

CHRIS CHRISTIE

Governor

KIM GUADAGNO Lt. Governor

State of New Jersey

OFFICE OF THE ATTORNEY GENERAL
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF LAW
25 MARKET STREET
PO Box 112
TRENTON, NJ 08625-0112

September 2, 2014

JOHN J. HOFFMAN
Acting Attorney General

JEFFREY S. JACOBSON.

Director

David Hespe Acting Commissioner of Education New Jersey Department of Education 100 Riverview Plaza Trenton, New Jersey 08625

Attn: M. Kathleen Duncan, Director Controversies and Disputes

Re:

Leonor Alcantara et al. v. David Hespe,

Commissioner of Education, et al.

Agency No. 156-6/14

Dear Commissioner Hespe:

Enclosed is an original and one copy of a Brief on behalf of Respondent(s) in the above referenced matter. A Certification of Service is also enclosed.

Thank you for your courtesies.

Respectfully submitted,

JOHN J. HOFFMAN ACTING ATTORNEY GENERAL OF NEW JERSEY

By:

Geoffrey Stark

Deputy Attorney General

GS:pc

C: Arthur Lang, Esq.





State of New Jersey

Office of the Attorney General
Department of Law and Public Safety
Division of Law
25 Market Street

25 Market Street Jeffrey S. Jacobson
PO Box 112 Director
Trenton, NJ 08625-0112

JOHN J. HOFFMAN

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Kim Guadagno Lt. Governor

CHRIS CHRISTIE

Governor

September 2, 2014

Via Hand Delivery

M. Kathleen Duncan, Director Bureau of Controversies and Disputes New Jersey Department of Education One Riverview Plaza P.O. Box 500 Trenton, NJ 08625-0500

Le: Leonor Alcantara, individually and as Guardian ad Litem for E.A.; Leslie Johnson, individually and as Guardian ad Litem for D.J.; Juana Perez, individually and as Guardian ad Litem for Y.P.; Tatiana Escobar; and Ira Schulman individually and as Guardian ad Litem for A.S. v. David Hespe, Comm'r of the N.J. Dep't of Educ.; the N.J. State Bd. of Educ.; and the N.J. Dep't of Educ. Agency Reference No.: 156-6/14

Dear Ms. Duncan:

In lieu of an answer to Petitioners' Amended Petition, please accept this letter brief on behalf of David Hespe, Acting Commissioner of Education ("Commissioner"), the State Board of Education ("State Board"), and the Department of Education ("Department") (collectively "State Respondents"), in support of the State Respondents' Motion to Dismiss the Amended



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PRELIMINARY STATEMENT

Petitioners, consisting of a student and parents of students attending unidentified schools in the Lakewood School District ("Lakewood District"), as well as a parent of a nonpublic school student in Lakewood, bring this action challenging the allocation method and amount of State funding received by the Lakewood District. Similar to the claims raised in Bacon, et. al v. New Jersey Department of Education, OAL Dkt. Nos. EDU 2637-00 through 2646, 2649-00 through 2652, 2654-00 through 2656-00 (State Board Final Decision, January 4, 2006), Petitioners here generally allege that the District shares certain characteristics with the districts identified as "Abbott

districts" in Abbott v. Burke, 119 N.J. 287, 394 (1990). Petitioners further claim that the State's funding methodology fails to provide adequate resources to the District, and that as a result Lakewood District students are deprived of a constitutionally mandated thorough and efficient education.

Petitioners' requested relief falls generally into four categories. First, they request legislative action by the Commissioner in the form of increasing funding appropriations. Next, they seek orders requiring the Commissioner to make certain policy recommendations to the Legislature. Petitioners then request unspecified administrative remedies. Finally, although brought as a petition of appeal pursuant to N.J.A.C. 6A:3-1.3, Petitioners also seek various declaratory rulings.

Amended Petition should be dismissed for the First, Petitioners failed to name following reasons. the Lakewood District as a party, even though the district indispensable to this litigation. Because Petitioners contend that they suffer educational deprivations due to inadequate funding, the Lakewood District must be joined to account for its management of those resources. Failure to name it as a party necessitates dismissal of the Amended Petition. Next, basis Amended Petition fails to establish a factual for Petitioners' standing to bring this action. Petitioners request certain relief that cannot be provided in

this type of proceeding. For all of these reasons, the Amended Petition should be dismissed.

PROCEDURAL HISTORY AND STATEMENT OF THE FACTS1

On June 16, 2014, Petitioners filed a Petition with the Commissioner, naming State Respondents as the respondents. Neither the Lakewood Board nor the Lakewood District are parties to the Petition. Petitioners were notified on June 19, 2014, that the matter could not move forward until the Attorney General had been properly served with the Petition. Thereafter, on June 24, 2014, the Department was notified that the Attorney General's office had been properly served.

Subsequently, Petitioners filed an Amended Petition on July 7, 2014, and provided notice of proper service on July 10, 2014. The Amended Petition did not materially change the arguments raised in the initial Petition. State Respondents requested a 25-day extension of the deadline to file a response on August 4, 2014. The extension, until August 30, 2014, was granted on August 5, 2014. In lieu of an Answer, State Respondents now file this Motion to Dismiss the Amended Petition.

LEGAL ARGUMENT

I. THE AMENDED PETITION MUST BE DISMISSED BECAUSE PETITIONERS HAVE FAILED TO JOIN THE

¹ The Procedural History and Statement of the Facts have been combined as they are inextricably linked.

LAKEWOOD SCHOOL DISTRICT, A NECESSARY PARTY TO THIS LITIGATION.

A Petition of Appeal filed with the Commissioner must name as a party "any person or entity indispensable to the hearing of a contested case." N.J.A.C. 6A:3-1.3(b). Failure to do so is grounds for dismissal of the petition. Ibid. Here, Petitioners' Amended Petition should be dismissed as they have failed to join the Lakewood District as a respondent in the suit.

An indispensable party is one that "has an interest inevitably involved in the subject matter before the court and a judgment cannot justly be made between the litigants without either adjudging or necessarily affecting the absentee's interest." Jennings v. M & M Trans. Co., 104 N.J. Super. 265, 272 (Ch. Div. 1969) (citing Allen B. Du Mont Labs, Inc. v. Marcalus Mfg. Co., 30 N.J. 290, 298 (1959)). The purpose of this mandatory joinder rule is to ensure that "'no injustice is done, either to the parties before it, or to others, which might otherwise be grounded upon a partial view only of the real Cogdell v. Hosp. Ctr. at Orange, 116 N.J. 7, 19 merits.'" (1989) (quoting J. Story, Commentaries on Equity Pleadings, 74 (19th ed. 1892)). As it is the recipient of education funding from the State and the entity responsible for ensuring that the funding is used appropriately to address the educational needs

of its students, the Lakewood District is clearly an indispensable party in this action.

Petitioners cite various examples of resource deficiencies in the Lakewood schools that they ascribe to inadequate State funding. See, e.g., (Amended Petition, ¶¶17 -Yet at the same time, Petitioners acknowledge that the Lakewood District's budget is "over adequacy," in that the sum of its local levy and equalization aid exceeds the adequacy budget calculated pursuant to N.J.S.A. 18A:7F-51. Petition, ¶7). Therefore, a critical issue in resolving Petitioner's constitutional claims will be the assessment of how the Lakewood District is spending its educational funds. In order to make this determination, the Lakewood District must be a party to the action. Likewise, throughout the Amended Petition, Petitioners describe various administrative decisions made by the Lakewood District, such as the remodeling of the high school's industrial arts wing into new offices for the Board of Education or the Board of Education's decision to provide non-mandatory courtesy bussing to non-public school students. The Commissioner cannot respond on behalf of, or be held accountable for, the decisions made by the Lakewood Board. And to the extent that these decisions caused a diversion of resources resulting in the programmatic and staffing deficiencies alleged in the Amended Petition, resolution of the

claims requires the participation of the Lakewood District.

This is not a new issue. In Bacon v. N.J. Department of Education, supra, State Board Decision at 58, the State Board rejected the District's claim for additional resources, noting that "the Lakewood Board cannot claim that it must support the cost of the courtesy busing it has chosen to provide while seeking additional funds to support educational programming for its public school students." According to the Amended Petition, the cost of providing transportation for non-public school students continues to comprise a significant portion of the District's educational budget. See (Amended Petition, ¶72). Thus, because the District's budgetary decisions necessarily determine the allocation of educational resources, and because likely administrative remedies (such as budgetary reallocations) would impact the District, the District must be joined in this action. The Petitioners' failure to name the Lakewood District requires dismissal of the Amended Petition. See N.J.A.C. 6A:3-1.3(b).

II. **AMENDED** PETITION MUST BE DISMISSED BECAUSE IT FAILS TO ALLEGE A SUFFICIENT FACTUAL BASIS TO DEMONSTRATE PETITIONERS' STANDING.

Parties may file a petition of appeal with the Commissioner to institute a contested case if the dispute arises under the school laws. See N.J.A.C. 6A:3-1.3(a). Such petition must include "a statement of the specific allegation(s) and essential facts supporting them which give rise to a dispute under the school laws" and "the relief petitioner is seeking." N.J.A.C. 6A:3-1.4(a). Here, Petitioners have not adequately set forth the basis for their claims.

Parties must have standing to file a petition and institute a contested case. Although New Jersey takes "a liberal view on the issue" of standing, Urban League of Essex Cnty. v. Mahwah Twp., 147 N.J. Super. 28, 33 (App. Div.), certif. denied, 74 N.J. 278 (1977), it is not automatically granted; standing must be established. In re Six Month Extension of N.J.A.C. 5:91-1 et seq., 372 N.J. Super. 61, 85 (App. Div. 2004), certif. denied, 182 N.J. 630 Generally, "'standing requires that a litigant have a sufficient stake and real adverseness with respect to the subject matter of the litigation, and a substantial likelihood that some harm will fall upon it in the event of an unfavorable decision.'" Planning Bd. of Twp. of Union, 352 N.J. Super. 544, 552 (App.

Div. 2002) (quoting In re N.J. Bd. of Pub. Utils., 200 N.J. Super. 544, 556 (App. Div. 1985)). Further, litigants usually have no standing to assert the rights of third parties. See Spinnaker Condo. Corp. v. Zoning Bd. of City of Sea Isle City, 357 N.J. Super. 105, 111 (App. Div.), certif. denied, 176 N.J. 280 (2003).

Here, Petitioners make no attempt to describe the real adverseness they face with respect to this litigation. Rather, they focus on the harm faced by a third, necessary party: the Lakewood District. As to Petitioners, the Amended Petition does not specify which public schools these students attend, or the harms that they have personally suffered as a result of the allegedly inadequate funding. It does not describe whether A.S., a non-public school student, receives any services paid for by the State. In fact, there is no explanation as to how A.S. has any connection to the claims made in the Amended Petition. In short, the Amended Petition provides no details about the stake that Petitioners have in the outcome of this litigation. Therefore, the Amended Petition should be dismissed because Petitioners have failed to demonstrate the requisite standing to proceed.

III. THE AMENDED PETITION SHOULD BE DISMISSED BECAUSE THE REMEDIES SOUGHT ARE NOT AVAILABLE IN THIS TYPE OF PROCEEDING.

Petitioners request a variety of remedies, including requiring the Commissioner to undertake certain legislative functions. And, although brought as a petition of appeal pursuant to N.J.A.C. 6A:3-1.3, Petitioners also seek various declaratory rulings. For the reasons set forth below, to the extent that the relief requested is not available in this proceeding, those claims in the Amended Petition should be dismissed.

1. The Amended Petition Improperly Seeks Relief in the Form of Funding Appropriations from the Commissioner.

In Count VI of the Amended Petition, Petitioners seek additional State education funding for the Lakewood District. Specifically, they ask the Commissioner to provide \$9,027,679 in transportation aid to the District. However, the Commissioner cannot appropriate State funds. It is a long-standing principle of constitutional law that "the power and authority to appropriate funds lie solely and exclusively with the legislative branch of government." City of Camden v. Byrne, 82 N.J. 133, 148 (1980). Therefore, to the extent that the Amended Petition seeks relief in the form of additional State aid from the Commissioner, the claims must be dismissed.

2. The Amended Petition Improperly Seeks Declaratory Relief Where Such Relief is Unavailable.

Petitioners also seek a number of declaratory rulings from the Commissioner. Therefore, while Petitioners have filed an Amended Verified Petition of Appeal under N.J.A.C. 6A:3-1.3, they should have filed a Petition for Declaratory Ruling under N.J.A.C. 6A:3-2.1. Unlike a Petition of Appeal, which requires a petitioner include "a statement of the specific allegation(s) and essential facts supporting them which have given rise to a dispute under the school laws," N.J.A.C. 6A:3-1.3(a), a Petition for Declaratory Ruling is much more limited See N.J.A.C. 6A:3-2.1(a). It does not deal broadly in scope. with all conflicts that arise under the school law, but narrowly involves a request for "a ruling with respect to rights, responsibilities and status arising from any statute or rule within the jurisdiction of the Commissioner." Ibid. (referencing N.J.S.A. 52:14B-8).

Interested parties may petition for a declaratory ruling, but "[t]he determination to entertain such petitions . . . shall be within the sole discretion of the Commissioner."

N.J.A.C. 6A:3-2.1(a). Rather than reflect only the petitioner's viewpoint, a Petition for Declaratory Ruling "shall reflect adverse positions on the statute or rule in question by the parties in interest." N.J.A.C. 6A:3-2.1(a)(1). Additionally, a

petitioner seeking a declaratory ruling may not seek consequential relief arising out of the sought-after declaratory ruling. <u>Ibid.</u> Finally, a Petition for Declaratory Ruling "may not be based on underlying facts which are future, contingent, uncertain or disputed." Ibid.

The Amended Petition does satisfy these not requirements. First, Petitioners do not clearly identify the parties-in-interest. While Petitioners represent one side of their dispute, they do not specify whether their grievances are with the Lakewood Board, the District, the State Legislature, the Department, the Commissioner, or some other party. the Amended Petition includes no discussion of any adverse position against which Petitioners' own position should be See N.J.A.C. 6A:3-2.1(a)(1) (requiring a request juxtaposed. for declaratory judgment reflect adverse positions). Nor do the requests for declaratory rulings seek a determination "rights, responsibilities and status" arising from the operation of a statute or rule under the Commissioner's jurisdiction, as required. Ibid.

Further, Petitioners base their requests for declaratory judgment not on undisputed facts, but on their own interpretation of facts which are uncertain and/or disputed.

See ibid. Such factual uncertainty makes a declaratory ruling impossible. Finally, many of Petitioners' requests for

declaratory relief are coupled with requests for consequential relief arising from the declaratory ruling. This consequential relief is prohibited by regulation. Ibid.

Here, Petitioners clearly request declaratory rulings, but have improperly sought them through an Amended Verified Petition of Appeal. The Amended Petition fails to satisfy the requirements set forth in N.J.A.C. 6A:3-2.1. Consequently, Petitioners are not entitled to the declaratory relief sought, and their Amended Petition must be dismissed.

Moreover, the specific declaratory rulings sought by Petitioners are not of a nature that can be granted by the For example, in Counts I and VII Petitioners Commissioner. declaratory rulings that are so vaque, impossible Commissioner to consider must for the and be Count I seeks a declaratory ruling but does not specify the exact nature of the declaratory relief sought. (Amended Petition at p.9). In Count VII Petitioners request a declaratory ruling "that all Lakewood students are entitled to for which students the services similarly elsewhere in New Jersey are entitled." (Amended Petition at p.32). Further, they specify that the ruling should "foreclose the possibility of a remedy that disparately impacts children of Lakewood or that forces them to forego their rights and privileges under the current law." (Amended Petition at

p.32). Petitioners appear to be requesting that the Commissioner to affirm the broad principle of equality under the law, rather than determine rights, responsibilities and status arising under a statute or rule. Such vague, ambiguous, and overly broad requests must be dismissed.

In Counts III and IV Petitioners seek to have the Commissioner issue a declaratory ruling that Lakewood should be classified as an "urban district" for funding purposes, (Petition at pp.19-20), and that such classification should be retroactive. (Amended Petition at pp.22-23). Rather than seeking legislative solutions to their complaints about educational funding, Petitioners are instead improperly seeking a declaratory ruling on these Counts. Essentially they are asking the Commissioner to change the meaning of the State's educational funding statutes as they relate to Lakewood. Because Petitioners fail to satisfy the requirements for a declaratory ruling, their requests for such rulings should be dismissed.

CONCLUSION

For the reasons set forth above, Petitioners' Amended Petition should be dismissed.

Respectfully submitted,

JOHN J. HOFFMAN

ACTING ATTORNEY GENERAL OF NEW JERSEY

Geolfyey N. Stark

Deputy Attorney General

N.J. Attorney I.D. No.: 01811-2010

cc: Arthur H. Lang, Esq. (via overnight service)



State of New Jersey OFFICE OF ADMINISTRATIVE LAW

ORDER DENYING MOTION TO DISMISS

OAL DKT. NO. EDU 11069-14 AGENCY DKT. NO. 156-6/14

LEONOR ALCANTARA, ET AL,

Petitioners,

٧.

DAVID HESPE, COMMISSIONER OF EDUCATION, ET AL.,

Respondents.

Arthur Lang, Esq. and Frank L. Corrado, Esq., for petitioners (Barry, Corrado & Grassi, PC, attorneys)

Geoffrey N. Stark, Deputy Attorney General, for respondents (John J. Hoffman, Acting Attorney General of New Jersey, attorney)

Paul L. Tractenberg, Esq., Participant

Record Closed: June 9, 2015

Decided: July 24, 2015

BEFORE JOHN S. KENNEDY, ALJ:

STATEMENT OF THE CASE AND PROCEDURAL HISTORY

Respondents, David Hespe, Commissioner, New Jersey Department of Education and New Jersey Department of Education, have moved, in lieu of Answer, to dismiss petitioner's complaint challenging the allocation method and amount of state funding received by the Lakewood School District.

The original Petition of Appeal was filed with the Department of Education on June 24, 2014. The Department of Education transmitted the matter to the Office of Administrative Law (OAL), where it was filed on September 4, 2014. N.J.S.A. 52:14B-1 to -15; N.J.S.A. 52:14F-1 to -13. The parties filed several briefs in support and in opposition to the motion and oral argument was presented on June 9, 2015. The record closed on June 9, 2015.

FACTUAL DISCUSSION

Petitioners, consisting of students and parents of students attending schools in Lakewood School District (Lakewood) as well as parents of nonpublic schools in Lakewood, filed this action challenging the allocation method and amount of State funding received by Lakewood. Petitioners generally allege that Lakewood shares certain characteristics with the districts identified as "Abbott Districts" in Abbott v. Burke, 119 N.J. 287 (1990), and that as a result, Lakewood students are deprived of a constitutionally mandated thorough and efficient education (T&E). Petitioners requested relief falls into several categories. First, they request that the Commissioner increase funding appropriations to Lakewood. Next, they seek orders requiring the Commissioner make certain policy recommendations to the State Legislature. They also seek various declaratory rulings and administrative remedies.

Respondents' motion asserts several reasons why petitioners' petitions should be dismissed. First, respondents allege that petitioners have failed to join the Lakewood School District, who is a necessary party to this litigation. As it is the recipient of education funding from the state and the entity responsible for ensuring that the funding is used appropriately to address the educational needs of its students, respondents assert that Lakewood School District is an indispensable party in this litigation. Petitioners argue that Lakewood is not a necessary party to the litigation since the petition alleges, in part, that the Department of Education has been arbitrary and capricious in its methodology for determining the wealth of Lakewood and for removing Lakewood from the District Factor Groups. As the petition seeks a resolution of these funding issues, Lakewood is not a necessary party. Discovery, the petitioner claims, will be sufficient to provide all of the information necessary to determine whether respondents are improperly funding Lakewood. The discovery process will further be facilitated by the fact that the Department of Education has placed state monitors in the Lakewood School District. Since these monitors have access to all information available to the school district, Lakewood need not be joined.

Next, respondents allege that the petition fails to allege a sufficient basis to establish standing as the petition does not specify how each individual petitioner is being adversely affected by the manner in which respondents are funding the district. Respondents contend that the student petitioners are the harmed parties by nature of being residents of Lakewood and thus do not receive T&E.

Finally, respondents assert that the petition should be dismissed because the remedies sought are not available in this type of proceeding. Petitioner responded that the proceeding is necessary to provide a factual record for administrative and judicial remedies.

LEGAL ANALYSIS AND CONCLUSION

N.J.A.C. 1:12-5, governing motions for summary decision, permits early disposition of a case before the case is heard if, based on the papers and discovery which have been filed, it can be decided "that there is no genuine issue as to any material fact challenged and that the moving party is entitled to prevail as a matter of law." N.J.A.C. 1:12-5(b). The provisions of N.J.A.C. 1:12-5 mirror the language of R. 4:46-2 of the New Jersey Court Rules governing motions for summary judgment. To

survive summary decision, the opposing party must show that "there is a genuine issue which can only be determined in an evidentiary proceeding." <u>Ibid.</u> Failure to do so entitles the moving party to summary decision. <u>Brill v. Guardian Life Ins. Co. of Am.</u>, 142 N.J. 520 (1995).

Moreover, even if the non-moving party comes forward with some evidence, this forum must grant summary decision if the evidence is "so one-sided that [the moving party] must prevail as a matter of law." Id. at 536. This tribunal is required to do "the same type of evaluation, analysis or sifting of evidential materials as required by Rule 4:37-2(b) in light of the burden of persuasion that applies if the matter goes to trial." Id. at 539-540. Like the New Jersey Supreme Court's standard for summary judgment, summary decision is designed to "liberalize the standards so as to permit summary [decision] in a larger number of cases" due to the perception that we live in "a time of great increase in litigation and one in which many meritless cases are filed." Id. at 539 (citation omitted).

Here, there is genuine issue as to material fact in this matter in relation to the extent which Lakewood School District should be involved. Respondents claim Lakewood is a necessary party while petitioners assert that all this information necessary to make a determination as to whether the district is improperly funded can be obtained through discovery.

A Petition of Appeal filed with the Commissioner must name as a party "any person or entity indispensable to the hearing of a contested case. N.J.A.C. 6a:3-.3(B). Failure to do so is grounds for dismissal of the petition. Ibid. An indispensable party is one that "has an interest inevitably involved in the subject matter before the court and a judgement cannot justly be made between the litigants without either adjudging or necessarily affecting the absentee's interest." Jennings v. M & M trans. Co., 104 N.J. Super. 265, 272 (Ch. Div. 1969). As it is the recipient of education funding from the state and the entity responsible for ensuring that the funding is used appropriately to address the educational needs of its students, respondents assert Lakewood is an indispensable party. The underlying claim in the petition is not whether Lakewood is

appropriately using the funding. Rather, the petition asserts that the School District is not being funded properly. This is a fact specific determination, one which will require discovery to be conducted. Given that state monitors have already been placed in the district to assess how Lakewood is spending its educational funds, respondents should have adequate access to district documents during the discovery process.

In prior New Jersey finance litigation the only plaintiffs/petitioners have been students and their parents. See Robinson v. Cahill, 118 N.J. Super. 223 (1973); Abbott v. Burke, 119 N.J. 287 (1990). In one such case, the State moved to dismiss the petition for lack of standing when the district, and not students and their parents, were named in the petition. See Bacon v. N.J. State Dept. of Educ., 398 N.J. Super. 600 (App. Div. 2008). Therefore, I CONCLUDE that Lakewood School District is not a necessary party to this litigation.

I further **CONCLUDE** that petitioners, consisting of students and parents, have standing to challenge the school funding. It is clear as can be seen in <u>Bacon</u>, supra, that students have standing to challenge a claim that their constitutional right to T&E is being denied. Whether that is in fact the case will be determined through the discovery process.

Respondents lastly argue that dismissal is proper because petitioners seek remedies not available in this type of proceeding. Specifically, the petition failed to meet the procedural requirements for such relief. In this case, as in all prior school funding cases, the ultimate relief sought is of a constitutional dimension that can only be provided by the courts. In Abbott v. Burke, (Abbott I) 100 N.J. 269 (1985), the State moved to dismiss for plaintiffs' failure to exhaust administrative remedies. The Abbott I Court had to decide "whether the controversy, in the first instance, can and should be resolved in whole or in part before an administrative tribunal, or whether it must immediately be considered by the judiciary." Id. at 296. The Abbott I Court was "satisfied that the presence of constitutional issues and claims for ultimate constitutional relief does not, in the context of litigation, preclude resort in the first instance to administrative adjudication." Id. at 297.

The <u>Bacon</u> districts initially filed their complaint in Superior Court but the matter was transferred to the Commissioner. The Office of Administrative Law has been charged with producing a complete record in the previous school funding cases, and I **CONCLUDE** that the current matter is likewise appropriately placed before this tribunal to establish a complete record and exhaust all administrative remedies.

Based upon the above, I **CONCLUDE** that respondents' Motion to Dismiss in not ripe and must be **DENIED**

Accordingly, it is ORDERED that:

- 1. Respondents' motion to dismiss is **DENIED**;
- 2. I shall conduct a conference with the parties on August 13, 2015, at 3:30 p.m., to determine a date upon which an evidentiary hearing will be conducted for the purpose of resolving the factual dispute identified herein.
- 3. Any remaining questions of law will be resolved upon the conclusion of said hearing and the completion of the factual record.

This order may be reviewed by the **COMMISSIONER OF THE DEPARTMENT OF EDUCATION** either upon interlocutory review pursuant to <u>N.J.A.C.</u> 1:1-14.10 or at the end of the contested case, pursuant to <u>N.J.A.C.</u> 1:1-18.6.

_____July 23, 2015 DATE

JOHN S. KENNEDY, AL.

cmo



ORDER

OAL DKT. NO. EDU 11069-14 AGENCY DKT. NO. 156-6/14

LEONOR ALCANTARA, individually and as guardian ad litem for E.A., JUANA PEREZ, individually and as guardian ad litem for Y.P., TATIANA **ESCOBAR, HENRY MORO AND IRA** SCHULMAN, individually and as guardian ad litem for A.S.,

Petitioners.

DAVID HESPE, COMMISSIONER OF **EDUCATION, NEW JERSEY STATE BOARD OF EDUCATION AND NEW** JERSEY DEPARTMENT OF EDUCATION,

Respondents.

Arthur Lang, Esq., for petitioners

Geoffrey N. Stark, and Jennifer Hoff, Deputies Attorney General, for respondents (Christopher S. Porrino, Acting Attorney General of New Jersey, attorney)

Paul L. Tractenberg, Esq., Professor of Law, Rutgers University School of Law, participant

BEFORE **SOLOMON A. METZGER**, ALJ t/a:

This matter arises out of a complaint filed before the Commissioner of Education alleging that the School Funding Reform Act (SFRA), N.J.S.A. 18A:7F-43 to- 63, as applied to the Lakewood School District violates the "thorough & efficient" clause of the New Jersey Constitution. The matter was transmitted to the Office of Administrative Law as a contested case pursuant to N.J.S.A. 52:14F-1 to -15. Petitioners have now filed a motion for summary decision, pursuant to N.J.A.C. 1:1-12.5; Brill v Guardian Life Ins. Co. of Amer., 142 N.J. 520 (1995)

Certain basic facts are undisputed. Lakewood is home to some 31,000 students, only 6,000 of which are enrolled in the public schools. The large majority of public school students are from low income households. Some 25,000 students attend private school and the District provides their bussing. The funding formula does not adjust for this circumstance. Lakewood also has considerable special education costs. Together a substantial portion of the budget is dedicated to these purposes leaving a shortfall for in-district programming. Test scores, class size, enrollments in post-secondary education, teacher salaries and other metrics all reflect this condition. To make matters worse the private school population continues to expand in relation to public school enrollments, intensifying the anomaly with each passing year.

The Department argues that the motion is premature in the midst of discovery, citing, Velentzas v. Colgate-Palmolive Co., 109 N.J. 189 (1988); Jackson v. Muhlenberg Hospital, 53 N.J. 138 (1969). Judge Kennedy, who most recently presided in the matter, established September 2016 as the end date for discovery and this motion, filed in February 2016, has interrupted the process. Petitioners counter that deficits mount, inequities grow and the data presented to date self-evidently entitles them to relief. Moreover, the Department has installed monitors in Lakewood and generates much of the information that petitioners have collected. Surely, it has enough insight into the facts to join issue on the motion. I do not agree. The record is produced here and must serve as the foundation for all that follows. It cannot account for what the Department knows in the ether. Further, petitioners' initial motion papers posit that bussing for private school students in Lakewood is required; the Department responds by

OAL DKT. NO. EDU 11069-14

presenting a prior history in which it has concluded otherwise. The Department also suspects that Lakewood overuses out-of-district placement for children with disabilities. These points require explication. There is no question that Lakewood's demographics pose singular problems for the public school budget, but petitioners assert a

Petitioners' reply brief filed on April 26, 2016, offers a letter from the Lakewood business administrator dated April 8, 2016, informing parents that non-mandatory public

constitutional level of deprivation and this must be sorted carefully.

and private school bussing will cease beginning in the 2016-17 school year owing to

fiscal constraints. That is a meaningful development and together with other exhibits

attached to this brief reflect evolving facts that may narrow the dispute. Petitioners

argue that funding remains woefully inadequate even with elimination of courtesy

bussing, as mandatory bussing and special education burdens continue to overwhelm

the budget. That may be so, but a shifting factual landscape does not argue for

summary resolution.

Based on the foregoing, petitioners' motion for summary decision is **DENIED**.

This order may be reviewed by the **COMMISSIONER OF EDUCATION** either upon interlocutory review pursuant to <u>N.J.A.C.</u> 1:1-14.10 or at the end of the contested case, pursuant to N.J.A.C. 1:1-18.6.

July 19, 2016

DATE

SOLOMON A. METZGER, ALJ t/a

mph

Link to original Word document

Agency Final Decision

Agency Final Decision

Agency Final Decision

Agency Final Decision

State of New Jersey

OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

OAL DKT. NOS. EDU 2637-00; EDU 2638-00; EDU 2639-00; EDU 2640-00; EDU 2641-00; EDU 2642-00; EDU 2643-00; EDU 2644-00; EDU 2645-00; EDU 2645-00; EDU 2650-00; EDU 2651-00; EDU 2652-00; EDU 2654-00; EDU 2655-00; EDU 2656-00

AGENCY DKT. NOS. 53-3/98A; 53-3/98B; 53-3/98C; 53-3/98D; 53-3/98E; 53-3/98F; 53-3/98G; 53-3/98H; 53-3/98I; 53-3/98J; 53-3/98M; 53-3/98N; 53-3/98O; 53-3/98P; 53-3/98R; 53-3/98S; 53-3/98T

ROSALIE BACON, INDIVIDUALLY AND

ON BEHALF OF G.P., Z.P., J.B., J.B., M.B.,

D.B., AND Z.H.;

JOSEPH BARUFFI, INDIVIDUALLY AND

ON BEHALF OF J.B.:

ELIZABETH CULLEN, INDIVIDUALLY AND

ON BEHALF OF T.C.;

EDIE RILEY, INDIVIDUALLY AND ON

BEHALF OF S.R.;

ARNETTA RIDGEWAY AND CHRISTOPHER

GLASS, INDIVIDUALLY AND ON BEHALF OF

J.G., F.G., AND D.G.; AND

BUENA REGionaL, CLAYTON, COMMERCIAL,

Dr. Scalzo picked up this same theme and added that the favorable test scores go back to the EWTs, which show the district regularly surpassing the state averages. The student-to-teacher ratio is below the state average. Staff salaries are above the mean and the district provides professional development opportunities. State funding has increased since the advent of CEIFA from \$3.5 million annually to \$4.8 million. ECPA funds have been used, among other things, to add kindergarten classrooms and DEPA funding has allowed the district to implement computer-assisted programs and hire aides to help students that are underperforming in reading (LKH 1292-1298).

This is the substance of the record.

The Lakehurst data present a mixed picture. The community is relatively poor and has a total equalized local tax rate that is historically well above the state average (P-7). Additional State assistance to modernize facilities, hire more teachers and purchase new textbooks would bring welcome relief. Nonetheless, poverty in Lakehurst appears to fall at or near the upper end of the Abbott spectrum. FRL exceeds a few of the Abbott districts by a bit, but the rate is well below most of the Abbotts. According to 1990 census figures, child and overall poverty rates are below the Abbott averages. Housing values and incomes are low, as reflected in the market value base per pupil, median income and housing value data points. The percentage of persons without a high school diploma is roughly at the state average. The unemployment rate is low.

School demographics reveal mobility, suspension and special education rates that are well inside the Abbott averages. These school dynamics often presage underachievement, but that is not the case in Lakehurst. The 2001 ESPA scores were excellent; the GEPA scores were good. Testing over many years, going back to the EWTs, reveals performance that is generally at or near the state average. Although the parties did not explore the nature of mobility in Lakehurst, it may be that mobility originating from the naval base is not as disruptive as mobility driven by socioeconomic conditions. Over time, student attendance rates meet or exceed the state average. Teacher salaries in Lakehurst are above the median and the district is able to retain experienced staff.

Lakehurst appears to be a relatively poor working-class community that is performing reasonably well. Since implementation of CEIFA in 1997, state aid has increased from \$3.5 million to \$4.8 million, and according to Dr. Ritter's data, net per pupil spending in Lakehurst slightly exceeds the IJ average. A decision placing Lakehurst among the SNDs would tend to expand the ambit of the *Abbott* holdings, which are ultimately concerned with remediation in districts that exhibit the panoply of problems that stem from underpriviledge.

Based on the foregoing I conclude that Lakehurst is not an SND and its application is denied.

LAKEWOOD

Lakewood Township is an urban community of some 60,000 people located in Ocean County. The school

district is pre-K to 12 and has a DFG B designation. It serves some 5,300 students in four elementary schools, one middle and one high school.

Dr. Ritter's statistics reveal that market value base per pupil in Lakewood, at \$451,180, is much higher than the average of the Abbott 30, and is slightly over the state average of \$424,270. Personal income per pupil, at \$110,482, also exceeds all of the Abbott averages and is somewhat below the state average. State equalization aid per pupil, at \$1,440, is far below the average of the Abbott 30 and its subsets, and is approximately \$1,000 below the state average. The dropout rate, at 5.5 percent, is below the average of the Abbott 30, but above the state average. The mobility rate, at 13.6 percent, is at the state average and is half the average of the Abbott 30. Suspension rates, at 15.8 percent, are well above the average of the Abbott 30 and the state average. The percentage of individuals without a high school diploma is below the average of the Abbott 30 and the subsets. P-1 at 5-7, 65-70.

The results of statewide standardized testing in Lakewood are as follows:

	Lakewood	State	Abbott 30	ECP-1	B/CD	IJs
1999 ESPA	43.9	63	34	40.8	42.1	83
Lang.	50	66		41.8	46.5	87
Math	50	00	30	41.0	40.5	07
2000 ESPA	49.3	61.3	34.8	32.3	42.9	81.4
Lang.						
Math	61.8	71.7	42.4	47	52.2	90.7
2001 ESPA						
Lang.						
Math						
1999 GEPA	73	85.5	60.3	73.7	69.8	97
Lang.	50	68.5			46.5	89.4
Math	30	06.5	34.0	47.0	40.5	09.4
2000 GEPA	71.6	83.7	58.5	73.3	67.1	95.9
Lang.						
Math	52.1	67.4	35.2	45.1	44.9	88.8
2001 GEPA	61.1					
Lang.						
Math	53.6					

1999 HSPT	67.9	83.9	57.3	78.6	74.2	95
Reading	81.2	91.7	75.2	89.5	85	91.7
Writing	71.1	87.4	63.1	82.2	78.7	87.4
Math						
2000 HSPT	70.1	84.4	57.9	78	75.9	95.8
Reading	77.3					95.7
Writing	76					97.6
Math						
2001 HSPT	81.4					
Reading	89.6					
Writing	86.8					
Math						

P-1 at 68-70; P-2; LKW 3941-3944.

The Lakewood record contains additional undisputed material that bears importantly on the outcome. In the 1998/99 and 1999/00 school years the district went into deficit spending, which was only remedied by legislation appropriating an additional \$3.15 million to meet the shortfall. As a consequence of the deficits, the DOE gathered a team of experts to evaluate the situation and made recommendations for reform. The team generated a report in April 2001, known as a Comprehensive Operational Program Assessment (COPA), which pinpointed various concerns and proposed solutions (LKW 467-489). In September 2001 Lakewood produced a response in the form of a Corrective Action Plan (CAP), in which it set out the steps and timelines by which it would implement the proposed reforms (LKW 3900-3933).

Although the COPA report goes on at some length, it makes two major criticisms. It finds that school authorities receive budget figures from the Township and must attempt to meet programmatic needs within this constraint. The figures have not kept pace with population growth and increased costs, which has over time eroded support for the schools. The COPA team recommended that principals and administrators be given a role in formulating budget numbers by reference to actual programmatic requirements. The report also directs the district to look at alternatives to current courtesy/safety bussing policy that begins to shift some of the costs to the Township, or to parents of children being serviced.

This latter recommendation requires an explanation. Lakewood is approximately 70 percent white and 30 percent minority, but the school district is 70 percent minority and 30 percent white. A large religious community that sends its children to private school accounts for the statistical reversal. Some 8,600 students

attend private religious schools, which well exceeds the public school population. State law requires districts to bus high school students who live more than two and one-half miles from school and middle school students who live more than two miles from school. Districts may also provide "courtesy" bussing for students who reside inside these lines, and Lakewood busses high school students who live beyond two miles from school, middle school students from beyond one and one-half miles and elementary school students at a one-mile range. The additional cost of this policy is approximately \$3.1 million annually and rising. The large majority of these funds is spent bussing private school students. The district's annual budget is approximately \$53 million and courtesy/safety bussing has become the largest non-core-curriculum cost item.

Edward W. Luick is one of two assistant superintendents in Lakewood and has been so employed for ten years. He oversees the middle and high school. Mr. Luick testified that the district has cut the number of administrators from forty-eight to twenty-six in recent years to conserve resources and this has spread the staff thinly. The suspension rates at the middle and high school have hovered around 30 percent for the last five years. The mobility rate at the high school tends to fall below the state average, but is generally above the state average at the middle school. The dropout rate has been between 5 and 7 percent over the last five years, roughly twice the state average (LKW 61, 85). Mr. Luick testified that it is difficult to accomplish much with students that are struggling in an atmosphere of scarce resources. The district needs more guidance counselors, CST members, dropout prevention specialists, family liaisons and the like.

There is an alternative school, but Mr. Luick felt that it needed expanded offerings and there is neither space nor money for this. The middle and high school are used to capacity and trailers have been brought in for the overflow. The district has no construction plans, as the resources are not there. The buildings are old; the middle school was constructed in the 1950s, the high school in the 1970s. Much of the furniture and equipment are original and should have been replaced years ago. The middle school laboratories need complete renovation.

Mr. Luick testified that close to 20 percent of the students, some 900 children districtwide, are classified. An additional 20 percent receive "basic skills" training, which is only partially funded by the State. The student-to-teacher ratio is about 20:1, although this figure is artificially depressed by the high special education count.

Mr. Luick testified that the curriculum is aligned, but he cannot always deliver the programs. Only 70 percent of the high school kids get world language, and Russian and Japanese are taught via videotape. Only 40 percent of the middle school kids are able to take a foreign language. There aren't enough teachers or facilities to expand this programming.

Some years ago there were thirteen security guards at the middle and high school and now there are eight, which is inadequate coverage. The buildings were constructed without any thought to security; for example there are 104 doors in the high school building, leaving ample opportunity for mischief.

The students are not sent on field trips unless the funds are raised privately. There was a time when biology classes went to Sandy Hook and history classes visited Washington D.C.

Mr. Luick testified that the district receives no reimbursement for non-remote bussing. The service is provided because Lakewood is bisected by heavily traveled roadways and large numbers of students walking to school would present a safety concern. A videotape was presented in support of this appraisal (P-30).

Joseph C. Attardi is the assistant superintendent for the pre-K to 6 elementary school. His testimony mirrored that of Mr. Luick. Art and music are provided on a cart and in general the available space is being used fully. He did not believe that ESPA science scores were reliable. He agreed that there was a reading and math specialist in each elementary school building, but more was necessary. The mobility rate ranges between 13 and 20 percent at the four elementary school buildings.

Lucille Reilly, the Ocean County superintendent, testified that the district used budget surpluses for a number of years to maintain level taxation. That reduced available surplus, and in 1998/99 the district fell into a deficit when faced with unexpected health benefit costs and a recovery by the DOE of \$800,000 due to an erroneous pupil count. The problem was exacerbated the following year by a large increase in special education costs and increasing transportation costs for courtesy/safety bussing. Ms. Reilly felt that the Township was holding local tax rates down at the expense of the schools and that the school was supporting courtesy bussing at the expense of supplies and programs. The courtesy bussing issue involves some \$3.1 million, which was the entire amount of the district's deficit. If non-remote bussing is necessary for safety reasons, Ms. Reilly thought that the Township should shoulder some of the burden. Wealth in Lakewood has been growing in recent years and public safety and infrastructure are primarily Township responsibilities. Ms. Reilly testified that Lakewood received conditional certification in March 1998 as a result of eighth-grade standardized test score deficiencies. The district continues to be certified conditionally.

Dr. Robert Grey is the school business administrator within the Ocean County superintendent's office. He confirmed that property wealth in Lakewood is rising and that it is attributable to that segment of the community not sending children to the public schools. This circumstance actually adversely impacts State aid because community wealth is increasing in relation to a relatively static number of public school children; funding rests in part on this ratio.

Dr. Scalzo agreed that standardized test scores were subpar, but thought the district was working "aggressively" to improve scores. The library is open three days a week until 5:00 p.m. for student use and the middle school has a homework club. A wide variety of coursework is offered at the middle and high school and the curriculum is aligned. Dr. Scalzo noted that Lakewood High School has received a "Best Practices" award and a "Schools of Promise" award from the DOE. Additionally, Lakewood students have won other competitions and awards in language arts, math and science. More than 75 percent of high school

students expect to pursue some type of post-secondary education (LKW 3940-3949).

This is the substance of the record.

Unlike the other petitioning districts, Lakewood has some real property wealth and we must first try to understand what this means in the context of an application for SND status. Dr. Ritter's data shows that property wealth in Lakewood is about three times the average of the Abbott 30 and is slightly over the state average. Both Ms. Reilly and Dr. Grey testified without contradiction that Lakewood has been adding housing and overall wealth in recent years and that the Township is operating at a surplus. Lakewood did not present a municipal official to discuss distress within the community, though counsel argued that such testimony was highly relevant when presented on behalf of other petitioning districts. I find then that overall wealth in Lakewood is roughly at the state average and has been steadily increasing in recent years. This is not meant to imply that Lakewood has no poverty, but rather that overall it does not fit the profile of an SND. A key *Abbott* assumption is that SNDs are located within political subdivisions that cannot realistically afford to further tax themselves, thus shifting the burden of T & E back to the State through the DOE. Lakewood's total equalized tax rate is typically somewhat above average and it is certainly making an effort (P-7). Yet, given its property wealth I am not persuaded that Lakewood is incapable of providing greater support for its schools.

This finding is linked with the undisputed findings of the COPA team to the effect that the municipality has been dictating the district's budgets. While collaboration between boards of education and governing bodies can be positive and has been explained elsewhere in this record as necessary in an environment of deep poverty, that does not describe matters in Lakewood. The COPA report strongly implies that the district has not adequately asserted itself on behalf of its student population. The CAP prepared by the district effectively concedes the point by transforming the budget development process to correspond to the DOE's criticisms. No effort was made here to debate the COPA findings. Lakewood cannot claim SND status with a recent history of underfunding education and a capacity to do more.

Lakewood argues that property wealth is not a key determinant of SND status, witness Hoboken with property wealth twice that of Lakewood (P-1 at 227-229). This record did not study Hoboken and I cannot say why it is an Abbott district. The comparison recalls my earlier discussion about comparisons in which I suggested that the Supreme Court's broad approach to the Abbott class may not be fully compatible with isolated linkages. Moreover, the Hoboken data submitted by Dr. Ritter reflects the year 2000 and *Abbott* 2 was decided in 1990, based on statistics that were collected for the record some years before that. The fortunes of communities shift and I cannot say what Hoboken was like when the Court assessed the data. I continue to be persuaded that property wealth is a key factor and, as it happens, Dr. Ritter referred to this data point as a "perfect indicator" of the capacity to raise funds.

The DOE argues additionally that Lakewood spends some \$3.1 million annually for courtesy bussing that would be better spent on core needs. This raises the issue of whether "other programmatic choices" by the school board would alleviate the deprivation that the district now suffers. There was little disagreement in the record that the district needs to add space, refurbish existing buildings, expand security, replace outdated textbooks, and hire more teachers, social workers, parent liaisons and the like. The resources expended on courtesy bussing are substantial and would go a long way toward realizing these needs.

In support of the argument that non-remote bussing is necessary for public safety, Mr. Luick testified that Lakewood is bisected by busy traffic arteries. The videotape in evidence supports this, but that fact alone does not establish the necessity for non-remote bussing. The presentation did not evaluate specific bus routes and what might be done by way of crossing guards, lights, sidewalks, rerouting and the like to reduce hazards, *see* <u>N.J.S.A. 18A:39-1.5.</u> It merely showed that main arteries in Lakewood are heavily trafficked.

Lakewood argues also that this inquiry infringes upon its statutory discretion. I disagree. The district remains free to offer courtesy bussing pursuant to *N.J.S.A.* 18A:39-1.1, and the Commissioner does not seek to tamper with that authority. Lakewood is, however, attempting to prove that CEIFA is unconstitutional as applied because funding is inadequate. Given the posture of the case the Commissioner has concluded that Lakewood must first show that it is spending existing resources effectively. This record does not support such a finding regarding bussing.

The Lakewood school district does face unique circumstances that may require individual attention given the size of its non-public school population. However, that range of issues raises policy questions that are beyond this forum. For our purposes, it appears that the community is capable of supporting the district at higher levels and that it has chosen to offer courtesy bussing with funds that might have been used to address pressing facility and programmatic needs.

Based on the foregoing I conclude that the Lakewood School Board has not established that it is an SND and its petition is denied.

LAWRENCE

Lawrence Township is located in the southernmost part of Cumberland County along Delaware Bay. It has a population of about 3,000 within 31 square miles and is primarily a farming community. The district has a DFG A designation and consists of one pre-K through 8 school building that serves some 430 students. The children go on to either Millville or Bridgeton High School.

Mayor Elmer E. Bowman testified that the unemployment rate in Lawrence has been around 12 percent for the last decade. The overall tax rate, at \$2.62 per \$100 of valuation, is above the state average even though the municipality delivers few services. Mayor Bowman felt that additional taxation would be onerous.

EDUCATION for consideration.

This recommended decision may be adopted, modified or rejected by the **COMMISSIONER OF THE DEPARTMENT OF EDUCATION**, who by law is authorized to make a final decision in this matter. If the Commissioner of the Department of Education does not adopt, modify or reject this decision within forty-five (45) days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with *N.J.S.A.* 52:14B-10.

Within thirteen (13) days from the date on which this recommended decision was mailed to the parties, any party may file written exceptions with the **COMMISSIONER OF THE DEPARTMENT OF EDUCATION, 100 Riverview Plaza, 4th Floor, PO Box 500, Trenton, New Jersey 08625-0500,** marked "Attention: Exceptions." A copy of any exceptions must be sent to the judge and to the other parties.

DATE SOLOMON A. METZGER, ALJ

Receipt Acknowledged:

DATE DEPARTMENT OF EDUCATION

Mailed to Parties:

DATE OFFICE OF ADMINISTRATIVE LAW

A succinct chronology of the key school-funding decisions in this state going back to 1970 is presented in *Abbott* 5, *supra*, 153 *N.J.* at 490-93.

The Commissioner's order as well as the first initial decision are incorporated herein by reference. There is a difference between lawful and effective use of funds and the Commissioner was not fully in accord with the OAL opinion, as he felt that the districts had only been put to the first showing. The inquiry is certainly legitimate in theory, indeed, the Supreme Court has directed the Commissioner "to assure that all education funding is spent effectively and efficiently, especially in the special needs districts," *Abbott 4*, *supra*, 149 *N.J.* at 193. The difficulty in phase 1, however, was that the issue was never really joined. Despite extensive discovery the DOE did not pinpoint any substantive misallocations, or unproductive uses of resources. Nonetheless it sought and was given a full opportunity to pursue the issue via cross-examination; nothing material emerged. In general, phase 1 of the bifurcation was an empty shell. The DOE was content to let petitioners regurgitate their budgetary information in the effort to show that existing funds were spent appropriately, without so much as calling an opposing witness. This was an irregular strategy and the two-phase approach simply elongated the proceedings. The "effective and efficient" issue did surface with some greater precision in phase 2 regarding the Lakewood district's use of courtesy/safety bussing, Egg Harbor City's inability to account for certain expenditures, and the practice by many districts of allocating excess surplus for tax relief. These issues will be examined in the body of the opinion.

This appears to rephrase the "effective and efficient" issue.

The Supreme Court discussed the DFG system in *Abbott 2*, *supra*, 119 *N.J.* at 338-39. In response to a closing argument by petitioners here that the DFG designations were dispositive, or nearly so, the DOE's closing brief maintained for the first time that the DFG designations were irrelevant. I note that the DOE has for many years classified every district in the state according to this system and the designations are neither

dispositive nor irrelevant. They are germane as the DOE's own measure of socioeconomic conditions in a community.

The ECP-1 subset consists of three districts that have between 20 and 40 percent of their students on the federal Free or Reduced Lunch program. This category was specifically included in the *Abbott* 2 remedy. The B/CD subgroup was created by petitioners for comparison purposes and consists of eleven districts that tend to be at the upper end of the Abbotts.

The DOE rescored the 1999 ESPA, but Dr. Ritter used the original numbers when he prepared P-1. When the discrepancies started to become apparent at hearing, Dr. Ritter created P-2 utilizing the newer data.

ARTHUR H. LANG
918 East Kennedy Blvd.
Lakewood, NJ 08701
NJ Att. No. 014102010
lakewoodlaw@gmail.com
(732) 609-5530
Attorney for Petitioners

LEONOR ALCANTARA, individually and as Guardian ad Litem for E.A.; LESLIE JOHNSON, individually and as Guardian ad Litem for D.J.; JUANA PEREZ, individually and as Guardian ad Litem for Y.P.; TATIANA ESCOBAR individually; and IRA SCHULMAN, individually and as Guardian ad Litem for A.S.

Plaintiffs,

V.

DAVID HESPE, COMMISSIONER OF THE NEW JERSEY DEPARTMENT OF EDUCATION; the NEW JERSEY STATE BOARD OF EDUCATION; and the NEW JERSEY DEPARTMENT OF EDUCATION

Respondents

)
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)OAL DOCKET No:
)EDU 11069-2014S
)
) Agency Ref. No.:
) 156-6/14
)
)CERTIFICATION OF
)DR. DANIELLE
)FARRIE, RESEARCH
)DIRECTOR OF THE
)EDUCATION LAW
)CENTER, IN SUPPORT
)OF PETITIONERS'
)MOTION
)

- I, Danielle Farrie, Ph.D., of full age, certify as follows:
- 1. I am the research director of the Education Law Center.
- 2. I appeared in Court to testify in the above action and submitted an expert report entitled "Lakewood School District: Expenditures and Revenues under SFRA" on February 13, 2018.
- 3. My report focused on the ways in which Lakewood's required spending in Transportation and Special Education are far beyond what is provided under SFRA because of its unique

nonpublic population.

- 4. The excess spending in these areas necessitate reducing expenditures in other areas namely the adequacy budget for regular education, English language learners (ELL), and at risk (low-income) students.
- 5. On February 12, 2018 I created the document "Lakewood School District: Expenditures and Revenues under SFRA" (hereafter "the document"). The document is attached.
- 6. Using data publicly available for the three most recent years (2016 2018), in the document I compare the district's expenditures in special education and transportation to the funding that is provided under a fully implemented SFRA.
- 7. Even accounting for additional state aids the district receives (Extraordinary aid and State funding to support the Transportation Authority pilot program), the district is left with a \$37-40 million annual gap between expenditures and revenues for special education and transportation.
- 8. Because this spending is not discretionary, the district must divert \$37-40 million from supporting essential teachers, support staff and programs in Lakewood's adequacy budget under the SFRA. These include programs for regular education, and programs for at-risk and ELL students.

- 9. When that \$37-40 million is subtracted from the adequacy budget, the district only has 60-65% of the state and local revenue that the SFRA deems necessary for students to achieve the state's curriculum standards.
- 10. My analysis assumes that the district receives both full funding of state aid and the local fair share. In other words, this is the best-case scenario. In reality, the district may be underfunded from both state and local revenues, further exacerbating the effect on the ability of the district to fund the adequacy budget for regular education, at-risk, and ELL students.

I am aware that if the foregoing statements made by me are willfully false, I am subject to punishment.

Darielle Farrie, Ph.D bated: March 8, 2018

Lakewood School District: Expenditures and Revenues under SFRA

		FY16	FY17	FY18
SPECIAL EDUCATION				
Expenditures ¹	Special Education - Instruction 11-2XX-100-XXX	\$6,151,946	\$6,475,969	\$7,108,442
	Undistributed Expenditures - Instruction (Tuition) 11-000-100-XXX	\$28,137,315	\$31,780,583	\$31,963,753
	Undist. ExpendSpeech, OT, PT And Related Svcs 11-000-216-XXX	\$2,913,690	\$3,723,890	\$3,295,071
	Undist Expend-Oth Supp Serv Std-Extra Serv 11-000-217-XXX	\$2,156,207	\$2,967,150	\$2,516,926
	Undist. Expenditures - Child Study Teams 11-000-219-XXX	\$3,022,564	\$2,369,419	\$2,943,573
	TOTAL SPECIAL EDUCATION EXPENDITURES	\$42,381,722	\$47,317,011	\$47,827,765
Revenue				
Fully Funded SFRA ²	Special Education (2/3 Equalized + 1/3 Categorical)	\$13,995,912	\$15,545,832	\$15,030,189
	Speech	\$130,375	\$115,533	\$111,334
Other State Aid	Extraordinary Aid ³	\$4,162,366	\$5,200,000	\$5,200,000
	TOTAL REVENUE	\$18,288,653	\$20,861,365	\$20,341,523
Revenue Gap		-\$24,093,069	-\$26,455,646	-\$27,486,242
TRANSPORTATION				
Expenditures	Undist. ExpendStudent Transportation Serv. 11-000-270-XXX	\$26,343,391	\$24,777,814	\$27,648,082
Revenue				
Fully Funded SFRA	Transportation	\$10,161,311	\$11,509,939	\$12,752,631
Other State Aid	Transportation Authority ⁴		\$2,400,000	\$2,400,000
	TOTAL REVENUE	\$10,161,311	\$13,909,939	\$15,152,631
Revenue Gap		-\$16,182,080	-\$10,867,875	-\$12,495,451
TOTAL REVENUE GAP (SP	ECIAL ED + TRANS)	-\$40,275,149	-\$37,323,521	-\$39,981,693
SFRA Adequacy Budget ⁵		\$109,873,769	\$108,079,352	\$99,725,929
Revenue Remaining for A	\$69,598,620	\$70,755,831	\$59,744,236	
Revenue Remaining Relat	ive to Adequacy Budget	63%	65%	60%

¹Expenditure data from the 2018 User Friendly Budget

 $^{^{\}rm 2}$ Revenue data from 2016-2018 "Informational" State Aid Notices, reflects full funding of SFRA.

³ As reported on the 2018 User Friendly Budget.

 $^{^{\}rm 4}$ According to Office of Legislative Services fiscal estimate of Senate Bill 2049.

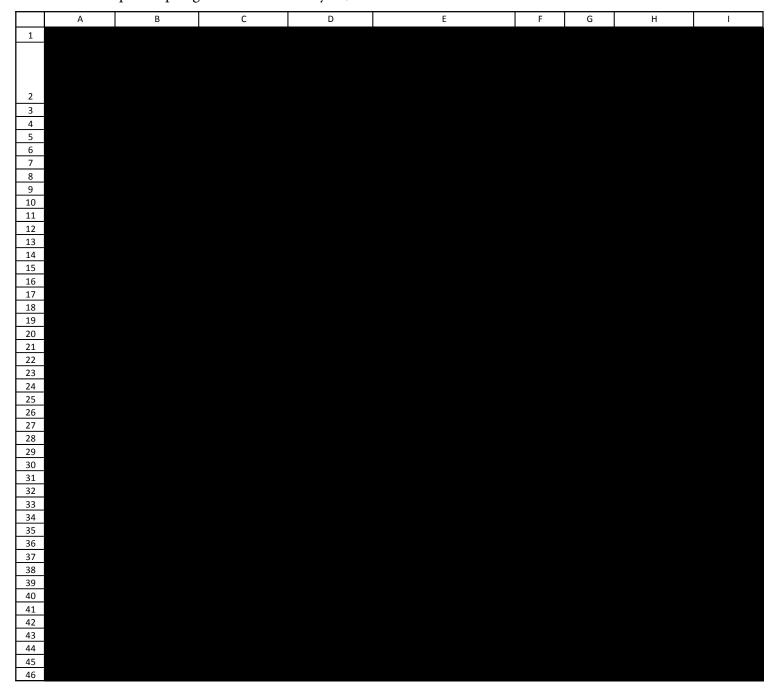
⁵ Adequacy budget as calculated in 2016-2018 "Informational" state aid notices. Excludes special education and speech.

⁶ Assumes full funding of the Local Fair Share.

Graduation Rates

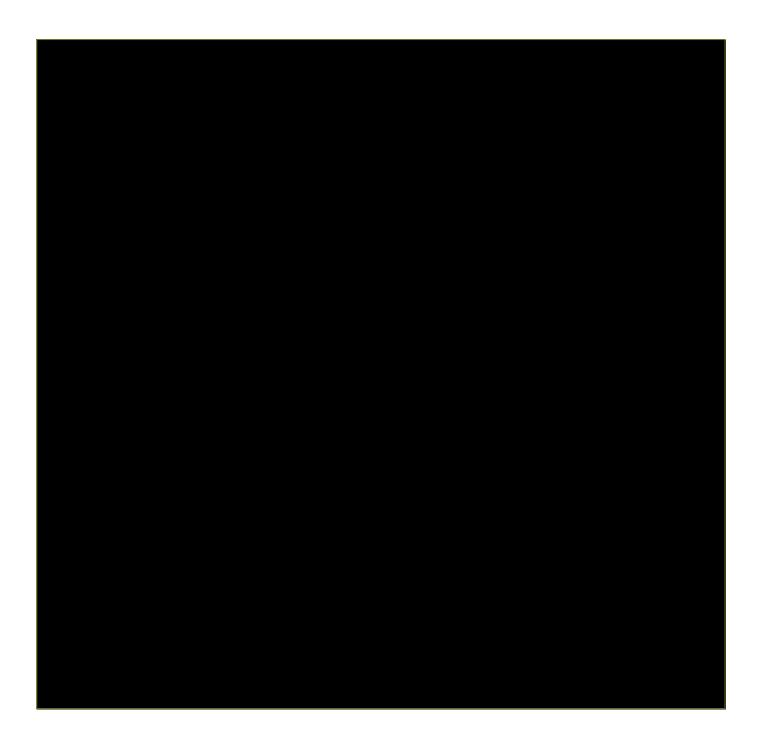
	А	В	С	D	E	F	G	Н
1	COUNTY_NAME	DISTRICT_NAME	2016 Adjusted	2015 Adjusted	2014 Adj	2013 Adj	usted Cohort (Grad Rate
2	CUMBERLAND	BRIDGETON CITY	78.78	76.33	71.01	68.38		
3	CAMDEN	CAMDEN CITY	69.57	63.57	61.70	53.42		
4	PASSAIC	PASSAIC CITY	76.61	78.31	76.32	71.32		
5	PASSAIC	PATERSON CITY	78.27	78.26	74.51	72.11		
6	MIDDLESEX	NEW BRUNSWICK CITY	69.50	68.50	62.98	60.73		
7	OCEAN	LAKEWOOD TWP	75.25	73.51	74.34	71.17		
8	ESSEX	NEWARK CITY	73.47	69.59	68.63	67.70		
9	MERCER	TRENTON CITY	66.55	68.63	52.95	48.55		
10	SALEM	SALEM CITY	85.54	77.33	69.44	75.47		
11	HUDSON	UNION CITY	79.56	87.47	80.63	79.17		
12	ATLANTIC	PLEASANTVILLE CITY	80.85	81.36	75.98	70.03		
13	ESSEX	EAST ORANGE	74.77	75.58	71.87	69.90		
14	UNION	ELIZABETH		78.15	72.60%	71.05%		
15	ESSEX	CITY OF ORANGE TWP	90.68	83.23	86.17	79.59		
16	MIDDLESEX	PERTH AMBOY CITY	71.74	73.38	59.73	58.97		
17	MONMOUTH	ASBURY PARK CITY	73.12	66.04	49.26	50.69		
18	ESSEX	IRVINGTON TOWNSHIP	70.72	70.33	62.31	60.30		
19	MONMOUTH	KEANSBURG BORO	81.05	87.76	80.41	76.11		
20	WARREN	PHILLIPSBURG TOWN	90.80	87.88	86.46	83.33		
21	HUDSON	HARRISON TOWN	94.57	91.71	90.48	91.44		
22	CAMDEN	GLOUCESTER CITY	94.04	82.47	86.21	82.86		
23	CUMBERLAND	MILLVILLE CITY	90.77	90.22	86.17	82.33		
24	UNION	PLAINFIELD CITY	78.28	80.49	89.42	77.32		
25	BERGEN	GARFIELD CITY	88.17	83.83	87.32	78.05		
26	HUDSON	WEST NEW YORK TOWN	82.72	84.70	84.58	78.35		
27	CUMBERLAND	VINELAND CITY	76.61	75.89	76.57	71.77		
28	BURLINGTON	BURLINGTON CITY	86.71	78.47	82.22	78.20		
29	BURLINGTON	PEMBERTON TWP	86.14	89.72	84.27	83.87		
30	MONMOUTH	LONG BRANCH CITY	90.80	92.19	94.42	91.55		
31	HUDSON	JERSEY CITY	74.85	73.68	67.15	67.46		
32	MONMOUTH	NEPTUNE TWP	84.46	80.73	78.33	76.80		
33	HUDSON	HOBOKEN CITY	86.01	83.33	86.78	85.43		
34								
35								
36	Average		75.80	78.15	0.726	0.7105		

P:65 PARCC Scores, Lakewood, DFG A and neighboring districts. Spreadsheet downloaded from https://www.nj.gov/education/schools/achievement/17/parcc/springexcel.htm dw/l May 27, 2018.



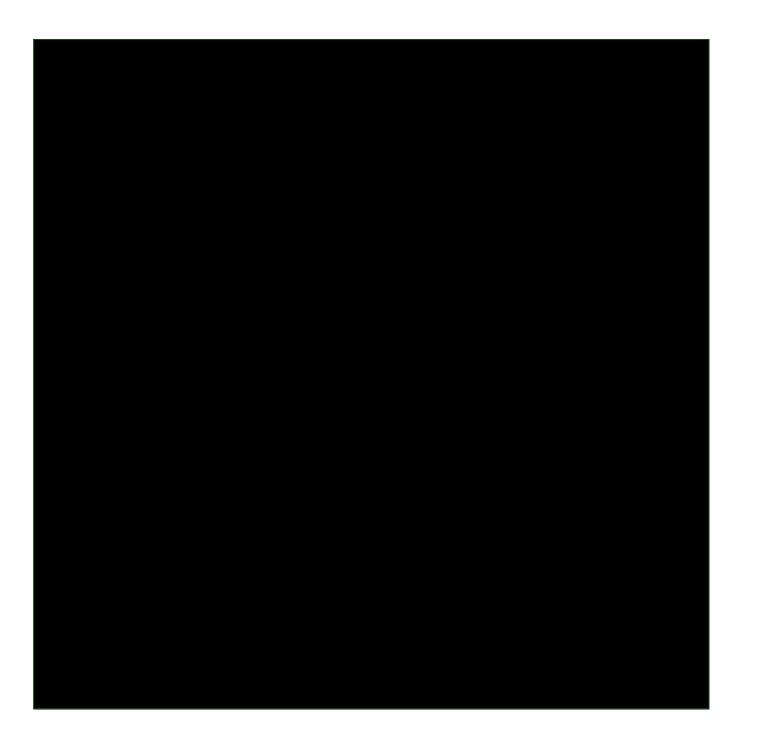
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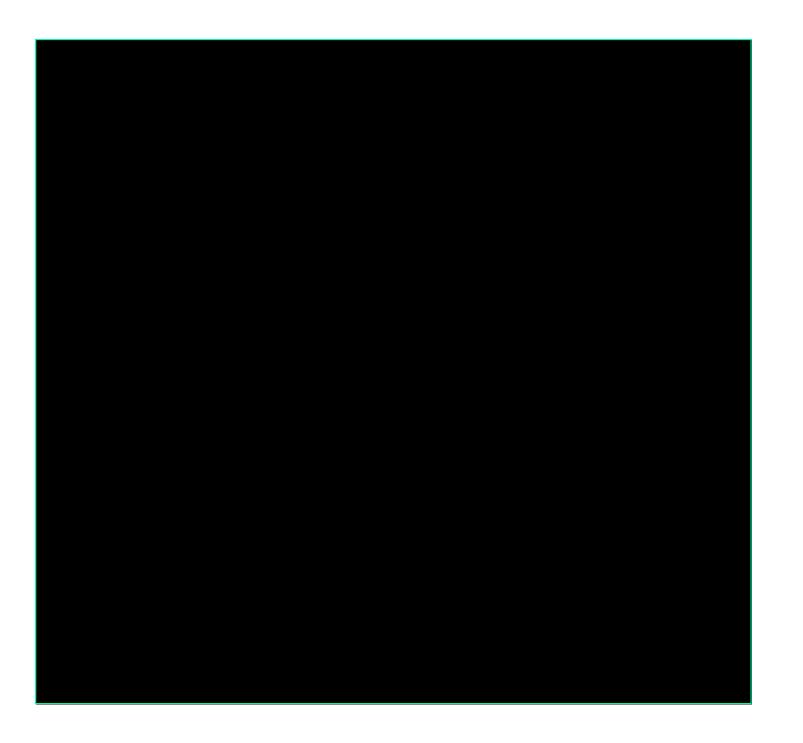


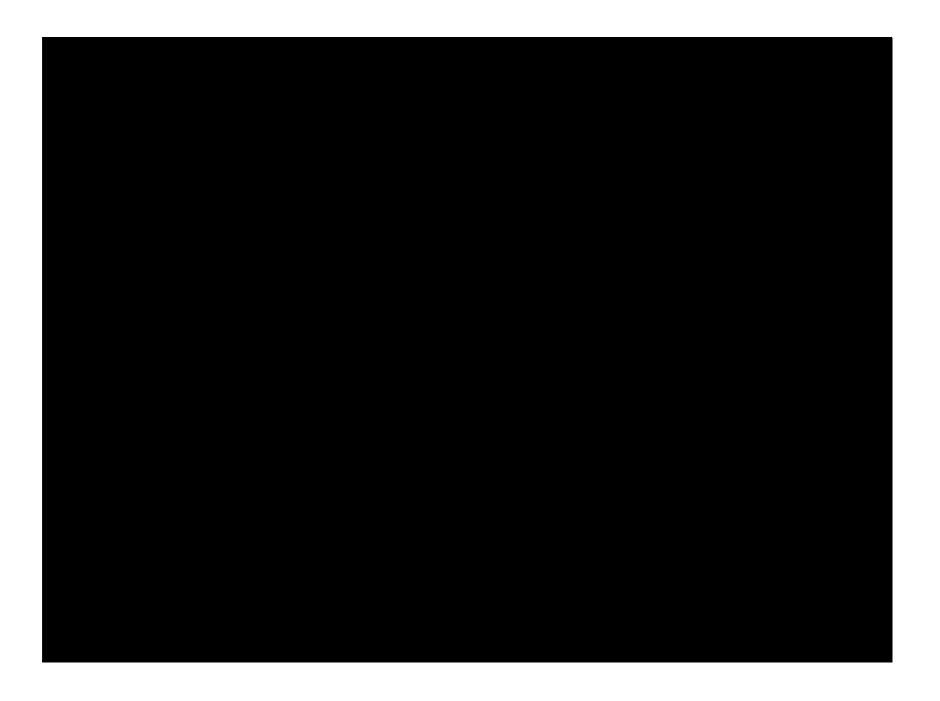




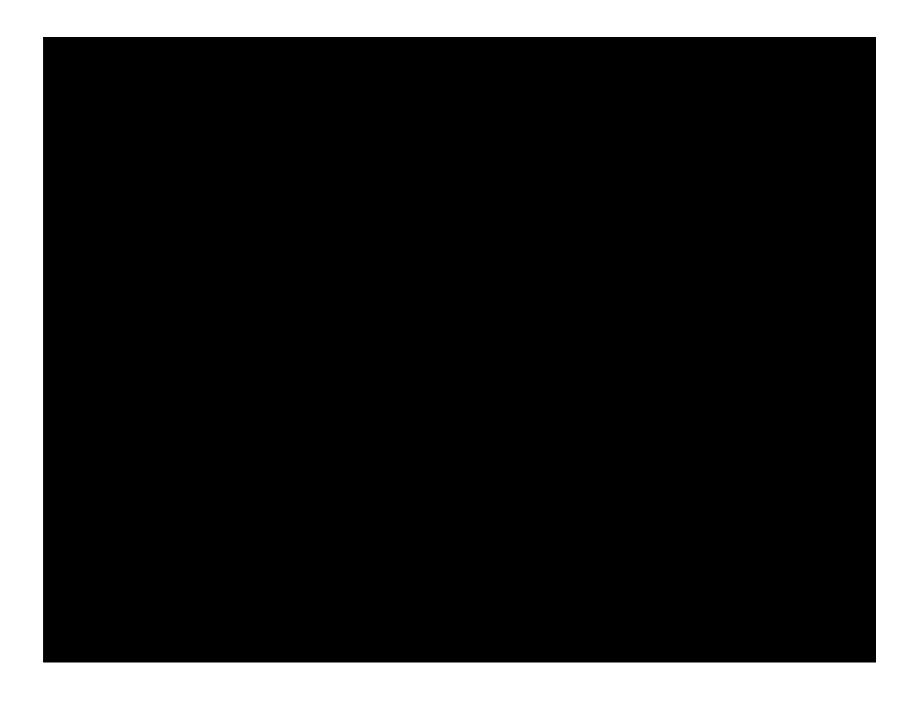




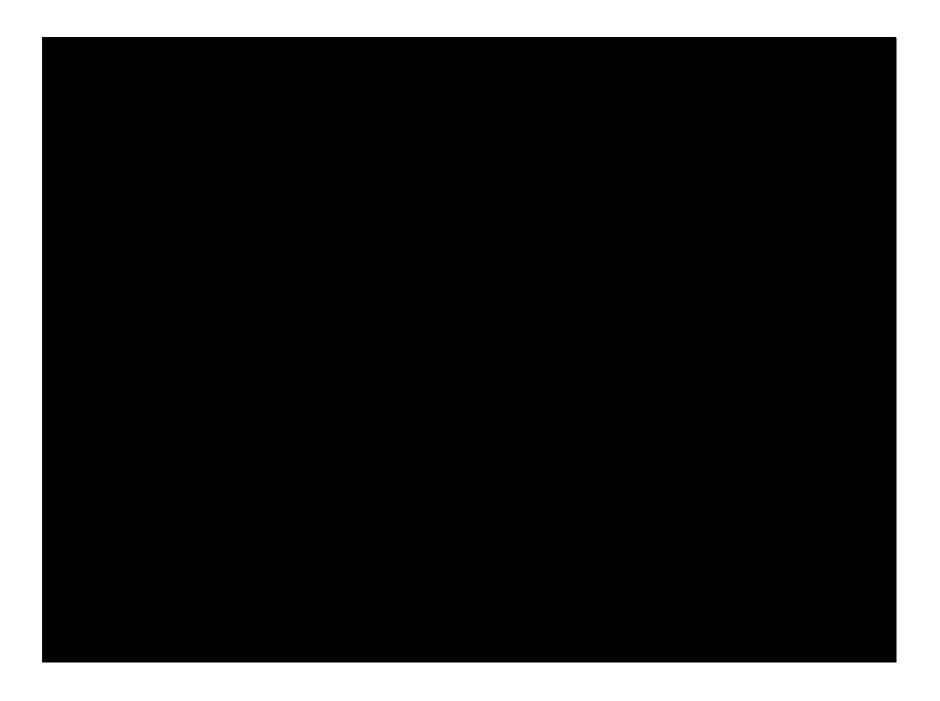


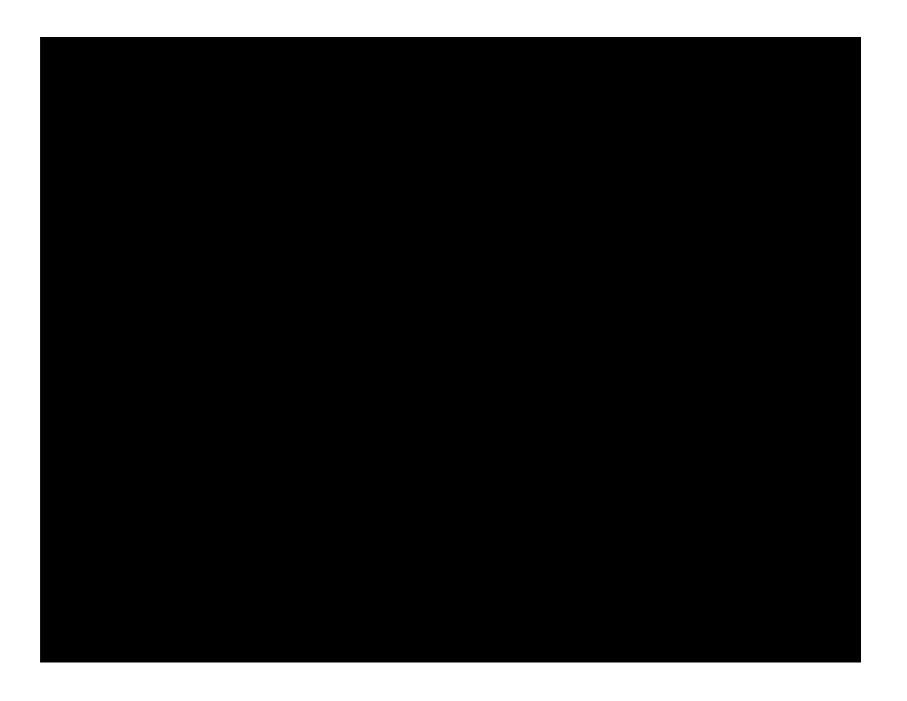












Petitioners' Exhibits

Exhibit 1 Total Classroom Spending, taxpayer guide to educational spending DOE website

1-1All districts

Exhibit 2 FY2018 Susan Ecks Low-Income Urban and Neighboring Districts

2-1 FY-15 to FY-17

2-2 Sources

2-3 Sources for FY-18

2-4 Key

Exhibit 3 SFRA numbers for 2017-18

Exhibit 4 Lakewood Budget 2016-17

Exhibit 5 Lakewood Budget 2017-18

Exhibit 6 Request for Admissions

6-1 Census Information

6-2 Compilation of Peer Schools School Report Cards 3013-14

6-3 HSPA and GEPA Scores

6-4 District graduation rate and list of peer schools (All Abbott)

Exhibit 7 Census data

7-1 Per capita income and rank

7-2 September 2017 Labor force (Lakewood p. 1276)

7-3 2016 Labor (Lakewood p. 1269)

7-4 source census data

Exhibit 8 Birth Rate Lakewood and Newark

Exhibit 9 Master Plan Demographic page 3 population 220,000 by 2030

Exhibit 10 Letter of Township Manager

Exhibit 10 -1 Taxpayer Guide to Educational Spending Low-Income Urban and Neighboring Districts

Exhibit 10-2 followed by all the districts printed out

Exhibit 11 Non-T & E expenses Low-Income Urban and Neighboring Districts followed by pages from each districts' budget

Exhibit 12 Graduation Rates Low-Income Urban Districts followed by DOE table

Exhibit 13 Lakewood Title I allocation public/nonpublic

13-1 2017-18 public/nonpublic (significant shift)

13-2 2016-17 public/nonpublic

13-3 other years' public/nonpublic

Exhibit 14 2017-18 Students with disabilities and Low-income public/nonpublic

14-1 other years Students with disabilities and Low-income public/nonpublic

Exhibit 15 CD Mike Azzara

15-1 Certification of Hassenfeld

Exhibit 16 NJ Monthly Rankings

Exhibit 17 Underfunding

Exhibit 17-1 Drain on the Budget

Exhibit 18 Delete

Exhibit 19 Lakewood CDP

Exhibit 20 Haber CV

Exhibit 21 Haber Report

Exhibit 22 Robinson report

Exhibit 23 BA Report



State of New Jersey

DEPARTMENT OF EDUCATION PO Box 500 Trenton, NJ 08625-0500

DAVID C. HESPE Acting Commissioner

Governor

KIM GUADAGNO

Lt. Governor

CHRIS CHRISTIE

May 13, 2014

TO: Chief School Administrator

Charter School Lead Person

State Agency Office of Education Director

FROM: Anne Corwell, Director

Office of Grants Management

SUBJECT: FY 2015 ESEA-NCLB Allocation Notices

In preparation for the 2014-2015 school year, the New Jersey Department of Education (NJDOE) is releasing LEAs'/agencies' Fiscal Year (FY) 2015 *ESEA-NCLB* Consolidated Formula Subgrant allocations for all applicable programs as listed below on Friday, May 16, 2014. The accompanying attachment highlights details listed on the allocation notices, clarifies specifics on the grant programs, and provides information regarding the application submission process.

The following federal grant programs are included on the LEAs'/agencies' FY 2015 ESEA-NCLB Allocation Notices:

- Title I, Part A: Improving Basic Programs Operated by Local Education Agencies
- Title I, Part D: Prevention and Intervention Programs for Children and Youth who are Neglected, Delinquent or At-Risk
- Title II, Part A: Teacher and Principal Training and Recruiting Fund
- Title III, Part A: Grants and Subgrants for English Language Acquisition and Language Enhancement
- Title III, Part A: *Immigrant*

The FY 2015 ESEA-NCLB Allocation Notices are available on the NJDOE Homeroom website via the ESEA-NCLB Allocation Notices link at: http://homeroom.state.nj.us/. If necessary, district web user administrators can add web user accounts or authorize existing web user accounts for access to the ESEA-NCLB Allocation Notices link.

LEAs/agencies will access the FY 2015 *ESEA-NCLB* Consolidated Subgrant Application through the Electronic Web Enabled Grant (EWEG) system at: http://homeroom.state.nj.us/. It is anticipated that the application will be available on the EWEG system in late May 2014.

In an effort to assist LEAs/agencies in developing well considered implementation plans, which support the *ESEA-NCLB* Consolidated Formula Subgrant, program specific planning information,

nonpublic school documentation, and other pertinent planning documents are available on the NJDOE website at: http://www.nj.gov/njded/grants/entitlement/nclb/.

Please be advised that the FY 2015 *ESEA-NCLB* Consolidated Subgrant Application submission due date is scheduled tentatively for **Monday**, **June 30**, **2014**. LEAs/agencies that submit their respective *ESEA-NCLB* applications in substantially approvable form through the EWEG system by the due date may begin to allocate the *ESEA-NCLB* funds as of July 1, 2014.

If you have any questions, or require additional information regarding the FY 2015 *ESEA-NCLB* Allocation Notices, please contact the Office of Grants Management (OGM) at (609) 633-6974. We wish you success in the development of the FY 2015 *ESEA-NCLB* Consolidated Subgrant Application.

AC\ams:k:\Entitlement\NCLB 2015\FY 2015 ESEA NCLB Allocations_05132014

Attachments

c: Members, State Board of Education

David C. Hespe, Acting Commissioner

Senior Staff

David Joye

Karen Campbell

Nancy Curry

Executive County Superintendents

Executive Directors for Regional Achievement Centers

Executive County Business Administrators

County Education Specialists

ESEA Advisory Council

NJLEE Group

Garden State Coalition of Schools

New Jersey Public Charter Schools Association

Advisory Committee for Nonpublic Schools

Vanessa Davenport

Sandy O'Neil

Andrea Sunderville

File



FY 2015 ESEA-NCLB Consolidated Formula Subgrant

Allocation and Program Information

Allocation Notice Explanation:

The summary allocation notice lists the LEA's/agency's allocation amount for each *ESEA-NCLB* program. Individual allocation notices provide details about each allocation as described below.

FY 2015 Formula Allocation

Calculations for each title are based on federal guidance and use projected charter school data. Final allocations for FY 2015 will be recalculated once the actual charter school data is available. Any upward or downward adjustment will be reflected in the LEA's/agency's FY 2016 ESEA-NCLB allocation notices

FY 2015 Charter School Set Aside

These amounts reflect funds allocated to the charter schools and are based on projected data. Final allocations will be calculated once actual charter school data are available. Any upward or downward adjustments resulting from these final allocation calculations for FY 2015 will be reflected in the FY 2016 *ESEA-NCLB* allocation notices. If a charter school closes or does not open, allocated funds will be reallocated back to the "sending" local educational agency (LEA) and will be reflected in the FY 2016 allocations.

FY 2015 Newly Opened Charter Schools

Allocations to charter schools opening in the fall of 2014 will be made in January 2015 and will be based on actual data as of October 15, 2014. The allocation notices for these charter schools will be available by January 31, 2015.

FY 2014 Allocation Adjustment

These amounts reflect increased or decreased amounts that were calculated in the FY 2014 adjusted formulas. The FY 2014 allocation adjustment amounts are specified separately on the FY 2015 allocation notice and include adjustments from FY 2014 for both the LEA and nonpublic schools.

Total FY 2015 Allocation

These totals identify **all funds** that are available for expenditure in FY 2015.

Maintenance of Effort:

The FY 2015 Maintenance of Effort adjustments for affected districts <u>are not reflected</u> in the FY 2015 *ESEA-NCLB* Allocation Notices. The United States Department of Education (USDE) has given the New Jersey Department of Education (NJDOE) permission to make these adjustments in the next year to provide LEAs an opportunity to appeal, if needed, and to reduce burdensome changes to application budgets. Maintenance of Effort adjustments to the *ESEA-NCLB* allocations will be made at the time of the adjustments to the FY 2015 allocation and will be shown on the FY 2016 allocation notices.

Important Information:

The FY 2015 ESEA-NCLB project period begins on July 1, 2014. Program activities may commence at the beginning of the project period. LEAs/agencies will receive e-mail notifications through the online grants system when their applications have been received in substantially approvable form. Non-receipt of funds cannot delay the provision of services.



FY 2015 ESEA-NCLB Consolidated Formula Subgrant

Allocation and Program Information

Program Specific Information for Each Title

Title I, Part A:

For LEAs serving Priority and/or Focus schools with Title I, Part A funds, up to a maximum of 30% of the total, Title I, Part A grant award must be reserved for the implementation of the schools' approved, School Improvement Plans (SIPs). All LEAs must complete a SIP for each Priority and/or Focus school. The SIPs must outline the mutually agreed upon interventions and Annual Measurable Objectives (AMOs) for which the school, LEA, and RAC team will be held accountable. For Priority and/or Focus schools that are served with Title I funds, upon approval of the SIPs by the Executive Directors of the Regional Achievement Centers (RACs), LEAs will be required to upload the approved SIPs to the ESEA-NCLB application. For Title I Priority and Focus schools approved to operate schoolwide programs, the SIPs serve as the Title I Schoolwide plans. The School Improvement Plan template for use by LEAs serving Priority and/or Focus schools is available on the Regional Achievement Center website at: http://www.state.nj.us/education/rac/.

For a Title I LEA with Title I schools operating approved Title I schoolwide programs (SW) that are not Priority and Focus schools, the LEA is required to submit a Title I SW plan as an electronic upload to the *ESEA-NCLB* Consolidated Subgrant Application. Specific information and details on the Title I schoolwide process is available on the Office of Title I website at: http://www.state.nj.us/education/title1/program/schoolwide.shtml.

If updates occur to the Title I Schoolwide Plan after the *ESEA-NCLB* application is submitted and approved, these updates must be uploaded as electronic attachments to the *ESEA-NCLB* amendment application at a later date. The Title I Schoolwide Plan template and forms for the above referenced Title I schools currently are available on the New Jersey Department of Education (NJDOE) website at: http://www.state.nj.us/education/title1/program/schoolwide.shtml.

In accordance with NCLB §1122 (c) Title I, hold harmless applies to LEAs, depending upon their poverty rates as follows: 95 percent hold harmless for LEAs with a minimum 30 percent poverty; 90 percent hold harmless for LEAs with poverty rates between 15 percent and 30 percent; and 85 percent hold harmless for LEAs below 15 percent poverty. Additionally, adjustments are made for transfers to vocational and charter schools.

Title I allocations are calculated by the USDE based on estimates of the United States Census Bureau data (enrollment and poverty) as required by federal legislation. **Please note**: *Income Year 2010 Census* data were used for FY 2015. For LEAs with resident populations of less than 20,000 ("small" LEAs), the NJDOE is using an alternative method (using state enrollment and at-risk data) approved by the USDE. This option reduces the negative impact of USDE allocations on "small" LEAs in New Jersey.

Eligibility for Title I funds is determined on an annual basis. Since actual enrollment and at-risk data are unavailable for charter schools with significant enrollment increases, projections are used to determine eligibility and allocations for these charter schools. After actual data are obtained in October 2014, these



FY 2015 ESEA-NCLB Consolidated Formula Subgrant

Allocation and Program Information

charter schools may become ineligible or have their allocations significantly reduced. Affected charter schools that lose eligibility will be notified of their change in status. Affected charter schools with significantly reduced allocations also will be notified as soon as the impact of the change is determined.

Title I, Part D: State agencies (SAs) and eligible LEAs will complete the specific Title I, Part D program plans as part of the *ESEA-NCLB* Consolidated Subgrant Application submission. Applicants should use the program plan template (either Subpart 1 Plan or Subpart 2 Plan) located at: http://www.nj.gov/njded/grants/entitlement/nclb/. The Subpart 1 Plan is completed by SAs and the Subpart 2 Plan is completed by LEAs. **Please note**: LEAs are required to collaborate with the juvenile detention center in the formulation of the program plan for Subpart 2, which must reflect the mandated formal agreement between the LEA and the facility.

Title II, Part A: For the FY 2015 *ESEA-NCLB* application, if the LEA intends to budget less than the total amount of funds for professional development budgeted in FY 2002 for both the Eisenhower Professional Development and CSR programs, the LEA must use that FY 2002 amount to calculate the professional development Hold-Harmless amount for nonpublic schools. The FY 2015 allocation notice for Title II, Part A will provide the required nonpublic school percentage.

Please Note: According to USDE guidance, developing an evaluation system for teachers and/or principals is not in itself an allowable use of Title II, Part A funds; however, developing such systems that inform decisions on professional development, promotion, retention, compensation, and tenure is an allowable use of program funds. <u>It is important to note that Title II, Part A funds cannot be utilized for the collection of student data or other data collection that is required for the *TEACH NJ Act*. Please note the following information:</u>

- If the evaluation system is not tied to an allowable, Title II, Part A activity, then the purchase and use of the system is not an allowable use of Title II, Part A funds.
- In all instances, Title II, Part A funds must supplement and not supplant state/local funds (see §1120A (b) (1) IN GENERAL).
- Title II, Part A funds cannot be utilized for student-specific activities (i.e., collecting student data on an evaluation system purchased with Title II, Part A funds).

Given the above, Title II, Part A funds may be utilized for the development of teacher and principal evaluation systems, as long as these systems are integral to the implementation of one or more of the following allowable uses as defined in the Title II, Part A regulations:

• Section 2123(a)(3)(A)(B): Permits LEAs to support activities that ensure teachers are able to use challenging State academic content standards and student academic achievement standards, and State assessments, to improve instructional practices and improve student academic achievement. An evaluation system could play a role in such an effort.



New Jersey Department of Education FY 2015 ESEA-NCLB Consolidated Formula Subgrant Allocation and Program Information

- Section 2123(a)(4)(A) through (D): Permits for the development and implementation of
 mechanisms to assist LEAs and schools to effectively retain highly qualified teachers and
 principals. An evaluation system that could feed into a program for teacher and principal
 retention would be such a mechanism.
- <u>Section 2123(a)(5)(C)</u>: Permits LEAs to use funds to reform tenure systems. An evaluation system could play a role in determining which teachers earn tenure.
- <u>Section 2123(a)(5)(D)</u>: Permits LEAs to develop, merit-based performance systems and strategies to provide differential and bonus pay for teachers in high-need academic subjects such as reading, mathematics, and science, and teachers in high-poverty schools and districts. An evaluation system could serve as a means for determining which educators were eligible for increased performance-based pay.
- <u>Section 2123(a)(6)</u>: Permits LEAs to develop and implement professional development programs for principals that enable the principals to be effective school leaders and prepare all students to meet challenging State academic content and student academic achievement standards. An evaluation system could assist LEAs in assessing the professional development needs of principals and could help steer principals toward professional development that addresses such needs.
- <u>Section 2123(a)(8)</u>: Permits LEAs to develop teacher advancement initiatives that promote professional growth and emphasize multiple career paths and pay differentiation. An evaluation system could play a role in such an effort.

Title III – Limited English Proficient (LEP):

For the 2014-2015 school year (FY 2014), public schools will receive Title III allocations based on the number of LEP students in PreK to grade 12 reported in the New Jersey SMART (NJSMART) data collection as of October 15, 2013. Nonpublic schools will be allocated Title III services based on the number of LEP students who have been identified for and are receiving English as a second language instruction under the Chapter 192 program as of October 15, 2013. Title III services also will be allocated for nonpublic school LEP students who reside out of state or who are enrolled as foreign exchange students. The nonpublic LEP student enrollment count has been reported by nonpublic schools for the 2014-2015 school year in the Nonpublic School Enrollment Data Collection, and subsequently verified by the public school district. Public school districts must ensure that the nonpublic schools within their jurisdiction identify LEP students and provide Title III services in accordance with federal regulations.

Consortium Requirement: LEAs and charter schools must qualify for a grant of at least \$10,000 to qualify for Title III-A funds. If the LEA's allocation is less than \$10,000, the LEA may form a consortium with another district(s) to meet the \$10,000 base amount, or refuse the grant award.

LEAs that enter into a consortium must develop a Memorandum of Understanding (sample provided on the NJDOE website at: http://www.nj.gov/education/grants/entitlement/nclb/), or alternative



FY 2015 ESEA-NCLB Consolidated Formula Subgrant

Allocation and Program Information

arrangement that outlines how the consortium will meet the Title III requirements, including the following:

- Ordering and administering the ACCESS for ELLs Test;
- Title III Annual Measurable Achievement Objectives (AMAOs);
- Parental notification to parents of participating LEP students; and
- Participation in an improvement plan if the consortium as a whole, or individual districts within the consortium fail to meet Title III AMAOs for two consecutive years.

The fiscal agent of the consortium is responsible for ensuring that consortium members fulfill their fiscal and programmatic responsibilities as subgrantees under Title III.

Please note: Title III (LEP) and Immigrant allocations **cannot** be combined to meet the \$10,000 minimum requirement.

Title III Immigrant:

Title III Immigrant funds may be available to the LEA even if the LEA has less than a \$10,000 Title III allocation and declines Title III funds.

In order to be eligible for Title III Immigrant funds, the LEA must report its immigrant students in NJSMART and demonstrate an increase of two percent or greater in the current year's combined public and nonpublic school enrollment of immigrant students as compared to the average immigrant student enrollment of the two preceding years.

For the 2014-2015 school year (FY 2015), Title III Immigrant funds will be allocated to eligible public school districts based upon the number of eligible public and nonpublic immigrant students reported through NJSMART as compared to the average of the previous two years. Nonpublic school services for nonpublic schools in eligible school districts will be based upon the number of immigrant students reported by nonpublic schools for the 2014-2015 school year in the Nonpublic School Enrollment Data Collection, and subsequently verified by the public schools.



New Jersey Department of Education FY 2015 ESEA-NCLB Consolidated Formula Subgrant Application Information

The FY 2015 *ESEA-NCLB* Consolidated Subgrant Application remains available on the EWEG system. **Please Note**: The application release date is scheduled tentatively for late May 2014, with an anticipated due date of June 30, 2014. Further details on the release and submission of the application will be forthcoming.

- Completed ESEA-NCLB applications must be submitted as follows:
 - The ESEA-NCLB application is submitted online via the EWEG system.
 - o If applicable, Title I Schoolwide Plans are to be uploaded as attachments to the application. In addition, School Improvement Plans (SIPs) for served, Priority and/or Focus schools are to be uploaded to the application upon approval by the Executive Directors of the Regional Achievement Centers (RACs).
 - LEAs must establish their consortium information by directly entering all required data through Consortium Administration.
 - Certified copies of Board Resolutions or extracts of Board minutes must be submitted to
 the Office of Grants Management if the Board authorization date occurs after the
 application submission date. This requirement can be satisfied by uploading the
 information upon the return of the application for revisions.
 - Please note: Copies of the signed Nonpublic School Participation Refusal forms now
 can be uploaded under the consolidated section of the FY 2015 ESEA-NCLB application,
 thereby, eliminating the need to fax or e-mail this nonpublic school documentation to the
 Office of Grants Management (OGM).
 - Please note: the Affirmation of Consultation with Nonpublic School Officials form and the Title I Nonpublic Assurance form are not required to be submitted to the Office of Grants Management (OGM). Rather, the LEA must maintain a copy of these forms in its records and provide copies to the NJDOE upon request.

Lakewood school board member resigns, 'we cannot repay this loan'

Stacey Barchenger, @sbarchenger

Published 5:00 a.m. ET May 24, 2018



(Photo: Tanya Breen)

A Lakewood school board member has resigned his post in an apparent protest of the state's decision to offer the struggling school district a \$28 million loan instead of repayment-free grant.

"We all know that (the) State is fully aware that we cannot repay this loan," the letter from Heriberto Rodriguez says. "I am a man of integrity and I strongly feel that I am misleading the students, faculty and community in saying, 'everything is ok' full well knowing, that it is not."

Rodriguez blames the state for annual funding struggles and teacher insecurity.

Read the full letter at the end of this story.

Rodriguez was one of seven board members who voted May 7 to accept the hefty state loan, an amount seen by both state education officials and local district leaders as crucial to curing a budget imbalance for the 2018-2019 school year.

The letter indicates a change of heart. Rodriguez, who has been on the Board of Education since 2016 and whose four children have attended Lakewood schools, declined to comment further saying the letter was self-explanatory.

The <u>Lakewood Board of Education is now taking applications to fill the vacancy (https://www.lakewoodpiners.org/)</u> left by Rodriguez's immediate resignation. The person, who will be chosen by the board, will serve until January 2019.

His resignation brings to the forefront a question that district leaders and the state have not yet answered: How can the district, facing a perennial budget crisis, repay the loan?

Lakewood was the only New Jersey school district to be offered a state Department of Education loan for the 2018-2019 academic year, according to DOE spokesman Michael Yaple. The district has, in the last three years, borrowed more than \$18 million from the state and faces annual repayments of \$2 million on those, according to district records.

FUNDING CRISIS:

Schools accept \$28 million loan and pay \$600,000 for lawyer in same night (/story/news/education/2018/05/09/lakewood-nj-schools-budget-deficit-education-loan-lawyer-salary/595133002/)

<u>Lakewood schools: NJ never asked us for more info to justify \$28M bailout (/story/news/education/2018/05/09/lakewood-schools-bailout-loan/570233002/)</u>

<u>Lakewood school funding: District needs millions to cover deficit (/story/news/investigations/watchdog/education/2018/02/01/lakewood-nj-schools-budget-deficit-shortfall/1084324001/)</u>

The \$28 million loan is interest-free and the district won't begin repayments until 2019-2020. According to state law, those repayments will be deducted automatically from state aid sent to Lakewood over a term not to exceed 10 years.

Lakewood schools Superintendent Laura Winters, Assistant Business Administrator Robert Finger and Board of Education attorney Michael Inzelbuch have not responded to questions about how the district plans to repay the sum.

But in an April letter to Acting Commissioner of Education Lamont Repollet, Winters painted a bleak picture for repayment, saying loans just kick the district's funding problems down the road year after year.

"Due to the ever-worsening financial situation created by borrowing for current expenses, I have no other choice but to request State assistance in order to provide a thorough and efficient education to our students via a Grant, not a loan, as the district has already incurred over \$18 million dollars in loans with no viable ability for timely payment."

Instead, she wrote, each year the district has deferred most of the payments on those prior loans.

Toll on teachers

Rodriguez cautions in the resignation letter that although the district will avoid massive layoffs before the 2018-2019 year — because of the loan — that is unlikely to be the case a year later.

"With the start of contract negotiations with the union and knowing that our virtuous teachers will probably be let go the following year is ludicrous," his letter reads. "I cannot and will not continue to be a part of this."

Before the 2017-2018 academic year, a budget deficit of nearly \$15 million forced the district to send layoff notices to 140 staffers. Athletics programs were cut. But an \$8.5 million loan from the state and aid from the township government restored the status quo. The deficit doubled, leading to the \$28 million shortfall for the 2018-2019 academic year.

Still, that year about 75 teachers — 14 percent of the district's teaching force — left anyway, according to district data. That's above the five-year average of 42 teachers who leave or retire in a year, the data show.

Turnover in Lakewood last year was slightly higher than the New Jersey's statewide teacher turnover rate, which is just under 10 percent and one of the lowest in the country, according to the Learning Policy Institute (https://learningpolicyinstitute.org/product/teacher-turnover-brief).

Statistics cannot quantify what several Lakewood teachers have described to the Asbury Park Press as an emotional tug of war between teaching in a district they love and seeking financial stability and job security in another school district. Superintendent Laura Winters said the financial crisis has led to low morale in the schools.

Kathryn Anastasio called the library at Piner Elementary School home for two years until she got notice last year she would be laid off.

"It's heartbreaking to leave," Anastasio said. "I felt like I had found a home, and then I felt like I was evicted."

Library staffers were among the last to find out the district had scrambled to find enough cash to offer jobs to those who had been told they'd be laid off. By that time, Anastasio had found a job in Hamilton.

She wants to come back to Lakewood. In October, she sent an email to Winters about a job posting.

"Has the funding formula been adjusted, so that Lakewood will be fully funded in the future?" the email reads. "I would love to return to Piner, but unless the funding formula has been addressed. I can't take the risk."

The toll of teacher turnover, according to the Learning Policy Institute, can include increased costs to districts and reducing student achievement.

Maria Byrd, a guidance counselor at Lakewood High School who was told she would be let go last year, said the state offering another loan was just a Band-Aid on Lakewood's funding problem.

The district had waged a public battle arguing the state needs to fix the funding formula to put Lakewood on stable footing. The formula allocates funding based on public school enrollment while obligating districts to pay for some private-school services.

In Lakewood, that creates soaring costs for busing and special education for a private school population that is five times greater than public enrollment.

The necessity of some of that spending, however, is often scrutinized. The New Jersey attorney general investigated Inzelbuch's \$600,000 annual retainer, and the former head of the School for Children with Hidden Intelligence was recently charged with stealing about \$1 million in public tuition money. Lakewood pays \$1.8 million a month to send special needs students to the school.

Buv Photo



Patricia Gregory teaches English III at Lakewood High School in Lakewood, NJ Monday May 7, 2018. (Photo: Tanya Breen)

That's likely to increase next year. The state Department of Education, which approves tuition at the Oak Street special education school, has tentatively set <u>next year's annual rate at \$107,000 (http://www.nj.gov/education/finance/fp/psdrates19a.pdf)</u> — about \$10,000 more per year per student than the current year.

INVESTIGATION: <u>Lakewood's SCHI 99 percent white, despite minority school district</u>
(/story/news/investigations/watchdog/education/2017/06/16/lakewood-schi-school-all-white-despite-millions-public-funding/371741001/)

Even before indictment, Lakewood school was no stranger to controversy (/story/news/crime/jersey-mayhem/2017/03/31/before-indictment-lakewood-schi-school-courted-controversy/99822240/)

<u>Lakewood: Ex-special ed employee claims discrimination in lawsuit (/story/news/investigations/watchdog/education/2018/02/26/lakewood-nj-special-education-discrimination-lawsuit/372255002/)</u>

District requests for a \$28 million grant were instead ultimately met with the loan offer and state officials who said district leadership was not cooperative in providing information to justify no-strings-attached aid.

The entire nine-member Board of Education, and Inzelbuch, threatened to resign if state funding did not come through. So far only Rodriguez has acted on that, and Inzelbuch is weighing whether to accept a contract for another year.

The funding uncertainty is jeopardizing Lakewood's students, Byrd said.

"A lot of our kids come to school because this is their stable place," she said. "Sometimes it may be where they're going to get their best meals. ... If you're taking the one thing in their lives that is stable for them, encouraging for them, helpful for them, and changing all that up, now where are they supposed to look to?"

Exhibit 24 Abbott Designation

Exhibit 25 CD of FY15 to FY 18 Notice to Districts State Aid

Exhibit 26 Nonpublic Transportation Costs

Exhibit 27 Superintendent Report

Exhibit 28 NJISAI Report

Exhibit 29 State Graduation Rate

Exhibit 30 State PARCC Scores

Exhibit 31 1994 Letter Superintendent/Commissioner cc Azzara

Exhibit 32 Superintendent's Letters

Exhibit 33 Addendum to Census data

Exhibit 34 Dr. Farrie's Report

Exhibit 35 2015 SPRA Lakewood

Exhibit 36 2016 SFRA Lakewood

Exhibit 37 Title I LHS

Exhibit 38 NJ LHS School Performance Report

Exhibit 39 Median Age

Exhibit 40 Lakewood Revenue Gap update FY18

Exhibit 41 Municipal Overburden

Exhibit 42 16taxes.xls

Exhibit 43 Urban and Surrounding Districts Property Taxes

Exhibit 44A Focus and Priority Schools

Exhibit 45 Toms River Supervisors and Assistant Superintendents

Exhibit 46 Brick Supervisors and Assistant Superintendents

Exhibit 47 Jackson Supervisors and Assistant Superintendents

Exhibit 48 Toms River Personnel Agenda June 22, 2018

Exhibit 49 Jackson Agenda May 16, 2017

Exhibit 50 Brick Agenda June 1, 2018

Exhibit 51 Lakewood Agenda Aug 30, 2017

Exhibit 52 Supervisors pp.35-36 Lakewood Agenda Aug 30, 2017

Exhibit 53 page 19 June 1, 2011 Agenda abolishing auto shop

Exhibit 54 page 12, Agenda May 9, 2005 abolishing Subject Supervisors

Exhibit 55 page 1, Two assistant superintendents Sept 27, 2004

Exhibit 56 2006-07, Nonpublic/Public population

Exhibit 57 Staff Letter 2/18/18

Exhibit 58 February 5, 2018 letter to Commissioner

Exhibit 59 February 15, 2018 Letter to Commissioner

Exhibit 60Certification of Dr. Farrie

Exhibit 61 Certification of Mr. Henshaw

Exhibit 62 OPRA February 18, 2018

Exhibit 63 Statewide PARCC scores

Exhibit 64 Individual disticts PARCC spreadsheet

Exhibit 65 Lakewood, neighboring districts and DFG A districts PARCC scores

STATEMENT OF THE FACTS

- 1. Lakewood has approximately 6,000 public school students and 31,000 nonpublic students.(P:21)
- 2. Dr. Danielle Farrie, Research Director of the Educational Law Center and Petitioners' Expert Witness, certified that the "district must divert \$37-40 million from supporting essential teachers, support staff and programs in Lakewood's adequacy budget under the SFRA. These include programs for regular education, and programs for at-risk and ELL students. When that \$37-40 million is subtracted from the adequacy budget, the district only has 60-65% of the state and local revenue that the SFRA deems necessary for students to achieve the state's curriculum standards." (Certification of Dr. Danielle Farrie, Exhibit 1, P:60).
- 3. Lakewood is 35% to 40% below adequacy. (Id. Lakewood School District: Expenditures and Revenues under SFRA)
- 4. 5,840 students attending nonpublic schools are classified as students with disabilities. (P:14)
- 5. 7,186 K-12 students in the district students with disabilities. (Id.).
- 6. The cost of providing special services to a population of 37,000 children, in which 7,186 have disabilities eligible for a Free and Appropriate Public Education (FAPE), has devastated

the ability of the district to provide T & E for its 6,000 regular education public school students.

- 7. The projected 2018-19 cost of Special Education will be \$55,719,428 (\$58,622,034 \$2,902,606 sp. ed. transportation cost), an increase of \$6.34 million above the 2017-18 current. (Exhibit 3, P:23, Foundation found in Testimony of Business Administrator Robert Finger, T2 RF 164-17 to 18).
- 8. The SFRA adequacy budget for Lakewood public schools pursuant to N.J.S.A. 18A:7F-51 is \$109,857,390. (P:3)
- 9. The local fair share is \$102,034,106. (Id.).
- 10. "Adequacy as defined" pursuant to NJSA 18A:7F-47 is \$117,325,784. (Id.).
- 11. SFRA adequacy for Lakewood includes \$10,020,127 for special education and \$111,334 for speech, the lion's share of which is paid through local taxation in the local fair share.
- 12. Categorical aid received for special education, based on FY18, the latest available, includes \$3,053,082 for special education aid and \$5,200,000 for extraordinary aid. (Id.).
- 13. The total amount allocated and recognized for special education by the SFRA in its adequacy budget and through categorical aid is \$18,384,543. (Id.).
- 14. The SFRA fails to account for \$37,334,885 (55,719,428 \$18,384,543) in special education expenses that must come out of the Lakewood T & E budget.
- 15. In 2018-19 the projected cost of Transportation will be

- \$33,078,756 (including \$2,902,606 sp. ed. transportation cost), an increase of \$6.2 million above the current year to date. (P:23).
- 16. Categorical transportation aid received was \$4,199,793 and \$5,851,330 will be received as the LSTA reimbursement. (P:26, Foundation found in T2 RF 164-24 to 165-3).
- 17. The net drain on T & E from mandated transportation after deducting this year's aid from the \$33,078,756 projected for 2018-19 will be \$23,027,633.
- 18. The total cost of mandated special education and transportation in 2018-19 is projected to be \$88,798,184.
- 19. After deducting state aid and reimbursements, the total drain on the district that must come out of what otherwise is meant for T & E in 2018-19 is projected at \$63,265,124.
- 20. The \$63,265,124 projection for special education and transportation serves a population of 37,000 K-12 students in a district with an adequacy budget designed for 6,000 students.
- 21. The 2017-18 operating budget of \$143,455,116 included a \$8,522,678 loans against future state aid. (P:5).
- 22. Regular revenue was \$134,923,438 (143,455,116 8,522,678).
- 23. The current 2017-18 cost of Special Education is \$49,030,262 (\$52,093,457- \$3,063,195 sp. ed. transportation cost). (P:23).

- 24. After deducting \$10,020,127 in SFRA adequacy for special education, \$111,334 for speech, \$3,053,082 for categorical special education aid and \$5,200,000 for extraordinary aid the net cost for special education that came out of the T & E funding is \$34,054,196.
- 25. In 2017-18 the cost of Transportation was \$28,703,031 (including \$3,063,195 sp. ed. transportation cost). After deducting \$4,199,793 in transportation aid and the \$5,851,330 LSTA reimbursement, the net cost that came out of T & E funding was \$\$20,787,468. (Id.).
- 26. The \$54,841,664 total net cost coming out of T & E is 38% of the \$143,455,116 operating budget including the \$8,522,678 loan against future state aid.
- 27. The 2017-18 cost of serving the population of 37,000 k-12 students was \$29,209,390 for Tuition to Private Schools In State; \$2,751,585 for extraordinary services and \$28,703,031 for transportation, a total of \$60,664,006. (Id.).
- 28. The SFRA cost for the 296 students Lakewood sent to private schools for the handicapped in 2017-18 is approximately \$3,971,974; 296 x \$11,042 x 0.96780 = \$3,163,188 for base cost; 296 x .1492 x \$17,085 x 0.96780 = \$754,528 for special education adequacy and categorical aid; 296 x .163 x $1,162 \times 0.96780 = $54,258$ for speech. (Using the SFRA parameters in P:3).
- 29. The \$60,664,006 spent on serving a population of 37,000

- K-12 children would have left only \$74,259,432 remaining for T &E of the total \$134,923,438 in revenue had it not been for the state loans.
- 30. The SFRA "adequacy as defined" for Lakewood is \$117,325,784 comprising approximately \$3,163,188 generated for the 296 students sent to schools for the handicapped and \$114,162,596 for T & E for students in Lakewood public schools.
- 31. The \$74,259,432 in revenue for T & E serving the 6,000 public school students is 35% below adequacy of \$114,162,596.
- 32. This percentage is certain to rise because the tuition for schools for the handicapped is projected to increase by \$6 million to \$35,908,287 in 2018-19 and transportation is projected to increase by \$4,375,725 to \$33,078,756.
- 33. The arbitrary and capricious methodology of calculating adequacy, ignoring the existence of the of a population 37,000 K-12 children in Lakewood, has resulted in deficits necessitating loans against future state aid for \$4,500,000 in 2015-16, \$5,640,183 in 2016-17 and \$8,522,678 in 2017-18 just to maintain an unconstitutionally inadequate program that had been in decline for over a decade.
- 34. Lakewood Per Pupil Amount Classroom Instruction, followed by rank out of 101 3500+ K-12 districts, has declined significantly over the last 15 years: 2003-04

\$6,046 (54) 2004-05 \$7,365 (82) 2005-06 \$6,528 (42) 2006-07 \$6,357 (23) 2007-08 \$7,112 (43) 2008-09 \$7,132 (32) 2009-10 \$7,309 (21) 2010-11 \$7,439 (31) 2011-12 \$7,506 (27) 2012-13 \$7,486 (19) 2013-14 \$7,260 (10) 2014-15 \$6,585 (3) 2015-16 \$6,600 (1) (P:1)¹

- 32. State Average Per Pupil Amount Classroom

 Instruction 3500+ k-12 2003-04 6,240 2004-05 \$6,604 200506 \$6,902 2006-07 \$6,815 2007-08 \$7,538 2008-09 \$7,776

 2009-10 \$8,042 2010-11 \$7,904 2011-12 \$8,202 2012-13
 \$8,421 2013-14 \$8,596 2014-15 \$8,686 2015-16 \$9,040.
- 33. Examining performance on seven grade level tests, grades 3 through 8 and 11, in both language arts and math between 2006 and 2014 (except ASK8 which started in 2008) provides 14 instances to examine Lakewood's performance relative to other districts in the state. In 12 of the 14 areas, Lakewood's performance declined over the period in question. For example, Lakewood scored in the 18th percentile on 4th grade Language Arts in 2006 and fell to the 2nd percentile in 2014. The district scored in the 29th percentile on 4th grade Math in 2006 and fell to the 3rd percentile in 2014. (Expert Report of Danielle Farrie, Ph.D., of the Education Law Center, P:44 at 7).
- 34. Lakewood's programs and staffing have been decimated since 2004.

http://www.state.nj.us/education/guide/2017/ind02.shtml

- 35. Lakewood had two assistant superintendents in 2004. (P:55).
- 36. Before 2005, Lakewood had the following content supervisory positions Supervisor of Foreign Languages, Director of Science and Social Studies, Director of Mathematics and Gifted & Talented, Supervisor of Fine Arts and Public Relations, Director of Language Arts, Director of Curriculum. (P:54):
- 37. Lakewood had a Community School in 2004. (Id.)
- 38. The last of the industrial art classes at Lakewood High School (metal shop, wood shop and auto shop) was abolished in 2011. (P:53).
- 39. Currently Lakewood has the following content supervisor positions: Supervisor of Guidance & Testing, Bilingual/ESL Education & World Language, Title I Instructional Supervisor & K-2 ELA Supervisor, Supervisor of STEM, Supervisor of ELA 3-12, Social Studies & Fine. Arts. (P:52)
- 40. Lakewood does not currently have an assistant superintendent. (Id.)
- 41. Comparing to the three surrounding districts in Ocean Country, Toms River Regional, Brick and Jackson in 2017-18, Toms River has the following core content supervisors Mathematics (high school), Mathematics (intermediate school), Science (high school), Science

- (intermediate school), English (high school), English (intermediate school), Social Studies, World language, Health/Phys. Education, Career Tech/Technology, Fine Arts (Assistant Principal of each building). (P:45).
- 42. In 2017-18 Toms River has three assistant superintendents. (Id.)
- 43. In 2017-18 Brick had the following content supervisory positions English Supervisor, Math Supervisor, Science Supervisor, Social studies Supervisor, Foreign Language and Language Arts Supervisor. (Exhibit 14, P:46)
- 44. In 2017-18 Brick had four district directors (assistant superintendents) (Id.)
- 45. In 2017-18 Jackson had two assistant superintendents and the following content supervisory positions: Director of Curriculum Humanities, Director of Curriculum STEM, Supervisor of Literacy, Pre-K 5, Supervisor of Literacy, 6-12, Supervisor of Science.

 (P:47).
- 46. Lakewood is the only district in Ocean County with failing schools. (New Jersey Department of Education Office of Comprehensive Support Priority and Focus school list, Updated 9/5/2017, P:44A).
- 47. The average teacher experience in Lakewood is 8.3 years compared with the 11.8 median of all districts in

its category. (Taxpayer Guide to Educational Spending Lakewood, P:10-2).

- 48. Lakewood spends \$153 for classroom supplies per student ranking 9^{th} of 101 in its category.
- 49. Lakewood spends \$113 per pupil for legal services, the second in highest in it category.
- 50. Only 44.5% Lakewood students are in post-secondary education 16 months after graduation whereas the state average is 76.1% (NJ School Performance Report Lakewood 2016-17, P:38 at 22).
- 51. Only 24.1% of Lakewood students are in a 4-year institution the fall after graduation whereas the state average is 70.5 % (Id. at 22).
- 52. SAT scores reported on 2016-17 School Performance Report, Reading and Writing score for Lakewood 448, state 551. (Id. at 15).
- 53. SAT scores reported on 2016-17 School Performance Report, SAT Math Lakewood 452, State 552. (Id. at 15).
- 54. ENC_RES (Residential Enrollment) FY18 Passaic
 13,910 Paterson 27,969 Lakewood 5,920 Newark 50,134.

 (Exhibit 19 MER, Revised table of FY18 State Aid, P:2;
 Full spreadsheet P:25).²
- 55. The number of children Lakewood sends to private

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 $^{^2}$ FY15 to FY 18 State Aid Notices to Districts State Aid produced by Susan Ecks, Supervisor of State Aid Research and Data Analysis

schools for the handicapped compares with the state's largest districts because Lakewood's base population of 37,000 children eligible for FAPE is the second largest K-12 in the state. ENC_PSH (Sent to Private Schools for the Handicapped) Passaic 213 Paterson 229 Lakewood 296 Newark 301.(Id.)

56. The following data from INFO ONLY FY18_FORMATTED.xlsx

		100 000	T	222 222	1	1
	ENC_RES (Resid-	ADQ_BUD (SFRA		PBD_GFT (Prebudget	PBD GFT	
	ential	Adequacy	EQA LSHR	Year General	/	STA NEWBUD
	Enroll-	Budget)	(SFRA Local	Fund Tax	ENC RES	(Effective
	ment)		Fair Share)	Levy)	Tax Per	Adequacy Budget)
District			,	•	Pupil	
Bridgeton	5,709	\$108,226,939	\$9,138,330	\$3,637,144	\$637	\$115,624,407
City						
Camden City	15,351	\$286,966,164	\$27,245,114	\$7,449,009	\$485	\$306,768,664
Passaic City	13,910	\$275,017,798	\$47,919,430	\$16,818,577	\$1,209	\$293,688,660
Paterson City	27,969	\$541,064,933	\$92,447,333	\$41,455,956	\$1,482	\$578,028,745
New Brunswick City	9,470	\$191,882,882	\$38,390,378	\$28,900,000	\$3 , 052	\$205,037,469
Lakewood Twp	5,920	\$109,857,390	\$102,034,106	\$94,088,028	\$15,895	\$117,325,784
Newark City	50,134	\$995,222,661	\$175,851,728	\$123,185,636	\$2,457	\$1,063,715,762
Trenton City	14,416	\$284,692,632	\$38,830,375	\$21,537,975	\$1,494	\$304,158,096
Salem City	991	\$17,403,012	\$2,483,877	\$2,392,321	\$2,414	\$18,608,745
Union City	12,156	\$253,950,237	\$49,554,960	\$15,418,637	\$1,268	\$271,130,937
Pleasantville	3 , 575	\$66,899,642	\$11,418,580	\$8,477,742	\$2,371	\$71,483,688
City	3,373	200,099,042	\$11,410,500	70,4//,/42	₹ ∠, 3/1	7/1,403,000
East Orange	9,752	\$181,153,850	\$41,816,219	\$21,058,051	\$2,159	\$193,640,622
Elizabeth	24,951	\$504,890,631	\$95,899,069	\$59,813,124	\$2,397	\$539,202,303
City	24,331	7304,030,031	755,055,005	737,013,124	72 , 331	7557,202,505
City Of	5,208	\$99,690,027	\$20,955,735	\$11,926,140	\$2,290	\$106,506,920
Orange Twp	3,200	433 , 030 , 027	420/333/133	V11/320/110	72/230	¥100 / 300 / 320
Perth Amboy	10,201	\$200,939,447	\$42,002,134	\$22,762,553	\$2,231	\$214,614,466
City	10,201	7200/303/11/	+12,002,101	722,702,000	72,231	7211,011,100
Asbury Park	2,246	\$42,721,296	\$16,234,325	\$6,768,451	\$3,014	\$45,656,475
City	_,	,,,	1 - 0 / - 0 - 0 / 0 - 0	10,100,100	, , , ,	1
Irvington Township	7,420	\$144,815,087	\$34,204,080	\$17,459,529	\$2 , 353	\$154,797,573
Keansburg	1,444	\$25,739,593	\$7,428,109	\$4,965,660	\$3,440	\$27,513,764
Boro	1,444	723, 739, 393	77,420,109	74, 903, 000	73,440	727,313,704
Phillipsburg	2,591	\$45,565,972	\$11,332,898	\$11,265,147	\$4,348	\$48,710,216
Town					•	
Harrison Town	2,092	\$41,422,709	\$16,876,180	\$9,229,913	\$4,412	\$44,248,433
Gloucester City	1,888	\$33,597,382	\$8,607,965	\$5,227,609	\$2 , 769	\$35,922,961
Millville	4 0 4 0	601 264 000	604 560 540	611 770 204	60 400	¢0.6.070.020
City	4,849	\$81,364,090	\$24,569,542	\$11,772,394	\$2,428	\$86,979,030
Plainfield	9,577	\$196,473,127	\$41,483,365	\$24,295,492	\$2,537	\$209,723,491
City	3,011	Y130,4/3,14/	741,403,303	724,230,432	44,JJ/	Y4U3, 143, 431
	1	ı	1	1	1	I

Garfield City	4,899	\$88,984,573	\$29,924,548	\$27,658,770	\$5 , 646	\$95,113,210
West New York Town	7,591	\$154,070,100	\$44,357,307	\$16,061,559	\$2,116	\$164,580,486
Vineland City	10,077	\$170,178,545	\$60,177,492	\$22,609,389	\$2,244	\$181,869,883
Burlington City	1,374	\$23,332,485	\$9,058,415	\$11,373,612	\$8,278	\$24,949,490
Pemberton Twp	4,347	\$70,840,126	\$21,457,323	\$12,250,202	\$2,818	\$75,787,219
Long Branch City	5,022	\$97,458,172	\$50,529,775	\$40,627,100	\$8,090	\$104,117,954
Jersey City	30,560	\$584,758,085	\$370,261,455	\$114,404,361	\$3 , 744	\$624,936,572
Neptune Twp	3,696	\$63,493,363	\$44,427,609	\$36,756,362	\$9,946	\$67,840,442
Hoboken City	2,596	\$42,956,579	\$204,865,488	\$42,502,765	\$16,372	\$46,001,108
Brick Twp	8 , 753	\$126,108,070	\$131,139,151	\$101,139,586	\$11,556	\$134,654,611
Howell Twp	5,841	\$78,981,894	\$62,546,292	\$71,157,372	\$12,182	\$84,440,623
Jackson Twp	8,440	\$118,266,946	\$93,334,314	\$79,273,729	\$9,393	\$126,166,450
Toms River Regional	15,623	\$224,453,266	\$197,593,919	\$144,911,387	\$9,276	\$239,629,867

- 33. The taxpayers of Lakewood raise \$15,895 in taxes per pupil, more than any other urban low-income district with the exception of Hoboken, and more than all surrounding neighboring suburban districts.
- 34. The tax base of Lakewood does not have to capacity to provide T & E on its own.
- 35. If all 31,000 children went to the public schools, Lakewood would receive over \$750,000,000 in state aid while the Local Fair Share of \$102,034,106 would not significantly change. (Exhibit 20 MER, Thought Experiment).
- 36. 21,162 or 72% of children attending nonpublic schools in Lakewood are low-income (P:14).
- 37. The following data is from public sources as indicated (last column is just a mathematical calculation):

Median Househo income 2010 (P:7-1)	Income Us	Per- capita income rank of 564 NJ municipa lities (P:7-1)	Populati on estimate s, July 1, 2016	2016 LABOR FORCE (P:7-3) ⁵	2016 Labor Force/ Population estimates, July 1, 2016
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First three columns are from the following spreadsheet: http://lwd.dol.state.nj.us/labor/lpa/industry/incpov/2010income.html

	1	(P:7-1)	1	US	1	
		(P:/-1)		Census ⁴		
Desideration				Census		
Bridgeton City	\$31,044	\$12,418	564	24,997	8,346	33.4%
Camden City	\$27 , 027	\$12,807	563	74,420	26,635	35.8%
Passaic				71,120	20,033	33.00
City	\$31,135	\$14,424	562	70,635	29,843	42.2%
Paterson				,	, - , -	
City	\$34,086	\$15,543	560	147,000	62,144	42.3%
New				,	,	
Brunswick	\$44,543	\$16,395	556			
City				56,910	27,170	47.7%
Lakewood	¢41 E07	¢1.6 430	EEE			
Twp	\$41,527	\$16,430	555	100,758	30,739	30.5%
Lakewood						
Census	\$36,516	\$11,895				
Designated	750,510	711,095				
Place						
Newark City	\$35 , 659	\$17,367	554	281,764	117,053	41.5%
Trenton	\$36,601		553			
City	,	\$17,400		84,056	39,178	46.6%
Salem City	\$25 , 682	\$17,733	552		1,753	
Union City	\$40,173	\$18,506	549	69,296	34,904	50.4%
Pleasantvil	\$39,560	\$18,527	548			
le City				20,492	8,905	43.5%
East Orange	\$40,358	\$20,298	540	64,789	29,840	46.1%
Elizabeth	\$43,770	\$19,196	546	100 610		40.00
City	,	•		128,640	62,924	48.9%
City Of	\$40,818	\$19,816	544	20 502	14 005	4.5.00
Orange Twp				30,583	14,025	45.9%
Perth Amboy	\$47,696	\$20,162	541	F2 400	0F 100	40.00
City				52,499	25,198	48.0%
Asbury Park City	\$33 , 527	\$20,368	538	15,722	7 170	47.6%
Irvington				10,122	7,479	7/.00
Township	\$42 , 580	\$20,520	536	54,425	25,131	46.2%
Keansburg				31,120		10.20
Boro	\$39,206	\$21,246	530	9,826	5 , 167	52.6%
Phillipsbur	A 4 C	404 654	F 0 0	., -		
g Town	\$42,825	\$21,291	529	14,455	7,090	49.0%
Harrison	¢E1 100	¢01 0E7	507			
Town	\$51 , 193	\$21,857	527	16,231	6,738	41.5%
Gloucester	\$52 , 222	\$22,718	522			
City	7JL, ZZZ	YZZ, /10	J	11,339	5,460	48.2%
Millville	\$44,925	\$23,364	516			
City	711,020	723,301	010	28,059	13,298	47.4%
Plainfield	\$52,056	\$23,767	514			
City	, , , , ,	L , , , ,		50,636	27,155	53.6%

⁵ http://lwd.state.nj.us/labor/lpa/employ/uirate/lfest_index.html

 $[\]frac{^{4}\text{https://www.census.gov/quickfacts/fact/table/lakewoodtownshipoceancountyne}}{\text{wjersey/PST045216}}$

Garfield City	\$51,407	\$24,022	512	31,876	16,068	50.4%
West New York Town	\$44,657	\$24,419	508	53,343	28,501	53.4%
Vineland City	\$54,024	\$24,512	506	60,525	28,340	46.8%
Burlington City	\$48,317	\$24,612	503	9,866	5,205	52.8%
Pemberton Twp	\$63,309	\$26,240	475	27,567	12,138	44.0%
Long Branch City	\$52 , 792	\$30,381	395	30,763	16,369	53.2%
Jersey City	\$54,280	\$30,490	388	264,152	140,479	53.2%
Neptune Twp	\$58,630	\$30,656	382	27,789	15,031	54.1%
Hoboken City	\$101,782	\$69,085	29	54,379	36,488	67.1%
Brick Twp	\$65,129	\$33 , 258	325	75,061	39,516	52.6%
Howell Twp	\$89,287	\$35,439	280	52,245	28,170	53.9%
Jackson Twp	\$86,327	\$34,521	295	56,733	29,576	52.1%
Toms River Regional	\$71,934	\$33,423	321	91,837	48,126	52.4%
Toms River Cdp	\$72 , 434	33,105				

38. Lakewood is the 555 lowest ranking municipality in per capita income of 564 in New Jersey.

39. The following data from the Quickfacts on the US Census website and in P:7-4, P:33 and P:7-5.

District	Median household income (in 2016 dollars), 2012-2016	Per capita income in past 12 months (in 2016 dollars), 2012-2016	Persons in poverty, percent 2017
Bridgeton			
City	\$35,417	\$13 , 811	30.4%
Camden City	\$26,214	\$14,110	38.4%
Passaic City	\$33 , 859	\$15 , 630	31.9%
Paterson City	\$34,042	\$16 , 821	29.1%
New Brunswick	640 400	¢14 600	26.00
City	\$40,428	\$14,688	36.0%
Lakewood Twp	\$42,993	\$15,443	31.5%
Lakewood CDP	\$40,966	\$12 , 275	38.9%

Newark City \$33,025 \$17,198 29.1% Trenton City \$34,412 \$17,130 27.6% Salem City Union City \$42,483 \$20,995 24.3% Pleasantvi 1le City \$42,971 \$17,889 23.9% East Orange \$38,403 \$22,246 20.2% Elizabeth City \$43,831 \$18,686 19.0% City Of Orange Twp \$35,895 \$20,140 25.1% Perth Amboy City \$49,155 \$19,834 20.4% Asbury Park City \$36,512 \$25,031 30.6% Irvington Township \$37,538 \$19,479 23.4% Keansburg Boro \$44,808 \$28,144 20.3% Phillipsbu rg Town 44,660 25,180 19.6% Harrison Town \$58,047 \$27,223 14.4% Gloucester City \$48,892 \$24,804 18.0% Plainfield City \$48,892 \$24,804 18.0% Plainfield City \$48,254 \$23,479 18.6% We		Г	T	T
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Salem City Valor Valor		624 410	617 120	27 60
Union City		\$34,412	\$17,130	21.00
Pleasantvi		4.0 4.00	400 005	0.4.20
Seart		\$42,483	\$20,995	24.3%
East Orange \$38,403 \$22,246 20.2% Elizabeth City \$43,831 \$18,686 19.0% City Of Orange Twp \$35,895 \$20,140 25.1% Perth Amboy City \$49,155 \$19,834 20.4% Asbury Park City \$36,512 \$25,031 30.6% Irvington Township \$37,538 \$19,479 23.4% Keansburg Boro \$44,808 \$28,144 20.3% Phillipsbu rg Town 44,660 25,180 19.6% Harrison Town \$58,047 \$27,223 14.4% Gloucester City \$53,113 \$23,200 12.4% Millville City \$48,892 \$24,804 18.0% Plainfield City \$48,892 \$24,804 18.0% Plainfield City \$48,254 \$23,479 18.6% West New York Town \$50,334 \$26,450 21.9% Vineland City \$48,986 \$23,886 17.6% Burlington City \$52,537 \$28,601 9.4% Pemberton Twp \$60,454 \$26,163 12.3% Long Branch City \$51,435 \$30,141 17.1% Jersey City \$60,703 \$34,887 19.4% Neptune Twp \$64,582 \$33,679 10.9% Hoboken \$114,38 City 1 \$72,864 10.8%		640 071	617 000	00.00
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Elizabeth City		620 102	622 246	20.2%
City \$43,831 \$18,686 19.0% City Of Orange Twp \$35,895 \$20,140 25.1% Perth Amboy City \$49,155 \$19,834 20.4% Asbury Park City \$36,512 \$25,031 30.6% Irvington Township \$37,538 \$19,479 23.4% Keansburg Boro \$44,808 \$28,144 20.3% Phillipsbu rg Town 44,660 25,180 19.6% Harrison 58,047 \$27,223 14.4% Gloucester City \$53,113 \$23,200 12.4% Millville City \$48,892 \$24,804 18.0% Plainfield City \$48,892 \$23,594 22.1% Garfield City \$48,254 \$23,479 18.6% West New York Town \$50,334 \$26,450 21.9% Vineland City \$48,986 \$23,886 17.6% Burlington City \$52,537 \$28,601 9.4% Pemberton Twp \$60,454 \$26,163 12.3%		730,403	722,240	20.26
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Boro \$44,808 \$28,144 20.3% Phillipsbu rg Town 44,660 25,180 19.6% Harrison Town \$58,047 \$27,223 14.4% Gloucester City \$53,113 \$23,200 12.4% Millville City \$48,892 \$24,804 18.0% Plainfield City \$55,657 \$23,594 22.1% Garfield City \$48,254 \$23,479 18.6% West New York Town \$50,334 \$26,450 21.9% Vineland City \$48,986 \$23,886 17.6% Burlington City \$52,537 \$28,601 9.4% Pemberton Twp \$60,454 \$26,163 12.3% Long Branch City \$51,435 \$30,141 17.1% Jersey City \$60,703 \$34,887 19.4% Neptune Twp \$64,582 \$33,679 10.9% Hoboken City \$72,864 10.8%	_			
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Harrison \$58,047 \$27,223 14.4% Gloucester \$53,113 \$23,200 12.4% Millville \$48,892 \$24,804 18.0% Plainfield \$55,657 \$23,594 22.1% Garfield \$21.9% \$22.1% Garfield \$23,479 18.6% West New \$50,334 \$26,450 21.9% Vineland \$48,986 \$23,886 17.6% Burlington \$52,537 \$28,601 9.4% Pemberton \$60,454 \$26,163 12.3% Long Branch \$30,141 17.1% City \$51,435 \$30,141 17.1% Jersey \$60,703 \$34,887 19.4% Neptune \$64,582 \$33,679 10.9% Hoboken \$114,38 \$72,864 10.8%	Phillipsbu			
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Gloucester City \$53,113 \$23,200 12.4% Millville City \$48,892 \$24,804 18.0% Plainfield City \$55,657 \$23,594 22.1% Garfield City \$48,254 \$23,479 18.6% West New York Town \$50,334 \$26,450 21.9% Vineland City \$48,986 \$23,886 17.6% Burlington City \$52,537 \$28,601 9.4% Pemberton Twp \$60,454 \$26,163 12.3% Long Branch City \$51,435 \$30,141 17.1% Jersey City \$60,703 \$34,887 19.4% Neptune Twp \$64,582 \$33,679 10.9% Hoboken \$114,38 City \$72,864 10.8%	Harrison			
City \$53,113 \$23,200 12.4% Millville \$48,892 \$24,804 18.0% Plainfield \$55,657 \$23,594 22.1% Garfield \$48,254 \$23,479 18.6% West New \$50,334 \$26,450 21.9% Vineland \$48,986 \$23,886 17.6% Burlington \$52,537 \$28,601 9.4% Pemberton \$60,454 \$26,163 12.3% Long Branch 12.3% 17.1% City \$51,435 \$30,141 17.1% Jersey \$60,703 \$34,887 19.4% Neptune \$64,582 \$33,679 10.9% Hoboken \$114,38 \$72,864 10.8%		\$58,047	\$27,223	14.4%
Millville City \$48,892 \$24,804 18.0% Plainfield City \$55,657 \$23,594 22.1% Garfield City \$48,254 \$23,479 18.6% West New York Town \$50,334 \$26,450 21.9% Vineland City \$48,986 \$23,886 17.6% Burlington City \$52,537 \$28,601 9.4% Pemberton Twp \$60,454 \$26,163 12.3% Long Branch City \$51,435 \$30,141 17.1% Jersey City \$60,703 \$34,887 19.4% Neptune Twp \$64,582 \$33,679 10.9% Hoboken \$114,38 City 1 \$72,864 10.8%				
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Plainfield City \$55,657 \$23,594 22.1% Garfield City \$48,254 \$23,479 18.6% West New York Town \$50,334 \$26,450 21.9% Vineland City \$48,986 \$23,886 17.6% Burlington City \$52,537 \$28,601 9.4% Pemberton Twp \$60,454 \$26,163 12.3% Long Branch City \$51,435 \$30,141 17.1% Jersey City \$60,703 \$34,887 19.4% Neptune Twp \$64,582 \$33,679 10.9% Hoboken \$114,38 City 1 \$72,864 10.8%		\$40.000	004 004	10.00
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Garfield City \$48,254 \$23,479 18.6% West New York Town \$50,334 \$26,450 21.9% Vineland City \$48,986 \$23,886 17.6% Burlington City \$52,537 \$28,601 9.4% Pemberton Twp \$60,454 \$26,163 12.3% Long Branch City \$51,435 \$30,141 17.1% Jersey City \$60,703 \$34,887 19.4% Neptune Twp \$64,582 \$33,679 10.9% Hoboken \$114,38 City 1 \$72,864 10.8%		¢55 657	622 504	22 10
City \$48,254 \$23,479 18.6% West New York Town \$50,334 \$26,450 21.9% Vineland City \$48,986 \$23,886 17.6% Burlington City \$52,537 \$28,601 9.4% Pemberton Twp \$60,454 \$26,163 12.3% Long Branch City \$51,435 \$30,141 17.1% Jersey City \$60,703 \$34,887 19.4% Neptune Twp \$64,582 \$33,679 10.9% Hoboken City \$114,38 10.8% City \$72,864 10.8%	_	\$33 , 637	\$23 , 394	22.16
West New \$50,334 \$26,450 21.9% Vineland \$48,986 \$23,886 17.6% Burlington \$52,537 \$28,601 9.4% Pemberton \$60,454 \$26,163 12.3% Long Branch 17.1% 17.1% City \$51,435 \$30,141 17.1% Jersey \$60,703 \$34,887 19.4% Neptune \$64,582 \$33,679 10.9% Hoboken \$114,38 \$72,864 10.8%		\$18 251	\$23 179	18 69
York Town \$50,334 \$26,450 21.9% Vineland \$48,986 \$23,886 17.6% Burlington \$52,537 \$28,601 9.4% Pemberton \$60,454 \$26,163 12.3% Long \$12.3% 12.3% Branch \$51,435 \$30,141 17.1% Jersey \$60,703 \$34,887 19.4% Neptune \$64,582 \$33,679 10.9% Hoboken \$114,38 \$72,864 10.8%		740,234	723,473	10.0%
Vineland \$48,986 \$23,886 17.6% Burlington \$52,537 \$28,601 9.4% Pemberton \$60,454 \$26,163 12.3% Long Branch 17.1% City \$51,435 \$30,141 17.1% Jersey City \$60,703 \$34,887 19.4% Neptune \$64,582 \$33,679 10.9% Hoboken \$114,38 10.8% City \$72,864 10.8%		\$50.334	\$26.450	21.9%
City \$48,986 \$23,886 17.6% Burlington \$52,537 \$28,601 9.4% Pemberton \$60,454 \$26,163 12.3% Long \$12.3% \$28,601 \$23,886 Long \$28,601 \$2,3% Branch \$26,163 \$2,3% City \$51,435 \$30,141 \$17.1% Jersey \$60,703 \$34,887 \$19.4% Neptune \$64,582 \$33,679 \$10.9% Hoboken \$114,38 \$72,864 \$10.8%		100,001	120,100	
Burlington City \$52,537 \$28,601 9.4% Pemberton Twp \$60,454 \$26,163 12.3% Long Branch City \$51,435 \$30,141 17.1% Jersey City \$60,703 \$34,887 19.4% Neptune Twp \$64,582 \$33,679 10.9% Hoboken \$114,38 City 1 \$72,864 10.8%		\$48,986	\$23,886	17.6%
City \$52,537 \$28,601 9.4% Pemberton \$60,454 \$26,163 12.3% Long Branch 12.3% 12.3% City \$51,435 \$30,141 17.1% Jersey City \$60,703 \$34,887 19.4% Neptune Twp \$64,582 \$33,679 10.9% Hoboken \$114,38 10.8% 10.8%	_	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	/	
Pemberton Twp \$60,454 \$26,163 12.3% Long Branch City \$51,435 \$30,141 17.1% Jersey City \$60,703 \$34,887 19.4% Neptune Twp \$64,582 \$33,679 10.9% Hoboken \$114,38 City 1 \$72,864 10.8%		\$52 , 537	\$28,601	9.4%
Twp \$60,454 \$26,163 12.3% Long Branch City \$51,435 \$30,141 17.1% Jersey City \$60,703 \$34,887 19.4% Neptune Twp \$64,582 \$33,679 10.9% Hoboken \$114,38 City 1 \$72,864 10.8%				
Long Branch City \$51,435 \$30,141 17.1% Jersey City \$60,703 \$34,887 19.4% Neptune Twp \$64,582 \$33,679 10.9% Hoboken \$114,38 City 1 \$72,864 10.8%		\$60,454	\$26,163	12.3%
City \$51,435 \$30,141 17.1% Jersey \$60,703 \$34,887 19.4% Neptune \$64,582 \$33,679 10.9% Hoboken \$114,38 \$72,864 10.8%				
Jersey \$60,703 \$34,887 19.4% Neptune \$64,582 \$33,679 10.9% Hoboken \$114,38 10.8% City 1 \$72,864 10.8%	Branch			
City \$60,703 \$34,887 19.4% Neptune 10.9% Twp \$64,582 \$33,679 10.9% Hoboken \$114,38 10.8% City 1 \$72,864 10.8%	City	\$51,435	\$30,141	17.1%
Neptune \$64,582 \$33,679 10.9% Hoboken \$114,38 \$72,864 10.8%	_			
Twp \$64,582 \$33,679 10.9% Hoboken \$114,38 City 1 \$72,864 10.8%		\$60,703	\$34,887	19.4%
Hoboken \$114,38 City 1 \$72,864 10.8%	_	464	400 670	
City 1 \$72,864 10.8%		•	\$33,679	10.9%
Brick Twp \$70,655 \$36,678 6.7%	_			
	Brick Twp	\$70 , 655	\$36 , 678	6.7%

Howell Twp	\$97,480	\$39,224	4.8%
Jackson			
Twp	\$86,721	\$36 , 936	4.3%
Toms River	\$72,180	\$36 , 155	6.2%
Toms River			
CDP	\$72 , 500	\$35 , 823	6.0%
New Jersey	\$73 , 702	\$37 , 538	10.4%

- 59. Lakewood Census Designated Place (CDP) is the area where most K-12 students live. (P:19).
- 60. Lakewood CDP has the highest percentage of persons in poverty and Lakewood Township is the fourth highest of all urban low-income districts.
- 61. Lakewood births have risen over the last twenty years with 4,464 births in 2015 compared 4,245 in Newark. (P:8).
- 62. The median age in Lakewood is 21.3. The median age in New Jersey is 39.5. (P:39).
- 63. It is unlikely that the census estimate of 100,758 is accurate given that 92,843 was the actual count in 2010, about 4,000 children were born each year and the median age is 21.3
- 64. Lakewood likely has a population of 125,000.

(Certification of Municipal Manager, Mr. Thomas Henshaw).

- 65. Lakewood has a labor force of only 30,739 to support a population of approximately 125,000. (P:7-3).
- 66. The households making up the Lakewood tax base are already burdened with the cost of sending 31,000 students to nonpublic schools and supporting a population four times its labor force. The tax base cannot possibly be overburdened to pay more than its local fair share.

- 67. The inadequate funding for Lakewood has been largely supplanted by federal funding.
- 68. In 2015-16, Title I funding was generated by 5,232 public free/reduced lunch students and 17,377 nonpublic free/reduced lunch students. (P:13-1, P:13-3, P:14 and P:14-1).
- 69. The 2015-16 Title allocation to Lakewood was \$16,506,961 with carry-over of which \$8,132,831 was disproportionately allocated for public students and \$7,922,338 was for nonpublic students. (Id.).
- 70. In 2016-17 Title I funding was generated by 5,121 public free/reduced lunch students and 19,180 nonpublic free/reduced lunch students. (Id.).
- 71. The 2016-17 Title allocation to Lakewood was \$20,560,286 with carry-over of which \$10,471,991 was disproportionately allocated for public students and \$9,798,517 was for nonpublic students. (Id.).
- 72. In 2017-18 Title I funding was generated by 4,450 public free/reduced lunch students and 21,162 nonpublic free/reduced lunch students. (Id.).
- 73. The 2017-18 Title allocation to Lakewood was \$17,725,360 with carry-over of which \$3,950,983 is proportionately for public students and \$13,774,377 is for nonpublic students.

 (Id.).
- 74. The loss of disproportionate amounts of federal funding for public schools generated by the large low-income nonpublic

population has been devastating on the schools. Lakewood High School received \$1,563,653 in Title I funding and in 2017-18 Lakewood High School received only \$183,026 in Title I funding. (P:37).

- 75. The large amounts of federal funding enabled the district to obtain Smartboards, the Iready program, Letterland, Career Academics program, 3D prints, Mac carts, High School Alternate Program, Stem Program (robotis, podics), a new Culinary Classroom, TV production studio better known as "Piner Productions", Full Mac labs, 2-story Media center, Fashion design studio, recording arts studio & digital photography studio. Federal funding contributed to the Middle School Alternate program and the Istation program. (OPRA February 18, 2018, P:62).
- 76. Even after the \$8.5 million loan for 2017-18, it was necessary for the municipality to contribute a \$1,157,222.00 Grant Award to the Lakewood School District of which \$557,556 restored the sports program except for football. Another \$84,000 was granted to restore football. (Exhibit 27 MER, July 19, 2017 BOE Agenda).
- 77. The full-time athletic director position, trainer and secretary was not restored leading to the following criticism in an October 19, 2017 NJSIAA Report, "A part time AD, no trainer and minimal secretarial support (45 minutes per day) combined with a full athletic program is not the norm in the

state." (P:28)

- 78. The municipality will not be able to support the athletic program or offer grants for the 2018-19 school year. (Certification of Mr. Henshaw).
- 79. "The continuous state of instability, low salaries, and the need to distribute Reduction-in-Force (RIF) letters three years in a row has had the following negative effects:

School Year	Number of Teachers Who Received a	Number of Teachers Who Resigned	
	Reduction-in- Force		
2014-2015	22	55	
2015-2016	68	51	
2016-2017	140	78	

- (P:58, February 5, 2018 Letter from Lakewood Superintendent Laura Winters to Commissioner Dr. Lamont Repollet.)
- 80. Replacing the many teachers that resigned each year due to the fiscal instability and the RIFs the following amounts had to be spent on professional development during the school years 2015-16, 2016-17 and 2017-18 (current) respectively \$1,767,589; \$2,444,580 and \$2,749,208. (Id.).
- 81. It is extremely difficult to replace teachers that resign because Lakewood has the lowest median teacher salary of all 103 large K-12 districts with 3,500 or more students.

 (Taxpayer Guide to Educational Spending Lakewood. a) Median Teacher Salary (2016-17): \$52,046; Salary Ranking Within Group (2016-17): 1|101; Median Teacher Salary (2015-16): \$50,436, Salary Ranking Within Group (2015-16): 1|103. (P:10-2).
- 82. The High School Proficiency Assessment Language Arts

- scores for Lakewood from 2008-2014 were lower than the average and median scores of the Abbott districts (P:6-3).
- 83. The High School Proficiency Assessment Mathematics scores for Lakewood were about half the points of the state average and more than ten points lower than the average and median of the Abbott districts every year since 2009 (Id.).
- 84. The Grade 8 GEPA and NJ ASK Language Arts score for Lakewood was below the average and median of the Abbott districts every year since 2004. (Id.).
- 85. The Grade 8 GEPA and NJ ASK Mathematics score for Lakewood was below the average and median of the Abbott districts every year since 2006. (Id.).
- 86. The Adjusted Cohort Graduation Rate was at or below the average and median of the Abbott district for the last four years and far below that of the state. (P:12).
- 87. 85.9% of Lakewood public school students are Hispanic and 8.2% are African-American (Report/Summary of Superintendent Laura Winters Testimony, P:27 at 8).
- 88. 1,538 students were classified as Limited English Proficiency I 2017-18. (Id. at 6).