

West Morris Regional High School District Feasibility Study Synopsis

I. Objective of the study:

To test the feasibility of the following two options:

Option 1:

- West Morris Mendham High School becomes a limited purpose 9-12 Regional High School. The Mendhams and the Chesters remain as PK-8 Districts.
- Washington Township becomes a PK-12 District.

Option 2:

- West Morris becomes a new all- purpose PK-12 Regional. The Chesters and the Mendhams no longer have PK-8 Boards of Education and Central Administrative Offices.
- Washington Township becomes a PK-12 District.

II. Education

- West Morris Mendham ranks number 4 in New Jersey and West Morris Central ranks 11 (New Jersey Monthly, August, 2014).
- In either scenario both high schools become average sized New Jersey high schools.
- The study indicates that in either scenario there will be no decline in the educational opportunities afforded the students residing in any of the five communities, including the continuation of the International Baccalaureate program.
- Technology would have to be severed between the two high schools and each high school would have to restructure both its hardware, communications and software applications in order to remain equal the current structure.
- There would be a 50% increase in the cost of supervisory staff in order to maintain the current level of teacher supervision and evaluation at the high school.

III. Enrollment

- As of December, 2014 there were a total of 2,722 students in the Regional with 1,317 (48.38%) at Central and 1,406 (51.62%) at Mendham.
- The enrollment is projected to decline to 2,546 by 2019-20 with 1,169 (45.92%) at Central and 1,377 (54.08%) at Mendham.
- Each of the PK-8 Districts are showing similar declines in enrollment during the same time period.

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IV. The Tax Levy Impact¹

Option 1:

- To the Mendhams and the Chesters--An initial 7 million dollars less in the tax levy apportionment due to the spin-off of Washington Township. This initial amount is reduced to 5 million dollars due to a projected increase in operational costs to run West Morris as a stand-alone limited regional high school.
- To Washington Township--An increase of approximately 7 million dollars in the tax levy obligation as Washington Township becomes a PK-12 District.
- Estimated 2015 Tax Impact for a house assessed at \$ 500,000:

	Annual	Monthly
--Chester Borough	(\$ 390)	(\$ 32.50)
--Chester Township	(\$ 508)	(\$ 42.33)
--Mendham Borough	(\$ 492)	(\$ 41.00)
--Mendham Township	(\$ 490)	(\$ 40.83)

Option 2:

- To the Mendhams and the Chesters--Approximately an initial savings of 7.1 million dollars less in the tax levy apportionment due to the spin-off of Washington Township. The tax levy apportionment will be distributed solely based on equalized valuation of the four municipalities. The additional \$ 100,000 in tax levy savings is estimated as follows:
 - \$ 1,800,000 in increased costs of operating a separate high school
 - \$ 1,100,000 in increased costs of new staff for a PK-12 district
 - (\$3,000,000) reduction due to the elimination of duplicate positions from the PK-8 districts
- To Washington Township--An increase of approximately 7 million dollars in the tax levy obligation as Washington Township becomes a PK-12 District.
- Estimated 2015 Tax Impact for a house assessed at \$ 500,000.

	Annual	Monthly
--Chester Borough	(\$ 599)	(\$ 49.92)
--Chester Township	(\$ 1,171)	(\$ 97.58)
--Mendham Borough	(\$ 175)	(\$ 14.58)
--Mendham Township	(\$ 534)	(\$ 44.50)

However, the initial tax levy savings for the Mendhams and the Chesters under Option 2 may be offset by a required renegotiation of the collective bargaining agreements which add approximately \$4,000,000 in additional costs based on an analysis of the Regional

¹ Pages 95-107 contain tables showing an alternative means of the allocation of taxes based upon a mix of equalized value and number of students. Districts can vote to change the method of allocation every ten years based upon the di-centennial census.

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and the PK-8 bargaining agreements. Therefore this could reduce the overall 7.1 million dollar savings to approximately 3.1 million dollars on a calendar year basis distributed based upon equalized value of the four municipalities.

Option I and II (Washington Township) Additional Taxes

	Annual	Monthly
--Washington Township	\$ 1231.	\$ 102.58

V. Procedures for Dissolution and Distribution of Assets--Please refer to Section 6 (page 109) of the full report for a detailed explanation.