



West Morris Regional High School District Board of Education



Information
for
Regional Tax Allocation
and the
Proposed Ballot Question
for the
School Funding Formula

November 8, 2016





West Morris Regional High School District Board of Education



Regional High School District - Funding History

1956: Regional High School District founded, with funding formula based 100% per pupil

1975: State law mandates that funding for regional districts must be based 100% on Equalized Valuation

1993: State law provides that pre-1993 districts can change funding formula upon approval by the majority of voters in each and every constituent municipality

Currently, the Regional High School District is funded 100% based on Equalized Valuation





West Morris Regional High School District Board of Education



Equalized Valuation

- Calculated by the NJ State Department of the Treasury
- Compares assessed values to current market values in each municipality in order to equalize values across the county
- Serves to mitigate issues that arise because municipalities reassess properties in different years
- Seeks to ensure that each municipality equitably contributes to local and county government





Regional Equalized Valuation

In a Regional High School District, the Equalized Valuation is multiplied by an additional factor to determine the contribution needed from each and every participating municipality. This factor reflects each municipality's Regional High School vs. K-8 student population.

As an example, the following chart is the actual 2016 – 2017 data for West Morris Regional High School District:





West Morris Regional High School District Board of Education



Example using the actual 2016 – 2017 data for West Morris Regional:

2016 – 2017	A*		B*	C*	D
	State Supplied Equalized Valuation	% Elem Enrollment	% Regional Enrollment	Regional Equalized Valuation	% Regional Share
Chester Borough	389,556,447	70.06 %	29.94 %	116,633,200	3.79 %
Chester Township	1,894,211,248	61.76 %	38.24 %	724,346,381	23.57 %
Mendham Borough	1,369,269,282	64.37 %	35.63 %	487,870,645	15.87 %
Mendham Township	1,943,555,501	64.08 %	35.92 %	698,125,136	22.72 %
Washington Township	2,843,585,328	63.20 %	36.80 %	1,046,439,401	34.05 %
Total:	8,440,177,806			3,073,414,763	100 %

*Column A x Column B = Column C

Column D is the % share of the total Regional High School tax bill needed from each municipality. Column D is arrived at by dividing each town's Regional Equalized Valuation in Column C by the total in Column C





West Morris Regional High School District Board of Education



The Regional BOE is providing voters an opportunity to consider a funding formula change.

Our 5 municipalities fund the Regional High School District, which is made up of two high schools:

West Morris Mendham (WMM) & West Morris Central (WMC)

Chester Borough – students attend WMM

Chester Township – students attend WMM

Mendham Borough – students attend WMM

Mendham Township – students attend WMM

Washington Township – students attend WMC





West Morris Regional High School District Board of Education



Current Funding Comparison 2016 Tax Year - 100% equalized property valuation

	% of Regional Student Population *	% of Regional Funding Share **
Chester Borough	2.9 %	3.79 %
Chester Township	21.9 %	23.57 %
Mendham Borough	11.9 %	15.87 %
Mendham Township	14.5 %	22.72 %
Washington Township	48.8 %	34.05 %

* % Students based on October 2015 actual data

** % Regional Share based on 2016-2017 Equalized Valuation for each participating municipality





West Morris Regional High School District Board of Education

Because funding of the Regional High School District is based 100% on Equalized Valuation, the % funding that each municipality contributes is not based on its percent share of the district's student population, as shown on the previous chart.

The Board seeks to provide voters with an opportunity to consider changing the current funding formula from one that is based 100% on Equalized Valuation to a formula which is based 50% on Equalized Valuation and 50% on Student Population.

The following charts compare the impact of an approved change in the funding formula for three prior budget years and the current budget year. Note – these charts are for illustrative purposes. Should the funding formula referendum pass in November, the actual tax impact will vary based on each municipality's Student Population and Equalized Valuation and the size of the District's budget in a given year.





West Morris Regional High School District Board of Education



PROPOSED FUNDING FORMULA - 50% Equalized Property Value (EPV) / 50% Student Population

2013-14	% of Regional Student Population	% share of Regional Funding	Proposed 50-50% Regional Tax per Assessed Valuation of \$100,000	Proposed vs. Current Regional Formula Tax Impact per \$100,000	
Chester Boro	2.5%	2.9%	\$331	\$70	decrease
Chester Twp.	21.6%	23.0%	\$530	\$16	decrease
Mendham Boro	11.4%	13.3%	\$435	\$50	decrease
Mendham Twp.	16.1%	19.5%	\$434	\$81	decrease
Washington Twp.	48.3%	41.3%	\$614	\$96	increase

2014-15	% of Regional Student Population	% share of Regional Funding	Proposed 50-50% Regional Tax per Assessed Valuation of \$100,000	Proposed vs. Current Regional Formula Tax Impact per \$100,000	
Chester Boro	3.3%	3.5%	\$396	\$1	increase
Chester Twp.	20.8%	22.1%	\$518	\$42	decrease
Mendham Boro	12.1%	14.0%	\$467	\$51	decrease
Mendham Twp.	15.4%	19.3%	\$439	\$85	decrease
Washington Twp.	48.4%	41.0%	\$623	\$107	increase

Regional Student Population is based on October 15 counts





West Morris Regional High School District Board of Education



PROPOSED FUNDING FORMULA - 50% Equalized Property Value (EPV) / 50% Student Population

2015-16	<u>% of Regional Student Population</u>	<u>% share of Regional Funding</u>	Proposed 50-50% Regional Tax per Assessed Valuation of \$100,000	Proposed vs. Current Regional Formula Tax Impact per \$100,000	
Chester Boro	3.5%	4.2%	\$480	\$13	decrease
Chester Twp.	21.5%	22.2%	\$531	\$22	decrease
Mendham Boro	11.6%	13.6%	\$462	\$73	decrease
Mendham Twp.	15.2%	19.4%	\$451	\$94	decrease
Washington Twp.	48.2%	40.5%	\$628	\$113	increase

2016-17	<u>% of Regional Student Population</u>	<u>% share of Regional Funding</u>	Proposed 50-50% Regional Tax per Assessed Valuation of \$100,000	Proposed vs. Current Regional Formula Tax Impact per \$100,000	
Chester Boro	2.9%	3.3%	\$375	\$110	decrease
Chester Twp.	21.9%	22.7%	\$554	\$14	decrease
Mendham Boro	11.9%	13.9%	\$482	\$64	decrease
Mendham Twp.	14.5%	18.6%	\$442	\$109	decrease
Washington Twp.	48.8%	41.4%	\$654	\$126	increase

Regional Student Population is based on October 15 counts



The following examples have been developed for illustrative purpose only and are not guaranteed to materialize and may vary based on actual student enrollment and equalized value data. (1 of 2 slides)

Current Formula of 100% Equalized Value				
	Regional Enrollment		% Regional Enrollment	% Regional Tax
	<u>October 2015</u>			
Chester Boro	76.5		2.89%	3.79%
Chester Twp.	579.0		21.88%	23.57%
Mendham Boro	316.0		11.94%	15.87%
Mendham Twp.	384.0		14.51%	22.71%
Washington Twp.	<u>1290.5</u>		<u>48.77%</u>	<u>34.05%</u>
	2646.0		100.00%	100.00%
50% Equalized Values & 50% Per Pupil				
	Regional Enrollment		% Regional Enrollment	% Regional Tax
	<u>October 2017</u>			
Chester Boro	96.0		3.85%	3.82%
Chester Twp.	525.0		21.07%	22.32%
Mendham Boro	299.0		12.00%	13.94%
Mendham Twp.	379.0		15.21%	18.96%
Washington Twp.	<u>1193.0</u>		<u>47.87%</u>	<u>40.96%</u>
	2492.0		100.00%	100.00%
50% Equalized Values & 50% Per Pupil				
	Regional Enrollment		% Regional Enrollment	% Regional Tax
	<u>October 2018</u>			
Chester Boro	97.0		4.00%	3.90%
Chester Twp.	507.0		20.91%	22.24%
Mendham Boro	296.0		12.21%	14.04%
Mendham Twp.	373.0		15.38%	19.05%
Washington Twp.	<u>1152.0</u>		<u>47.51%</u>	<u>40.78%</u>
	2425.0		100.00%	100.00%

The following examples have been developed for illustrative purpose only and are not guaranteed to materialize and may vary based on actual student enrollment and equalized value data.

(2 of 2 slides)

50% Equalized Values & 50% Per Pupil				
	Regional Enrollment		% Regional	% Regional
	<u>October 2019</u>		<u>Enrollment</u>	<u>Tax</u>
Chester Boro	104.0		4.49%	4.14%
Chester Twp.	480.0		20.73%	22.15%
Mendham Boro	292.0		12.61%	14.24%
Mendham Twp.	372.0		16.07%	19.39%
Washington Twp.	<u>1067.0</u>		<u>46.09%</u>	<u>40.07%</u>
	2315.0		100.00%	100.00%
50% Equalized Values & 50% Per Pupil				
	Regional Enrollment		% Regional	% Regional
	<u>October 2020</u>		<u>Enrollment</u>	<u>Tax</u>
Chester Boro	84.0		3.93%	3.86%
Chester Twp.	455.0		21.29%	22.43%
Mendham Boro	259.0		12.12%	14.00%
Mendham Twp.	338.0		15.82%	19.27%
Washington Twp.	<u>1001.0</u>		<u>46.84%</u>	<u>40.44%</u>
	2137.0		100.00%	100.00%



West Morris Regional High School District Board of Education



To be clear, the voter referendum this November 8th to change the funding formula is the only action the Regional Board can take with respect to the issue as per NJ state law.

In order to change the funding formula, a majority of voters in each and every of the 5 municipalities must vote to approve the funding formula change on the November 2016 ballot.





PLEASE DON'T FORGET =
ON NOVEMBER 8TH;

