

New Jersey Commissioner of Education

Final Decision

Board of Education of the Borough of
Bloomsbury, Hunterdon County,

Petitioner,

v.

Board of Education of the Town of Phillipsburg,
Warren County,

Respondent.

In this matter, petitioner Bloomsbury Board of Education (Bloomsbury) filed a petition seeking a severance of its sending-receiving relationship with respondent Phillipsburg Board of Education (Phillipsburg), which provides for Bloomsbury's high school students to be educated at Phillipsburg High School. Bloomsbury proposes to enter a sending-receiving relationship with the North Hunterdon-Voorhees Regional High School District Board of Education (North Hunterdon-Voorhees) to send its high school students to North Hunterdon High School.

After the matter was transmitted to the Office of Administrative Law as a contested case, Phillipsburg withdrew its opposition to the request for severance of the sending-receiving relationship and the formation of a new sending-receiving relationship with North Hunterdon-Voorhees. Accordingly, the file was returned to the Commissioner so that it could proceed as an uncontested case, in compliance with the procedural requirements set forth in *N.J.A.C. 6A:3-6.1*.

The Legislature has bestowed upon school districts lacking high school facilities of their own, such as Bloomsbury, the power to decide how and where their students should be

educated. *Bd. of Educ. of Ho-Ho-Kus v. Bd. of Educ. of Midland Park*, 96 N.J.A.R.2d(EDU) 964 (1996). To that end, N.J.S.A. 18A:38-11 permits the affected board of education to designate a high school or high schools for its pupils to attend on a tuition basis. Once a sending district makes the decision to educate its students in another district, it must obtain approval from the Commissioner to terminate or otherwise modify the sending-receiving relationship. N.J.S.A. 18A:38-11.

The modification of an existing sending-receiving relationship is governed by N.J.S.A. 18A:38-13, which provides, in pertinent part:

The commissioner shall make equitable determinations based upon consideration of all the circumstances, including the educational and financial implications for the affected districts, the impact on the quality of education received by pupils, and the effect on the racial composition of the pupil population of the districts. The commissioner shall grant the requested change in designation or allocation if no substantial negative impact will result therefrom.

Thus, in ruling on an application for modification, the Commissioner must evaluate whether granting the requested modification will have a “substantial negative impact” upon 1) the quality of education, 2) the financial condition, or 3) the racial composition of the pupil populations of the districts involved. If, upon consideration of all the circumstances, no substantial negative impact is found, the application must be granted. *Bd. of Educ. of Englewood Cliffs v. Bd. of Educ. of Englewood*, 257 N.J. Super. 413, 459 (App. Div. 1992), *aff’d*, 132 N.J. 327 (1993).

Bloomsbury obtained a feasibility study in October 2022 and a supplemental expert report in November 2023 to thoroughly address the requisite statutory criteria. The detailed reports include analysis of the involved districts’ demographics, historical enrollment trends,

projected future enrollment, enrollment by race, curricula, course offerings, educational programs, facilities, building capacity, student outcomes, budgets, state aid, tax implications, debt, tuition rates, and more. Citing the feasibility study, expert report, and relevant case law, Bloomsbury contends that severance of the sending-receiving relationship with Phillipsburg will not cause a substantial negative impact on the quality of education, the financial condition, or the racial composition of the districts involved.

The Commissioner received numerous public comments regarding the proposed severance from parents, educators, Bloomsbury Board of Education members, and others from the community. Twenty commenters strongly support the proposed severance for similar reasons, including that North Hunterdon-Voorhees offers an expanded range of quality educational opportunities, three rigorous Academy programs where students can earn college credit, and a new Polytech facility opening in September 2025. They emphasize that, when compared to Phillipsburg, North Hunterdon-Voorhees students have a superior four-year graduation rate, higher SAT/ACT scores, increased enrollment in AP and IB courses, and more individualized placement opportunities for special education students.

As a practical matter, the commenters in support of the severance note that Bloomsbury students will attend high school in the same county where they attend elementary school, and where they often participate in sports and other extracurricular activities. Additionally, they explain that because Bloomsbury is a small community of approximately 800 residents with just one school for grades K-8, Bloomsbury students can feel lost at Phillipsburg High School (one of the largest in New Jersey) because most Phillipsburg students already know each other. They feel that attending North Hunterdon-Voorhees would be advantageous because, as a regional

school district, it has a proven record of integrating a diverse group of students from 12 small towns and creates a more inclusive and supportive environment for incoming students.

The commenters in support of the severance also express that Bloomsbury would achieve immediate cost savings in tuition because North Hunterdon-Voorhees has agreed to a reduced tuition rate for four years. They believe this will ease the financial burden on taxpayers while increasing property values. Furthermore, they note that North Hunterdon-Voorhees is amenable to exploring regionalization if the petition is granted, which would afford Bloomsbury even greater financial stability. Currently, Phillipsburg's unpredictable tuition increases force reductions in Bloomsbury's K-8 school budget and have even resulted in consolidation of certain grade levels at their elementary school.

While none of the commenters expressly opposed the severance, one commenter is disappointed that Bloomsbury students might not attend Phillipsburg High School in the future. Her children currently attend Bloomsbury Elementary School via the Interdistrict Public School Choice Program (Choice Program). As a resident of Phillipsburg, she intends to have her children attend Phillipsburg High School. If the severance is granted, then her children will be separated from their peers. However, she would be less apprehensive about the severance if North Hunterdon-Voorhees would consider accepting similarly situated students via the Choice Program so that all children educated at Bloomsbury Elementary School can remain with their peers during high school.

Upon a comprehensive review of the record in this matter including the public comments, the feasibility study, expert report, and the parties' submissions, the Commissioner agrees that severance of the sending-receiving relationship will not have a substantial negative impact on

the quality of education, the financial condition, or the racial composition in Bloomsbury, Phillipsburg, or North Hunterdon-Voorhees. Of note, Phillipsburg has decided not to challenge the severance, and North Hunterdon-Voorhees fully supports the creation of a new sending-receiving relationship with Bloomsbury.

Regarding the quality of education in the districts, Phillipsburg will not suffer a substantial negative educational impact. Bloomsbury's approximately 28 students who attend Phillipsburg each year represent 1.6% of Phillipsburg High School's student population, or 7 students per grade from graduating classes of over 400 students each.¹ Thus, the removal of Bloomsbury students from Phillipsburg High School will have little to no impact on course offerings, sports, or other extracurricular programs offered to Phillipsburg students. Moreover, the addition of Bloomsbury students will not result in a substantial negative educational impact to North Hunterdon High School. Because the number of Bloomsbury students is so small when compared to the average total student population of over 1400 students, the impact on class size will be minimal, and it is unlikely that North Hunterdon-Voorhees will need to hire additional staff.² Finally, Bloomsbury students will benefit from the additional quality educational opportunities available in North Hunterdon-Voorhees.

Regarding the financial impact to the districts, Phillipsburg's lost tuition revenue is small when compared to the size of its annual budget and annual tax levy. Specifically, Phillipsburg's

¹ Between the 2017-18 and 2022-2023 school years, Bloomsbury sent an average of 21.67 white students and 6.67 non-white students (28.33 students in total) to Phillipsburg High School each year, comprising 1.7% of the average total student body of 1721.

² Between the 2017-2018 and 2022-2023 school years, North Hunterdon High School had an average student population of 1406.

lost tuition revenue of approximately \$79,000 annually during the four-year phase-out of Bloomsbury students represents only 0.6% of Phillipsburg's \$12.7 million tax levy and 0.08% of Phillipsburg's annual budget of \$100 million. Thus, while some negative financial impact will occur if the severance is granted, it will not be substantial. As for the financial impact on Bloomsbury, any additional tuition costs will not result in a substantial negative impact. Moreover, the parties have agreed upon a reduced tuition rate for four years—which is less than Phillipsburg's tuition rate and will result in a cost savings of approximately \$1800 per student for Bloomsbury during that time period. Finally, North Hunterdon-Voorhees will benefit financially upon receiving tuition revenue for Bloomsbury students.

Regarding the impact upon the districts' racial composition, Bloomsbury Elementary School, Phillipsburg High School, and North Hunterdon High School are all majority-white schools. The number of white students has declined at both high schools within the past six years.³ In 2017-2018, 1059 of 1619 students enrolled at Phillipsburg High School, or about 65%, were white. By 2022-2023, the number of white students decreased to 921 of 1775 students, or about 52%. As for North Hunterdon High School, in 2017-2018, 1376 of 1608 students enrolled, or about 86%, were white. By 2022-2023, the number of white students decreased to 979 of 1217 students, or about 80%.

On average, between 2017-2018 and 2022-2023, Bloomsbury sent 22 white students and 7 non-white students⁴ (75.86% white, 24.14% non-white) to Phillipsburg. Comparatively,

³ This decline is consistent with the changing demographics in the areas served by each school district.

⁴ The Commissioner notes that these figures, and the percentages that follow in this paragraph and the next, are different than those presented in Bloomsbury's submissions due to the manner in which Bloomsbury rounded average figures. For purposes of clarity, the Commissioner has used only whole numbers of students in the portion of this decision addressing racial impact, and the percentages have

Phillipsburg had an average student population of 1721, with 1021 white students and 700 non-white students (59.33% white, 40.67% non-white). Using these figures, the removal of Bloomsbury students from Phillipsburg High School would result in an average increase in Phillipsburg's non-white population from 40.67% to 40.96%, a difference of 0.29%.⁵ This is not a substantial change, and because students will be removed one grade at a time, the year-to-year impact will be reduced. From a statistical perspective, the removal of so few students from such a large student population will not have a substantial negative impact on the racial composition of Phillipsburg High School. Phillipsburg High School students will continue to be educated in a diverse environment.

Similarly, the enrollment of Bloomsbury students at North Hunterdon High School will not have a substantial negative impact on the school's racial composition. Between 2017-2018 and 2022-2023, North Hunterdon had an average student population of 1406, with 1167 white students and 239 non-white students (83.00% white, 17.00% non-white). Using these figures, the addition of Bloomsbury students would result in an average increase in North Hunterdon's non-white population from 17.00% to 17.14%, a difference of 0.14%.⁶ This is not a substantial change. From a statistical perspective, the addition of so few students to a large student population will not have a substantial negative impact on the racial composition of

been recalculated accordingly; the very slight differences in percentages are not consequential to the analysis.

⁵ This calculation reflects a total student population of 1692 (1721 minus 29) and a non-white population of 693 (700 minus 7).

⁶ This calculation reflects a total student population of 1435 (1406 plus 29) and a non-white population of 246 (239 plus 7).

North Hunterdon High School. North Hunterdon High School students will continue to be educated in a diverse environment.

That said, statistical changes alone are not dispositive of whether a significant negative impact will result from severance. The Commissioner must analyze the significance of those statistical changes in light of all relevant circumstances, mindful that “there is no substitute for the educational benefits afforded by the opportunities for interaction both in and out of the classroom where the student population is diverse.” *Bd. of Educ. of Merchantville v. Bd. of Educ. of Pennsauken*, State Bd. of Educ. Decision at 7, 15 (Jan. 7, 1998). Thus, the impact of the severance upon Bloomsbury students—who will, if the severance is granted, attend a high school with a student population that is not as diverse as that of Phillipsburg High School—must be considered.

For instance, in *Merchantville*, the State Board rejected Merchantville’s request to terminate its sending-receiving relationship with Pennsauken and to establish a new relationship with Haddonfield “where the statistical change in the racial composition of the current receiver” was not significant, but Pennsauken was diverse, Haddonfield was “almost exclusively white,” and Merchantville was “predominantly white.” *Id.* at 2, 14-15. The State Board concluded that severance in favor of a new sending-receiving relationship with Haddonfield would cause a “substantial negative impact” by depriving Merchantville students of “the educational benefits afforded by the opportunities for interaction both in and out of the classroom where the student population is diverse.” *Id.* at 15.

However, in *Board of Education of the Township of Winfield v. Board of Education of the City of Rahway*, the Commissioner granted Winfield’s request to terminate its sending-receiving

relationship with Rahway and to enter a new sending-receiving relationship with Kenilworth even though Kenilworth's high school was somewhat less diverse than Rahway's high school. *Bd. of Educ. of Winfield v. Bd. of Educ. of Rahway*, OAL Dkt. No. EDU 7138-98, Initial Decision (Jan. 18, 2000), *adopted*, Commissioner Decision No. 7600 (March 2, 2000). At the time, Winfield was a predominantly white community with about 1600 residents; the percentage of non-white students attending Rahway High School was approximately 55%, and the percentage of non-white students attending David Brearley High School in Kenilworth was approximately 20%. The Commissioner agreed with the Administrative Law Judge (ALJ) that the circumstances in *Winfield* differed from *Merchantville* in that Kenilworth was "diverse, just not *as* diverse as the current receiving district. In *Merchantville*, the proposed receiving district was *not* at all diverse." *Winfield*, Initial Decision at 30. Accordingly, the ALJ in *Winfield* held, and the Commissioner concurred, that because "the new receiving district is also diverse (and apparently more diverse than the Winfield community)," there would be "no substantial negative impact on the quality of the education of the Winfield students" if the severance was granted. *Id.* at 31.

As was true in *Winfield*, if a new sending-receiving relationship is established between Bloomsbury and North Hunterdon-Voorhees, Bloomsbury students will continue to be educated in a diverse environment, albeit a less diverse environment than Phillipsburg High School. On average between 2017-2018 and 2022-2023, Phillipsburg High School had a 40% non-white student population and North Hunterdon High School had a 17% non-white student population. However, the percentage of non-white students at North Hunterdon High School increased each year during that timeframe; by 2022-2023, the non-white population at North Hunterdon High

School had increased to almost 20%.⁷ Although the severance of its relationship with Phillipsburg will result in some negative impact to Bloomsbury students, the Commissioner does not find it to be a substantial negative impact. Diversity at North Hunterdon High School is expected to continue to increase in the coming years. Furthermore, the record does not contain evidence of the aggravating circumstances at issue in *Englewood Cliffs*, such as a trend of rapidly declining white enrollment in Phillipsburg, projected symbolic loss, or a high percentage of projected change in the gross white student population upon severance.

Absent a showing of substantial negative impact on the quality of education, the financial condition, or the racial composition of the districts involved, the Commissioner is required to grant the requested severance. Accordingly, Bloomsbury's application for severance of its sending-receiving relationship with Phillipsburg is hereby granted, subject to its entering into a new sending-receiving relationship with North Hunterdon-Voorhees for a minimum duration of five years.

IT IS SO ORDERED.⁸



ACTING COMMISSIONER OF EDUCATION

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⁷ In 2022-2023, 995 white students and 241 non-white students were enrolled at North Hunterdon High School.

⁸ This decision may be appealed to the Appellate Division of the Superior Court pursuant to *N.J.S.A. 18A:6-9.1*. Under *N.J.Ct.R. 2:4-1(b)*, a notice of appeal must be filed with the Appellate Division within 45 days from the date of mailing of this decision.