

Frequently Asked Questions – Sea Isle City Community

Q1. Why did the Board ask the State to order an expansion of the current send-receive relationship with Ocean City and effectively close the school?

A. The Board's request to the State for an ordered expansion of the send-receive relationship was the end result of two game-changing events that occurred in 2010. The first game changing event was the decision by the State to withhold the final State Aid payments for the 2009-2010 school and to drastically reduce the amount of State Aid provided to Districts for the 2010-2011 school year. This resulted in a reduction of about 10% of the District's Revenue.

The second game changing event was the change in the Tax Cap Law. As a result of that change, not only were the Tax Caps that school districts could seek to increase their budgets reduced to 2%, but the laws were changed so that waivers which had been available to offset a reduction in aid or a reduction in surplus were no longer available. Therefore, the District's revenues were drastically cut and the District's ability to make up those revenues was severely hampered. As such, these two changes put the District in an ever tightening box of regulatory and financial constraints.

Shortly after the Spring of 2010, the Board asked the Business Administrator to forecast what the lost revenue and new constraints would mean over the next few years. At that time, it became clear that the lost revenue and new financial constraints would eventually force the Board to enact operational changes that would compromise the educational programs offered in the District. With this information in hand, the Board and Administration had several meetings in the Fall of 2010 with the then Cape May County Executive County Superintendent Terrence Crowley to convey this information and to discuss the Board's options. A meeting was scheduled to be held with Mr. Crowley and representatives of the Ocean City Board of Education in early January 2011; however, that meeting was not held due to changes within the Department of Education that left that the Cape May County Executive Superintendent position vacant. Due to the uncertainty caused by that vacancy, the Board decided to send its letter to the Governor and Acting Commissioner of Education in February 2011.

Q2. If this is the result of Statewide actions, why aren't more schools in a similar situation?

A. The simple answer is that due to years of defeated budgets and declining enrollment, and its dependency on State Aid to help fund its annual budget, Sea Isle was left more vulnerable than other school districts.

When the new caps were enacted, the Governor and other State Officials indicated that these caps would have the effects of forcing consolidation and shared services. However, in

response to at least six (6) years of defeated budgets, Sea Isle was already sharing services on virtually every level by the Spring of 2010. By that point in time, the District was already in line to purchase the following services from Ocean City: Chief School Administrator, Principal, Business Administrator, Child Study Team, Curriculum Services and Technology Services. In addition, the District was also engaged in joint purchasing ventures with other school districts in the County. As such, there was no real opportunity for additional savings from new shared services available to the District.

In addition, like many other small Shore communities with low enrollment numbers, there was no opportunity to consolidate into larger classes without combining grades. The District had combined grades in the past, but the current Board has sought to avoid this if at all possible.

What also set Sea Isle apart from some of the other small districts was that it was more dependent on State Aid for the funding of its annual budget. State Aid has historically made up approximately 10% of the annual budget. As a result, when the final State Aid payments were withheld and the amount of State Aid was drastically reduced, it created a larger hole for Sea Isle to climb out of.

Q3. Why did the Board discontinue its tuition program? Wouldn't that help financially?

- A. For several school years, the Board ran a program whereby it would allow non-resident students to attend school in Sea Isle at a reduced tuition cost. Although the tuition cost was relatively low (as compared to the actual cost per pupil for the District) the program had little success and attracted very limited interest. In fact, most of the participants in the program were Pre-K students, whose resident district did not offer a free Pre-K program, children of the District teachers, or students with special needs who were drawn to the District because of its smaller class size – which put additional financial stress on the District due to the related services that those students required (such as an individual aide, physical therapy, speech services, etc...). Despite the best efforts of several Boards over a period of time, the program in Sea Isle never had the same success as the programs run in other neighboring shore communities, such as Avalon or Stone Harbor, which are a higher District Factor Group (“DFG”). DFG classifications are assigned by the State as an indication of the socio-economic status.

Notwithstanding the lack of success experienced with the Board’s prior tuition program, the likelihood that a tuition program would succeed now is greatly diminished by the fact that Ocean City and other districts have opted to become “Choice Schools” in the Interdistrict Public School Choice Program. This means that a parent can opt to send their child to Ocean City, or any other “Choice School” at no cost to them as opposed to having to pay tuition to

attend school in Sea Isle. In addition, the fact that Ocean City has become a “Choice School” for grades Kindergarten through Twelve, means that a child that participates in that program could have the continuity of attending school in Ocean City throughout his/her entire public school education.

Q4. Why didn't the Board apply to be a Choice School?

- A. For more than a decade, it has been recognized that Sea Isle was facing a steep decline in enrollment. Back when the first Choice Schools were being established in the early and mid 2000's, the Board explored the option of possibly becoming a Choice School itself. However, when that option was discussed with the community at a Special Board Meeting, there were very strong sentiments in the community against participation in the Choice School Program.

Q5. Why couldn't the Board just send the children to school in Ocean City, why do they have to wait for the State to order it?

- A. The idea of expanding the existing send-receive relationship with the Ocean City School District to include all elementary and middle school grades is something that has been publicly and privately discussed at the local and County level for more than ten years. These discussions were necessitated by -- and have intensified over the last five (5) years due to -- the steadily declining enrollment in the District over the last ten (10) years, the enactment of certain laws and regulations, including Senate Bill 1701 and the Fiscal Accountability Regulations, as well as in recognition of the additional educational and social opportunities Ocean City could offer Sea Isle students that are not available due to low enrollment. By way of illustration,

- In the 2001-2002 school year, there were one hundred and eighty five (185) students in Kindergarten through Eighth grade;
- By the 2008-2009 school year, which was the last year that the Sea Isle School District was a Kindergarten through Eighth grade school district, the enrollment had decreased to sixty-seven (67);
- The enrollment for 2011-2012 school year for grades Kindergarten through Third grade has been thirty-two (32) students; and
- The projected enrollment for the 2012-2013 school year is currently twenty-three (23) students. The class breakdown of that projected enrollment number is as follows:

- Five (5) students in Kindergarten;
- Ten (10) students in First Grade;
- Six (6) students in Second Grade; and
- Two (2) students in Third Grade.

The big stumbling block to a voluntary expansion of the current send-receive relationship with Ocean City is that under State law if two districts enter voluntarily into or agree to expand a send-receive relationship, the receiving school district (in this case Ocean City) must employ all of the tenured teaching staff members from the sending school district (in this case Sea Isle). Throughout the last five (5) years, Ocean City has consistently and publicly indicated that although they would be able to accommodate and would welcome our children into their schools, they are not in a position to provide employment to all of the Board's tenured teaching staff members.

In January 2009, the Board had a Special Meeting that was well-attended by the community. In that meeting, the Board laid out its Strategic Plan that involved, among other goals, locating a partner school and sending at least the middle school aged students to that partner school (since at that time there were only three (3) students in the Seventh grade), as well as having that partner school provide Administration services for the remaining primary grades in Sea Isle.

The delivery of Administration services from the partner school were particularly important to the Board due to the fact that as result of that steadily declining enrollment, the previously mentioned laws and regulations and continuous budget defeats, the Board had been forced to eliminate, among other positions, its full time Principal/Chief School Administrator, Business Administrator/Board Secretary, Child Study Team Director, and Assistant Principal, and hire interim replacements and/or contract out those positions. By way of example from the 2005-2006 to the 2008-2009 school years, the Sea Isle City School District had approximately nine (9) different Chief School Administrators. In addition, due to certain legislative and regulatory spending limitations and the District's financial constraints, some of those individuals were only contractually able to serve one or two days a week in the District. This resulted in uncertainty and overall lack of stability for the District for a number of years that the Board felt very strongly could not continue.

In the time since that meeting the Board has executed that Strategic Plan (see www.seaisleschool.com for the Jan 2009 presentation) in the following ways:

- At the end of the 2008-09 school year, the Board and Ocean City were able to voluntarily expand the then 9th through 12th grade send-receive relationship to also include the 5th through 8th grades.
- At the end of the 2009-2010 school year, the Board and Ocean City were also able to further voluntarily expand the send-receive relationship to include the 4th grade.
- In the Spring of 2010, the Board was able to reach agreement with the Ocean City School District to serve as its partner school and provider of Administrative Services.
- The Board has not hired any replacements for retiring tenured teaching staff members.

The educational and social benefits of having Sea Isle's 5th through 8th grade students educated in the Ocean City School District are undisputed. In fact, many of the parents of students that were affected by the initial expansion of the send-receive relationship and who expressed some hesitancy about having to go to Ocean City, were among the strongest advocates for the further expansion of the send-receive to include the 4th grade the following year.

The advantages of the Administration Services that have been provided by Ocean City for the last two school years have far exceeded the Board's expectations. The Board expected to benefit from having consistent Administrators, shared curriculum work and professional training, all of which would benefit our children by enhancing their education in Sea Isle, as well as making their transition to Ocean City for the 4th grade more seamless. But Ocean City brought MAP Testing to our school, allowing our children to be tested throughout the year to ensure that our children are progressing on track. They also brought us the Olweus bullying program and included us in their pilot program for teacher evaluations. These were opportunities that the Board had neither the funding nor the resources to do independently. But most importantly, the sharing of Administrative Services with Ocean City has brought Sea Isle top talent and much needed stability.

However, Ocean City has made it consistently clear that they do not view the sharing of Administrative Services with Sea Isle as either a permanent solution or as an indefinite arrangement.

Q6. Is the enrollment in Sea Isle continuing to decline?

- A. For a while the enrollment in Sea Isle appeared to be stabilizing; however, as indicated above, the projections for next year are for a renewed decline. Currently it is expected that there will be two (2) students in the 3rd grade. Also, due to certain budgetary constraints and issues, which are discussed more fully below, the Board was forced to eliminate and outsource its

free in-district Pre-K program for next year. As such, the projected enrollment will be Kindergarten through 3rd grade, and is projected to only be twenty –three (23) students.

Q7. Why did the Board eliminate the Pre-K?

- A. The decision to eliminate the current free in-district Pre-K Program was in direct response to the much discussed financial shortfall or hole that the Board experienced. In any discussions that the Board has had with the Department of Education or the Cape May County Office of Education concerning the Board's budgetary issues and concerns, the elimination of the non-mandatory Pre-K was the first suggestion. Other possibilities and suggestions that were offered by the Cape May County Office of Education were the combining of grades and the elimination of Specials teachers. The elimination of the Pre-K was not a decision that the Board made lightly, and the elimination of that program has been discussed but resisted for at least two years. However, the action that was taken this Spring to eliminate the free in-district Pre-K program, could help avoid combining of grades in the future. By contracting with a private provider the Board has tried to ensure that there will be a Pre-K option at the school for our residents (albeit no longer free of charge, but certainly price competitive) whether or not the State responds to the Board's request for an expansion of the send-receive relationship with Ocean City.

Q8. How many teachers does the Board have for the projected twenty-three (23) students next year?

- A. In addition to the four (4) individual grade teachers there is a Special Education teacher, a nurse, a part-time Spanish teacher and a part-time physical education teacher.

Q9. Why couldn't the Board address the financial shortfalls through a second ballot question?

- A. The District has had six straight budget defeats dating back to April 2006. A breakdown of the Board's budget history from April 2004 to the present is included as Appendix A. The first few times the budget was defeated were actually years in which the proposed budget contained tax decreases. To make matters worse, when those defeated budgets were brought before the Commissioners, the Commissioners decided to cut those budgets further. In fact, due to these constant defeats and serious concerns as to whether the voters of Sea Isle would support a second question, the Board decided in March 2009 to incorporate the necessary costs of the new roof as a lease purchase in the budget itself rather than place it on the ballot as a second question. In light of all this history, the Board has significant and justifiable doubts about the likelihood of the success of a second ballot question.

More important, however, is the fact that under the current law, in order to place a second question on the ballot for the additional raising of revenue for reasons other than a capital

improvement project, the Executive County Superintendent has to sign off that the Board has incorporated and exhausted all possible efficiencies before going for the second question. This reopens the issue of combining grades, etc..., that the board has tried to avoid.

Q10. Are there additional opportunities available to the primary school children if they go to Ocean City?

- A. The size of the Ocean City Primary School allows it to offer more programs and resources than are available at the Sea Isle City School. By way of example, the Ocean City Primary School has the full time services of a Guidance Counselor, Child Study LDTC, and Speech Therapist, as well as ESL Services – all of which are currently unavailable or available only on a part-time basis in Sea Isle. The Ocean City Primary School also has a Librarian and Computer/Technology Teacher, as well as reading and math support teachers. Again, these services are not currently available to students in Sea Isle. Because of its scale, the Ocean City Primary School is also able to offer a more extensive gifted and talented program, as well as the Foundations Reading Program. All of which is not currently available in Sea Isle.

Equally important to factor in is the strong possibility of consolidating grades and the cutting back or full elimination of specials, which the Board will have to confront and likely enact as a stand-alone District facing continued declining enrollment, as well as increasing financial and budgetary pressures.

In short, the Board is confident that the Ocean City School District has the capacity and the ability to provide a high quality, highly effective educational program for the Kindergarten through 3rd grade Sea Isle City students.

Q11. Did sending the 4th through 8th grades up to Ocean City contribute to the current financial and budgetary pressures the Board faces?

- A. No. The total cost to send the 4th through 8th grade student to the Ocean City Intermediate School (which includes extraordinary special education and transportation costs) has been less than the costs of educating those students in Sea Isle. In the time since these grades were sent to Ocean City, the District has eliminated 7.8 teaching positions, 5.5 teaching aide positions and 0.5 custodial positions, as well as the substitute costs associated with these positions. The Board's Administrative Costs for the current 2011-2012 are actually less than they were five (5) years ago. The same is true for the Board's technology and child study team costs as well. In addition, the expansion of the send-receive relationship also allowed the Board to close down the trailers, which resulted in cutting the heating and cooling costs in half, as well as to avoid certain program and equipment replacement costs that would have been incurred if those students had remained in Sea Isle.

Q12. Was the loss in aid in the Spring of 2010 the result of sending the children to Ocean City?

A. No. State Aid is a function of the number of students enrolled in the District regardless of whether they are educated in Ocean City through the send-receive relationship or in the Sea Isle City Public School. However, if any remaining Sea Isle primary grade students were to participate in the Choice Program at Ocean City, the aid for these students would then be shifted from Sea Isle to Ocean City.

Q13. If there are only two (2) students in the 3rd grade, will the Board consider combining the 2nd and 3rd grade, or send the two (2) children to Ocean City.

A. The current budget anticipates a separate 2nd and 3rd grade. The Board would have the latitude to conduct a reduction in force in order to combine the grades and eliminate a teaching position as a result of declining enrollment or other economic factors. However, the Board has not yet made a decision on this.

Q14. What will be the savings associated with a full expansion of the send-receive relationship and effective closing of the School?

A. The Board's past projections have estimated that a full expansion of the send-receive relationship and closing of the Sea Isle City School would result in a savings of over \$750,000 if costs of maintaining the building are paid for by the Board, and a savings of over \$900,000 if the costs of maintaining the building are paid for by the City or another public entity. In the short term, however, there may be unemployment costs associated with the closure that would reduce these projected savings.

Q15. What will happen to the building if the School closes?

A. The building and grounds are currently owned by the Board. The Board has indicated that if the District becomes a Non-Operating District, it will, in all likelihood, transfer the property to the City. Some non-operating districts have been ordered to regionalize, and in that case the building and grounds must be handed over to Sea Isle City.

Q16. Will Sea Isle City District be forced to regionalize?

A. Frankly, we do not know. In 2007 the CORE Act became law and called for the elimination of all non-operating districts by April 2008, as well as the development of a plan to create Regional K-12 districts in the State by March 2010. In July 2009, half of the Non-Operating Districts were forced to regionalize with their receiving districts. The allocation of costs was determined on a case by case basis, with the goal of having no significant impact on taxes for either district. Some costs were allocated on the basis of assessed values, some on enrollment, and some on a combination of the two. Any property that was owned by the

sending district was transferred to their respective City or Municipal government. The sending districts' school boards were disbanded. To date, no action has been taken on the remaining thirteen (13) non-operating districts. Plans to create regional K-12 districts have been abandoned due to lack of funding for feasibility studies. At some point in the future, the Department of Education might order a regionalization, or the Department of Education may allow Sea Isle to continue to operate as a non-operating district.

Q17. Why can't the Board just buyout the teachers?

- A. Current State law and regulations do not allow for a "buyout" or offering of an early retirement incentive.

Q18. Why has it taken so long for the Commissioner of Education and/or Governor to respond to the Board's letter from February 2011?

- A. We cannot answer that question. We can, however, outline the efforts that the District has made to try to bring this matter to resolution. Attached as Appendix B is a narrative summary of all the actions taken by the Board since the long term financial ramifications of the State Aid withholdings and reductions in the Spring of 2010 were determined.

Q19. What was the fatal error in the Board's proposed budget for the 2012-2013 school year?

- A. Current law and regulations provides a maximum amount per pupil for administrative costs and the budget software programs that the Board uses has an edit feature that produces a fatal error when that amount is exceeded in the budget. Due in large part to the declining enrollment projections for the 2012-2013 school year discussed above, the Board did not believe it was possible to construct a budget that would satisfy this edit without having a negative effect on the educational program, hinder the Board's ability to complete emergency repairs, compromise policies and procedures that were put in place to ensure the safety of staff and students, as well as jeopardizing the Board's ability to provide a thorough and efficient education to its students.

Q20. What is the maximum amount per pupil that is allowable for Administrative Costs?

- A. The maximum amount is approximately \$1,800 per pupil. With a projected enrollment of twenty-three (23) students, the total amount the Board could budget for administrative costs for the 2012-2013 school year was approximately \$41,000.

Q21. What was the budgeted amount for Administrative Costs in the Board's proposed budget for the 2012-2013 school year, and where did those numbers come from?

A: The Board's proposed budget for the 2012-2013 provided for approximately \$288,000 in Administrative Costs.

The main reason for the increase in the proposed Administrative Costs for the 2012-2013 school year is the fact that the Board has not received a commitment from, or been able to reach agreement with Ocean City for the sharing of Administrative Services for the 2012-2013 school year in the event that the request for an ordered expansion of the send receive relationship is not granted or responded to in time for the start of the school year. In short, Ocean City has made it very clear that it does not view the current sharing of Administrative Services as a long-term or permanent solution/arrangement.

Accordingly, although the Board is hopeful that it will be able to continue sharing Administrative Services with Ocean City, it must prepare for the real possibility of having to replace the following services that are currently shared by the two districts:

- Chief School Administrator;
- Business Administrator;
- Educational Facilities Manager;
- Principal;
- Transportation Coordinator;
- Technology Services;
- Child Study Team Director;
- All Child Study Team Services (including case managing and evaluating);
- Curriculum Development; and
- Professional Development.

In addition, the Board will also have to replace the curriculum writing and development services that Ocean City has been providing at no additional cost.

In putting together its proposed budget for the 2012-2013 school year, the Board estimated and budgeted that it would cost approximately two hundred and fifty thousand dollars (\$250,000) to replace the Chief School Administrator, the Business Administrator, Education Facilities Manager, the Principal, Child Study Team Director, Transportation Coordinator and Curriculum Development positions and services. That estimate was based on a review of the Board's history of Administrative Costs for those positions prior to the sharing of services with Ocean City. Appendix C contains a historical breakdown of those costs from the 2006-2007 through 2011-2012 school years, respectively.

In addition, the Board also estimated and budgeted that it would cost approximately ten thousand dollars (\$10,000) to replace the Child Study Team services. That estimate was based on the amount that the Ocean City is currently charging for those services, as well as an

estimate that the Board previously received from the Cape May County Special Services School District for same.

The Board also estimated and budgeted that it would cost approximately thirty thousand dollars (\$30,000) to replace the lost Technology services. That estimate was based on the historical cost for those services when same was provided by an outside provider – specifically EIRC.

Finally, the Board estimated and budgeted that it would cost approximately twenty-five thousand dollars (\$25,000) to replace the lost Professional Development programs that Ocean City had been providing at no additional cost. The specific programs that have been provided, and which would now have to be fully funded by the Board are the Olweus Anti-Bullying Program, the EE4NJ and MAP Testing.

Q22. Since the Board decided not to submit a revised budget, what happens now?

- A. Since the Board decided not to revise its budget, the responsibility for revising the budget and for curing the fatal edit rests solely with the Executive County Superintendent, who has the authority to make any necessary revisions or edits in order to make the budget compliant.

It has now been more than thirteen months since the Board asked the Governor, Commissioner, and/or the State Board of Education to order the expansion of the current send-receive relationship to include grades Kindergarten through twelve. The Board will carefully review the budget developed by the Executive County Superintendent, and if appropriate, may renew its request in light of the budgetary decisions made by the Executive County Superintendent.

APPENDIX A

SEA ISLE CITY SCHOOL BUDGET HISTORY

ELECTION YEAR	BUDGET YEAR	AMOUNT ON BALLOT	YES	%	NO	%	ACTUAL TAX	
APR 2004	2004/2005	\$3,678,147	172	50.3%	170	49.7%	\$3,678,147	CHANGE
APR 2005	2005/2006	\$3,296,483	246	52.2%	225	47.8%	\$3,296,483	
APR 2006	2006/2007	\$3,287,606	215	33.0%	436	67.0%	\$3,257,606	-\$ 38,877
APR 2007	2007/2008	\$3,226,187	102	32.1%	216	67.9%	\$3,196,187	-\$ 61,419
APR 2008	2008/2009	\$3,196,187	261	37.6%	433	62.4%	\$3,196,187	\$ 0
APR 2009	2009/2010	\$3,196,187	253	46.0%	297	54.0%	\$3,196,187	\$ 0
								LOSS OF STATE AID 2009/2010
								-\$ 71,000
								LOSS OF STATE AID 2010/2011
								-\$209,539
								LOSS OF FEDERAL AID 2010/2011
								-\$ 57,709
								CHANGE SINCE 2004
								-\$438,544 -13.3%
APR 2010	2010/2011	\$3,324,034	120	34.5%	228	65.6%	\$3,324,034	\$127,847
APR 2011	2011/2012	\$3,390,514	164	49.5%	167	50.5%	\$3,390,514	\$66,480

APPENDIX B

List of Actions Taken By The Board Since The Long Term Financial Ramifications of The State Aid Withholdings and Reductions in the Spring of 2010 Were Determined:

- Multiple meetings were held in the Fall of 2010 and Winter of 2010 with the Cape May County Office of Education and then Executive County Superintendent Terry Crowley.
- Meeting with Mr. Crowley and representatives of the Ocean City Board of Education that was scheduled for January 4, 2011 was canceled due to the non-renewal of Mr. Crowley as Executive County Superintendent on December 31, 2010.
- On February 16, 2011 the Board sent a letter to the Governor, Acting Commissioner of Education and Acting Executive County Superintendent of Cape May County explaining its current situation and requesting that the Department of Education exercise its statutory authority to order the expansion of the current send-receive relationship to include grades Kindergarten through Twelve.
- By letter dated February 22, 2011, supplemental and additional information that was requested by the Department of Education was provided.
- Throughout March, April and May of 2011, numerous telephone calls were made to the Acting Executive County Superintendent for Cape May County inquiring as to the status of the Board's request. During that time, requests were also made by both the SIC BOE and OC BOE to meet with the Acting Commissioner of Education, as well as other officials in the Department of Education to discuss the status of that request; however, those requests for meetings were either denied or not addressed.
- In late May 2011, the Board and OC Board were directed by the Department of Education to write to their local Legislators to bring the issue to their attention.
- On June 1, 2011, the President of the Board sent a letter and packet of information in support of the request for an ordered expansion of the current send-receive relationship to the local Legislative Representatives for Sea Isle City and Ocean City, and the Presiding Chairs of both the Senate and Assembly Education Committees.
- On July 6, 2011 representatives of the Board, the OC Board and the shared Administration met with Senator Jeff Van Drew to discuss the pending budget deficit, declining enrollment and universally forecasted inability of the Sea Isle City School District to be able to operate for the 2012-2013 school year.
- Throughout July, August, September and October numerous telephone calls were again made to the Acting Executive County Superintendent for Cape May County inquiring as to the status of the Board's request, and requests were also made by both the Board and OC Board to meet with the Acting Commissioner of Education, as well as other officials in the Department of Education to discuss the situation; again, however, those requests for meetings were either denied or not addressed.
- On October 13, 2011, the Board held a Joint Public Meeting with the Sea Isle City Council that focused primarily on a collaborative and public discussion of the pending budget deficit and universally forecasted inability of the Sea Isle City School District to be able to operate for the 2012-2013 school year.

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- Following the completion and public discussion of the Board's audit for the 2010-2011 school year at its meeting on October 18, 2011, the Board provided an update to the Cape May County Office of Education of its current and projected fiscal status on October 21, 2011.
- A meeting that was scheduled to be held with the Acting Executive County Superintendent for Cape May County, several high ranking members of the Department of Education on November 22, 2011 and representatives of both the Board and the Ocean City Board was canceled on November 21, 2011 due to a conflict of interest on the part of the Acting Executive County Superintendent for Cape May County.
- On December 1, 2011, the Board sent a letter to the State Board of Education explaining its current situation, its inability to receive any response from the Department of Education and requesting that the State Board of Education exercise its statutory authority to order the expansion of the current send-receive relationship to include grades Kindergarten through Twelve.
- A meeting that was scheduled to be held on December 13, 2011 with officials from the Cape May County Office of Education, the Department of Education and representatives of the Board and the OC Board was also canceled due to conflicts of interest.
- On January 4, 2012, the Chief School Administrator, School Business and Administrator and Solicitor provided testimony to the State Board of Education on the Board's current situation, as well the negative ramifications on the Board's educational program if the situation was left unaddressed.
- On January 12, 2012, representatives of the Board, the OC Board and shared Administration met with the Executive County Superintendent for Atlantic County, the Executive County Business Administrator for Atlantic County, the Department of Education Chief of Staff, and other officials from the Department of Education to discuss the Board's pending request and current situation.
- A letter was sent to the Executive County Superintendent for Atlantic County on February 9, 2012 expressing the Board's concerns for its ability to propose a regulatory compliant budget for the 2012-2013 school year due to, among other factors, further declining enrollment projections for the 2012-2013 school year, as well as explaining the educational and operational changes that would be necessary in order for the Board to have the funds to operate in the 2012-2013 school year.
- A follow-up letter was sent to the Executive County Superintendent for Atlantic County on February 17, 2012 providing updated information on enrollment projections for the 2012-2013 school year, as well as updated information on the Board's inability to propose a regulatory compliant budget for the 2012-2013 school year.
- An email was sent by the Sea Isle City Business Administrator to the Cape May County Business Administrator on February 27, 2012 advising the County Office of a fatal error in the Board's proposed budget and requesting direction on how to proceed in light of the pending March 5, 2012 deadline for submission of a proposed budget for the 2012-2013 school year.

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- Pursuant to direction from the Cape May County Office of Education and the Department of Education, the Board submitted its proposed budget for the 2012-2013 school year prior to the March 5, 2012 submission deadline notwithstanding the fatal error contained therein.
- On March 14, 2012 an email was sent to the Atlantic County Office of Education and Cape May County Office of Education inquiring on, among other outstanding items, the status of the official review of the Board's proposed budget for the 2012-2013 school year.
- On March 16, 2012, the Board received a letter from the Cape May County Office of Education indicating that the Board's proposed budget for the 2012-2013 school year had been rejected due to the fatal error in the budget – namely the proposed administrative costs exceeded the acceptable limits.
- In light of the declining enrollment projections for the 2012-2013 school year, and the fact that any revisions that would have to be made to the proposed budget in order to cure the fatal error would have an unacceptable negative effect on the educational program, would hinder the Board's ability to complete any emergency repairs, would compromise policies and procedures that have been put in place to ensure the safety of staff and students, as well as jeopardize the Board's ability to provide a thorough and efficient education to its students, the Board returned its proposed budget to the Executive County Superintendent pursuant to N.J.A.C. 6A:23A-8.3 for his final development.
- On March 21, 2012 the Board received the final budget for the 2012-2013 school as developed and finalized by the Executive County Superintendent.

SICBOE ADMINISTRATION COSTS

APPENDIX C

2006/2007	EIRC	\$278,000	Includes Superintendent, Principal, Business Administrator, CST, Technology Services
2007/2008	EIRC	\$270,000	Includes Superintendent, Principal, Business Administrator, CST, Technology Services
2008/2009	M. Schreiner	\$65,000	Superintendent
	J. Thompson	\$64,000	Principal
	D. Bitting	\$47,363	Business Administrator
	EIRC	\$30,000	Technology Services
	CMCSSSD	\$26,000	CST Services
	Subtotal	\$232,363	
2009/2010	M. Schreiner	\$66,000	Superintendent
	J. Thompson	\$61,000	Principal
	D. Bitting	\$78,188	Business Administrator
	EIRC	\$30,000	Technology Services
	CMCSSSD	\$21,000	CST Services
	Subtotal	\$256,187	
2010/2011	Ocean City SD	\$175,000	Includes Superintendent, Principal, Business Administrator
	EIRC	\$15,000	Technology Services
	CMCSSSD	\$15,000	CST Services
	Subtotal	\$205,000	
2011/2012	Ocean City SD	\$198,000	Includes Superintendent, Principal, Business Administrator, CST, Technology Services
2012/2013	UNKNOWN	Less than \$40,000	Provision established by County Office for Superintendent, Principal, Business Administrator