



Q&A on Sea Isle School

Consistent with SICTA's ongoing efforts to provide information of relevance to the taxpayers of our city, we are presenting a Q&A with Sea Isle City School Board Members Valere Egnasko & Dan Tumolo. As noted by their disclaimer, the opinions expressed by Valere and Dan are their own, and should not be interpreted as representing the views of SICTA or the SICTA Board.

Disclaimer: Valere Egnasko and Dan Tumolo are the President and Vice-President of the Sea Isle City School Board. However, for the purpose of this Q&A, they caution that they are speaking for themselves as individuals. In addition, their spouses are SICTA board members.

Q1: Sea Isle City, once again was listed as the district with the highest cost per pupil in the State, at \$36,000 per pupil. Will this ever change?

VE: The \$36,000 you quote was the budgeted number for 2008-09, based on expected enrollment of 78 children. Our actual enrollment was only 66 students, so our cost per pupil was closer to \$43,000. This year's budget marks a turn-around. We have entered into an agreement with Ocean City to send our 5th through 8th grades (about 23 students) at a tuition cost of about \$19,000 per student. When you factor in the transportation cost, the combined costs for the intermediate grades should come in around \$21,500 per student. We estimate the enrollment for the remaining grades of PreK thru 4th will be about 55 children, with a cost per pupil of about \$32,000.

Given our size, we will never be able to bring our costs in line with the state average, but we can concentrate on being efficient and getting the most value for our tax dollar. A great deal of progress was made in that direction this year. In the future, we will aggressively pursue shared administration with another district. This is driven, not so much from a financial perspective, but to give stability and consistency in the oversight of the school. With the right partnership, there should be continued opportunities for shared services which when added together could have a measurable impact on our costs per pupil. Additionally, we are looking at opportunities to "dual purpose" our facilities. With the 5th thru 8th going up to Ocean City, we will have excess capacity in our building. While there are regulatory restrictions on what can be done with this space, we will be examining our options.

Q2: Last year, the School Board voted not to take tuition students into the school. This would drive down the cost per pupil and generate money for the district. Why not reintroduce this?

DT: Historically, we have not been able to draw any significant number of students from other districts. Most of our tuition students had been for our Pre-K, since we were one of the few districts in the county which provided all-day Pre-K. Very few of our tuition students stayed on for more than one year, and in all likelihood, we were losing money at the prevailing tuition rates.

Last year, our solicitor advised that we would not be able to turn away tuition students with special needs. Our school has a very high percentage of students with individual education plans (IEP's). Our District is dedicated to meeting all of the needs of our district students and we do an excellent job with that. But taking on additional tuition students, if they require IEP's, puts additional strain on our administration and our schedules. This is a cost which cannot be easily recouped through tuition.

About 30% of the resident students, eligible to go to SIC Public School, go elsewhere. For the most part, they are going to local parochial schools. But, there are some instances where Sea Isle residents have paid tuition to send their children to another public school or have taken winter rentals in other towns to send their children to the public school there.

We would like to devote our energy to making our Pre-K thru 4th grade school more attractive to our own residents.

Q3: Why are we only sending the 5th thru 8th up to Ocean City. Why not have all of the grades sent there?

VE: Regulations say that if you send all grades to another district, as part of a send-receive, the other district must employ any tenured teachers whose position is no longer available. Ocean City was not in a position to take on all of our tenured teachers, which number about 12. They did accept one teacher, in our current 5th thru 8th arrangement. We have retained the rest of our tenured teachers and eliminated about 10 teacher and teacher aide positions.

In addition, recent regulations have created a great deal of uncertainty for what are called “non-operating districts” (districts which send all of their students to another school). It is unclear whether these will be forced to regionalize. And finally, there are regulations which cap the administrative cost on a per pupil basis. Once it was clear that we could not accommodate all of the grades, this was also a factor in determining which grades to send.

Q4: What is so bad about regionalization?

VE: It depends on the circumstance. Under regionalization, costs may be apportioned based on enrollment or based on assessed values or some combination of the two. Ocean City, Upper Township and Sea Isle City all send their children to OCHS. If we were to regionalize all grades and have the costs apportioned on enrollment, our tax would likely go down significantly. If the costs were apportioned based on assessed values, our tax would likely increase by several multiples. In addition, regionalization involves a co-mingling of assets and liabilities. Sea Isle City School District owns its building and the full block on which it sits. Sea Isle City school has very little debt. Ocean City owns a lot more property, but also is still paying off the debt on its relatively new high school. Our shared service committee set out a strategy which calls for getting the benefits of regionalization without the tricky problems. Shared services and facilities are the key elements of that strategy. Shared services can be done with other districts, the city or even the county library. To give ourselves flexibility for the future, our strategic plan called for purchasing services, rather than hiring and to seek to sell services if we have excess capacity.

Q5: If your new budget calls for a reduction in the cost per pupil, why is it that the taxes didn't go down? Is it because you are at the minimum tax levy?

DT: Last year, we were constrained by the minimum tax levy. Just a few months prior to that budget, the state enacted new laws regarding the school funding formula. An element which received very little attention was a change to the minimum tax levy formula. For Sea Isle City, it meant that our taxes could never go down. In the old days, the minimum tax levy had been tied to adequacy level, which is more like \$11,000 per pupil. Valere attended many meetings this past year. Some were put on by the New Jersey School Board Association (NJSBA) and some by the League of Municipalities. At each one, she would say: “Hi, I’m from Sea Isle City where we have the highest cost per pupil in the state, and the laws will not allow us to lower our tax.” She encouraged the president of NJSBA to raise this issue with the Department of Education. In March the minimum tax levy rule was revised to bring the adequacy level back into consideration.

The reason our cost per pupil went down but our tax did not is that our budget included money to fix the roof. Our professionals advised that the roof needed to be replaced before we brought the children back in September. In addition, we put money into reserve to replace the surplus take-down required by law. Both of these were the prudent and responsible things to do, but neither of these costs is included in the cost per pupil.