

Combine and Fail

Published: New York Times September 17, 2006

WHAT is frequently billed as the major solution to New Jersey's property tax woes -- consolidating school districts -- is no solution at all. And while consolidation sounds like a cost saver, it could actually cost more money.

There are 603 school districts in New Jersey, and while many communities have considered expanding educational and extracurricular offerings by merging with their neighbors over the years, something stops them dead in their tracks. And it's not home rule; it's property taxes.

That's right, property tax increases are the deal breakers when it comes to school district consolidation. New tax rates result from adjustments to each town's contribution to the newly formed merged school system, based on varying levels of property wealth. Invariably, one of the towns in the proposed district discovers that the merger would result in higher property taxes. The plans die on the vine or, if they reach the voters, they are defeated at the polls.

If the New Jersey Legislature is serious about encouraging school district consolidation, it needs to address this financial obstacle. It also has to leave the final decision to communities. Otherwise, a tax-reform initiative could turn into a huge tax increase for many New Jersey communities. In fact, a 1999 Assembly report, the most recent statewide study of the issue, arrived at that same conclusion.

School operating costs could also increase under consolidation. A major factor involves automatic salary increases. New Jersey law requires that the salary of all staff members in any newly formed consolidated school system conform to the levels in place in the largest district before the merger. In many cases, that means big increases in personnel costs since the largest district usually has the highest salaries.

Creating a new, larger school district, with more schools, could also result in new student transportation costs. And while consolidation might eliminate one or more superintendent positions, this front-office downsizing could be offset by the

creation of new positions needed by a larger district to coordinate curricular programs or special services.

Of course, consolidation could save money in some instances, but those savings cannot be guaranteed across the board. That reason, more than any other, is why the decision to merge must be made by communities, case by case.

I don't mean to suggest that consolidation is always a bad thing and always costs money, but feasibility studies that determine the educational and economic impact on the consolidation proposals must be done beforehand and communities must have the final say.

The Legislature would be wise to give priority to promoting shared services among public schools and municipalities, rather than forcing a cookie-cutter approach to consolidation that could increase costs. The Northern Valley school district in Bergen County is an excellent example of shared services working well for several communities. It provides special education services, staff training and curriculum development with the seven independent elementary school districts whose students attend its two high schools.

As a result, the seven communities are able to control costs and ensure continuity of curriculum and educational quality for their students through high school. These types of cost-saving efforts can be done through current school district configurations without having to consolidate districts.

Property tax reform is a complicated task. It cannot rest on a simplistic solution like a mandated reduction in the number of school districts, a strategy that would have limited financial benefit and could increase costs. Instead, reform will require objective consideration of a range of ideas that address government structure, state aid to schools and public employee compensation, while safeguarding academic opportunity and achievement.