



Merger/Consolidation Fact Sheet #1 April 15, 2016

Question/Comment: I did not receive a letter from the Board regarding the upcoming meeting and a possible merger/consolidation with the Greenwich Township School District.

Response: The district obtained two listings of Bloomsbury residents, one from the tax assessor and another from the Board of Elections. The lists contain a total of 435 residents. The district mailed one letter to each household on April 8, 2016. To save postage the district did not mail a letter to each registered voter or resident, but mailed one letter to each household.

As of April 12th, a total of 27 letters were returned to the district because they did not contain P.O. Box numbers. On April 13th, the district received an additional 25 letters which were returned for the same reason. Since the post office is not able to provide the missing P.O. Box numbers, those letters remain undeliverable.

Question/Comment: Please send me the dates of upcoming board meetings, board meeting minutes, and mail any future notices to the all residents.

Response: All Board of Education meeting dates and Board meeting minutes can be found on the district website at www.bburyes.org. The district is not able to mail this information to all residents due to the postage associated with such mailings.

Question/Comment: Where can I obtain up-to-date information regarding the merger/consolidation?

Response: We have added a new area to the district website entitled [Merger/Consolidation Corner](#). It can be found on the left hand side of the district website in Popular Places. This site contains all pertinent information/notices relative to the possible merger/consolidation with the Greenwich Township School District and will be updated as information is obtained. You may register for email notifications so that each time a document is posted to the site you will receive an email. Once registered you will receive up-to-date information in real time.

Question/Comment: Who is financing the feasibility study?

Response: The Boards of Education of both Bloomsbury and Greenwich Township will equally share the cost of the feasibility study.

Question/Comment: How much will the feasibility study cost?

Response: The cost for the feasibility study is \$30,000.

Question/Comment: The Comegno Law Group will complete the feasibility study. Is there a conflict of interest because they represent the Bloomsbury School District?

Response: *No, this does not present a conflict of interest for the district or the law firm.*

Question/Comment: Will the merger/consolidation cause the closure of BES?

Response: *This will be addressed in the feasibility study. The Board wishes to maintain BES as a PK-5 building, if fiscally possible.*

Question/Comment: What is the impact to the school choice students?

Response: *In the upcoming weeks and months, Board committees from both Bloomsbury and Greenwich Township will meet with the Executive County Superintendents of Hunterdon and Warren Counties. This question will be posed at one of our initial meetings with them. Once an answer is received, it will be shared with both communities.*

Question/Comment: Is the Board attempting to repurpose the building if it is closed?

Response: *This will be addressed in the feasibility study.*

Question/Comment: Why is the Board attempting a merger/consolidation?

Response: In short, it is due to the financial instability of our district. You first have to know how we pay the Phillipsburg School District for our high school students to understand how this happened. Phillipsburg bills us the estimated cost per student, which is established during the budgeting process. After the year-end, an audit is performed and the actual per student rate, known as the certified rate, is determined. Any over- or under-billing is then adjusted two budget cycles later. For example, the 2016/17 estimated tuition rate is \$14,535. After the FY 17 audit is performed the certified rate will be determined and we will be responsible for payment of the difference in the FY 19 budget. Over recent years, the sending districts and Phillipsburg have worked to ensure the over/under adjustment is close to zero. However, during the time that Phillipsburg was an Abbott district the certified rate was much less than the estimated rate because Phillipsburg was required to exclude the Abbott funds from the per pupil budgeted rate calculation. These Abbott funds were used to offset the final costs, which reduced the certified rate, resulting in large overpayments by all of the sending districts. Due to the size of the overpayments it was decided that instead of being repaid in cash, the sending districts would hold credit on account with Phillipsburg that could be used to offset future tuition payments.

As an illustration, let's say Phillipsburg calculated that its estimated rate per student was \$10,000. After using the Abbott funds to reduce the overall costs, the audit determined that the certified rate was only \$6,500. This would result in an overpayment of \$3,500 per student. Using Bloomsbury's average of 50 students the resultant credit would be \$175,000. This happened every year Phillipsburg was an Abbott district.

These credits have been helping to reduce our cash outflows to Phillipsburg for the past several years. Unfortunately, the last \$166,000 of credits will be utilized in the 2016/17 school budget. The additional \$166,000 cash outlay will have to be included in the 2017/18 school budget. Please bear in mind that there is no 2% cap on our send/receive relationship with Phillipsburg. With our credits used up, any increase in tuition will have to be funded with a combination of revenue from an increase in the tax levy and a corresponding decrease in expenses elsewhere in the budget. As a 1% increase in taxes only raises an additional \$16,200 of revenue, we would be required to raise our taxes over 10% just to recover the known \$166,000 from the lost credit. This would be in addition to the normal 2% annual increase on the tax levy required to cover all other cost. We cannot raise taxes that much, so any cost increase will have to be cut from an already tight budget.

Question/Comment: Why is the Board attempting a merger/consolidation with a Warren County School District?

Response: *The board did consider merging with districts in Hunterdon County. Several years ago we learned that severing our relationship with the Phillipsburg School District would be long, difficult, most likely futile, and may involve legal action. If we merged or consolidated with a Hunterdon County School District, our high school students will still*

be required to attend Phillipsburg High School. The probability that the NJ Department of Education will permit our students to attend a Hunterdon County high school is highly unlikely since the School Development Authority is fully funding the construction of the new Phillipsburg High School; a building with an allowable student capacity of 1,840 and an estimated enrollment of approximately 1,500.

Question/Comment: Why is the Board attempting a merger/consolidation with the Greenwich Township School District?

Response: *The Board decided to engage in a possible merger/consolidation with the Greenwich Township School District for the following reasons:*

- *The academics in Greenwich are among the strongest in the area, particularly in the middle school.*
- *The Bloomsbury and Greenwich Township School Districts already share a Superintendent and Business Administrator making it easier to consolidate administrative positions.*
- *Greenwich Township schools are the closest in terms of proximity to Bloomsbury which minimizes transportation concerns.*
- *Bloomsbury and Greenwich Township children play recreation sports together so the students have some familiarity with each other.*
- *Greenwich is financially stable.*
- *Both Bloomsbury and Greenwich Township engage in a send/receive relationship with the Phillipsburg School District for our high school students.*

Question/Comment: Will teachers lose their jobs?

Response: *The potential exists for employees of both the Bloomsbury and Greenwich Township School Districts to lose their jobs if the merger/consolidation takes place. The extent of job loss will be dependent upon the structure of the merger/consolidation which has not yet been determined.*

Questions/Comment: What is the timeline?

Response: *We hope to have the feasibility study completed this summer. Until the feasibility study is complete and presented to the Boards and communities of both Bloomsbury and Greenwich Township additional timelines cannot be determined. At this time, we are certain that a merger/consolidation will not take place before the 2017/18 school year.*

Question/Comment: How will the Board address morale and possible resignations?

Response: *The Board intends to maintain open communication with our employees and provide them with information as it is obtained.*

Question/Comment: Will the feasibility study be looking at teachers' contracts with the idea of giving them positive options?

Response: *A feasibility study is a legal analysis of the pros and cons of a merger/consolidation specifically as it relates to the financial and academic interests of the communities involved. Collective bargaining agreements and staffing issues will be addressed.*