

COURTER, KOBERT & COHEN ATTORNEYS WIN CHALLENGE TO BID TO DISSOLVE REGIONAL SCHOOL DISTRICT

Michael Selvaggi ([mselvaggi@ckclaw.com](mailto:m Selvaggi@ckclaw.com)) and Jason Gratt (jgratt@ckclaw.com) recently prevented the dissolution of the Great Meadows Regional School District in Warren County, New Jersey.

On February 2, 2007 Liberty Township, one of the constituent municipalities to Great Meadows, filed a Petition with the New Jersey Commissioner of Education seeking the dissolution of this regional school district. According to its Petition, Liberty claimed that it would save of \$1.6 million annually in tax dollars if the District were dissolved. The Petition also contended that Liberty would be able to educate its own pupils in a manner that was at least equal to the education that they were currently receiving at Great Meadows.

Under New Jersey Statutes, once the Commissioner of Education receives such a Petition, she is to forward the same to a Board of Review. The Board of Review is an *ad hoc* committee that is comprised of the Commissioner of Education, a member of the State Board of Education, the State Treasurer and the Director of the Division of Local Government Services in the Department of Community Affairs.

This Board is to consider the effect of the proposed dissolution upon both the educational and financial condition of not only the withdrawing district, but also upon the remaining district. In considering these effects, the Board may deny an application seeking the dissolution of a regional school district if:

1. An excessive debt burden will be imposed upon the remaining districts, or the withdrawing district, or upon any of the constituent districts in the event of a dissolution;
2. An efficient school system cannot be maintained in the remaining districts or the withdrawing district, or in any of the constituent districts in the event of a dissolution, without excessive costs;
3. Insufficient pupils will be left in the remaining districts, or in any of the constituent districts in the event of a dissolution, to maintain a properly graded school system; or
4. Any other reason, which it may deem to be sufficient.

N.J.S.A. 18A:13-56. See also, In re Petition for Authorization to Conduct a Referendum on the Withdrawal of the North Haledon School District from the Passaic County Manchester Regional High School District, 181 N.J. 161, 173 (2004); In re Petition for Authorization to Conduct a Referendum on the Dissolution of Union County Regional High School District No. 1, 298 N.J. Super. 1, 7 (App. Div.), cert. den. 149 N.J. 37 (1997).

On behalf of the Board, Mr. Selvaggi and Mr. Gratt argued that not only was Great Meadows providing an above average education to its students, at a cost that was below both the county and State averages, but also that the dissolution of the district would cause Liberty to incur an “excessive debt burden.”

According to both Liberty as well as the Board’s experts, if Liberty’s proposed dissolution were to occur, Liberty would be left with only \$1.6 to \$2.8 million in available borrowing capacity. It was argued that such a minimal amount was simply not adequate in the event of cost overruns or other unexpected budget contingencies.

In rendering its decision in this matter, the Board of Review sided with the arguments presented by Great Meadows, and held that Liberty’s Petition Seeking the Dissolution of the Great Meadows Regional School District was to be denied. This decision was based, primarily, upon the fact that Liberty would have to incur an “excessive debt burden” if its proposed dissolution was granted.

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