

# “Sculpting Fog”

With no recent template to follow, three communities “sculpted fog,” creating the state’s first new regionalized school district since 1995.

Lessons from South Hunterdon

## BY JANET BAMFORD

In 2013, three Hunterdon County communities — Lambertville, Stockton, and West Amwell voted to consolidate what had been four school districts (they already shared a grades 7-12 secondary school district) and combine into one district, South Hunterdon Regional. The regionalization actually took effect beginning July 1, 2014, at the beginning of the new fiscal year.

If that sounds unexceptional and ordinary, it was anything but.

Despite the regular discussions which occur at both a statewide and local level about the potential financial advantages of regionalization — and the preliminary moves many districts have made toward such an action, the South Hunterdon formation was the first successful regionalization of school districts in New Jersey since 1995. That was the year when the Great Meadows Regional School District in Warren County was created; the district serves elementary school students from Liberty Township and Independence Township. Currently only 92 of the state’s 574 operating school districts are regional, consolidated or merged systems, comprising two or more municipalities.

Regionalization is often touted as a cost-savings measure for property-tax-weary New Jerseyans. But there are steep built-in obstacles to regionalizing. A majority of the voters in each of the communities must approve a regionalization proposal — and the complexities of tax apportionment often mean that property taxes in one of the communities often are slated for an increase after regionalization. Overall operating costs for the combined district can actually increase, as state law requires that when existing districts are combined, the salary guide and the terms and conditions of employment in the regionalized district be that of the “largest” constituent district — the one with the most teaching staff members — prior to consolida-

tion. Also, the demographics of a combined district may actually prevent that regionalized district from receiving certain federal or state aid that one of the constituent districts may have qualified for prior to regionalization.

So how did South Hunterdon manage to pull it off? How has the regionalization worked, nearly five years after the successful vote to approve it?

*School Leader* spoke with three people who were instrumental in both the regionalization and in the successful unification of the districts: Dr. Louis T. Muenker, the current superintendent of the district (who previously served as superintendent of the grades 7-12 school district); Jim Gallagher, current South Hunterdon board president, and previously a member of the Stockton board; and Dan Sieter, the chair of the regionalization committee and a current member of the board.

Note that the companion article to this one, authored by one of the South Hunterdon attorneys, Kerri Wright, provides valuable details about the all-important legal and financial aspects of the regionalization. It begins on the opposite page.

**Starting the Conversation** The seeds of regionalization were planted long before 2014, when the districts combined; or 2013, when the vote enabling the action took place; or even before 2011 when a referendum went to the public of each of the municipalities asking for funding to conduct a feasibility study. Informally, the topic has been on the minds of school board and community members for many years. “We had been talking about it for at least ten years,” says Dan Sieter. The three districts had long shared many services. For example, Lambertville and West Amwell had shared a superintendent since 2005, while Stockton contracted with the Delaware Township district for business administrator services. “We shared

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services to the greatest extent possible,” says Jim Gallagher, “but we had gone as far as we could with that.”

In 2008, after a few years of even more intense discussion about the topic, the four boards — Lambertville, Stockton, West Amwell, and South Hunterdon Regional High School each unanimously passed a resolution that declared their intent to find a path forward to regionalization. Boards began to regularly place the topic on their monthly board agendas, to discuss the subject. A regionalization committee was formed, comprised of board members, council members and some community members.

Three years later, the boards decided to fund a feasibility study, which is required before a regionalization, through a referendum. The South Hunterdon High School District put a proposal out to the community to borrow \$50,000 for the study (which ended up costing about \$44,000). Putting the question out to the community accomplished two goals: It funded the study, and it helped gauge how interested the communities were in regionalizing. The vote to fund the study passed, although

ironically, that year’s proposed budget for South Hunterdon High School district was defeated.

**The Rationale Behind Regionalization** While the financial benefits are often the first to come to mind when a regionalization is proposed, in the case of South Hunterdon, the educational benefits were at least as important — and perhaps more so. The three elementary districts, which all fed into what was then the South Hunterdon Regional High School district, serving grades seven through 12, did not always coordinate their curricula as well as they could have. Students sometimes reached the common secondary school with different levels of preparation.

“As much as districts attempted to coordinate and talk, there are limited opportunities for them to do so because districts are strapped for time, especially during in-service days,” says Muenker.

“There is a common misperception that there is a great deal of savings to be gleaned by regionalization,” said Muenker. “We took a different approach of talking about how important it was to get our elementary students on the same page and teach them the same things by the time they get to seventh grade and enter the 7-12 system.

PHOTO BY NJSBA STAFF



That was our focused talking point,” he says, “but if we are honest with ourselves, I think we would say that for most of the taxpayers there was a dollar sign driving this whole concept.”

**The Importance of Community Relations** The regionalization committee, and the boards of the districts, made an enormous effort to reach out to the communities to inform them and answer any questions. “We knew we needed public buy-in,” said Gallagher. “We initially had meetings among leaders of the different school boards to talk. At some point we drew up a frequently-asked-questions document and had it published in the *Lambertville Beacon*.” There were town meetings, a big meeting at the high school, letters of support published in the newspapers that were written by former board members and local mayors, informational mailings, and door-to-door canvassing to solicit support.

The educational benefits of the regionalization were key to the messages of the regionalization proponents — rather than the financial benefits. “One of the things we never promised was that taxes would go down,” said Gallagher. “What we said was that we thought that costs would not go up as much if we regionalized. And that’s what we have seen — cost increases have slowed down since the regionalization, as compared to the few years before.”

“When we were communicating to each community, this wasn’t a financial story. It was very much around what is the broader benefit for each of the individual communities,” said Seiter. “We also stressed how communities would retain their own identities.” One easy assurance the regionalization committee was able to provide to the communities: The individual schools would all retain their chosen school colors and mascots.

Another message that the proponents stressed was that there would not be immediate drastic changes in the district. “We assured the community that if this passed, there would be no material change in the structure of the district until the community had an opportunity to come together and help decide what those changes should look like,” said Gallagher.

The group also talked about the inherent inefficiencies in the current organization of the four districts. “One of the things we pointed out was that South Hunterdon High School [where all the elementary schools fed into] was graduating about

70 students a year from high school and we had 32 school board members between the four boards,” said Dan Seiter. “That is crazy.”

**The Regionalized Staff** The greatest fear of the staff, understandably, was that jobs were going to be cut. “We made promises to our staff that for the most part, things were not going to change,” says Muenker. Muenker became the superintendent of the new district; while the then-Stockton superin-

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*NJSBA Executive Director Dr. Lawrence S. Feinsod*

tendent was retained as the principal of that school and took on some additional administrative duties. Both the business administrator of Lambertville and the shared superintendent of the Lambertville and West Amwell districts ended up leaving the district, at a cost savings to the regionalized district of about \$280,000. There were some transfers of support staff, but no layoffs, and there were no layoffs of teachers.

One of the largest hurdles was to merge the salary guides for all the districts into one new schedule. “Tiny Stockton Borough didn’t have a salary schedule,” said Muenker, “there was a listing of the four or five teachers with written salaries associated with them.” At the time of the regionalization vote, Stockton had only about 53 students and had 4.8 teachers (when measured on a full-time equivalency basis).

“I knew early on that this was going to be the greatest challenge to merging,” says Muenker, “and it took us about a year and a half to get through it.” (More information on the salary negotiations is in the companion article.)

**The New Board** Once regionalization was approved by the voters, Gerald Vernotica, then the executive county superintendent for Hunterdon County, invited the existing members of all four boards to submit a letter of interest and submit to an interview if they were interested in joining the new board. From the group that applied, he appointed

nine board members — three for a 1-year term, three for a 2-year term and three for a 3-year term. That board began meeting in January 2014. Meanwhile the existing four boards continued to meet and operate for the six-month transition period until the new district was up and running. “I had a lot of meetings to go to,” said Muenker. “I also have to give kudos to our business administrator, who was trying to combine all the paperwork from the four offices. It was a heavy lift.”

Another challenge was merging four board policy manuals. “Even though there was a lot of redundancy and similar wording, it took 18 months to read through all the policies from the four districts and get a new policy manual in place,” said Muenker. NJSBA’s Legal and Labor Relations Department provided extensive assistance to the district during the regionalization process.

**Sculpting Fog** Throughout the process, the regionalization committee, and then the board and the administration often felt like they were in uncharted waters. “We had the strong support of our attorneys, and a great deal of support from the executive county superintendent at the time, Gerry Vernotica,” says Muenker, “But it was the first time in years that a district in New Jersey was regionalizing, so the state didn’t really have a template to say ‘here’s how you do it.’ They were learning along the way as well.”

There wasn’t even a clear timeline as to when the new district should begin operations and the older districts dissolve. But the board set a goal of starting official district operations on July 1, 2014, and opening schools as one district that September.

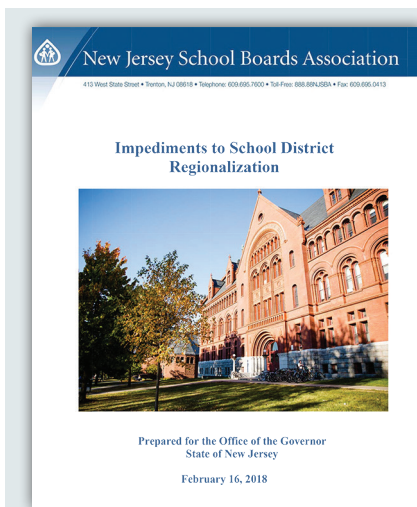
“We repeatedly said the whole process was like sculpting fog,” said Dan Sieter, the consolidated board’s first president.

**The Results of Regionalization** While there have not been tax cuts as a result of the regionalization, there have been some cost savings.

One unexpected area of savings has been in employee benefits. Since the district now has more employees, they have been able to get more bids from health insurance providers who previously weren’t interested in bidding on the business of the smaller, individual districts, when they had a smaller workforce. South Hunterdon saved about \$1 million over a few years on its health care benefits costs by switching to a different provider than they had previously used. The district has also had incremental savings doing things like merging banking services and landscaping costs.

Consolidating the districts has also had a benefit for teachers and staff. “The staff has more flexibility in looking at placement options,” said Muenker. “If we have a teacher retire in one school, a teacher in another school has a chance to perhaps teach at different grade. That wouldn’t have happened with one-school districts. We are still small, so we don’t have lots of options, but it opens the door for internal postings of jobs.”

True to the regionalization committee’s focus on the educational improvement that could come from consolidation, the district has been able to make some changes. “We now have a curriculum coordinator, as well as a reading specialist, something each elementary school had been too small to have before,” said Gallagher. “In this year’s budget



## Obstacles to Regionalization

Soon after Gov. Phil Murphy took office this year, his education advisors contacted the New Jersey School Boards Association with a request. Could the Association summarize what obstacles to school board regionalization exist? The resulting report, “Impediments to School District Regionalization,” can be accessed on the NJSBA website at [www.njsba.org/regionalization2018](http://www.njsba.org/regionalization2018).

we have added a math specialist as well. All this improves the education we provide.”

**The Stockton School** Four years after the successful consolidation of the district, there is change coming to one community. The tiny Stockton Borough Elementary School, the state’s smallest and oldest operating school, will close at the end of this school year, and, going forward, Stockton’s students will attend either the Lambertville or West Amwell schools. “This was a difficult decision for me personally,” noted Gallagher, who lives in Stockton, “the school has always done a nice job of educating children, but as I have told people, the Stockton closing is not being driven by regionalization, it’s being driven by demographics.” The year before regionalization, Stockton had 53 students, however this year there are only 12 students, in one combined fifth and sixth grade class, in the school. According to Muenker, there is only one student from Stockton who is starting kindergarten in September. “I recognize the attachment that people have to the school,” said Muenker, “I have not been in a school that people don’t cherish, so when you talk about changes like this, it hits people hard. We are focusing on making this a year of celebration for the students and the school.”

**A Template for Future Regionalizations?** South Hunterdon may have been exceptionally well-suited for regionalization — three communities that were geographically close, fed into the same secondary school, had fairly similar populations, some declining demographic projections, and a long history of sharing services and informal conversations about consolidation. But there are lessons in their experience.

First, the process will be longer, and more difficult than anyone might expect. Good communications with your community is paramount. “You have to know your community and solicit their support first before starting the process, and you should not suggest there will be substantial cost savings,” said Muenker.

And significantly, as described in Kerri Wright’s article, designing a tax allocation method that doesn’t penalize any one community can be the key to regionalization. “You can have all the positives of regionalization on the ledger,” said Muenker, “but if taxes are going to go up in a community, that negative can outweigh the positives.”

“The boards of education of Lambertville,

## Three Critical Components of a Successful Regionalization

Vito A. Gagliardi Jr., managing principal of the law firm of Porzio, Bromberg & Newman has decades of experience in education law, and has been involved in regionalization attempts — both successful (South Hunterdon) and unsuccessful. At a February 2018 meeting of the Hunterdon County School Boards Association, he discussed what he believes are the three factors critical to the success of any regionalization.

**1 Strong Leadership** “When you are talking about taking on the issues that people care about more than anything — where their children go to school, and how their tax dollars are spent — there is no substitute for strong leadership convincing people that this is going to be okay and be to their benefit.”

**2 A Strong and Unified Board of Education** “If you think you can approach a regionalization with a 6-3 vote from your board, forget it,” said Gagliardi. “This is challenging enough with a 9-0 vote. The board needs to come up with a plan that it can rally around in a unified way. It has to be unanimous because there are a lot of hard decisions down the road.”

**3 The Support of Local Governmental Officials** “People will be nervous enough about this change,” he said. “If you have a mayor or council member who is going to throw rocks at the regionalization plan, it will fail. The local governing body doesn’t have to be involved in the regionalization decisions but they have to be informed and they have to support it. I urge early dialog with your local political leadership.”

Stockton, West Amwell and South Hunterdon High School are to be commended for their commitment to the students of their communities in recognizing how, in their case, regionalization would improve the educational program,” says Dr. Lawrence S. Feinsod, NJSBA executive director. “It was a process that took vision, persistence, and patience. I applaud them for their extraordinary efforts.”

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