores are divided into five categories: Not Meeting; Partially Meeting; Approaching; Meeting; and Exceeding Proficiency Expectations. The NJSLA data is very useful in determining the extent to which a given school is successfully implementing the New Jersey Learning Standards.

However, in reviewing NJSLA data we need to be cognizant of the impact of suppression rules (that protect privacy rights of small groups, termed "subgroups" by NJDOE, of students) which create difficulties in drawing insights from the disaggregated NJSLA data in some areas. For this reason, data may not be available for some subgroups of students. We also should be cautious in drawing conclusions from the data presented below that involve a comparison of student performance across differing groups of students in a school or district. Although assessment data can provide some evidence of curriculum and instructional quality and rigor, the schoolwide test scores alone cannot be used to determine whether one group of students in one school will receive a better educational opportunity if they as a group attend another school. This is especially true in schools where students do not share a homogenous background or the same needs or where the group to be studied is very small. For this reason, we also will develop a fuller picture of the schools by looking at other student performance indicators.

D. Assessment Results and Year Over Year Change

Set forth below is a comparison of each school on the various subject level and grade level state assessments administered during the Spring 2023 and Spring 2022 administrations. The State assessments were not administered in the spring of 2020 nor the spring of 2021 due to the ongoing COVID-19 pandemic. The percentages represent students who met or exceeded state established expectations. The data was obtained from the NJDOE Statewide Assessment Reports (nj.gov).

We will examine the test score of each district compared with each other as well as the State average. We also will examine the change in scores from the 2022 administration to the 2023 administration to determine if there was growth over time. Growth is an important trend indicator since the true quality of a school focuses on the degree to which the school is able to take every child from where they are academically and to support them in their growth toward college and career readiness. Growth over time also can be a useful tool for gauging student performance in districts with different demographics.

To the degree that a district may lag in comparison on absolute terms, it should be noted that just maintaining a consistent level of student performance over time in the face of increased demographic and financial challenges represents a significant accomplishment for many districts.

Table E1
Percentage of Students who Met or Exceeded Expectations ELA 3

District	2023	2022	Change 2022-23
Bethlehem	**58.8**	**54**	**4.8**
Franklin	34.4	**75**	-40.6
Union	**64.6**	**50**	**14.6**
State Average	42	42	0

Bold: Designates Above State Average

Table E2
Percentage of Students who Met or Exceeded Expectations Math 3

District	2023	2022	Change 2022-23
Bethlehem	**79.4**	**71**	**8.4**
Franklin	**50**	**80**	-30
Union	**64.6**	**71**	-6.4
State Average	45.9	45	.9

Bold: Designates Above State Average

Table E3
Percentage of Students who Met or Exceeded Expectations ELA 4

District	2023	2022	Change 2022-23
Bethlehem	46.4	33	**13.4**
Franklin	47.4	**58**	-10.6
Union	**77.5**	**78**	-.5
State Average	51.3	49	2.3

Bold: Designates Above State Average

Table E4
Percentage of Students who Met or Exceeded Expectations Math 4

District	2023	2022	Change 2022-23
Bethlehem	32.1	**41**	-8.9
Franklin	**73.7**	**63**	**10.7**
Union	**67.5**	**71**	-3.5
State Average	44.3	39	5.3

Bold: Designates Above State Average

Table E5
Percentage of Students who Met or Exceeded Expectations ELA 5

District	2023	2022	Change 2022-23
Bethlehem	46.5	**52**	-5.5
Franklin	**61.9**	**55**	**6.9**
Union	**80.9**	**75**	**5.9**
State Average	53.2	50	3.2

Bold: Designates Above State Average

Table E6
Percentage of Students who Met or Exceeded Expectations Math 5

District	2023	2022	Change 2022-23
Bethlehem	25.6	26	-.4
Franklin	**57.1**	**50**	**7.1**
Union	**57.1**	**63**	-5.9
State Average	40.1	36	3.9

Bold: Designates Above State Average

Table E7
Percentage of Students who Met or Exceeded Expectations ELA 6

District	2023	2022	Change 2022-23
Bethlehem	**56.5**	48	**8.5**
Franklin	**50**	44	**6**
Union	**73**	**66**	**7**
State Average	49	48	1

Bold: Designates Above State Average

Table E8
Percentage of Students who Met or Exceeded Expectations Math 6

District	2023	2022	Change 2022-23
Bethlehem	**50**	**43**	**7**
Franklin	**40.9**	**54**	-13.1
Union	**56.7**	**45**	**11.7**
State Average	34.3	31	3.2

Bold: Designates Above State Average

Table E9
Percentage of Students who Met or Exceeded Expectations ELA 7

District	2023	2022	Change 2022-23
Bethlehem	**57.7**	**83**	-25.3
Franklin	**59**	**55**	**4**
Union	**81.7**	**76**	**5.7**
State Average	55.7	53	2.7

Bold: Designates Above State Average

Table E10
Percentage of Students who Met or Exceeded Expectations Math 7

District	2023	2022	Change 2022-23
Bethlehem	**62.3**	**60**	**2.3**
Franklin	**61.5**	**47**	**4.5**
Union	**66.6**	**50**	**16.6**
State Average	33.8	34	-.2

Bold: Designates Above State Average

Table E11
Percentage of Students who Met or Exceeded Expectations ELA 8

District	2023	2022	Change 2022-23
Bethlehem	**83.8**	51	**32.8**
Franklin	**63.2**	**79**	-15.8
Union	**82.3**	**74**	**8.3**
State Average	55.3	51	4.3

Bold: Designates Above State Average

Table E12
Percentage of Students who Met or Exceeded Expectations Math 8

District	2023	2022	Change 2022-23
Bethlehem	**41.2**	15	**26.2**
Franklin	**27.3**	ND	-
Union	**71.4**	**24**	**47.4**
State Average	17.8	15	2.8

Bold: Designates Above State Average
ND: Designates No Data (data withheld by NJDOE to protect student privacy)

In terms of absolute test scores, Bethlehem exceeded the state average (met and exceeding expectation) on 15 of 24 tests, Franklin on 20 of 24 tests, and Union on 24 of the 24 tests. Bethlehem struggled in Grades 4 and 5 and the root causes for this deserve a closer look by the district administration. (Note: This also is evident on the Grade 5 Science Assessment.)

In terms of growth in scores from the 2022 administration to the 2023 administration, Bethlehem exceeded the state average increase on 8 of 12 tests, Franklin on 6 of 12 tests and Union on 8 of 12 tests.

A review of the data indicates that the districts, for the most part, have similar levels of student attainment regarding the curriculum standards. We do recommend that Bethlehem take a deeper look at the NJSLA scores for both Math and ELA in Fourth and Fifth Grade to understand more regarding performance issues.

E. Technology And Stem

All of the schools are providing students with access to instructional technology necessary to achieve the NJSLA-S and have established specialized STEM programs as outlined below.

Bethlehem: The district is implementing a one-to-one initiative using iPads and associated applications. The schools use Google Suite that includes Google Apps, Google Classroom, and YouTube for Educators.

Franklin: The district is implementing a one-to-one technology initiative with students in grades PK-2 using iPads and those in grades 3-8 using Chromebooks. Google Classroom is integrated into classroom instruction. Promethean boards are used in the Special Education and Elementary classrooms and the upper grades, smartboard and interactive boards also are used. A STEM class is provided to students in grades PK-8 including lessons in robotics and 3D design. Computer rooms allow students to access laptops and iPads.

Union: At the Elementary school, students in grades 2-4 have one-to-one Chromebook access, and younger students have 1:1 access to iPads. Students use a Genius Opportunity (Go Time!) block. The school also has implemented an Innovation Lab, technology focused classes and enrichment activities. At the Middle School, all students have daily access to Chromebooks/iPads as well as technology classes that incorporate topics such as coding, robotics and innovation.

It is clear from the above that technology is being infused into the educational programs in all of the schools. Table E13 below compares the schools regarding their use of technology by reference to the Device Ratio (number of computers, tablets etc. per student).

Table E13
Comparison of Schools on Key STEM Program Metrics

SCHOOL	Grade Levels	Device Ratio	8th Graders Taking Algebra
Bethlehem Conley	PK-6	2.4:1	NA
Bethlehem Hoppock	7-8	1:1	18/45
Franklin Elementary	PK-8	1.6:1	0/29*
Union Elementary	PK-4	1.3:1	NA
Union Middle	5-8	1:1	20/35

Source: NJDOE School Performance Reports 2021-22.

Based on the above data, both Union and Bethlehem Middle Schools have moved to a one-to-one device ratio and the elementary schools are approaching that standard. A one-to-one ratio will better allow the schools to infuse technology throughout the curriculum.

We also examined whether 8th Graders are given the opportunity to take Algebra 1. The percent of 8th Graders enrolled in Algebra 1 is an important indicator of College and Career Readiness as it prepares students for advanced coursework in high school that is correlated with college success and especially important for pursuing STEM fields. Many high schools are moving the Algebra 1 curriculum to middle school so that students will be able to master higher level math in high school as well as Advanced Placement coursework. Both Bethlehem Middle School and Union Middle School are providing such opportunities to a significant number of 8th Graders. *While the most recent assessment results show that no students were currently enrolled in Algebra, the site visit to Franklin confirmed that the district does offer Algebra 1 to students, depending upon student readiness and demand. A regional school district could provide expertise in the areas of curriculum and instruction and the required number of students needed for enrollment, in order to support such an initiative.

Table E14 also provides information regarding student performance on the New Jersey Science Assessment by providing the percentage of students who scored in Levels 3 and 4 (highest levels) on the New Jersey Science Assessment. The test is administered in 5th, 8th and 11th grades. For comparison purposes, the Statewide percentage of students in Levels 3 and 4 is also provided.

Table E14
Science Assessment Levels 3 and 4

District	5th Grade	8th Grade
Bethlehem	27.9	43.2
Franklin	47.6	23.7
Union	38.1	35.5
State Average	26.8	18.6

In terms of performance on the State science assessment, all of the schools exceeded the State average in both the 5th and 8th Grade. We did see some evidence of an achievement gap regarding special education students (although we are cautious in drawing conclusions given the small numbers of students in this subgroup); it is an issue that the new school board should examine as more fully discussed below.

F. Achievement Gap

In reviewing assessment data, it also is important to disaggregate the data to determine if subgroups of students are achieving at similar rates. The achievement gap compares these subgroups and provides a starting point for implementing remedial measures.

Our NJSLA data analysis also examined differences among student groups based on race/ethnicity, socio-economic status, and disability. Although much of the student subgroup data was withheld by the NJDOE to protect student privacy (due to the small number of tested students), we were able to identify some evidence of achievement gaps. The most pronounced gaps involved students with disabilities. This subgroup substantially underperformed the school average in a number of grades and subjects including:

Bethlehem: ELA 3, Math3, ELA5, Math5, ELA7 and Math7.

Union: ELA4, ELA7, Math7, ELA8.

The consultants also examined student growth data for evidence of subgroup performance differences. The NJDOE has developed a tool for measuring individual student growth utilizing Student Growth Percentile ("SGP") data. Student growth is a measure of how much students are learning each year. The State calculates a SGP to show how students progressed from grade level to grade level when compared to students Statewide with similar test scores over time. SGP Methodology creates a measure of how students progressed in grades 4 through 8 in Language Arts Literacy and in grades 4 through 7 in Math when compared to other students with a similar test score history. A student's SGP falls between 1 and 99 and can be grouped into three levels: Low Growth: Less than 35; Typical Growth: Between 35 and 65; and High Growth: Greater than 65. If the SGPs for all students in the school are ordered from smallest to largest, the median Student Growth Percentile ("mSGP") for the school is the percentile in the middle of that list. SGP Data is limited to elementary and middle schools with tested grades.

Due to the pandemic, SGP data was last available from the 2018-19 NJSLA administration. The NJSLA only restarted in the 2021-22 school year so SGP data could not be calculated for that school year as well since multiple years of data is required. However, the NJDOE received approval through the COVID-19 State Plan Addendum, to use an alternative method to calculate growth for the 2021-22 school year based on aggregate score improvement on the NJSLA at the schoolwide and student group level between 2018-2019 and 2021-2022. For 2021-22, the NJDOE measured academic progress in ELA and mathematics using Relative School Improvement Measure (RSIM). Using RSIM scores, we were able to determine that all schools demonstrated moderate student growth except Bethlehem Middle School which demonstrated low student growth. Disaggregated growth data was mostly unavailable but based on the RSIM score we were able to determine that students with disabilities were generally in the same growth category as the schoolwide population.

The site visits and discussions with school leaders provided assurance that the districts are aware of the underperformance of special education students and that they are engaged in gathering additional information to determine the cause of the gap and how to best implement remedial supports and interventions. Bethlehem, in particular, is going to undertake an audit of

its special education services to gather data to address the high numbers of students who are classified in the district.

G. ESSA Accountability Status

The federal Every Student Succeeds Act ("ESSA") requires each state to adopt an accountability system for school improvement that is compliant with federal requirements. New Jersey's school accountability system identifies schools that are in need of comprehensive and targeted support due to consistent underperformance. Performance on the NJSLA is an important indicator for the effectiveness of the curriculum and instruction being provided in any given school and the need for additional interventions to ensure students are college and career ready. The State in its accountability plan utilizes NJSLA proficiency scores as well as SGP (where available) and Chronic Absenteeism. Complete school profiles under the accountability plan can be accessed at www.state.nj.us ESSA Home. The table below provides the schools' federal school status as provided in the 2022-23 school performance reports.

Table E15
ESSA Accountability Status

SCHOOL	ESSA STATUS	PROFICIENCY TARGET	GROWTH TARGET	CHRONIC ABSENTEEISM TARGET
Bethlehem	Not in Status.	ELA/Math Not Met Districtwide and Disability Subgroup	Met	Not Met Disability Subgroup
Franklin	Not in Status.	ELA Not Met Districtwide and Hispanic and Disability Subgroup	Met	Met
Union	Not in Status.	Math Not Met Disability Subgroup	Met	Not Met Disability Subgroup

Source: 2022-23 School Performance Reports

None of the schools have been deemed to be in status as a consistently underperforming school. The ESSA Accountability Target data for Proficiency, Growth and Chronic Absenteeism are consistent with the analysis presented in this chapter (not surprising since the same underlying data is being used). Here again our site visits, and discussions with school leaders, provided assurance that the districts are aware of the underperformance of subgroups of students and that they are engaged in gathering additional information to determine the cause of the gap and how to best implement remedial supports and interventions. Franklin school leaders, in

particular, noted an awareness of an increase in enrollment of Hispanic and economically disadvantaged students who are moving into the district, which is primarily rural, and the district is taking steps to address the underperformance of these students.

H. Chronic Absenteeism

Chronic absenteeism also is a fundamental component of the Elementary Secondary Education Act (ESEA) (Accountability Framework). The State, through its accountability plan required under the Federal Elementary Secondary Education Act, utilizes NJSLA proficiency scores as well as SGP (where available) and Chronic Absenteeism. Performance on the ESEA framework provides valuable information regarding the effectiveness of the educational program, curriculum and instruction being provided in any given school and the need for additional interventions to ensure students are college and career ready. In this section, we examine the student performance indicator of chronic absenteeism, which is defined by the NJDOE as missing 10 percent of the school days (18 days for most school districts or two days per month). This is an important student performance indicator as absenteeism negatively affects a student's academic performance. According to Attendance Works (10 Facts About School Attendance - Attendance Works) students, "who live in communities with high levels of poverty are four times more likely to be chronically absent than others…" The reasons for being absent are often beyond the student's or family's control such as "unstable housing, unreliable transportation and a lack of access to health care." However, the school can take steps to improve attendance by forming relationships with students and families and engaging them in positive ways, creating a positive school climate, or providing mentors for chronically absent students. These steps can improve attendance and academic performance.

The following charts demonstrate where chronic absenteeism is a problem according to the NJDOE Disaggregated data (by race and ethnicity and by special student populations) is provided for each school to provide insights regarding the students and communities most impacted.

Table E16
Chronic Absenteeism Schoolwide and by Special Populations

SCHOOL	State Average	Schoolwide	Economically Disadvantaged	Students with Disabilities	ELL
Bethlehem Conley	16.6	11.9	27.3	20.0	ND
Bethlehem Hoppock	14.8	18.3	ND	28.0	ND
Franklin Elementary	16.0	5.0	4.2	1.8	ND
Union Elementary	18.2	14.0	ND	23.1	ND
Union Middle	14.2	9.8	ND	15.7	ND

Source: NJDOE School Performance Reports 2022-23
ND: designates No Data was available (data withheld by NJDOE to protect student privacy)

Table E17
Chronic Absenteeism by Race and Ethnicity

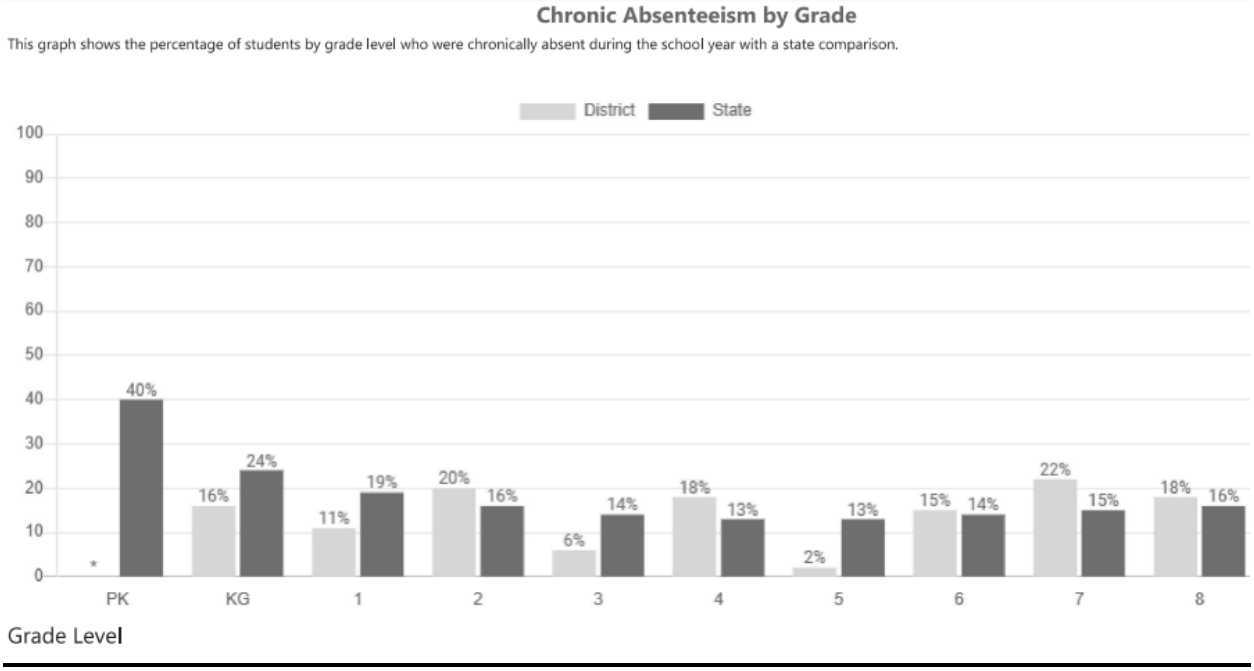
SCHOOL	State Average	Schoolwide	Black	Asian/NH/PI	Hispanic	White
Bethlehem Conley	16.6	11.9	ND	ND	8.7	12.5
Bethlehem Hoppock	14.8	18.3	ND	36.4	10.0	17.6
Franklin Elementary	16.0	5.0	ND	ND	8.1	4.4
Union Township Elementary	18.2	14.0	ND	ND	19.0	10.7
Union Township Middle	14.2	9.8	ND	ND	11.1	9.9

Source: NJDOE School Performance Reports 2022-23
ND: designates No Data was available (data withheld by NJDOE to protect student privacy)

The schoolwide data indicates that chronic absenteeism is not a substantial problem in any of the schools given they are all at or below the State average for those grade ranges except for the Hoppock School in Bethlehem which is substantially above the State average (we recommend that determining the root causes of the absenteeism should be a high priority for the district). However, the disaggregated data does reveal some issues in the other schools that the new regional district should focus on in the years to come (although we need to be cautious in our conclusions given the small numbers of students involved in some of the subgroups). In terms of special education students, both the Bethlehem schools and Union schools have chronic absenteeism rates higher than the school and state averages. In terms of race and ethnicity, in Bethlehem we see Asian students' chronic absenteeism being much higher than both the school and state average. In Union, we see Hispanic elementary students with absenteeism higher than both the school average and the state average and Hispanic middle school students with absenteeism higher than the school average but not the state average. In order to bring greater clarity to this issue, chronic absenteeism by grade level is set forth below.

Table E18

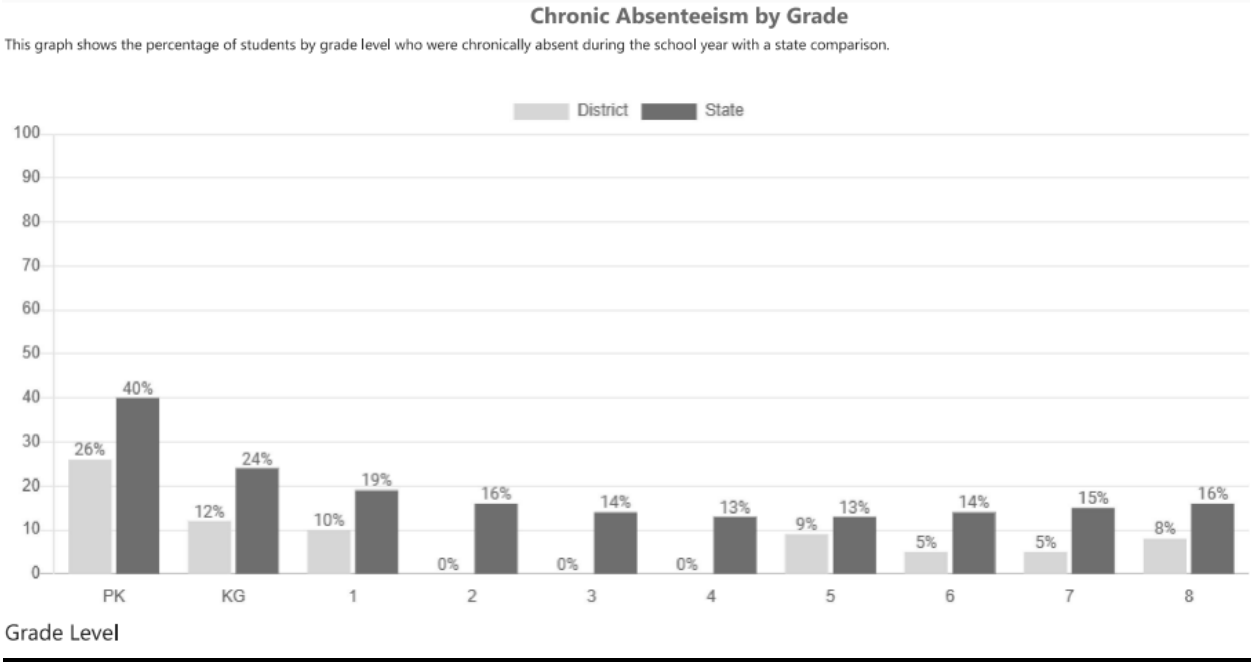
Bethlehem Chronic Absenteeism by Grade Level



Source: NJDOE School Performance Reports 2022-23

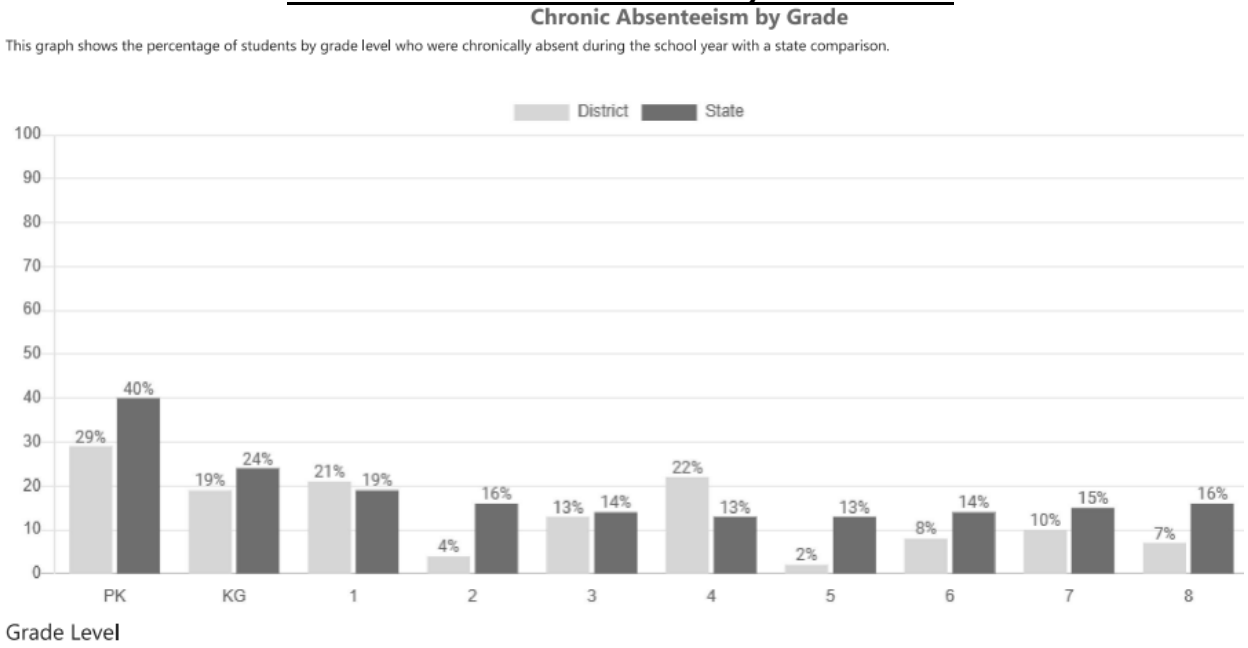
Table E19

Franklin Chronic Absenteeism by Grade Level



Source: NJDOE School Performance Reports 2022-23

Table E20
Union Chronic Absenteeism by Grade Level



Source: NJDOE School Performance Reports 2022-23

Given the direct correlation between absenteeism and student performance, in the event of regionalization, the new proposed regional board of education should focus on this issue in regard to certain subgroups. In developing strategies to address this issue, it is imperative to understand that the programs to be established must arise from the specific needs of the students and their families as determined by the teachers and administrators in the schools, guided by experts in the field. We believe that the formation of a new regional district – whether comprised of Franklin and Union or Franklin, Union and Bethlehem - would provide additional capacity for the new district to implement and sustain these strategies over time.

I. Comparison Of School Readiness And Climate Indicators.

We need to look beyond student performance data in order to get a fuller picture of each school and better understand the school's strengths and weaknesses. The School Performance Reports (formerly known as the School Report Card) issued annually by the NJDOE establish a number of indicators that demonstrate student progress toward being prepared for college and careers. The tables below present these College and Career Readiness/School Climate indicators from the most recent reports (2018-19) for comparison purposes. As indicated below, all of the districts provide a school climate that is conducive to learning.

1. Enrichment Opportunities and Co-Curricular Activities and Athletics

In this section, we will assess enrichment opportunities that are available to students. Athletics and clubs are an important part of producing well rounded students and in establishing a common school identity and culture. The schools provide a similarly broad offering of co-curricular activities and athletics typical for the ages of the children being served. It is clear that the offerings in these areas, taken as a whole, provide students a wide array of opportunities to support the educational program outside of the classroom. We also note the importance of athletic programs and clubs in upper elementary grades that can form a bridge to middle and high school clubs and interscholastic programs, leading to a better student experience and higher attendance rates. Participation in athletics at the middle and high school level provides many benefits such as promoting good citizenship, healthy lifestyles, and experiences with diverse populations.

Table E21
Before/After School Programs, Clubs and Activities

School	Before/After School Programs, Clubs and Activities
Hoppock	Sports and Athletics: Baseball (Boys), Cross Country (Coed), Soccer (Boys & Girls), Softball (Girls), Volleyball (Girls) and Basketball. Clubs and Activities**:** Student Council, Safety Patrol, Chorus, Band, Annual School Play and Peer Leaders. The following clubs are available to students: Chess Club, Ecology Club, School Newspaper Club, Recycling Club, Code Club, Debate Club, Film Club, Poetry Slam, Yearbook Club, Ski Club, Anime, and Farm, Forest and Aquarium Club. Before and After School Programs**:** YMCA After School Program and Homework Help Club.
Conley	Sports and Athletics: Sports that are offered (starting in fifth grade) include: Baseball, Cross Country, Soccer, Volleyball and Basketball. Clubs and Activities**:** Student Council, Safety Patrol, Chorus, Band, 5th Grade Drama Club, Jump Rope Club, and various PTA sponsored Clubs. Before and After School Programs**:** YMCA After School Program and

	Homework Help Club.
Franklin	Sports and Athletics**:** Sports Offered: Baseball (Boys), Basketball (Boys & Girls), Cross Country (Boys & Girls), Soccer (Boys & Girls), Softball (Girls), Track and Field - Spring (Boys & Girls), Volleyball (Girls) Clubs and Activities**:** The Clubs at FTS are designed to enhance the students experience while strengthening the global intellect of each individual learner. These clubs provide opportunities for students who exhibit exceptional ability to explore new media and in-depth concepts. During the 2020-2021 school year several clubs and activities were offered. Middle School students are given leadership opportunities that include student council, student ambassadors, superintendent advisory council, board delegates, and NJHS. The school is dedicated to community service projects and participates in activities such as the Holiday Food Bank, clothing donations, etc. Additional clubs include ski, yearbook, homework, art and safety patrol. 8th grade graduation trip to Hershey. Before and After School Programs**:** The YMCA provides before school and after school care for grades PK-8.
Union Elementary	Activities: PTA Sponsored Activities Assemblies Before and After School Programs: Before and after care program available for students run by the YMCA.
Union Middle	Sports and Athletics**:** Sports Offered: Baseball (Boys), Basketball (Boys & Girls), Cross Country (Boys & Girls), Soccer (Boys & Girls), Softball (Girls), Volleyball (Girls) Clubs and Activities**:** Student Council, Newspaper Club, Gaming Club, Walking/Running Club, Pep Squad, Photography Club, Intramurals, Sports Club, Foreign Language Club, Science Club, Art Club, Jazz Band, Yearbook Club. Before and After School Programs**:** Before and after care program available for students run by the YMCA.

Source: School Performance Report, Narrative and School Site Visits

2. School Day and School Calendar

There are no significant differences in the school calendar, school day or school schedule that will present an impediment to regionalization. All of the schools meet the State minimum of 180 instructional days.

Both the school day and school calendar are very similar extending from the last day of August and ending on or about the first or second week of June depending each year on local circumstances such as facility, calendar, and transportation issues. We do not see any issues with students, families and staff adjusting to a slightly different school calendar if that is required by the regional board of education for transportation or professional development reasons. Any

such issues should be discussed with all stakeholders and announced well in advance so that all impacted can plan accordingly.

Table E22
School Calendar

SCHOOL	Grade Level	Start/End of School Day	Length of School Day	Instructional Time
Bethlehem Conley Elementary	PK-5	8:40-3:20	6'40"	5'50"
Bethlehem Hoppock Middle	6-8	7:45-2:30	6' 45"	5'45"
Franklin Township School	PK-8	8:35-3:20	6' 40"	5'50"
Union Township Elementary	PK-3	8:45-3:20	6'35"	4'52"
Union Township Middle	4-8	8:45-3:25	6'40"	5'1"

Source: NJDOE School Performance Report 2022-23

Table E23
School Day Information

SCHOOL	First Day of School 2024-25	Last Day of School	Total Number of Student Days	Total Number of Teacher Days
Bethlehem Conley Elementary	Aug. 22	June 10	183	187
Bethlehem Hoppock Middle	Aug. 22	June 10	183	187
Franklin Township School	Sept. 3	June 20	184	189
Union Township Elementary	Aug. 22	June 11	186	191
Union Township Middle	Aug. 22	June 11	186	191

3. Class Schedule

All of the elementary schools have a period daily schedule with homerooms built into the beginning and end of each day. The periods consist of literacy, math, social studies, science, and specials (of art, music, and library) blocks, consistent with recommended best practices, in addition to lunch and recess. Of note, is Union Elementary "Tiger Time," which provides an additional opportunity for teachers to target instruction to students. The middle schools are departmentalized; Union 4th graders follow a modified departmentalized schedule even though they are located in the middle school.

Franklin utilizes Genesis and Union utilizes Real Time as a student information system; Bethlehem School District utilizes Genesis as a student information system.

4. Transportation

The school districts are all bussing districts - - no students walk to school - - and all use contracted routes through Delaware Valley for their elementary, middle and students who attend North Hunterdon. It is anticipated that the new regional district similarly will need to contract transportation services and that the routes and times will be configured by experts in transportation at the contracted services.

J. School Safety

An important condition for student success is a safe and secure school environment conducive to learning. The State of New Jersey requires school districts to report on an annual basis the number of incidents of violence, vandalism, weapons, bullying, and substance abuse.

Although we should be careful interpreting this data given the low student numbers in some of the schools being studied, it is safe to conclude from this chart that the various elementary and middle schools have similar low incidents of student behavioral issues with the middle schools being higher, which is consistent with peer schools across the State. It also should be noted that the schools have taken this issue very seriously and have implemented a number of school safety projects and initiatives; Franklin School District and Union Middle School have officers on site who assist with safety and security.

A regionalized school district could provide additional support to schools in the area of student and staff safety. It is more difficult for individual smaller districts to obtain the expertise needed to understand the specific physical needs of the school in terms of training and processes. Experts throughout the new regional district could observe security drills held at individual schools and provide insights and guidance to school staff and law enforcement thereby providing an enhanced learning opportunity for districts to discover vulnerabilities.

Table E24
School Safety Indicators

SCHOOL	Incidents Per 100	Incidents Violence, Vandalism, Weapons	Incidents Substances	Incidents HIB
Bethlehem Conley Elementary	1.73	0	0	4
Bethlehem Hoppock Middle	.77	1	0	0
Franklin Elementary	.71	1	0	1
Union Township Elementary	.93	0	0	2
Union Township Middle	1.33	0	0	3

Source: NJDOE School Performance Report 2022-23

K. Staffing Patterns And Class Sizes

Much of the local concern with regionalization will focus on the impact that the unification will have on the number of staff who will be working with students and how this in turn will impact the student educational experience. For example, parents will want to know whether class sizes (the average number of students in the classroom) will increase. According to school district administration, current class sizes range as follows:

Bethlehem Elementary grades: 16-23 students per class in two sections per grade.

Bethlehem Middle grades: 20-24 students per class in two sections per grade except Grade 5 which has 3.

Franklin all grades: 10-20 students per class in two sections; except Grade 5 which has 24 students in one section.

Union Elementary has an average of 22 students per class in three sections per grade.

Union Middle has an average of 15 to 16 students in three sections at each grade. District administration noted that Union student enrollment has been increasing and that this necessitated moving the 4th Grade to the middle school.

Another way to examine the issue of staffing is to look at staffing ratios (students per teacher). In the tables below, we report the current teacher and administrator ratios for each school.

Table E25
Staffing Patterns

School	Students to Teacher Ratio	Teachers Average Years of Experience (State-12.5)	Students to Administrator Ratio	Administrators Average Years of Experience (State-16.1))
Bethlehem Conley Elementary	12:1	16.4	231:1	24.0
Bethlehem Hoppock Middle	10:1	13.2	65:1	22
Franklin Elementary	9:1	10.4	141:1	16
Union Township Elementary	10:1	9.4	215:1	18.0
Union Township Middle	10:1	9.7	222:1	4.0

Source: NJDOE School Performance Report 2022-23

The student-teacher ratios are all at or about the State average (10.3) with the exception of Bethlehem Conley which is slightly higher than the State average. Moving forward, any new regional board of education will need to work with local leadership to understand the needs of each school and parental expectations. However, there should be no issue regarding pressure to change the established staffing patterns in the short term as we are recommending that the status quo will be maintained in terms of staffing numbers and assignments. In the long term, staff decisions will be made by the regional board of education based on the enrollments and financial pressures at that time.

L. Impact On Special Learners

1. Introduction

In this section we will examine the educational impact of the proposal on students identified as in need of special programs and services.

2. Students with Disabilities

Each district is providing specialized programs and services for students with disabilities. The classification rate for each district and placement data is provided below. Table E23 indicates that Bethlehem and Union have classification rates significantly higher than the State average. As mentioned previously, Bethlehem is considering undertaking a Special Education audit to understand this data; the new regional school board should be similarly focused on this issue to determine whether any steps can be taken, such as a robust intervention and support program, to reduce the classification rate while still providing students with the services and supports that they require. It is anticipated that a regional Child Study Team – as already exists in Franklin and Union and will be expanded in the event of regionalization including Bethlehem - and shared programs among the district will also help in this regard.

Table E23
Classification Rate by School

District Name	Classification Rate 2022	Classification Rate 2021
Bethlehem	25.21	20.11
Franklin	19.86	18.46
Union	23.79	23.66
State Average All Ages (As of 10/15)	16.51	17.39

Source: NJDOE State Special Education Data

3. Current Special Education Placements by Category

The following chart indicates the placements by category across the school districts in the county. Unfortunately, data suppression rules to protect student privacy (for example, when small numbers of students are involved) limit the information available. An asterisk in a particular table means that the number is being withheld but that there is at least one student receiving these services in that particular setting. It does not appear from the data available that

any of the schools have students that are being served in a Home/ Hospital setting or in a Correctional Facility.

However, it is still clear from the data that the districts are providing a considerable number of specialized programs across similar placement categories. The four largest placement categories across all three districts are Specific Learning Disability, Other Health Impairment, Speech or Language Impairment and Autism. It also appears that the districts have some out of district placements which may provide an opportunity to consolidate these placements with regionalization, with the goal of providing higher quality more accessible programs at a lower cost.

Table E27

Bethlehem Students with Disabilities by School and Placement (2022)

Disability Category	Inside The Regular Class 80% or More of Day	Inside The Regular Class No More Than 79% of Day But No Less Than 40% of Day	Inside Regular Class For Less Than 40% of Day	Separate School	Residential Facility
Specific Learning Disability	29	*	0	0	0
Other Health Impairment	16	*	*	0	0
Speech or Language Impairment	17	*	0	0	0
Autism	*	*	*	0	0
Emotional Disturbance	*****	*****	**0**	**0**	**0**

Source: NJ Department of Education/Office of Special Education/2022 IDEA Public 618 Data/Placement Data

Table E28
Franklin Students with Disabilities by School and Placement (2022)

Disability Category	Inside The Regular Class 80% or More of Day	Inside The Regular Class No More Than 79% of Day But No Less Than 40% of Day	Inside Regular Class For Less Than 40% of Day	Separate School	Residential Facility
Multiple Disabilities	0	0	0	*	0
Other Health Impairment	*	*	*	0	0
Speech or Language Impairment	13	*	0	0	0
Specific Learning Disability	*	12	0	0	0
Autism	*	*	*	*	0

Source: NJ Department of Education/Office of Special Education/2022 IDEA Public 618 Data/Placement Data

Table E29
Union Students with Disabilities by School and Placement (2022)[4]

Disability Category	Inside The Regular Class 80% or More of Day	Inside The Regular Class No More Than 79% of Day But No Less Than 40% of Day	Inside Regular Class For Less Than 40% of Day	Separate School	Residential Facility
Multiple Disabilities	0	0	0	*	0
Orthopedic Impairment	*	0	0	0	0
Emotional Disturbance	*	*	0	0	0
Autism	*	*	*	*	0
Specific Learning Disability	23	20	0	0	0
Speech or Language Impairment	27	*	*	0	0
Other Health Impairment	*	*	0	0	0

4. Potential Special Education Efficiencies through Regionalization

The new regionalized school board also will have opportunities to become more effective and more efficient in the delivery of special education programs. In terms of serving special populations, a regional structure would provide a substantial opportunity to improve both the breadth and quality of the programs being provided as well as to improve efficiency. For example, the regional district could provide child study team and case management services to the various schools including evaluations that identify a student's educational needs and the development of the individualized education program ("IEP"). The IEP process requires diagnostic evaluations by an interdisciplinary team including a learning disabilities teacher, a school psychologist and a school social worker. The interdisciplinary process requires student observation, information from the family and classroom teachers, and team testing. The IEP process also requires periodic reviews and evaluations of students previously classified. A regionalized student services unit could provide a number of CST services more efficiently including:

1. Core CST Membership
    a. Psychological Services

[4] The data obtained from NJ Department of Education/Office of Special Education/2022 IDEA Public 618 Data/Placement Data differs from the data maintained by the District.

b. Learning Disability Teacher Services
c. School Social Worker Services

2. Evaluations
   a. Psychiatric and Neurological Evaluations.
   b. Speech and Language Evaluations
   c. Occupational and Physical Therapy Evaluations
3. Services
   a. Physical Therapy Evaluations Services
   b. Speech Correction Services

In terms of programs, the districts have developed a wide continuum of special education programs and related services to address the needs of students with IEPs and Franklin and Union districts currently share a Child Study Team. However, shared services lessons from other parts of the State lend support to the proposition that a regional structure could be used to further expand programming across the full continuum of services from the least restrictive environment (for example with a collaborative teacher) to the most restrictive environment, for example, special classes for autism. Pull out, resource room services, self-contained classes, adapted Physical Education, Art and other special classes can be provided and/or supported through the regional entity. Related services such as Speech, Occupational Therapy, Physical Therapy, School Based Counseling, Vision, and Hearing can also be more efficiently provided through a regional program. The regional entity would also be able to ensure that preschool programs for disabled students (both half-day and full-day) as well as Integrated Preschool Programs are available to eligible students throughout the regional district.

A Tiered System of Supports also can be provided more effectively and efficiently, identifying not only struggling students but also students that would benefit from additional instruction in Language Arts or Math. Schools also can ensure that screenings mandated by the new Dyslexia legislation are provided.

5. Interventions and Support for Struggling Students and Social Emotional Needs of Students

Each school must provide a comprehensive system of student supports in order to meet the needs of struggling students, which has become more critical during and following the COVID-19 pandemic. All of the schools have demonstrated an understanding of these needs. The supports currently being provided are set forth below:

<u>Bethlehem</u>

Hoppock- "Student Support Students are supported by a full-time school counselor. We also have a Character Education program which includes M & M (Motivation and Mindfulness) Monday, Start with Hello Program - A prevention program that teaches children how to be more socially inclusive and connected to each other, various other kindness activities and Red Ribbon Week. Social emotional learning lessons and supports are also available to support student mental health. Our district also has a Child Study Team which provides eligible students with individualized learning plans for success."

Conley- **"**Students are supported by a full-time school counselor. Wellness Wednesday character education classes are held in each grade to support social emotional learning in school. NJ Child Assault Prevention workshops, Respect Week, Violence Awareness Week, and Sandy Hook Promise are some of the activities held each year."

Franklin

"The Intervention and Referral Services process addresses academic and behavioral concerns. As a result, a plan including classroom strategies is generated. To support students with social skills, coping skills, relational aggression, secondary schooling transition and character education the School Counselor provided lessons and group sessions. The school provided the following programs for classified students: In-class support, pull-out replacement, and supplementary support. BCBA, Speech, O.T. and P.T. services are provided to students. Social Work services including counseling and case management were utilized. FTS offers a Multiple Disability Classroom. This classroom utilizes the Unique Learning System and is a standards-based classroom ready system that meets the individual needs of diverse learners. The core curriculum is implemented, and ideal pacing is ensured."

Union:

Elementary-"Our Child Study Team consists of a Director of Program, a School Psychologist, Learning Consultant, and Social Worker. Students can receive appropriate services such as: Gifted and Talented instruction, ELL, math and language arts intervention services, speech, counseling, in-class support, LLD or out of class replacement."

Union Middle- "Our Child Study Team consists of a Director of Program, a School Psychologist, Learning Consultant, and Social Worker, and ensures that students receive the appropriate services such as: math and language arts intervention services speech, counseling, in-class support, LLD or out of class replacement."

6. Multilingual/English Language Learners

None of the districts currently have large populations of ELL students and the low total numbers have remained steady. In all of the schools, students with limited English language skills are provided with appropriate supports including the recent hire of a teacher to work with multilingual learners in Union and Franklin, where the number of diverse learners and home languages is increasing.

Table E30
Multilingual/ELL Population

District Name	ELL % 2021-22	ELL % 2022-23
Bethlehem Conley Elementary	0.8	1.3
Bethlehem Hoppock Middle	0.0	0.8
Franklin Elementary	0.4	0.4
Union Township Elementary	0.0	3.7
Union Township Middle	0.0	0.4

Source: School Performance Reports, 2022-23)

7. Early Childhood Education

Bethlehem- Conley provides a three-year-old program (half time and full time) and a full time four-year-old Preschool Program.

Franklin- An integrated preschool program is offered for three- and four-year-old students. The program provided support and services for students referred for early intervention and who were able to become eligible for special education and related services. The preschool program implemented the Tools of the Mind Curriculum and is funded through the state pre-school expansion program. Franklin has been accepted into the state's preschool expansion program.

Union- Union elementary offers an inclusive full day preschool program as well as a full day Kindergarten program. The preschool uses the Creative Curriculum. The preschool program is expanding and will have 15 students in each of four pre-k classes.

M. Talent And Professional Learning

1. Introduction

The success of a school will often depend on developing effective human resource systems. Investments in human capital will improve organizational performance in terms of employee retention, innovation and ultimately effectiveness.

2. Professional Learning

A focus on teacher professional development is a vital component of a vibrant Professional Learning Community ("PLC"). For example, in order to provide effective instruction, teachers must learn new teaching strategies. By incorporating innovative teaching methods in the classroom, teachers can change the way they engage and teach their students to become life-long learners. The narrative below indicates clearly that each of the schools is committed to professional development through the implementation of best practices.

As mentioned previously, each of the districts engaged currently offers professional learning opportunities aimed at using data to drive instruction and equipping teachers with professional development tools that are based upon research based best practices. In school performance narratives administrators indicated that staff were engaged in the following types of professional development:

Bethlehem**: "**We offer over 20 hours of professional development for staff annually. In addition, staff members are able to explore interests through various coursework."

Franklin: "Teachers collaborate with their grade level partner/content specific teachers. Staff members have the opportunity to participate in a Teacher Professional Development Academy. These sessions provided teachers with a leadership opportunity and presented a topic to their colleagues. Presentation topics were determined based on need and areas of interest. We are participating in a school wide Positive Behavior Support (PBS) where every lion ROARS with pride. Aspects of the Positive Behavior Support include Respect, Ownership of Actions, Achieve Personal Best, Responsibility, and Safety. Staff participated in Wilson Training where the tools learned can be used with our young readers. Staff members participate in a Consortium with other school districts in Hunterdon County. The first consortium meeting focused on 21st century learning."

Union: "Our staff continuously engage in professional development opportunities that are provided by the district or through our P.D. Academy which provides workshops led by district teachers. Continuous surveys are provided to gain insight and feedback from staff on instructional needs. Monthly staff meetings are used to work on our district goal of data driven instruction. Also, we frequently collaborate with local school districts for articulation."

In addition, site visits revealed that Franklin and Union district staff collaboratively engage in professional development during shared PD days throughout the school year and are currently working with Jonathan Alsheimer, author of "Next Level Teaching," and Bethlehem staff are currently working with Dr. Tracey Severens of Teach4results.com.

a. The Benefits of a Regional System in Talent Acquisition and Development

We believe that a PK-8 regional system would serve students across the three district well in better positioning the district to provide a districtwide focus on students' needs across grades and subjects, growth in the capacity of teachers to deliver effective instruction and improvements in student learning outcomes. A study reported in 2017 (see Darling-Hammond, L., Hyler, M. E., Gardner, M., 2017, Effective Teacher Professional Development. Palo Alto, CA: Learning Policy Institute) found a number of criteria evidencing effective professional development. They found that effective professional development:

1. Is content focused;
2. Incorporates active learning;
3. Supports collaboration;
4. Uses models of effective practice;
5. Provides coaching and expert support;

6. Offers feedback and reflection; and
7. Is of sustained duration.

They also found that Professional Learning Communities (PLCs) provide a good example of a PD model that can incorporate many of these elements. (see: Effective Teacher Professional Development (learningpolicyinstitute.org)

We believe that the new regional district will be able to create greater capacity in terms of staff professional development to further the goals of:

- Engaging teachers in professional learning focused on standards-based instruction;
- Facilitating PLCs related to best practices and standards using technology; and
- Developing online learning opportunities as needed.

N. Parent And Community Involvement

It is well documented in educational research that schools are most effective when they communicate with and engage families and the school community in a meaningful manner. The schools involved in this study all have high levels of parent and community involvement. All have active PTAs which span Pre-K to Grade 8, and the PTAs often underwrite experiences for students that fall outside of the school budget. An example of such is the PTA funded graduation trip to Hershey for all students that Franklin provides.

As mentioned previously, Franklin utilizes FT Genesis and Union utilizes Real Time as a student information system; Bethlehem School District utilizes Genesis as a student information system. A new, larger region including Bethlehem will presumably offer more choices and potential options in student information systems, and the administration will be tasked with finding the best one for the new region. Transitioning to a new system will not present an obstacle to regionalization.

O. School Transitions

Transitions from one school to another often pose challenges for students and families both academically and socially. Students in Bethlehem and Union currently have three transitions during their educational career (Elementary to Middle to High School) and Franklin students have two (Elementary to High School).

This new regional relationship will not add any new transition for students from any of the impacted schools who will continue to have the same number of transitions during their elementary and secondary education as they currently have.

We note that these transitions are important since student achievement often lags the year after the transition to a new school. The research suggests that transitional programs that include counseling, school visits, and special summer courses can be used to help students adjust to the new school environment; the new regional district will be able to continue to work with North Hunterdon-Voorhees High school district on a uniform approach to transitioning students academically and socially from 8th Grade to North Hunterdon High School.

P. School Size

A number of schools involved in this study currently have schools with an enrollment of below 400 students. Research has found that a small school environment is conducive to learning. For example, Lee and Loeb (2000) found that smaller school size positively influenced student achievement. They found that smaller school size will have a positive impact on teacher attitudes and motivations and because of that effect will result in higher student achievement. Loeb believed that students learn more in small schools since teachers will take personal responsibility for achievement due to higher levels of collective responsibility. This collective responsibility is due to the smaller organizational size facilitating greater personalized social interactions. In small schools, teachers will interact more often with students and know them better and will thereby take personal responsibility for their success.

In terms of middle schools, Mertens et al (2001) found that schools with fewer than 750 students will have better instructional practices, more parent involvement, and more common planning time for teachers all of which are associated with higher student achievement.

The new regional board of education should remain cognizant of the research on school size and maintain effective sizes. It should be noted, however, that schools can be too small. When classes become too small the group dynamics will be increasingly difficult. For example, individual students are more easily able to dominate the group and disrupt learning. The range of ideas may not be as broad, life experiences as great and perspectives as diverse which may stunt discussion required to get at deeper learning and problem solving. In addition, learning has both social and academic components and having too few students will restrict the ability for friend groups to form and the power of cliques may grow.

A school is too small when it is no longer able to provide a reasonable breadth and depth of courses, enrichment, and curriculars and to provide students with the social and emotional environment brought through a diverse set of classmates. For example, teachers in larger districts have more colleagues on which to draw for advice and discussion, interactions that arguably lead to improved effectiveness.

As the schools involved in this study consider the potential for regionalization, they should reflect on what will happen educationally if class sizes drop and whether they will be able to expose students to the breadth and depth of programs and services required for them to enter middle school with the knowledge and skills necessary to succeed. Being part of a regional district will provide options for ensuring a robust classroom environment into the future.

EDUCATION CHAPTER CONCLUSIONS

Our data collection, including reviewing data from the NJDOE performance reports, conversations with school leadership, and walk throughs during site visits, demonstrate clearly that the communities engaged in this study are committed to providing the best education possible. All of the districts have much to be proud of. They have all put in place the mandated curriculum standards as well as aligned programs and instruction. The schools have made significant investments in professional development for their staff to continue to learn about and implement best practices, and in enrichment, co-curricular activities, and technology to serve their students and families.

Schools must be able to provide every child with the opportunity to discover their talents and interests and then prepare them academically to succeed in those aspirations; the consultants believe that the schools involved in this study are all doing so. No educational issues have been identified in this study that will stand in the way of Franklin and Union or Franklin, Union and Bethlehem joining together to form a new PK-8 regional district; we have identified, herein, certain areas where the proposed regionalization could lead to enhancements in the educational learning environment for all students.

Research Questions

At the outset of this chapter, the consultants presented six research questions that guided our data collection and analysis. The answers to these questions provide specifics, context, and support for our conclusion. In the forgoing section, we have set forth in detail how a new regional district will have the ability to put in place those characteristics of successful schools and, thereby, improve educational outcomes for the communities involved.

We note that, in answering these research questions, we were able to interact with school leaders from each of the schools and that the information provided by these individuals during site visits has been invaluable.

The questions posed at the outset and answers follow:

Q1. Will all students in the constituent districts have the opportunity to receive a high-quality education in the new PK-8 Regional School District? In answering this question, we will determine whether the new regional district will be able to better support implementation of educational best practices.

A. The consultants believe that students in all of the schools will continue to have the opportunity to receive a high-quality education in the event that regionalization is approved by the voters and implemented. We believe that a new regional district - whether comprised of Franklin and Union or Franklin, Union and Bethlehem - will present distinct advantages for students from all three districts and can accomplish certain critical, research-based education goals which include:

- A challenging curriculum aligned to the New Jersey Learning Standards.
- A positive school culture where all students matter and can achieve at high levels.
- Instructional practices that engage all students.

- High quality, data infused professional development where teachers work across grades and subjects in professional learning communities (PLCs).
- Parental engagement and support.
- Use of technology for learning.
- Effective school leaders.
- Strong student support services for special populations.

Q2. Will the proposed regionalization present the potential to advance an enhanced learning environment for all students?

A. The consultants believe that regionalization - whether comprised of Franklin and Union or Franklin, Union and Bethlehem - can lead to an enhanced learning environment for all students due to the following:

- Schools from the various districts have comparable student-staff ratios which should be maintained as the regionalization moves forward to maintain a suitable classroom environment for all students.
- A regional school district could provide additional support to schools in the area of student support and school safety.
- A new regional school board will be uniquely better situated to serve at-risk students (socio-economically disadvantaged and/or with limited English) by being better able to connect and draw on expertise and resources from throughout the county and municipal agencies and state government including transportation, social workers, food programs, employment, health and dental care, and before and after school care.
- A regionalized human capital and professional development office could also assist schools in recruiting and inducting teachers and in developing and delivering high quality, rigorous and effective professional development resulting in changes in teacher practices and improvements in student learning outcomes.

Q3. Will the proposed regionalization present the potential to better coordinate curriculum across schools and grades?

A. The consultants believe that the answer to this question yes, regionalization - whether comprised of Franklin and Union or Franklin, Union and Bethlehem - may present a number of opportunities to develop, implement and track progress regarding the curriculum including:

- A shared curriculum development and implementation office that would provide additional resources to each school to provide strong learning connections across the schools and grade levels.

- Teachers across all the schools could be involved in writing the curriculum across all grades.
- Horizontal articulation among schools in the region, K-8 and vertical articulation with North Hunterdon-Voorhees will be exceptionally helpful to ensure that quality is consistent across all schools and that the transition to high school is seamless.
- Effective curriculum implementation will be improved by robust data collection and analysis at central office, school and professional learning community levels.

Q4. Will the proposed regionalization lead to the consolidations of school districts that are in close geographic proximity of each other?

A. Yes. Each of the three communities are located in Northwestern Hunterdon County with Franklin bordering Union on the south and Bethlehem bordering Union on the north.

Q5. Will the regionalization present challenges for certain communities or special student populations?

A. The consultants believe that a new regional district - whether comprised of Franklin and Union or Franklin, Union and Bethlehem - has the ability to enhance services for certain communities and student populations for the following reasons:

- The districts are serving, for the most part, students with similar IEP needs, and, in doing so, are providing a considerable number of specialized programs across many placement categories. A new regional will be able to fully implement the IEPs and provide all students with needed special education programs and services.
- Regionalization of the special services functions of the three districts will provide the opportunity for the improvement of programs and services for special populations through greater capacity and expertise at the central office level and in a more efficient manner including a centralized Child Study Team and case management services.
- A new regional school board will have opportunities to consider ways to be more effective and more efficient in the delivery of special education programs.
- Similar opportunities will be available to expand services to at-risk populations, for example, students who are chronically absent, will also benefit from greater capacity and expertise at the regional level.

Q6. What educational issues need to be taken into consideration during the transition to the new regional district?

A. The consultants have not identified any obstacles to unification arising from the area of educational programs and services. The consultants recommend that during the initial five-year period all students and staff remain in their current assignments until the new school board has conducted a needs assessment and engaged the various communities in a discussion regarding educational priorities and fiscal conditions. A deliberative approach will ensure that

there is no disruption in the educational program moving forward. We do envision, however, that the administration of the regional district will begin to provide expanded services and programs in the areas of professional development, student support and other areas in the very near term which will bring both educational improvements and efficiency. We also anticipate the consolidation of the central office functions of the various school districts, in order to achieve efficiencies which will allow the new school district to make additional investments in the classroom.

The consultants also believe that it will be exceptionally important for the new regional board of education to maintain and foster parental and community involvement in education at all levels: from the individual student level to the classroom level, to the school level, to the district level. Often, as parents and community leaders see the locus of control over schools becoming more distant, they disengage and often become frustrated with being able to influence decisions that impact their child, community, or property tax bill. Needless to say, community relations need to be a high priority for the new regional board in terms of both providing information to families and the public and in receiving information back from constituents, as well. The new board should be highly visible in the three communities. Board members should invite key communicators in each community and community groups to the meetings to hear and be heard.

Final Recommendation Education Chapter

For the above reasons, the consultants recommend that Franklin and Union or Franklin, Union and Bethlehem move forward with discussions on forming a new PK-8 regional school district. The consultants believe that either regionalization scenario will be more beneficial for the communities than the status quo. In the event that regionalization moves forward, a final recommendation is that the new region minimize transitions of students by allowing currently enrolled students to remain in their current school assignments until promotion.

V. GOVERNANCE

A necessary component of a successful school district is effective governance. The governance of the newly created regional school district will be provided through a new regional board of education. The membership of the newly created board of education will be dictated by statute. We will examine below the board member allocation of both a newly formed regional district consisting of Bethlehem, Franklin and Union and a regional district consisting of just Franklin and Union.

Statutory Allocation of Board Members

N.J.S.A. 18A:13-8 provides that the "board of education of a regional district shall consist of nine members unless it consists of more than nine constituent districts, in which case the membership shall be the same as the number of constituent districts, plus one. If there are nine or less constituent districts, the members of the board of education of the regional district shall be apportioned by the executive county superintendent or executive county superintendents of the county or counties in which the constituent districts are situate, among said districts as nearly as may be according to the number of their inhabitants except that each constituent district shall have at least one member." Population is based on the decennial United States Census.

The goal of the statute is to allocate the members as nearly as possible to the respective populations in those municipalities. A number of methods can be used to allocate the membership of the board consistent with *N.J.S.A.* 18A:13-8.

Allocation Methodology

The intuitive method or strict population method uses a simple calculation whereby the population of each individual municipality is divided by the total regional district population resulting in a percentage for each municipality which totals 100%. This percentage is then applied to the nine board seats. Alternatively, the total proposed regional district population can be divided by nine resulting in the average number of persons for each board seat or the ideal size. Then the population of each municipality is divided by the ideal size to determine the number of members to be allocated to that municipality. The problem with these allocation methods is that significant rounding off is necessary, given that the quotient will be a whole number plus a remainder, and often the allocation of a particular board seat will be dependent on how that fractional entitlement is dealt with through rounding. These methods also may not reflect the set asides for the smaller communities, each district will receive at least one board member of the nine.

An alternative method, the Equal Proportions method, has been used by the NJDOE to apportion membership on a regional board as it is seen as producing the smallest relative difference in population per board member of all of the possible allocation methods. It has also been used by Congress to apportion house seats and has been adopted by the New Jersey Legislature to apportion legislative districts. Under the Equal Proportions Method, a "priority list" of claims to the seat is developed to determine the allocation of the "remaining" seats after each constituent municipality is allocated its mandatory minimum of one seat. Here, with three municipalities and nine seats, there are six remaining seats to be allocated. The priority list is developed by using multipliers for each seat (developed by reference to the geometric mean or the reciprocal of the rounding points) multiplied by each municipality's population. The

resulting numbers can be ranked in a priority list for assigning seats in descending order of priority.

For an excellent description of the use of this methodology see *Bd. of Educ. Rancocas Valley Reg'l High Schl. Dist., Burlington Cnty. v. New Jersey State Bd. of Educ.*, et al., 364 N.J. Super. 623, 837 A.2d 111 (2003).

In the tables below we have provided the 2020 Census population for each community along with the resulting board membership calculated through both of the above allocation methods. Table 33 provides the allocation for a potential Bethlehem, Franklin and Union regional district and Table 34 provides the allocation for a potential Franklin and Union district.

Table 33

2020 Census Population for each Community and Resulting Board Membership
Scenario 1: Bethlehem, Franklin and Union Regionalize

SCHOOL	Population 2020 Census	Number of Board Members in New Regional Intuitive Method* Fractional	Number of Board Members in New Regional Intuitive Method* Rounded**	Number of Board Members in New Regional Equal Proportions Method
Bethlehem Township	3,745	2.493	3	3
Franklin Township	3,267	2.175	2	2
Union Township	6,507	4.332	4	4
Total	13,519	9	9	9

* Census Population divided by Population Per Board Seat. Population per board seat equals total new regional population divided by 9 (1,502).

**Rounded to nearest tenth and then the fractional result is rounded up or down (.5 or above rounded up and .4 or below rounded down).

Table 34
2020 Census Population for each Community and Resulting Board Membership
Scenario 2: Only Franklin and Union Regionalize

SCHOOL	Population 2020 Census	Number of Board Members in New Regional Intuitive Method* Fractional	Number of Board Members in New Regional Intuitive Method* Rounded**	Number of Board Members in New Regional Equal Proportions Method
Franklin Township	3,267	3.00	3	3
Union Township	6,507	5.99	6	6
Total	9,774	9	9	9

* Census Population divided by Population Per Board Seat. Population per board seat equals total new regional population divided by 9 (1,086).

**Rounded to nearest whole number.

Alternative Allocation

However, recent legislation (S.3488, 2020-21 session) modified *N.J.S.A.* 18A:13-8 to allow for the constituent members of the proposed district to choose an alternative apportionment method without the need for approval by the Commissioner of Education. *N.J.S.A.* 18A:13-34b provides that:

> Notwithstanding the provisions of N.J.S.18A:13-8 or any other law, rule, or regulation to the contrary, the boards of education proposing to form a newly created regional district may by resolution frame and adopt a proposal to calculate and apportion the membership of the board of education of the newly created regional district according to the number of each constituent districts' inhabitants, except that each constituent district shall have at least one member. The calculation and method of apportionment chosen pursuant to the provisions of this subsection need not be approved by the commissioner or his representative…

In regard to Scenario 1 where Bethlehem, Franklin and Union regionalize, under the Equal Proportions Method, if the district was constituted as a 10 member board, the allocation would be Bethlehem 2, Franklin 3 and Union 5. If the district was constituted as an 11 member board, the allocation would be Bethlehem 3, Franklin 3 and Union 5.

Looking at the above allocations for a 9, 10 or 11 member board regarding Scenario 1, we believe that the 11 member allocation would represent the fairest allocation (using current population numbers) and we recommend that allocation to the communities. This also would roughly parallel current voting rights on the North Hunterdon-Voorhees Regional High School District Board of Education. That board is a twelve member board where Bethlehem shares one board member with Hampton who has a combined weighted vote of 1.2. Franklin shares two

board members with the Town of Clinton and Glen Gardner each with a weighted vote of .9. Union has one board member with a 1.4 weighted vote.

In regard to Scenario 2 where only Franklin and Union regionalize, we do not see any need for an alternative allocation by agreement, since the allocations in Table 34 above seem to represent the fairest apportionment method.

It should be noted, however, that the above information is only intended as a guide to the allocation methods with the understanding that the actual allocations will be computed by the county superintendent based on the most current Census data available at that time and on the selected allocation methodology.

Initial Board Members

Following approval of the regionalization proposal by the voters, *N.J.S.A.* 18A:13-34b provides that the initial members of the new regional board of education shall be selected from among the members of the then-existing boards of education of each constituent district until the regular school election for board members.

VI. FINANCIAL IMPACT

Given the consistent objective from Trenton to reduce the number of school districts in the State of New Jersey, and the availability of the School Regionalization Efficiency Program ("SREP") grant program to identify districts that could be unified into regional districts, the Franklin, Union, and Bethlehem School Districts have chosen to investigate alternative configurations for educating their students.

There is a drive for more efficient use of public funds in New Jersey's educational system. Though it would be helpful only to think in terms of the efficiency of the total monies spent to educate the PK-8 population, that concept does not always work in a system controlled by individual boards of education. Since any change toward regionalization likely will involve a vote of the residents in each community, the financial efficiency must focus on changes in tax levies at the local community level.

Each district, Franklin, Union, and Bethlehem, operates its own community school system to educate students in grades PK-8. All three communities are constituent members of the North Hunterdon-Voorhees Regional School District which educates their respective high school students in grades 9-12.

Exploring ways to unify districts can generate savings and reduce the overall educational costs for the constituent communities. This section will analyze the financial implications of forming two PK-8 regionals compared to the status quo. Determining a methodology to allocate those savings so each community can see tax levy reductions will be a focus of this analysis.

The issue of the distribution of the tax levy in New Jersey regional school districts is highlighted in the 2004 decision of the New Jersey Supreme Court regarding the Borough of North Haledon's attempts to withdraw from the Passaic County Manchester Regional High School District. *IMO the Petition for Authorization to Conduct A Referendum on the Withdrawal of North Haledon School District from the Passaic County Manchester Regional High School District*, 181 N.J. 161, 186 (2004).

More recently, legislation signed into law in January 2022 authorizes changes to the regionalization process that positively impact state aid, provides for the use of a transitional allocation method to more equitably distribute anticipated savings, and removes other impediments to regionalization.

These changes have prompted several districts throughout New Jersey to refocus on possible alternative configurations to their current educational structures.

As requested, the analysis below studies the financial impact that would result from continuing the school districts as they presently exist (the "status quo" scenario) compared to the creation of a limited-purpose PK-8 regional school district with the constituent communities of Franklin, Bethlehem, and Union. It also will study a scenario to create a limited-purpose PK-8 regional school district with only Franklin and Union as constituent members.

The financial section relies on information obtained from the NJDOE, the school districts involved in the study, and other publicly available resources. It follows a particular methodology and key assumptions to develop conclusions and recommendations. Of note, the financial impact has been calculated in "2023 dollars" to eliminate the variable of inflation and the time value of money. The results are expressed in terms of average property tax levies and average equalized tax rates, and any changes therein. The results are calculated assuming full implementation in the 2024-25 school year, though a phased approach may be preferred depending on the scenario and given the various managerial decisions necessary to implement the new configuration.

This study does not utilize a phase-out period to calculate the financial impact. This is done to reflect the full financial impact, over the five-year and ten-year periods. This offers better information for decision making because it reflects the full long-term impact. Additionally, the scenarios studied do not impact any transitions from one school to another, or the closure of any school buildings. Therefore, the administrative and legal requirements needed to implement the proposed limited-purpose regionals would likely not require a phased approach.

In developing this analysis, the following activities were completed:

- Review of the Annual Comprehensive Financial Report, which includes the Independent Auditor's Report on the general purpose financial statements of each district for the years ending June 30, 2022 and June 30, 2023.

- Review of user-friendly budgets for the 2022-23 and 2023-24 school years.

- Review of the historical enrollment data and projected enrollment data for each school district.

- Projection of equalized valuations over the five- and ten-year periods.

- Calculation of various allocation proportions between equalized valuation and enrollment.

- Interviews and written communications with the business administrators to acquire relevant data concerning the proposed alternatives, and, where appropriate, to review district processes.

- Review of collective bargaining agreements for the teachers' association.

- Utilization of various websites to gather data related to State aid, equalized property values, educational spending, abstracts of ratables, Public Employment Relations Commission (PERC) contracts, and other relevant data for each of the districts, as set forth in various Internet databases maintained by the State of New Jersey.

- Assessment of the transportation contracts in each district to determine method of providing services, efficiencies, and alternative structures.

- Appraisal of Comprehensive Maintenance Plans and Form M-1 to obtain building replacement costs.

A. Methodology

The starting point for analyzing the financial impact was modeling the existing pattern of revenues and expenditures for each of the school districts based upon the existing level of educational services being provided in the districts during the 2021-22 and 2022-23 school years. The model is based upon the most recent audited revenue and expenditure data. To estimate the revenues, expenditures, and tax levies for both the present organizational structure and the alternative scenarios, the model is based on the actual enrollments for the most recent six years and the projected enrollment in the districts for five years from 2024-25 to 2029-30 and ten years from 2024-25 to 2034-35. The model considers fixed costs, such as utilities, administrative salaries, and interest on bonds, as well as those that vary with enrollment, like classroom teachers' salaries and instructional materials.

The years of actual financial data may have been impacted by the COVID-19 pandemic. The steps taken to address the pandemic resulted in expenditure adjustments to health supplies, HVAC maintenance, transportation contracts, staffing, after school activities, etc. When reviewing the financial data, the consultants discussed any major variances in revenues and expenditure with the business administrators to ascertain the cause of these changes. This process helped determine the projected values over the five- and ten-year periods.

State aid provides considerable funding towards the cost of education in New Jersey. Categorical aid is available for certain types of expenditures, such as transportation and special education costs regardless of income or property wealth. Non-categorical aid, on the other hand, is driven by the district’s wealth as determined by equalized property value and/or household income.

New Jersey has established the School Funding Reform Act (“SFRA”), which went into effect in 2008, for calculating State aid. The formula has built in adjusters, for the first year, to keep the additional State aid for any district between 2% and 20% of the prior year. Subsequent years have again used prior year’s State aid as a prime determinant for the current year. Therefore, the new formula is not being fully implemented at this time. It is unclear whether the State can afford to fund, on a continuing basis, the new formula at the required levels. Nevertheless, the impact of the State aid under the new formula needs to be addressed. Since future State aid for education will be funded at a level yet to be determined by Trenton, and that the allocation among the various school districts is subject to annual determination by the State’s Legislature, the consultants have assumed that ongoing State aid will approximate the amount received in the 2022-23 school year.

The consultants have assumed that the State aid will be the sum of the underlying districts before the new configuration in each scenario. Even with the revised State aid formula, any assumptions about future State aid involve a high level of uncertainty. Given the

uncertainties as to future State aid, the consultants believe that there is no better predictor of future State aid than the most recently awarded amount. However, the State aid section does provide potential State aid changes that may derive directly from the studied configurations.

Teachers' salary expenditures are based on the number of certificated staff that existed in the 2022-23 school year. Any projected increase or decrease in certificated staff will be based on the projected enrollment and the approximate median staff salary, which reflects a long-term average cost rather than the specific salary of a new hire or a departing staff member. Possible changes in educational approach or philosophy are not reflected in the analysis, as they are independent of the various configurations being considered.

Tax levies and rates were estimated for each community. The average tax levies and average tax rates over the five and ten-year periods were calculated for each scenario for each impacted community. The relative financial impact was obtained by comparing each community's average tax levy and rate, for each alternative scenario, to the average tax levy and rate estimated for the status quo scenario. <u>These levies and rates are calculated solely for the purpose of comparing the scenarios and are not intended to reflect future tax levies and rates, as future tax levies include changes to educational programs, fluctuations in revenues, and will not be in 2023 dollars.</u>

The consultants reference legislation signed into law in January 2022, which authorizes changes to the regionalization process that would have an impact on various aspects of the reconfigurations studied. For example, the legislation ensures no loss in aid for ten years. It also provides for a transitional allocation method if the traditional equalized valuation and enrollment allocations do not initially offer shared tax savings.

B. Key Variables and Assumptions

The analysis of the financial impact relied on a comprehensive set of understandings and interpretations. Among the more significant of these are the following:

- Each community's tax levy and rate were generated for purposes of comparing alternative configurations only and not to predict the actual future tax levy and rate.

- Revenues, expenses, tax levies, and tax rates were expressed in "2023 nominal dollar" terms. This facilitates a comparison of the alternatives.

- Future enrollments were prepared using the Cohort-Survival Ratio method.

- State aid for each district, before and after reconfiguration, will approximate the rate of funding that existed, or would have existed, in the districts in the 2022-23 school year. Any deviation from this is clarified below.

- State aid for existing debt service will continue at the 2022-23 percentage.

- Educational programs were assumed to be equivalent to those that have existed in each constituent district during the 2022-23 school year.

- Teacher/student ratios in the districts established before reconfiguration will continue after reconfiguration as in the respective constituent districts during the 2022-23 school year. Any projected increase or decrease in certificated staff will be based solely on changes to enrollment and multiplied by the median staff salary, which reflects a long-term average cost rather than the specific salary of a new hire or a departing staff member.

- For the newly formed regional district(s), tax levy allocations will use equalized values, enrollments, and the combination of the two to find the best mix to distribute the anticipated savings.

- Equalized property valuations are projected using five years of historical data and projected for ten years using a linear regression analysis.

- Prior years' surplus is not used, nor is any additional surplus generated in any future years of this study.

- New conditions, such as authorized bonds, that will have no impact in the comparison of alternatives, may not have been included in the projected tax levies and tax rates.

- The present organizational structure and alternative configurations were calculated as if fully implemented in the 2024-25 school year.

- Programs and services that have not yet been implemented, but might have an impact on the regional allocation, are not reflected in this study.

C. Results of the Analysis

1. Scenario 1 – Creation of a new Limited-Purpose PK-8 Regional District with the constituent communities of Franklin, Union, and Bethlehem

Under the proposed scenario, the existing PK-8 districts would dissolve, and each community would become members of the new limited-purpose PK-8 regional school district.

Under current law, such a regional district can only be created with the approval of a majority of the voters in each of the constituent communities by way of referendum held to consider this specific issue. This referendum also must specify the proposed tax levy allocation for the new regional district. Thus, short of state intervention, the consultants assumed that a projection of savings (or, at the very least, a break-even projection) in each municipality is desirable for the formation of a new PK-8 regional district servicing the three communities. Therefore, in analyzing the financial impact of this configuration, the consultants attempted to configure the new tax levy allocation to provide savings to each community.

> Specifically, *N.J.S.A* 18A:13-34 states that, *if the boards of education of two or more local districts, or the board of education of a consolidated district, or of a district comprising two or more municipalities, and the commissioner or his representative, after consultation, study and investigation, shall determine, that it is advisable for such districts to join and create, or for such district to become*
>
> *(a) an limited-purpose regional school district for all the school purposes of such districts or district, or*
>
> *(b) a limited purpose regional school district to provide and operate, in the territory comprised within such local districts or district, one or more of the following: elementary schools, junior high schools, high schools, vocational schools, special schools, health facilities or particular educational services or facilities, that board or boards shall by resolution frame and adopt a proposal to that effect stating also the manner in which the amounts to be raised for annual or special appropriations for such proposed regional school district, including the amounts to be raised for interest upon, and the redemption of bonds payable by the regional district, shall be apportioned upon the basis of:*
>
> *a. the portion of each municipality's equalized valuation allocated to the regional district, calculated as described in the definition of equalized valuation in section 3 of P.L.1990, c.52 (C.18A:7D-3);*
>
> *b. the proportional number of pupils enrolled from each municipality on the 15th day of October of the prebudget year in the same manner as would apply if each municipality comprised separate constituent school districts; or*
>
> *c. any combination of apportionment based upon equalized valuations pursuant to subsection a. of this section or pupil enrollments pursuant to subsection b. of this section, and each such board shall submit on the same day in*

each municipality in its district at a special election or at the general election the question whether or not the proposal shall be approved, briefly describing the contents of the resolution and stating the date of its adoption and they may submit also, at the special election, as part of such proposal, any other provisions which may be submitted, at such a special election, under the provisions of this chapter but no such special election shall be held on any day before April 15 or after December 1 of any calendar year. Except as otherwise provided herein, the special election shall be conducted in accordance with the provisions of P.L.1995, c.278 (C.19:60-1 et al.).

In all the allocation tables, the average tax levy over the five- and ten-year projection, by community, for the total PK–8 costs of education is reflected in thousands of dollars. These comparisons for the alternative configuration show the average tax levy and the increase or decrease in the average tax levy over the five- and ten-year projection. The rate and rate change represent the tax rate based on $100 of equalized property valuations. Additionally, for each community identified in the allocation tables, the tax levies and variance are expressed in 2023 dollars.

Although the study includes a five- and ten- year projection as requested, the longer ten-year projection offers significantly more speculative data from an enrollment, equalized valuation, and financial perspective. The five-year period offers better reliability for decision making purposes.

Since there are multiple ways of allocating the tax levy in a new regional district, three tables illustrate three alternative allocation methods (1) 100% Pupil Enrollment (Table F2), (2) 50% Equalized Property Value & 50% Pupil Enrollment (Table F3), and (3) 100% Equalized Property Value (Table F4). The status quo scenario represents the tax levy expected under the current school districts' configurations.

Although the tables in this section provide the results under each configuration for each community, Table F1 summarizes the results of the three configurations for the proposed unified regional district over the five- and ten-year periods. For example, using 100% enrollment to allocate taxes among the three communities results in savings for two communities and an increase of $303,000 for one community on average each year over the five-year period and an average annual increase of $237,000 over the ten-year period.

Table F1
Summary of Tax Impact for Limited-purpose Regional District Compared to the Status Quo

Unified Limited-Purpose Regional - Three (3) Communities							
		5 Year			10 Year		
Equalized Value	Enroll-ment	Tax Inc.	Tax Save	Total Inc. Tax Levy	Tax Inc.	Tax Save	Total Inc. Tax Levy
0.0%	100.0%	1	2	$ 303	1	2	$ 237
50.0%	50.0%	2	1	$ 467	2	1	$ 680
100.0%	0.0%	2	1	$ 804	2	1	$ 1,130

As noted, the current statute provides for an allocation based on equalized property values, enrollment, or any combination of the two. We will refer to this allocation methodology as the "traditional allocation". Revisions to the law governing regionalization went into effect in January 2022 that allow for a transitional allocation, which will be discussed below.

Using a traditional allocation between equalized value and enrollment, no combination results in all communities sharing in the cost savings associated with the new regional regardless of the allocation percentages used. Therefore, the consultants considered all possible combinations of equalized value and enrollment and selected 100% enrollment as the optimal allocation in this scenario for several reasons.

First, 100% enrollment distributes the savings as evenly as possible given the restrictions of the traditional allocation method. Second, this allocation reduces the impact over the ten-year period compared with the five-year projection. Third, according to the DFG and per pupil equalized value, socioeconomically, the communities are similar. Without a wide disparity in the wealth of the communities, using 100% enrollment is an equitable method of allocating the tax levy as it reflects the proportional cost of educating the students from each community.

The information in Tables F2 through F4 summarizes the findings of the analysis for the unified district. It is based on the enrollment tables shown previously using the cohort-survival method of projecting future enrollments. As noted above, for revenues and expenditures, the model assumes the continuance of the existing level of educational services provided in the 2022-23 school year. The projected enrollment in each district for each of the ten years from 2024-25 to 2033-34 was used to estimate the revenues, expenditures, tax rates, and tax levies for each of the five and ten-year periods, under both the present organizational structure and alternative scenario. The tables express estimated tax levy savings as positive amounts and estimated additional tax levies as negative amounts.

For each community identified in these tables, the tax levies and differences are expressed in 2023 dollars. The average tax levy over the five- and ten-year projection, by community, for the total PK–8 costs of education is reflected in thousands of dollars. The rates are expressed in dollars per $100 of equalized property valuation.

Optimal Allocation: 100% Enrollment

For this scenario, in which the communities of Franklin, Bethlehem, and Union unify to form a new PK–8 limited-purpose regional, the best allocation uses 100% enrollment for the reasons outlined above.

First, this allocation distributes the savings as evenly as possible given the restrictions of the traditional allocation method. This allocation projects an annual tax increase for Bethlehem of $303,000 on average over the five-year period. Other allocations result in two districts experiencing a tax increase, while Bethlehem's tax contribution increases.

Second, this allocation reduces the impact over the ten-year period compared with the five-year projection. Although ten-year projections are less reliable than the five-year projections, if enrollments trend as expected, the tax impact is expected to lessen over time.

Third, one reason to use equalized valuations in the allocation is to reflect a community's ability to pay. Generally, an allocation that uses both enrollment and equalized value balances the swings between wealth and student population such that each community shares in the funding of public education. This is particularly important when regionalizing communities with wide wealth disparities. However, that is not the case in this study.

Both Franklin and Bethlehem have District Factor Groups (DFG) of 'I' and Union has a similar DFG of 'GH'. Additionally, the per pupil equalized values are within plus or minus 9% of the average. These two factors indicate that these communities are socioeconomically similar. Without a wide disparity in wealth, using 100% enrollment is an equitable method of allocating the tax levy because it reflects the proportional cost of educating the students from each community.

This analysis projects equalized values and enrollments over a ten-year period. This is better than the alternative of simply using a snapshot of the current values. However, intervening events will likely result in actual values being different from these projected values, and, over time, these variances may widen. Therefore, using enrollment will ensure that each community funds the regional according to the number of students being educated by the regional.

To better understand these findings, we will use the impact on Franklin as an example. Given the assumptions as stated above, Table F2 shows Franklin with a five-year status quo tax levy of $7,832,000 (illustrated in 1,000's in the table as $7,832), with an equalized tax rate of $1.254 per $100 of equalized property value. Using 100% Enrollment to allocate the new tax levy needed to operate the unified district, Franklin's proportional tax levy and corresponding tax rate would be $6,664,000 and $1.067, respectively. The new allocation represents a reduction in tax levy and rate of $1.2 million and $0.187, respectively. In other words, Franklin would experience an average annual savings of $1.2 million each year over the five-year period.

The ten-year time horizon shows Franklin's annual reduction in tax levy of $1.3 million from $7,986,000 for the status quo to $6,718,000 under the unified PK–8 model with a corresponding change to the tax rate from $1.223 to $1.029.

Table F2
Summary of Tax Impact
Status Quo Compared with 100% Enrollment

		Five-Year Average Status Quo	Five-Year Average Unified District	Five-Year Difference	Ten-Year Average Status Quo	Ten-Year Average Unified District	Ten-Year Difference
Community:	Tax Levy	$7,832	$6,664	$1,168	$7,986	$6,718	$1,268
Franklin	Rate	$1.254	$1.067	$0.187	$1.223	$1.029	$0.194
Community:	Tax Levy	$11,266	$11,093	$173	$11,677	$11,671	$6
Union	Rate	$0.928	$0.914	$0.014	$0.861	$0.860	$0.000
Community:	Tax Levy	$8,073	$8,376	-$303	$8,162	$8,399	-$237
Bethlehem	Rate	$0.959	$0.995	-$0.036	$0.864	$0.889	-$0.025

Notes: Numbers in 1,000's; Annual School Tax Rate in $100 Equalized Property Value

Alternative Tax Allocations Methods

As noted, the existing statute provides for an allocation based on equalized property values, enrollment, or any combination of the two. To identify the most advantageous allocation of savings generated from unification, the consultants analyzed various percentages between enrollment and equalized value to optimize the saving distribution that may have the greatest possibility of voter approval. Since each community must vote yes for the regional to be formed, having all communities experience some savings is generally preferable.

For illustrative purposes, this section includes allocations using 50% equalized value and 50% enrollment, and 100% equalized property value, to demonstrate the distribution of tax savings across all communities in the five- and ten-year timeframes.

As is clear from Tables F3 and F4, different levels of savings occur as the allocation percentage is changed. The consultants explored various alternative allocation percentages combining enrollment and equalized value to distribute the savings to ensure each community received some share and thereby would experience a reduction in local tax levy. From that perspective, Table F2 illustrates the best of these combinations for the reasons outlined. Tables F3 and F4 show two possible allocations to demonstrate the impact of weighting the allocation to equalized value.

Table F3 uses a 50% equalized value and 50% enrollment split to allocate the new regional tax levy across all constituent communities. By increasing the equalized value percentage to 50%, the savings shift from Union and Bethlehem to Franklin, which has the lowest equalized value of the three communities. For example, Union's tax levy shifts from a

decrease of $173,000 to an increase of $131,000, while Bethlehem sees a larger tax increase from $303,000 to $336,000. This trend continues for the ten-year period.

Table F3

Summary of Tax Impact
Status Quo Compared with
50% Equalized Valuation – 50% Enrollment

		Five-Year Average Status Quo	Five-Year Average Unified District	Five-Year Difference	Ten-Year Average Status Quo	Ten-Year Average Unified District	Ten-Year Difference
Community:	Tax Levy	$7,832	$6,327	$1,505	$7,986	$6,268	$1,718
Franklin	Rate	$1.254	$1.013	$0.241	$1.223	$0.960	$0.263
Community:	Tax Levy	$11,266	$11,397	-$131	$11,677	$11,914	-$237
Union	Rate	$0.928	$0.939	-$0.011	$0.861	$0.878	-$0.017
Community:	Tax Levy	$8,073	$8,409	-$336	$8,162	$8,605	-$443
Bethlehem	Rate	$0.959	$0.999	-$0.040	$0.864	$0.910	-$0.047

Notes: Numbers in 1,000's; Annual School Tax Rate in $100 Equalized Property Value

In the final allocation example, Table F4 illustrates the comparative tax levies using 100% equalized value as the allocation method. The allocation of the regional tax levy to the various communities throughout the projection period is based on the number of students each community educates in the limited-purpose regional. The analysis calculates the projected equalized values for each community by using five years of historical data to run a linear regression for the five- and ten-year periods. These data are used to allocate each constituent community's tax levy allocation.

This allocation still results in a tax reduction for one community and tax increases for two communities and further shifts the savings to Franklin from Union and Bethlehem. A 100% equalized value allocation results in a tax levy decrease for Franklin of $1.8 million and tax increases for Union and Bethlehem of $369,000 and $435,000, respectively. This trend worsens in the ten-year period.

Table F4
Summary of Tax Impact
Status Quo Compared with 100% Equalized Valuation

		Five-Year Average Status Quo	Five-Year Average Unified District	Five-Year Difference	Ten-Year Average Status Quo	Ten-Year Average Unified District	Ten-Year Difference
Community:	Tax Levy	$7,832	$5,990	$1,842	$7,986	$5,819	$2,167
Franklin	Rate	$1.254	$0.959	$0.295	$1.223	$0.891	$0.332
Community:	Tax Levy	$11,266	$11,701	-$435	$11,677	$12,158	-$481
Union	Rate	$0.928	$0.964	-$0.036	$0.861	$0.896	-$0.035
Community:	Tax Levy	$8,073	$8,442	-$369	$8,162	$8,811	-$649
Bethlehem	Rate	$0.959	$1.003	-$0.044	$0.864	$0.932	-$0.069

Notes: Numbers in 1,000's; Annual School Tax Rate in $100 Equalized Property Value

Transitional Allocation Method Under the New Regionalization

As noted above, current law allows for the allocation of tax levy among constituent communities involved in a regional school district by equalized valuation, enrollment, or some combination of the two. In the previous section, we have established the tax impact by community for the various allocation methods allowed under the traditional allocation method. The consultants have proposed a permanent allocation using 100% enrollment as presenting the most equitable allocation over the long-term.

Communities interested in the educational and financial benefits of regionalization have long struggled under the existing law to find an allocation using equalized value and/or enrollment that shares the expected savings among all communities. S3488, signed into law in January 2022, provides communities with the ability to develop an alternative or "**Transitional Allocation**" if the traditional method does not yield an allocation that reduces taxes for all communities. This law authorizes the use of a transitional allocation method during the first ten years after regionalization. This would buffer the impact on local communities and ensure a share of the regional savings before implementation of a permanent allocation.

We have reviewed the importance of shared financial savings to help pass a referendum in each community. A transitional allocation is not necessary when all the constituent communities participating in a regional share in the savings generated from the formation of a new regional school district. However, in this scenario, not all communities would see tax relief. Therefore, we recommend the use of a transitional allocation for ten years to ensure savings until the permanent allocation is fully implemented.

Under the proposed regional allocation using 100% enrollment, Bethlehem does not share in the savings generated from the efficiencies of regionalization. Finding an allocation method that can provide Bethlehem with tax relief, while ensuring the other regional communities continue to see tax savings, may help to build consensus toward regionalization.

Therefore, the consultants propose a transitional allocation method that would take a snapshot of the total budgeted tax levy in the year prior to the establishment of the new regional for each constituent community to calculate the allocation percentage for a ten-year transitional period. This would ensure each community pays no more than the current tax levy relative to the other members of the new regional. Indeed, each community already has agreed, either by budget vote or under the two percent cap threshold, to the current tax levy.

The savings identified represent an estimate of the potential cost reductions resulting from unifying three public school districts. This allocation ensures that each community benefits from the same percent savings whether the actual savings are higher or lower than anticipated. Whether the new board decides to actualize all savings or reinvest some of the savings into educational programs and services, every community will pay the same proportion associated with its current tax levy.

Table F5 compares the transitional allocation using the budgeted tax levy from the 2023-24 school year to the permanent allocation using the traditional allocation of 100% enrollment.

Table F5
Allocation by Budgeted Tax Levy Compared to the Permanent Allocation of 100% Enrollment

Community	Allocation % Based on Budgeted Tax Levy	Savings by Tax Levy Allocation	% Reduction in Tax Levy	Permanent Allocation
Franklin	27.66%	286,884	4.1%	21.72%
Union	41.04%	425,647	4.1%	45.39%
Bethlehem	31.30%	324,597	4.1%	32.89%
Total	100.00%	1,037,129		100.00%

For example, the Union Public School District budgeted tax levy of $10,464,770 to support the 2023-24 local budget. In other words, the residents of Union authorized $10.5 million to educate its public school PK-8 students in the 2023-24 school year.

The taxes raised to fund public education for all the constituent communities in the proposed limited-purpose regional total $24.5 million. Union's tax levy of $10.5 million represents 41.0% of the total tax levy. Therefore, Union's share of the estimated $1.0 million in annual savings is $425,647, or a 4.1% reduction in its budgeted tax levy. After the ten-year transition period, there would be a five-year phase-in to Union's permanent allocation of 45.4%, which represents Union's share of the tax levy under an allocation of 100% enrollment.

Using this new transitional allocation methodology, every community would save the same percentage, namely 4.1%, of its respective budgeted public educational tax levy. The actual dollar amount of the savings will vary according to the total tax levy paid by each community. However, the consultants believe this is a fair and equitable way to ensure each community shares in the savings generated through unification. It should be noted that this

proposal would require the Commissioner of Education to approve this transitional allocation methodology before the question of regionalization can be put to public referendum.

Adjustments to Allocation Method

The proposed transitional allocation takes a snapshot of budgeted tax levies to identify the proportional share of each community's funding obligation for the new regional.

The consultants propose establishing the new limited-purpose PK-8 regional in year one, using the transitional allocation for the first ten years as allowed by S3488, and phasing in the permanent allocation after the ten-year transitional period. The permanent allocation takes into consideration the projected change to enrollment to determine the allocation percentage. If a community experiences a change in enrollment as a share of the total regional, then its share of the tax obligation will be adjusted accordingly. The proposed permanent allocation represents the lowest projected tax adjustment of the various combinations of equalized value and enrollment.

Table F6 identifies the transitional allocation for the first ten years of the new regional. After ten years of cost reductions and tax savings, the allocation phases into the permanent allocation over an additional time period. Table F6 utilizes a five-year time period. The recent legislation appears to permit up to a ten-year period for this phase-in, which, again, would require Commissioner approval. Also, Table F6 presents the yearly proportion used to adjust the allocation method from the transitional tax levy to the permanent allocation. The transitional allocation would be phased-out 20% each year for five years as the permanent allocation is phased-in.

Table F6
Adjustment from Transitional to Permanent Allocation of 100% Enrollment

Years 1-10	Year 11	Year 12	Year 13	Year 14	Year 15
100% Transitional Allocation	80% Transition, 20% Enrollment	60% Transition, 40% Enrollment	40% Transition, 60% Enrollment	20% Transition, 80% Enrollment	100% Enrollment

The savings identified above represent an estimate of the potential cost reductions resulting from unifying the three communities. The transitional allocation methodology allows for a faster implementation of the new regional, and better ensures that each community benefits from the collective savings. However, the new board's decisions to actualize all identified savings or reinvest some of the savings into new programs or services will impact the new regional's tax levy.

Tax Levy Change to Homes Based on Assessment

The new configuration has a tax impact on a property owner based on the assessed valuation of their home. Table F7 presents the tax impact for homes assessed at the values

indicated in the table under the regional scenario using the transitional allocation. The values are proximate to the average assessment, but Table F7 uses the same value for comparability purposes.

For example, a Union home assessed at $400,000 would see a tax reduction of about $157 annually on average over the five years following the implementation of the new limited-purpose regional compared to the status quo. Franklin sees a tax reduction of $209 on a home assessed at $400,000, while Bethlehem homeowners see a reduction of $246.

Table F7
Tax Impact on Homes by Assessed Value

Community	Home Assessment	5-Year Annual Impact
Franklin	400,000	$ 209
Union	400,000	$ 157
Bethlehem	400,000	$ 246

Projected Savings from Unification

The literature on school unifications clearly states the positive financial benefits of combining small districts together. Two primary economic principles drive the cost reductions associated with unification. The first involves economies of scale in which a larger organization achieves lower prices and reduced costs by leveraging its greater buying power. It also distributes fixed costs over the larger entity, in the case of schools, thereby reducing the cost per pupil. Although generally the first type of savings considered in any unification, scale economies represent a minor part of overall cost reductions.

Indeed, every district utilizes some form of cooperative purchasing to benefit from bulk purchasing and volume discounts. These purchasing cooperatives include New Jersey State contracts, the Educational Services Commission of New Jersey, Hunterdon County Educational Services, Alliance for Competitive Telecommunications, County Special Services Consortia, Educational Data Services, and various national contracts.

The second financial benefit relates to efficiencies gained by reducing the functions replicated over several school districts. For example, every school district is responsible for reporting student data through the NJSMART data collection system. Rather than separately training and equipping multiple individuals to meet reporting requirements, a unified regional district would consolidate these functions. These types of efficiency savings are significantly larger than those from scale economies.

The economic and efficiency gains involved in unification will generate significant savings resulting in some combination of reduced taxes, enhanced services, and better functional performance. The cost of operating a unified district will be lower than the sum of the constituent districts. The bulk of these savings will result in improved operational functionality

and be generated primarily from the inclusion of all the studied communities into one regional school district and the subsequent dissolution of the respective elementary districts.

Saving Methodologies

This financial analysis took a multi-pronged approach to the methodology for determining the savings generated from unification. The first approach compared various cost centers for the proposed unified district with the average of other New Jersey school districts with similar sized enrollments and budgets. The unified district will educate approximately 1,250 students with combined expenditures of $30.7 million. For example, audit fees for similar sized districts average about $28,000 annually. Collectively, the studied school districts spent $61,400 in audit fees in 2022-23. Therefore, unification could save about $33,400 on audit fees. This approach was used on similar type expenses primarily in administrative areas.

The second method to estimate cost savings first constructs a model structure in a variety of cost centers for the unified district, then develops costs associated with the model, and compares those costs with actual expenditures. The consultants used this method to develop cost savings related to administrative staffing.

The third approach used existing research on expected economic savings from unification and applied the anticipated cost reductions to the unified district. This review functioned as a crosscheck to ensure the cost savings identified in the other approaches compared with research findings.

In a paper entitled, "Local Government Consolidation: Potential Savings due to Economies of Scale & Efficiency Gains", published in 2011, professors Dagney Faulk and Michael Hicks present a compelling argument on the economies and efficiencies of unification. Their research specifically sites New Jersey districts, "Among the six New Jersey counties with populations below 250,000, … potential annual savings from merging one school district with another to reduce the number of districts by one would range from $2.65 million to $6.08 million."

This and other studies cite an optimal district size in the 2,000 to 4,000 range. The proposed unification projects enrollment of about 1,250 students falling short of this range. Combining multiple districts would generate $2.65 million in savings for each district until this optimal enrollment. By that measure, combined economic savings could be $5.3 million by applying this rate to consolidating of two districts studied in this report. As noted above, all efficiency savings do not directly result in reductions in tax levy. Savings would still be generated by each additional district added with positive but diminishing returns. Using the above-mentioned methodologies, the consultants identified potential savings for the new unified regional of approximately $1.0 million, far below the anticipated savings based on this research.

On the other end of the spectrum, the Center for American Progress studied unification in a 2013 paper, "Size Matters: A Look at School District Consolidation." The study outlines a third method of estimating potential savings from unification by setting the savings equivalent to $1,000 per teacher, or $125 million for the State of New Jersey. The certified teachers in all the

public school districts studied here total 110, which would make the savings under this method $101,000 for the consolidation considered in this report. This method seems inadequate to account for all the economic efficiencies generated by the proposed unification.

Based on review of the audited financials of the three districts, and applying these methodologies, the consultants have concluded that a unified limited-purpose PK-8 regionalization could result in an overall savings of $1,037,000 annually due to reductions in staffing (salaries and benefits), and other identified costs.

Public education relies heavily on labor to accomplish its core mission. Indeed, typically districts see expenditures for salary and benefits ranging from 70 to 80 percent of the annual budget. Therefore, it follows that the primary savings result from staffing reductions. Although some districts share positions, the redundancies in central office positions account for much of the savings. In addition to the savings for salaries and benefits, the expenditures for audit fees, insurance premiums, software maintenance, and similar items are expected to be lower than the sum of these expenses for the individual districts.

The studied school districts needed a total of approximately $25.5 million in school tax levies to serve their respective communities in 2022-23. By creating a limited-purpose PK–8 regional, three school districts will unify into one public school district. Assuming (1) that State and federal aid for the new unified school district will be no less than the sum of the State and federal aid currently being received by the existing school districts; (2) that these school districts can be combined at no additional costs for teachers' salaries, benefits, or other costs; (3) that the above $1.04 million can be saved by unifying the various functions; the question is whether there is any way, under the current legislative requirements, that the tax levy can be distributed among the communities such that each will experience some tax levy reduction.

To provide some context, the identified savings represent 3.4% of projected expenditures in a five-year period. The savings from the unification of the districts normally would be higher, but the constituent districts already have done a great deal to share services. These measures have brought cost reductions to the respective districts, and already are included in the status quo model. Additionally, economic savings from internal efficiencies contribute to better functionality in various departments but are not included in the tax levy savings.

Since regional districts can allocate the tax levy among the constituent districts in various ways based on any combination of equalized property value and enrollment, there are numerous possible outcomes. The consultants believe the transitional allocation over ten years followed by the phase in of the allocation outlined in Table F2 above reflects the strategy, which maximizes the distribution of the savings among the constituent communities thereby optimizing the chances of referendum passage.

Teaching Staff & Negotiations

The underlying assumption that teaching staff for all districts can be combined at no additional cost will require a strong commitment by the new board to negotiate a collective bargaining agreement that keeps costs down. Based on the State's taxpayers' guide, the median teachers' salary ranges from $63,960 to $67,354 across the constituent districts. Table F8 summarizes the median salaries, the number of teaching staff members, and the percent of total teachers.

If, initially, all the teachers could be placed on a guide at no additional cost above traditional negotiations, and assuming that future increases would be no larger than they would be under the status quo scenario, the salary costs could be kept in line. From a legal perspective, as the board designs a new guide, it is key that compensation for tenured teachers not be reduced. However, it is possible to freeze individuals' compensation until the guide catches up to their compensation. Teachers also can be paid off the guide. Different starting and maximum salaries create one of the obstacles to the new design. A different number of steps and columns in the current guides also will tend to push salaries up.

Table F8
Teaching Staff Summary

District	Median Salary*	Teaching Staff**	% Total
Franklin	66,626	32	28.8%
Union	63,960	45	41.3%
Bethlehem	67,354	33	29.9%
Total		110	100.0%

Source: *New Jersey Department of Education Taxpayers' Guide to Educational Spending.
** New Jersey Department of Education certified staff website.

There also may be a morale issue if teachers' salaries are frozen for multiple years. A new teachers' contract must be approved by a majority of the membership, which will continue to pressure compensation upward. In addition, members of a new board of education will likely face pressure to reach a quick settlement with the teaching staff to ensure a smooth transition and to avoid any obstacles in getting the new unified district established. Therefore, absent the use of salary freezes for some teachers, judicious oversight of the design of the initial scattergram and some creative ideas regarding placement of the teachers, overall salary costs may increase, resulting in a decrease in overall savings. This would mean lower long-term projected savings for each community.

Table F9 provides an overview of teacher collective bargaining salary guides for each of the constituent districts. It indicates the number of steps, whether the contract includes longevity payments, and lists starting, median and top of various educational tracts. Each salary column is conditionally formatted to offer a quick visual depiction from the highest salary in the column (colored in yellow) to the low (colored in green). For example, Franklin offers the highest

starting BA salary at $58,555, while Union offers the lowest at $50,720. There is a gradation for the salaries between the high and low shaded from green to yellow.

Table F9
Teacher Collective Bargaining Agreements Sensitivity Analysis for the 2022-23 School Year

District	Steps	*Long. Y/N	Starting BA	Starting MA+30/45	Median BA	Median MA+30/45	Top BA	Top MA+30/45
Franklin**	N/A	Yes	$58,555	$69,726	N/A	N/A	N/A	N/A
Union	14	No	$50,720	$60,720	$60,515	$73,405	$78,975	$88,975
Bethlehem	12	No	$52,579	$58,979	$60,329	$66,729	$71,879	$78,279
* Provision for longevity payments								
** Franklin uses individual employee guides for all but new hires.								

Source: Collective bargaining agreements

Although bringing the various contracts together presents several challenges, it also is an opportunity to create a guide with meaningful increments and educational differentials. 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.

Indeed, South Hunterdon Regional successfully unified the communities of Lambertville, West Amwell, and Stockton into a PK–12 all-purpose regional school district. The PK–12 regional developed a new collective bargaining agreement using such a strategy. It took about a year and a half to negotiate the agreement. In the end, the South Hunterdon Regional 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.

State Aid Overview

For the purposes of this analysis, State aid is assumed to remain the same as 2022-23 levels. Three reasons drive this assumption. First, removing the variability of this revenue allows direct consideration of the question related to unification. The decision to unify should not be influenced by an increase or decrease in aid independent of the reconfiguration. Second, the State's application of the school funding formula presents challenges in anticipating fluctuations, particularly over the five- or ten-year time horizons specified in this study. Nevertheless, we will note some considerations and potential changes in aid under unification.

Collectively State aid represents 9.4% of the constituent districts' as a percentage of total expenditure in 2022-23. Table F10 summarizes the total State aid by district. On an individual district basis State aid is tightly clustered from a low of 8.5% to a high of 10.1%. The cluster may be related to the relatively close DFGs for the constituent districts. Two of the school districts have a DFG of "I"; and one has a DFG of "GH." With the socio-economic factors being so close, it is reasonable to assume that State formula aid will not be radically different under the new regional.

Table F10
Unified Regional School District
State Aid by District

District	2022-23 State Aid*	2023-24 Budgeted State Aid**	$ Diff Aid FY23 - FY24	2023-24 Total Expenses*	State Aid as Percentage of Expenses
Franklin	945,509	949,627	4,118	9,330,283	10.1%
Union	1,035,236	1,010,745	(24,491)	12,148,379	8.5%
Bethlehem	874,384	736,210	(138,174)	8,866,901	9.9%
Total	2,855,129	2,696,582	(158,547)	30,345,563	9.4%

* Aid and expenses do not include on-behalf payments.

** Budgeted aid includes estimates for non-public transportation and extra-ordinary aids.

Table F11 shows aid by type. Special education aid is 37% of all aid to all districts and represents the largest single aid category and growing. Similarly, extraordinary aid, funding for special education costs exceeding certain costs per pupil for out-of-district and in-district placements. Extraordinary aid is 29% of total aid. This amount is estimated for 2023-24. This aid is limited to the pool of funds designated in the state budget distributed proportionally to all applications. Therefore, there is annual uncertainty related to the total amount available. The estimate reflects this uncertainty, and the amounts have fluctuated for each district since 2020-21. Special education related aids will be a critical revenue source for the unified regional.

Equalization aid shows a reduction of 30% over the last year from 2022-23 to 2023-24. Equalization represents the difference between the local share and the adequacy budget and uses wealth as the major component of the formula. Since equalization aid is calculated based on the

relationship between local property values compared State-wide, it is unlikely that it will change due to regionalization. If the State maintains its commitment to fully fund the formula, this aid is expected to be consistent under the unified regional compared to the status quo.

Table F11
Unified School District State Aid by Type

Aid Type	2022-23 Actual Aid	2023-24 Budgeted Aid +	$ Change	% Change	% of Total Aid
Equalization Aid	256,534	179,557	(76,977)	-30%	7%
Transportation Aid*	435,980	464,840	28,860	7%	17%
Special Education Aid	916,033	992,645	76,612	8%	37%
Security Aid	95,793	101,570	5,777	6%	4%
Adjustment Aid	2,057	2,057	-	0%	0%
Extra Ordinary Aid**	883,893	780,000	(103,893)	-12%	29%
Choice Aid	159,565	175,913	16,348	10%	7%
Other Aid	105,274	-	(105,274)	-100%	0%
Debt Service Aid	-	-	-	-	0%
Total	2,855,129	2,696,582	(158,547)	-6%	100%

* 2022-23 includes non-public transportation aid & 2023-24 includes estimated aid

** 2022-23 includes extraordinary aid & 2023-24 includes estimated aid

+ Budgeted aid may change from amount in Governor's budget message.

Very little adjustment aid remains after years of reductions impacted by the phased-out provision in the S-2 legislation.

Categorial aids are calculated using enrollment-based formulas, and not wealth, and therefore expected to be consistent in the status quo and unified scenarios.

Generally, as the State seeks to implement the School Funding Reform Act ("SFRA") fully, overall aid across all districts has remained relatively stable from 2022-23 to the 2023-24 budget.

Potential Changes in Aid Due to Unification

Legislation signed into law in January 2022 allows the unified regional to receive, at a minimum, the sum of the aid received by each constituent district prior to the creation of the regional. This provision provides some financial security within the uncertainties faced by communities considering a new regional structure.

Nevertheless, the new regional district could see a change in state choice aid and federal Medicaid reimbursements after the transitional period.

Choice Aid

The Interdistrict Choice Program enables state approved Choice Districts to enroll students in grades K-12 who do not reside within their districts to do so at no cost to the parents. The program does not provide for intra-district choice, i.e. the ability to choose another school within the student's district of residence.

Franklin and Bethlehem received choice school aid in the 2022-23 school year. However, Franklin has subsequently exited the program but has some grandfathered students remaining. Bethlehem does not have choice students from Franklin or Union.

Choice aid represents 7% of the state aid for the 2023-24 school year for the unified district. That amount is expected to drop as the students attending Franklin age out. This reduction is an existing condition and not attributed to regionalization.

Special Education Medicaid Initiative (SEMI) Reimbursement

The Special Education Medicaid Initiative ("SEMI") assists school districts by providing partial reimbursement for medically related services stipulated in a student's IEP. The program requirements present a major administrative hurdle for small districts, causing many to opt out. Indeed, Franklin, Union, and Bethlehem show no federal SEMI reimbursement revenue in the 2022-23 school year.

Under regionalization, the unified district may be required to participate in the SEMI program. The additional funds generated from the program are likely to be expended administering the program. To measure the scale of the potential reimbursement, the consultants analyzed reimbursement rate from districts with similar configurations, enrollments, and DFGs and applied a rate of $82 per special education students to calculate a potential reimbursement of about $20,000.

Operating Expenditures of Combined Existing Districts

The operating expenditures in Table F12 and F13 for the three districts which would comprise the new unified district were taken from annual comprehensive financial reports for the fiscal year ending June 30, 2023.

Table F12
Constituent Districts Total Expenditures

Expenditures	Year Ending June 30, 2023
Regular Instruction	11,278,413
Special Educaiton Instruction	3,087,608
Other Instruction	467,624
Special Schools	-
Tuition	911,253
Support Services	565,275
Administrative Services	1,136,866
Operations & Maintenance	3,216,805
Transportation	1,676,688
Employee Benefits	4,505,652
Food Services	-
Capital Outlay	1,543,079
Debt Service	1,956,300
Total Expenditures*	30,345,563

* Does not include $5.2 million in on-behalf payments

Source: Based Annual Comprehensive Financial Report for period ending June 30, 2023

The distribution of the 2022-23 operating expenses and debt service of the constituent school districts school shows the specific allocation to the related districts as presented in Table F13.

Table F13
Percentage Share of Operating and Debt Service Expenses

District	Operating Fund*	Debt Service	Total	Percent of Total
Franklin	8,683,483	646,800	9,330,283	31%
Union	11,206,854	941,525	12,148,379	40%
Bethlehem	8,498,926	367,975	8,866,901	29%
Total	28,389,263	1,956,300	30,345,563	100%

Source: Based Annual Comprehensive Financial Report for period ending June 30, 2023
* Includes Special Revenue Fund

2. Scenario 2 – Creation of a new Limited-Purpose PK-8 Regional District with the constituent communities of Franklin and Union.

This proposed scenario would dissolve the existing Franklin and Union PK-8 districts, and each community would become a member of the new limited-purpose PK-8 Regional School District.

As with Scenario 1, in analyzing the financial impact of this configuration, the consultants attempted to configure the new tax levy allocation to provide savings to each community. This scenario presents factors that make it difficult to find that balance. The current level of shared services between the two districts reduces the potential savings. Reduced costs provide the flexibility to mitigate variances in equalized value and enrollment between the two communities. It also adjusts for differences in per pupil spending unique to the respective school district.

The tables in this section consider three configurations of (1) 100% Pupil Enrollment (Table F15), (2) 50% Equalized Property Value & 50% Pupil Enrollment (Table F16), and (3) 100% Equalized Property Value (Table F17). The status quo scenario represents the tax levy expected under the current school districts' configurations.

The traditional allocation methodology does not provide an allocation combination that shows a tax levy reduction for all both communities.

Since each community must vote yes for the regional to be formed, having all the communities experience some savings is generally preferable. Therefore, the consultants recommend a ten-year transitional allocation now permitted by law, and a phase-in to the recommended percentage over an additional five-year period. The transitional allocation section below explains this methodology in more detail.

Although the tables in this section provide the results under each configuration for each community, Table F14 summarizes the results of the three configurations for the newly proposed regional district over the five- and ten-year periods. For example, using 100% enrollment to allocate taxes among the one community results in savings for one community and an increase of $571,000 for the other community on average each year over the five-year period and an annual average of $707,000 over the ten-year period. As the allocation shifts to equalized value, the disparity widens. Given the uncertainties inherent in a ten-year projection the consultants rely more heavily on the five-year projection.

Table F14
Summary of Tax Impact for
Limited-purpose Regional District
Compared to the Status Quo

Unified Limited-Purpose Regional - Two(2) Communities							
		5 Year			10 Year		
Equalized Value	Enroll-ment	Tax Inc.	Tax Save	Total Inc. Tax Levy	Tax Inc.	Tax Save	Total Inc. Tax Levy
0.0%	100.0%	1	1	$ 571	1	1	$ 707
50.0%	50.0%	1	1	$ 919	1	1	$ 1,114
100.0%	0.0%	1	1	$ 1,266	1	1	$ 1,520

Optimal Allocation Method: 100% Enrollment

Table F15 uses 100% enrollment to allocate the tax levy across the constituent communities. This allocation results in a higher tax levy for Union, compared with the status quo, in the five- and the ten-year periods. Other allocations have Union experiencing large tax increases as the share of equalized value increases.

Table F15
Summary of Tax Impact on Communities Compared With Status Quo Scenario – 100% Enrollment

		Five-Year Average Status Quo	Five-Year Average Unified District	Five-Year Difference	Ten-Year Average Status Quo	Ten-Year Average Unified District	Ten-Year Difference
Community:	Tax Levy	$7,832	$7,111	$721	$7,986	$7,129	$857
Franklin	Rate	$1.254	$1.138	$0.115	$1.223	$1.092	$0.131
Community:	Tax Levy	$11,266	$11,837	-$571	$11,677	$12,384	-$707
Union	Rate	$0.928	$0.975	-$0.047	$0.861	$0.913	-$0.052

Notes: Numbers in 1,000's; Annual School Tax Rate in $100 Equalized Property Value

Although the improved educational opportunities and overall efficiency of a unified regional informs the decision to form a new regional, the financial impact on each community also is a strong consideration. Securing a gradual transition to the new tax structure may help the impacted communities to support the new regional.

The newly established regional generates savings of $150,000, which is significantly less than the savings generated from the limited-purpose regional with Bethlehem. For the reasons outlined in the savings section, the savings generated from this smaller regional do not represent the full economic efficiency savings that would be realized through unification.

Alternative Tax Allocations Methods

To identify the most advantageous allocation of savings generated from the unification scenario, the consultants considered various combinations of the two variables. This section illustrates the allocation using 100% enrollment and 100% equalized value to minimize the tax increases, while maintaining the number of communities with reduced tax levies over the five- and ten-year timeframes.

As is clear from Tables F16 & F17, the tax levy changes as the allocation percentages change. The various alternative allocation percentages use enrollment and equalized value to distribute the savings to ensure each community received some share and thereby experienced a reduction in local tax levy. From that perspective, none of these combinations allocate the savings to generate a tax levy reduction for all communities. Tables F16 & F17 show two possible configurations to demonstrate the impact of weighting the allocation at either end of the range of possibilities.

Under 50% enrollment / 50% equalized value, Union sees a tax increase of $919,000.

Table F16
Summary of Tax Impact
Status Quo Compared to 50% Enrollment / 50% Equalized Valuation

		Five-Year Average Status Quo	Five-Year Average Unified District	Five-Year Difference	Ten-Year Average Status Quo	Ten-Year Average Unified District	Ten-Year Difference
Community:	Tax Levy	$7,832	$6,763	$1,069	$7,986	$6,722	$1,264
Franklin	Rate	$1.254	$1.083	$0.171	$1.223	$1.030	$0.194
Community:	Tax Levy	$11,266	$12,185	-$919	$11,677	$12,791	-$1,114
Union	Rate	$0.928	$1.004	-$0.076	$0.861	$0.943	-$0.082

Notes: Numbers in 1,000's; Annual School Tax Rate in $100 Equalized Property Value

In the final allocation example, Table F17 reflects an allocation based on 100% equalized value, in which Union sees a larger tax increase in both the five- and ten-year period.

Table F17
Summary of Tax Impact
Status Quo Compared to 100% Equalized Valuation

		Five-Year Average Status Quo	Five-Year Average Unified District	Five-Year Difference	Ten-Year Average Status Quo	Ten-Year Average Unified District	Ten-Year Difference
Community:	Tax Levy	$7,832	$6,416	$1,416	$7,986	$6,316	$1,670
Franklin	Rate	$1.254	$1.027	$0.227	$1.223	$0.968	$0.256
Community:	Tax Levy	$11,266	$12,532	-$1,266	$11,677	$13,197	-$1,520
Union	Rate	$0.928	$1.033	-$0.104	$0.861	$0.973	-$0.112

Notes: Numbers in 1,000's; Annual School Tax Rate in $100 Equalized Property Value

Transitional Allocation Method for Scenario 2

Again, using the provisions of S3488 to employ a transitional allocation method when the traditional method does not yield an allocation that reduces taxes for all communities, this section applies such a method as described above. The proposed transitional allocation method is the same as the one outlined in scenario 1. It would take a snapshot of the total budgeted tax levy in the year prior to the establishment of the new regional for each constituent community to calculate the allocation percentage for a ten-year transitional period.

Under the proposed regional allocation using 100% enrollment, Union does not share in the savings generated from the efficiencies of regionalization. The proposed transitional allocation provides Union with some share of the potential savings over a ten year period, at which time the transition to a permanent allocation using 100% enrollment is phased in over an additional five years.

Table F18 compares the transitional allocation using the budgeted tax levy from the 2023-24 school year to the permanent allocation using the traditional allocation of 100% enrollment.

Table F18
Allocation by Budgeted Tax Levy Compared to the Permanent Allocation of 100% Enrollment

Community	Allocation % Based on Budgeted Tax Levy	Savings by Tax Levy Allocation	% Reduction in Tax Levy	Permanent Allocation
Franklin	40.26%	60,285	0.9%	36.53%
Union	59.74%	89,444	0.9%	63.47%
Total	100.00%	149,729		100.00%

For example, Franklin's budgeted tax levy of $7,053,207 to support the 2023-24 local budgets. In other words, the residents of Franklin authorized $7.0 million to educate its public school PK-8 students in the 2023-24 school year.

The taxes raised to fund public education for both communities in the proposed limited-purpose regional total $17.5 million. Franklin's tax levy of $7.0 million represents 40.26% of the total tax levy. Therefore, Franklin's share of the estimated $150,000 in annual savings is $60,285, or a 0.9% reduction in its budgeted tax levy. After the ten-year transition period, there would be a five-year phase-in to the permanent allocation of 36.53%, which represents Franklin's share of the tax levy under an allocation of 100% enrollment.

Using this new transitional allocation methodology, every community would contribute a proportional share of the regional's budgeted public educational tax levy. Whether the new regional board of education decides to take additional savings or allocate these savings to new programs and services, the proportional contributions will be allocated based on the taxes paid in the year prior to regionalization. As noted above, the Commissioner of Education has to approve

this transitional allocation methodology before the question of regionalization can be put to public referendum.

Adjustments to Allocation Method

Table F19 presents the same transitional allocation phased approach as scenario 1 in which, after ten years of cost reductions and tax savings, the allocation phases into the permanent allocation over an additional five-year period. The transitional allocation would be phased-out 20% each year for five years as the permanent allocation is phased-in.

Table F19
Adjustment from Transitional to Permanent Allocation of 100% Enrollment

Years 1-10	Year 11	Year 12	Year 13	Year 14	Year 15
100% Transitional Allocation	80% Transition, 20% Enrollment	60% Transition, 40% Enrollment	40% Transition, 60% Enrollment	20% Transition, 80% Enrollment	100% Enrollment

Tax Levy Change to Homes Based on Assessment

The new configuration has a tax impact on a property owner based on the assessed valuation of their home. Table F20 presents the tax impact for homes assessed at the values indicated in the table under the regional scenario using the transitional. The values are proximate to the average assessment, but the Table uses the same value for comparability purposes.

Table F20
Tax Impact on Homes by Assessed Value

Community	Home Assessment	5-Year Annual Impact
Franklin	400,000	$ 44
Union	400,000	$ 33

Operating Expenditures of Combined Existing Districts

The operating expenditures in Table F21 and F22 for the two districts which would comprise the new unified district under this scenario.

Table F21
Constituent Districts Total Expenditures

Expenditures	Year Ending June 30, 2023
Regular Instruction	7,915,906
Special Educaiton Instruction	2,149,303
Other Instruction	317,978
Special Schools	-
Tuition	873,237
Support Services	341,163
Administrative Services	745,619
Operations & Maintenance	2,090,203
Transportation	1,266,609
Employee Benefits	2,880,198
Food Services	-
Capital Outlay	1,310,121
Debt Service	1,588,325
Total Expenditures*	21,478,662

* Does not include $3.4 million in on-behalf payments

Source: Based Annual Comprehensive Financial Report for period ending June 30, 2023

The distribution of the 2022-23 operating expenses and debt service of the constituent school districts school shows the specific allocation to the related districts as presented in Table F22.

Table F22
Percentage Share of Operating and Debt Service Expenses

District	Operating Fund*	Debt Service	Total	Percent of Total
Franklin	8,683,483	646,800	9,330,283	43%
Union	11,206,854	941,525	12,148,379	57%
Total	19,890,337	1,588,325	21,478,662	100%

Source: Based Annual Comprehensive Financial Report for period ending June 30, 2023
* Includes Special Revenue Fund

D. Financial Considerations for All Scenarios

Equalized Valuation

Table F23 lists the 2023 equalized value for each community, the average using the years 2021, 2022, and 2023, and the value per student.

Table F23
Equalized Valuations

Community	2021 Equalized Value	3-Year Average Equalized Value	Equalized Value per Student
Franklin	605,373,795	578,120,539	2,181,587
Union	1,072,460,206	978,907,433	2,073,956
Bethlehem	734,739,205	672,561,095	1,852,785
Total / Average	**2,412,573,206**	**2,229,589,067**	**2,036,110**

Source: "Table of Equalized Valuations" on the New Jersey Division of Taxation website

Legal Debt Margin

The legal debt margin for school districts, as set forth in *N.J.S.A.* 18A: 24-19, is calculated by multiplying the average of the last three years of equalized values by a percentage corresponding to the district's grade configuration. Smaller districts have lower margin percentages. Table F24 shows the percentage for each district and the corresponding maximum and available school borrowing margins.

The legal debt margin will not change under the studied scenarios because the grade configuration will remain PK-8. The regional debt margin will consist of the sum of each individual district margin. On June 30, 2023, the unified district's overall debt limit would be $62.5 million, and the amount available for future borrowing would be $51.3 million or 82.0% of the debt limit.

Other borrowing also has an impact on the debt carrying capacity of the equalized valuations. Each municipality and county may have additional debt which would impact the available borrowing for each community. However, the study focuses particularly on the impact of full unification. When considering a district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be measured. Each district currently does this analysis individually and proportionally. Districts organized to serve grades PK-8 use 3.0% to calculate the debt limit.

Table F24
Legal Debt Margin

District	Percent of EV	Debt Limit	Outstanding Debt as of June 30, 2023	Legal Debt Margin	Ten Year Balance as of June 30, 2034
Franklin	3.0%	16,691,562	1,220,000	15,471,562	-
Union	3.0%	27,105,441	7,510,000	19,595,441	-
Bethlehem	3.0%	18,725,289	2,520,000	16,205,289	-
Total District		**62,522,292**	**11,250,000**	**51,272,292**	**-**

Source: Based Annual Comprehensive Financial Report for period ending June 30, 2023

Amount of Indebtedness to Be Assumed

The Annual Comprehensive Financial Reports of the districts in the study indicate that the combined indebtedness, consisting of serial bonds and bond refunding, total $11,250,000 as of June 30, 2023. This amount represents the total indebtedness of buildings, grounds, furnishings, equipment, and additions thereto. As noted in Table F24, there will be no outstanding debt anticipated as of June 30, 2034. Under the proposed unification, all assets will be assigned to the newly formed limited-purpose regional.

Appendix AA provides a detailed schedule of principal balances for each bond issuance.

Other Assets and Liabilities

Assets other than buildings, grounds, furnishings, equipment, and additions include cash, investments, accounts receivable, and other non-capital assets. Table 25 summarizes the value of these assets, which totaled $41.9 million as of June 30, 2023. The newly created limited-purpose regional would manage these assets after unification.

Table F25
Current & Other Assets

Community	Current & Other Assets	Percent Share
Franklin	14,043,196	33.5%
Union	19,584,308	46.7%
Bethlehem	8,313,132	19.8%
Total	41,940,636	100.0%

Source**:** Annual Comprehensive Financial Report for period ending June 30, 2023

Table F26 summarizes the total liabilities of approximately $1.1 million as of June 30, 2023, for the constituent districts. If the existing configuration is replaced by a limited-purpose regional, the liabilities will be assigned to the new regional.

Table F26
Total Liabilities by District

Community	Total Liabilities	Percent of Total
Franklin	366,646	32.2%
Union	415,304	36.4%
Bethlehem	357,434	31.4%
Total	1,139,384	100.0%

Source: Annual Comprehensive Financial Report for Period Ending June 30, 2023

Each constituent district may have some other liabilities that deserve special attention. The respective liability for compensated absences and pension would need to be recalculated for the new regional. Compensated absences are liabilities a district incurs for payments to employees upon resignation or retirement such as unused sick and vacation days. Tenured employees can carry over their sick days to the new regional, the value of those days should be based on the new contract negotiated after unification.

Reserves

One important asset class vital to the financial health of any school district relates to the amount in reserve. The NJDOE has authorized the creation and operation of various reserves to help districts insure against unanticipated financial shocks and to maintain facilities. Table F27 summarizes the fund balances and reserves by type for each district. The total reserves represent approximately 40% of operational expenditures in 2022-23, which is a solid foundation for the new regional.

Table F27
Reserves & Fund Balances

District	Fund Balance	Excess Surplus	Captial Reserve	Maintenance Reserve	Other Reserve	Capital Projects Fund	Debt Service Fund	Total Reserves & Balances
Franklin	473,763	266,766	858,863	207,807	307,921	-	-	2,115,120
Union	336,138	409,489	2,524,830	665,000	380,705	-	-	4,316,162
Bethlehem	285,280	1,437,850	2,469,455	593,530	-	-	-	4,786,115
Total	1,095,181	2,114,105	5,853,148	1,466,337	688,626	-	-	11,217,397

Source: Based Annual Comprehensive Financial Report for period ending June 30, 2023

Facility Maintenance

The Long-Range Facility Plan (LRFP) captures the proposed projects anticipated over the five-year plan period. To complete a capital project, the district must have the project listed in the LRFP or amend the plan to include the project. The NJDOE does not require districts to complete all projects stipulated in the plan. Indeed, some districts will list all potential projects to avoid amendment and ensure compliance with applicable regulations.

The NJDOE also wants to ensure districts maintain the existing facility and any new capital improvements complete as part of the LRFP. Therefore, the NJDOE requires the annual completion of the Annual Maintenance Budget and Comprehensive Maintenance Plan. Table F28 summarizes the minimum budget required for maintenance. The amount is two percent of the building replacement value over a ten (10) year period. Every constituent district far exceeds this minimum.

Table F28
Comprehensive Maintenance Requirements

District	Schools	Square Footage	Replacement Costs	Required Annual Maintenance Budget	Budgeted Required Mainenance
Franklin	1	71,296	10,195,328	20,391	300,000
Union	2	125,000	17,875,000	35,750	400,000
Bethlehem	2	103,784	14,841,112	29,682	444,538
Total	5	300,080	42,911,440	85,823	1,144,538

Source: Annual Maintenance Report Form M-1, 2023

Financial Operations

The consultants conducted a review of the findings and recommendations included in each district's Annual Comprehensive Financial Report to identify any significant issues related to the districts' financial operations and practices. Table F29 summarizes the number of findings for the period ending June 30, 2023. Both Franklin and Union had the same findings related to over-expended accounts and accuracy of monthly financial reports. These were not repeat findings.

Repeat findings are a component of the NJDOE's Quality Single Accountability Continuum monitoring program.

Table F29
Audit Findings

District	Audit Findings	Prior Year Finding
Franklin	2	No
Union	2	No
Bethlehem	0	No
Total	4	

Source: Auditor's Management Report for period ending June 30, 2023

Shared Services

The studied districts have taken measures to share services on an inter-district basis. Appendix AB summarizes the various services shared by districts. However, there are a few relationships worth noting by virtue of the scope of the services.

Franklin and Union have a tradition of promoting efficiency practices and have developed an extraordinary array of shared services. In 2023, those services included superintendent, business services, curriculum supervision, professional development, special education supervision, and child study team services.

These practices have proven efficient and cost effective. With the elementary districts under one regional umbrella, there are greater opportunities to expand these practices.

Although a cost savings, sharing business services among districts still requires multiple versions of the same tasks, products, and services. Each district requires a separate budget, state reporting, board management, accounting systems, etc. Eliminating these redundancies would save money as captured in the savings section, but it also would allow improved focus on achieving goals to advance operational efficiencies, and educational initiatives.

Operations & Maintenance

The Operations Department, or Buildings & Grounds, comprises the functions of custodial, maintenance, grounds keeping, and security. The constituent districts use a mix of in-house and private contractors to perform these services. It is not anticipated that the new regional configuration will impact the way these services are provided. Therefore, the consultants expect that the new regional will provide these services consistent with the current practice. However, the analysis identified some cost savings for administrative functions.

Privatizing these functions goes beyond the parameters of this study. The decision usually weighs factors other than cost savings, which the regional board can debate. Firms that specialize in this area could provide a more detailed analysis and make recommendations accordingly. Therefore, the consultants do not anticipate a change in custodial and maintenance staff in the short term. However, this analysis does include administrative savings from supervisory and secretarial support reductions.

Nevertheless, unification offers significant benefits in the maintenance of district facilities. Combining the Buildings & Grounds into one department offers an opportunity to hire trade specialists. Because of the varied repair demands within an individual district, a maintenance worker traditionally possesses a generalized skill set. A larger organization would have sufficient work volumes to hire licensed trade professions such as electrician, plumber, HVAC mechanic, etc. The size of the unified district could warrant this approach and would require less reliance on outside contractors resulting in improved response times and reduced costs.

The new board also may opt to forgo some of the supervisory savings and employ a foreman or clerk of works for better supervision of capital projects. If undertaking the projects included in the Comprehensive Maintenance and Long-Range Facilities Plans, increased supervision could identify cost savings and improve completion times.

Transportation

Transportation is another area where districts have explored shared services to bring down costs. The districts work with a variety of agencies to acquire transportation services. Given the earlier assumption of keeping all existing schools open under the initial unification, it stands to reason that transportation costs will not increase from the status quo.

Indeed, initial unification could replicate the status quo to ensure continuity of service. Although the same relationships could be maintained under a unified regional district, a preliminary analysis of pupil transportation shows little evidence of potential routing cost reductions.

The districts contract with a variety of transportation service providers. The majority of the routes are coordinated by public agencies such as Hunterdon Educational Services Commission, Warren Special Services District, and Delaware Valley Regional. Krapf Transportation provides one route and one route is performed in-district. Table F31 summarizes the primary contractor, number of routes, and transportation efficiency.

The NJDOE uses the District Report of Transported Resident Students ("DRTRS") to calculate the district's transportation efficiency. The efficiency measure relates to the number of times a bus gets fully loaded, i.e. 90% of capacity, each day. The state target of 120% is achieved when all district routes fill the buses to 120% of capacity, which is accomplished through tiering fully loaded buses. Table F31 demonstrates the difficulty in achieving the state's target in small districts. With limited routes, Franklin, Union, and Bethlehem have limited options to tier routes. Franklin's efficiency ratings is below the 120% target. There was no available data for Union and Bethlehem, but the limited tiering options still apply.

Table F31
Transportation Efficiency Ratings

District	Transportation Provider	No. of Routes	Efficiency Rating
Franklin	Hunterdon Educational Services Commission, Warren Special Services, In-District	12	104%
Union	Hunterdon Educational Services Commission, Warren Special Services	14	N/A
Bethlehem	Delaware Valley Regional, Warren Special Services, Krapf	12	N/A
Total		38	

Source: District transportation contracts, 2022 NJ Transportation Efficiency Summary based on DRTRS.

Regionalization presents some opportunity to leverage the increased district size to expand transportation services including district-owned and operated buses. This could capture savings and control contracted costs. Providing in-house transportation requires a significant investment in equipment and infrastructure. This investment represents a major impediment for many districts, especially smaller districts. The new limited-purpose regional would have the capacity and opportunity to operate its own buses to perform some of the more costly routes.

In-district buses can benefit the unified district in two ways. First, it can exploit any significant price differentials to selectively bring the highest cost routes in-house thereby maximizing savings. With no profit motive, and low input costs, districts can compete with private sector contractors. Second, and perhaps more importantly, having a credible in-district service applies pricing pressure on contractors to keep prices down or face losing the work to the district. A healthy balance of contracted and in-house routes means reasonable pricing and available extra capacity for flexibility and emergencies.

Although the districts do a good job in coordinating transportation services, Appendix AC provides a document issued by the NJDOE to help districts improve transportation efficiency by implementing various models and practices. A fully unified district would have more control and ability to adopt these practices.

Administrative Technology

Each district operates and maintains separate systems particularly for accounting, personnel, and student information. Each software package comes with an initial acquisition investment and training, but also ongoing costs for software maintenance, technical support, hardware purchase and maintenance (or cloud computing fees), backup, security, and training.

Combining the existing software packages will take time and coordination but should not present a major impediment to unification. The savings for consolidating the software functions into one package have not been monetized in this analysis.

Transition to the New Regional Configuration

This section speaks to the additional costs that may be incurred to establish the expanded regional and transition the students to the new district. Many costs associated with the transition would be incurred by the districts under the status quo scenario and therefore the consultants only considered the costs in excess of the status quo.

The proposed scenarios would not require significant transitional expenses. The main transitional costs would relate to legal expenses to develop a resolution to dissolve the existing districts and establishing a new PK-8 limited-purpose regional. There are four possible election days throughout the year in which a referendum to create a regional can be brought before the voters. S3488 provides for reimbursement of election expenses associated with the referendum.

One major task will be to combine the various bargaining units. Contracts usually are renegotiated every three years, and although the task of combining all the contracts may be challenging initially, it would be comparable to collectively negotiating on an individual basis. Certainly, once settled, renegotiating successor agreements would be less costly and time consuming than negotiating three separate agreements under the status quo. Maybe more importantly, the cost to administer the collective bargaining agreements for the unified regional structures will be far less than under the status quo.

The State offers implementation grants to help offset the costs associated with the transition including one-time reimbursable costs for project completion or transition support which may include, but are not limited to, new technology, rebranding costs, equipment and vehicle outlays, professional services, rent for facilities, payroll system conversion costs and training. Funding is based on the total transition or implementation cost of a project.

Once approved, the newly established regional would form a board of education and hire a superintendent. To administer these tasks and start the work of forming the new entity, a team of interim executive administrators, acting as a stand-alone unit, could be hired for approximately six months. The primary responsibility would center around ensuring the new entity is fully and properly prepared for the formation of the new all-purpose regional. This transition team will oversee the day-to-day operation and management of all transitional activities starting with hiring a superintendent, business administrator/board secretary, human resources director, and appointed professionals. This group would also post various positions and prescreen applicants to be available to the incoming administrators to build their respective departments.

The new district will incur fees related to the creation of internal and district-wide policy, curriculum, and long-range plans and to ensure compliance with state mandates and regulations. Additionally, the formation of various operational departments provides an opportunity to reinvent the provision of these services. The districts have taken initial steps to combine transportation and food services, as noted in this section. The new district would do well to call upon experts in these specific areas to develop the most optimal organizational structure to meet the needs of the district.

The cost to rebrand the new district including signage, stationary, website, social media, and the like represent true additional expenditures, but is exceedingly difficult to estimate without a detailed inventory of impacted locations. Most schools are expected to retain their identity and not incur rebranding expenses. The consultants estimate that the additional cost for rebranding could be absorbed within the current supply, maintenance, and technology budgets, but incorporated a modest amount for incidental and unanticipated costs.

The transition will also involve upgrading and unifying enterprise software for many functions. There are several mission critical systems and functions required for initial startup. It is assumed that existing cloud resources, servers and other hardware necessary to run these programs are currently available within the constituent districts and would be repurposed to meet the transition and beyond. However, the work to integrate the data for all entities and then to the NJDOE may be significant.

Critical to the transition will be to articulate new curricula throughout the organization. Collectively, the educational entities spend about $850,000 on instructional supplies. To unify the curricula supplies and provide all students with common textbooks. Directing existing supply and textbook budgets would allow this transition in one or two years, providing time for selection, purchase, training, and implementation. Existing articulation among the district would effectively reduce this expense and timeline.

The total estimated transition costs represent delayed savings. Indeed, the faster the transition, the sooner the new district will see the cost reductions identified in this section. The new board may wish to fund overlapping personnel for some period to ensure that each school functions smoothly throughout the transition. Maintaining existing staff would represent an opportunity cost by delaying savings but would help ensure continuity of vital functions during the transition.

E. Financial Conclusions

The consultants studied two scenarios to educate students in grades PK-8 through a new limited-purpose regional school district with the communities of Franklin, Union, and Bethlehem.

Neither of the two scenarios studied using the traditional allocation methodology generates a tax levy reduction for all studied communities. However, using the transitional allocation provision of the new regionalization law of January 2022, each community studied can share in the savings generated through regionalization.

The first scenario, in which all three communities unify into a limited-purpose regional, saves more than $1.0 million annually and improves both economic and logistical efficiencies when compared to the status quo. Although this scenario generates savings, the traditional method cannot allocate those savings to lower taxes for all communities. Specifically, Bethlehem is negatively impacted to an extent difficult to compensate for through the traditional allocation method.

Therefore, the study details the use of the transitional allocation method, using a snapshot of the latest budgeted tax levy, to ensure that all communities share proportionally in the savings generated through regionalization for the first ten years. After the ten-year transition, the consultants propose an allocation of 100% enrollment to be phased-in over an additional five-year period.

Scenario two, the regionalization of Franklin and Union, produces a similar result. Given the existing level of shared services, the $150,000 savings generated from this scenario is significantly lower than the first scenario. Union is negatively impacted under the traditional allocation method, and the same transitional allocation and timeframe is used to share the savings between the two districts.

The savings generated from any of the scenarios assume existing levels of state aid. The S3488 regional legislation ensures that the new regional will receive, at a minimum, of sum of the aid from each of the districts prior to regionalization.

The respective districts are in good financial standing, with no repeat audit findings. Combined, the districts have various reserves totaling $11.3 million. Additionally, each district has outstanding debt totaling $11,250,000. Since the regional will remain a PK-8 grade configuration, there is no increase to the legal debt limit.

F. Summary of Opportunities & Challenges

Although there are significant opportunities when regionalizing several districts, this new configuration is not without its challenges. This section will outline both the opportunities and challenges of unification in general terms and the proposed configuration specifically.

Opportunities

1. ***Create Something New*** – Unifying the separate school districts represents a significant opportunity to create an educational model employing the latest research, best management practices, and proven practices to optimize student achievement. The chance to provide educators with the tools, skills, and incentives to connect spending to outcomes is exceedingly rare. Unification offers a framework to implement research-based solutions not available to most districts with entrenched practices and policies.
2. ***Economies of Scale*** – Larger districts offer economies when purchasing goods and services. There are two types of economies of scale. The first, on the production side, refers to factors that cause the average cost of producing something to fall as the volume of its output increases. Dividing fixed costs over more students will achieve these types of economies. The second, and more intuitive, are scale economies, generated by purchasing inputs at a lower per-unit cost when purchased in large quantities. For example, these economies include a range of goods and services from supplies to insurances.
3. ***Efficiencies*** – As discussed above, optimally sized districts are more efficient than small districts. These efficiencies can result in actual cost savings and other economic savings that present as improved services rather than expenditure reductions.
4. ***Resilience*** – Larger districts have an increased ability to absorb external shocks such as unexpected out-of-district special education placements, mechanical and building breakdowns, and more recently, pandemic response.
5. ***Capacity*** – Expanding the district provides an ability to offer more courses, programs, expertise, etc. Increasing enrollment would provide the capacity to provide or expand these services to more students. This capacity advantage could impact a variety of programs ranging from academics to athletics.
6. ***Expertise*** – Larger organizations can afford to maintain expertise across the enterprise. That expertise includes skill sets in academic subject specific areas as well as operational functions. As noted above, a small district may have one maintenance person who is

responsible for all repairs. A larger school district may have several staff members and therefore can hire trade specific talent to address work in HVAC, plumbing, electric, etc.

7. ***Diversify Risk*** – The risks inherent in any enterprise declines as the organization diversifies. For school districts, diversifying risk can help reduce costs for health insurance, general liability, workers' compensation to name just a few.
8. ***Internal Controls*** – Related to risk diversification for business and central office functions, large organizations can more easily strengthen their internal controls. Internal controls are the mechanisms, rules, and procedures implemented by an organization to ensure the integrity of financial and accounting information, promote accountability, and prevent fraud. Relying on employees to perform multiple duties, small districts cannot implement strong internal controls. Separating functions is a critical component of maintaining strong internal controls, and it becomes increasingly difficult with limited staff.
9. ***Cross Training*** – Cross training staff to perform other departmental functions complement internal controls and risk diversification. Having more staff in the business office, for example, allows employees to learn other job functions. This provides backup during planned and unplanned absences. A good internal control practice would require another employee to issue payroll during the payroll associate's vacation. This provides an opportunity to identify any incorrect and possibility fraudulent payroll entries.
10. ***Slack*** – A management theory well suited for school districts, the principle of slack stipulates that an agile organization able to respond to changing circumstances should allow its employees to function at less than full capacity. This staffing level provides the needed capacity to address emergent issues and unfunded mandates so frequently directed at school districts. Having staff not stretched to their limits offers the ability to anticipate and adapt to changing regulations from the Federal and State policy makers.

Challenges

1. ***Loss of Local Control*** – New Jersey has a long tradition of local control of public education. Although some communities have regionalized or entered into sending-receiving arrangements to educate some of their students, the vast majority of municipalities maintain a school system run by a local board of education. Unifying a number of educational entities, by definition, will reduce the voice of any one community.
2. ***Accessibility*** – The proposed regional represents a larger geographic area than any individual community. Regardless of where the new central office is located, it will be farther for some residents interested in attending board meetings or needing to conduct business. Although longer, the distances are not prohibitive. If located relatively central within the regional, travel will likely not exceed 15 minutes from the center of each municipality. Alternatively, some larger districts rotate public meetings to different schools and communities to provide opportunities for members of the public to participate.

3. ***Initial Disruption*** – Operationalizing an undertaking of this scope will require time, energy, focus, and resources. Although this study recommends maintaining existing schools, and student placements, unification will necessitate many decisions to reconfigure departments, logistics, policies, procedures, and protocols. This will require extensive community input, consideration, communications, training, and coordination. It will cause disruption as new processes get developed and implemented. However, as stated above, this also is an opportunity to jettison old and obsolete practices and reinvent services delivery.
4. ***Organization Culture*** – Each organization develops its own unique culture over time. Shared attitudes, beliefs, customs, and written and unwritten rules form the cornerstone of an organization's culture. It consists of expectations, experiences, philosophy, as well as the values that guide employee behavior. A significant challenge lies ahead to merge the distinctive cultures from each constituent district into a unified culture for the new organization.
5. ***Efficiencies*** – Although not the case in this study, districts exceeding optimal size may see diminishing returns on efficiencies as they increase in size. More importantly, efficiencies could mean reduction in force. School districts are labor intensive organizations. Salaries and benefits represent 70-80% of expenses. Some savings generated from unification will result in lost jobs and may impact community members who currently work for their local school district.
6. ***Manageability*** – Smaller districts provide more personal interaction between staff, students, parents, and the community. Larger districts can achieve this culture on a school by school basis, but it may be more difficult to attain district-wide.

VII. STUDY CONCLUSION

The Boards of Education of Franklin Union and Bethlehem resolved to study the options available with respect to the education of their PK-8 student population. Consideration was given herein to studying the following scenarios:

1. Formation of a PK-8 regional school district with the Townships of Franklin, Union and Bethlehem; or

2. Formation of a PK-8 regional school district with the Townships of Franklin and Union.

Within the scope of this study, the consultants analyzed the viability of these options and prepared a preliminary review of the educational, financial, and racial impact of the formation of a new PK-8 regional school district.

For many years, the State of New Jersey has looked to reduce the number of operating school districts while creating PK–12 structures where practicable. Indeed, the purpose of the grant funding this study is to investigate unifying smaller school districts into regional districts to save money and improve efficiency. Although not a full PK-12 all-purpose regional, the proposed limited-purpose regional configuration helps accomplish this goal.

Enrollments were projected from 2024-25 through 2033-34, a 10-year period, for the individual school districts: Bethlehem Township, Franklin Township, and Union Township. In addition, the aggregated projected enrollments of the PK-8 school districts were completed for the two potential regionalization scenarios. If Franklin and Union become a PK-8 regional school district; enrollments are projected to steadily increase throughout the ten-year projection period. In 2033-34, enrollment is projected to be 1,050, which would be a gain of 313 students from the 2023-24 aggregated enrollment of 737. If Bethlehem, Franklin, and Union become a PK-8 regional school district, enrollments are also projected to steadily increase throughout the ten-year projection period. In 2033-34, enrollment is projected to be 1,499, which would be a gain of 399 students from the 2023-24 aggregated enrollment of 1,100.

The racial composition of the Bethlehem Township School District, Franklin Township School District, and Union Township School District were analyzed from 2018-19 to 2023-24, as well as in the two possible regionalization scenarios: In either regionalization scenario, the racial distribution of the proposed regional school districts would be fairly similar. In addition, as it is likely that all students would be educated in the same buildings in which they currently are housed in either scenario, regionalization would not change the racial make-up of these schools. Therefore, there would be no substantial racial impact on any of the school districts in either regionalization scenario.

Regarding the educational impact of a proposed new PK-8 regional school district, the consultants concluded that either scenario - whether comprised of Franklin and Union or Franklin, Union and Bethlehem - would result in a new district that would meet New Jersey’s

educational requirements and would provide an opportunity for a thorough and efficient education for all the PK-8 students currently served.

Collectively the limited-purpose regional scenario saves more than $1.0 million annually and improves both economic and logistical efficiencies. Because students likely will remain in the same buildings with generally the same teachers, they can be expected to continue to experience educational success.

Neither of the two scenarios studied using the traditional allocation methodology generates a tax levy reduction for all studied communities. However, using the transitional allocation provision of the new regionalization law of January 2022, each community studied can share in the savings generated through regionalization.

The use of a transitional allocation method using a snapshot of the latest budgeted tax levy to ensure that all communities share proportionally in the savings generated through regionalization for the first ten years. After the ten-year transition, the consultants propose an allocation of 100% enrollment to be phased-in over an additional five-year period.

For the reasons set forth more fully above, the consultants recommend that the Boards of Education of each of the districts, Franklin Township, Union Township and Bethlehem Township, consider regionalization.

Appendix AA – Debt Schedules

This Appendix lists each constituent local public school district, or municipalities of each regional district, the original and current debt principal balance(s) and remaining debt service schedule(s) by debt issuance, and percentage of each constituent district's principal to the aggregate.

Franklin Township

Issue	2012 Refund Bonds
Date Issued	March 17, 2013
Initial Amount	$5,380,000
Annual Maturities	Principal Amount
2024	600,000
2025	620,000
2024	
2025	
2026	
2027	
Balance as of June 30, 2025	1,220,000

Union Township

Issue	2007 Refunding Bonds	2002/05 Refunding Bonds
Date Issued	May 3, 2017	January 27, 2016
Initial Amount	$7,725,000	$3,105,000
Annual Maturities	Principal Amount	Principal Amount
2024	495,000	155,000
2025	520,000	155,000
2026	550,000	155,000
2027	580,000	160,000
2028	610,000	160,000
2029	640,000	155,000
2030	670,000	160,000
2031	700,000	160,000
2032	730,000	
2033	755,000	
Balance as of June 30, 2033	6,250,000	1,260,000

Bethlehem Township

Issue	Refund Bonds
Date Issued	Sept. 23, 2015
Initial Amount	$4,185,000
Annual Maturities	Principal Amount
2024	275,000
2025	285,000
2026	295,000
2027	305,000
2028	320,000
2029	335,000
2030	345,000
2031	360,000
Balance as of June 30, 2031	2,520,000

Appendix AB – Shared Services Summary

This schedule highlights each constituent local public school districts' shared services as Stated in the User-Friendly Budget and through discussions with the Business Administrator.

Franklin Township

Superintendent and Assistant Superintendent	Superintendent (Union Township)
Curriculum Services	Supervisor of Curriculum (Union Township)
Special Education Services	Supervisor of Special Services, LDTC, Case Manager, Social Worker, and Extended School Year with Union Township
Professional Staff Development	PD Academy (Union Township)
Business Services	Business Administrator (Union Township)
Insurance Coverages and Benefits	School Health Insurance Fund
Purchasing	Cooperative Purchasing: ESCNJ, HCESC, Ed-Data Services
Transportation Services, including Fuel	Pupil Transportation/Special Education (HCESC) Fuel/Bus Inspection and Repair (Delaware Valley Regional HS) Bus Routing (Delaware Valley Regional HS)

Union Regional

Superintendent and Assistant Superintendent	Superintendent (Franklin Township)
Curriculum Services	Supervisor of Curriculum (Franklin Township)
Special Education Services	Supervisor of Special Services, LDTC, Case Manager, Social Worker, and Extended School Year with Franklin Township
Professional Staff Development	Professional Development Academy (Franklin Township)
Business Services	Business Administrator (Franklin Township)
Insurance Coverages and Benefits	New Jersey Schools Insurance Group (NJSIG)
Purchasing	Cooperative Purchasing: ESCNJ, HCESC, Ed-Data Services
Transportation Services, including Fuel	Pupil Transportation/Special Education (HCESC) Pupil Transportation/Regular Education Tier Bussing Routes (HCESC) Fuel/Bus Inspection and Repair (Delaware Valley Regional HS) Bus Routing (Delaware Valley Regional HS)
Municipal/Public Works	Snow Removal/Grounds (Township of Union)

Bethlehem Township

Special Education Services	Shared speech therapist
Technology Services	Delaware Valley Regional H.S. Technology Consortium
Purchasing	Purchasing Supplies/Services Hunterdon County ESC, ESCNJ, Ed-Data. Alliance for Competitive Energy Services through NJSBA
Municipal/Public Works	Share school facilities with Township for meeting and recreational programs. Township provides snowplowing and district provides custodial services.

Appendix AC – Transportation Efficiency Models & Practices

To help districts improve its transportation efficiency, the NJDOE has established the following models and practices.

Models of Transportation Efficiency

Local boards of education may utilize a number of methods to increase their use of school vehicles, and, therefore, their transportation efficiency. These practices encourage the more efficient use of vehicles and cost savings.

• Tier school opening and closing times - School opening and closing times should be staggered in such a way as to enable the use of a single vehicle for several routes. The development of additional tiers can result in the need for fewer vehicles to service the same number of students.

• Coordinate school calendars (Public and Nonpublic) - Coordinate the start and end of the school year, as well as school holidays and teacher in-service days, so that school calendars for both public and nonpublic schools are consistent and uniform. This will assist school districts in better coordinating public and nonpublic school transportation, may enable districts to fill a route with both public and nonpublic school students, and may necessitate the use of fewer vehicles to transport the same number of students.

• Provide out of district transportation through a coordinated transportation services agency - Since the number of students attending a specific out of district school is usually fewer than the number of students attending a school within a school district, utilizing coordinated or regionalized transportation services will likely result in a higher capacity utilization of the buses transporting students to that out of district school. One route could service several districts whose students attend the same out of district school.

• Provide services through jointures, either as a host or joiner - When school districts form jointures to provide transportation services, the host district has the opportunity to fill what would have been empty seats on their route, and the joiner is able to provide transportation to their own students without using one of their own buses or contracting for the service while leaving some seats empty.

• Optimizing route design - The design of routes that service the largest numbers of students with the least amount of stops. Such routes may mix public and nonpublic school students and/or have multiple schools as destinations.

• Design routes with multiple destinations - When a route to a certain school passes one or more schools located along that route, the bus will be more fully utilized if children attending those other schools who live along that route can be added to the route. The bus would then stop at each of the schools along the route.

• Mix public and nonpublic school students on the same routes - Public and nonpublic school students living in the same neighborhood and attending schools located close to each other could

be placed on the same bus route with both schools as the destination. This would alleviate the need for two separate routes following the same roadways to similar destinations, and result in fewer vehicles to service the same number of students.

• Standardize ride-time policies for all districts participating in consolidated services - When districts with different ride-time policies (i.e., limits on the length of time a student may ride on a bus) attempt to use the same consolidated transportation services agency, the differences in the policies place constraints on the ability of the agency to provide transportation which meets all of the varying policies. Limiting the transportation for all participants to the shortest ride-time policy of its members could result in the inability of the agency to provide transportation to any of the participants.

• Package bids with tiered routes - The design of bid packages which would require contractors to bid on a package of routes which have been tiered for efficiency. This practice would prevent contractors from picking and choosing the most profitable routes while failing to bid on more demanding routes or routes with a lower profit margin. The packaging of bids with tiered routes enables bulk bidding and leads to volume discounts from school bus contractors wishing to bid on the entire package.

• Use municipal/school district joint bidding for maintenance, fuel, etc. - Savings can be realized by combining the needs of both the municipality and school district into one bid, which would be more likely to result in volume discounts from vendors.