

**LAKWOOD BOARD OF EDUCATION  
Lakewood, NJ 08701**

**FUNDING TASK FORCE**

**Cover Sheet for Back-Up**

**Agenda Date:** March 26, 2002

**Back-Up Information for Attachment(s)** A

**LAKESWOOD PUBLIC SCHOOLS  
FUNDING TASK FORCE  
AGENDA  
MARCH 26, 2002**

1. INTRODUCTIONS & SIGN IN
  - ATTACHMENT(S) A
2. MISSION STATEMENT
  - DRAFT- ATTACHMENT(S) B
3. HISTORICAL BACKGROUND
  - GENERAL – ATTACHMENT(S) C
  - LEGAL – ATTACHMENT(S) D
4. REVIEW OF CURRENT DATA
  - LOCAL – ATTACHMENT(S) E
  - STATE DEPARTMENTS OF COMMERCE & EDUCATION – ATTACHMENT(S) F
  - NEW JERSEY EDUCATION ASSOCIATION – ATTACHMENT(S) G
5. FORMULATION OF ACTION PLAN REGARDING ONE OR MORE OF THE FOLLOWING:
  - CEIFA
  - CATEGORICAL AIDS
  - NON ABBOTT STATUS
  - OTHER
6. ACTIONS FOR CONSIDERATION
  - LOBBYING
  - LETTER WRITING
  - PETITIONS
  - MEETINGS WITH GOVERNMENT OFFICIALS
  - OTHERS
7. ELECTION OF CHAIRPERSON(S)
8. FUTURE MEETING SCHEDULE

**FUNDING TASK FORCE**

**DATE** \_\_\_\_\_

NAME	X	ADDRESS	DAYTIME PHONE	EMAIL ADDRESS
MRS. PATRICIA FORSE				
MR. EDWARD LUICK				
MR. BRUCE STERN				
MR. JOHN THORTON				
MR. NEAL PRICE				
MR. RAY COLES				
MR. DON BERKMAN				
RABBI MOSHE WEISBERG				
MR. JUAN LUENGO				
MR. JAMES WATERS				
MR. BERT ALBERT				
MRS. ELANOR THOMAS				
MR. MOCHAEEL SERNOTTI				
MR. JOSEPH SHERBER				
BABBI MEIR HERTZ				
DR. SHELDON BOXER				

**LAKWOOD PUBLIC SCHOOLS  
FUNDING TASK FORCE**

**MISSION STATEMENT**

**IT WILL BE THE FUNCTION OF THIS SCHOOL COMMUNITY BASED COMMITTEE TO DEVISE AND IMPLEMENT SPECIFIC ACTIONS WHOSE SOLE PURPOSE WILL BE TO SECURE FOR THE LAKEWOOD PUBLIC SCHOOLS AN AMOUNT OF ANNUALLY RENEWABLE STATE AID. THIS FUNDING SHOULD BE BOTH MORE REPRESENTATIVE OF WHAT THE DISTRICT BELIEVES ITS ENTITLEMENT SHOULD BE UNDER CEIFA AND MORE ADEQUATELY REFLECT UPON THE TRUE COMPOSITION OF THE DISTRICT SCHOOLS.**

# LAKWOOD PUBLIC SCHOOLS

655 PRINCETON AVENUE  
LAKWOOD, NEW JERSEY 08701-2895  
TEL: 908-905-3630 FAX: 908-364-1657

ERNEST J. CANNAVA, Ed.D.  
Superintendent  
of Schools

JOSEPH C. ATTARDI  
EDWARD W. LUICK  
Assistant Superintendents

December 6, 1991

The Honorable Robert Singer  
State Assemblyman-Elect  
c/o Lakewood Municipal Building  
231 Third Street  
Lakewood, New Jersey 08701

Dear Assemblyman-Elect Singer:

A sincere congratulations on your election to the Assembly. I realize that you will be inundated with information and requests as you undertake your new office.

It would be greatly appreciated if I could meet with you at your earliest convenience to discuss what I have learned and researched since coming to Lakewood regarding state aid funding for education.

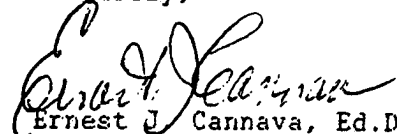
Briefly, as I am sure you are aware, the Abbott vs. Burke decision created special financial assistance for twenty-eight poor school districts in the State. Lakewood was not one of these districts. I strongly feel that our school district because of its special needs with our large minority population should be among the special districts.

Lakewood is a recipient of financial assistance to municipalities in the State. Lakewood qualifies for urban aid to municipalities under a formula that includes the number of public assistance housing units and the number of families who participate in aid to families of dependent children.

If possible, I would like to discuss this concern with you in the event there is a chance of the Lakewood School District becoming one of the special twenty-eight special aid school districts.

I will call your office in about a week to set up an appointment. Again, congratulations and if there is any way I can help, please feel free to call.

Sincerely,

  
Ernest J. Cannava, Ed.D.  
Superintendent of Schools

# LAKWOOD PUBLIC SCHOOLS

655 PRINCETON AVENUE  
LAKWOOD, NEW JERSEY 08701-2495  
TEL: 908-905-3630 FAX: 908-344-1657

ERNEST J. CANNAVA, Ed.D.  
Superintendent  
of Schools

JOSEPH C. ATTARDI  
EDWARD W. LUICK  
Assistant Superintendents

February 18, 1992

The Honorable Robert Singer,  
State Assemblyman  
19A West County Line Road  
Jackson, New Jersey 08527

Dear Assemblyman Singer:

Thank you for arranging a meeting with Commissioner John Ellis. This letter and accompanying materials will support our request to have Lakewood classified as a special needs district.

Briefly, as I am sure you are aware, the Abbot vs. Burke decision created special financial assistance for twenty-eight poor school districts in the State. Lakewood was not one of these districts. I strongly feel that our school district because of its special needs with our large minority population should be among the special districts.

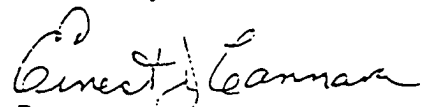
Lakewood is a recipient of financial assistance to municipalities in the State. Lakewood qualifies for urban aid to municipalities under a formula that includes the number of public assistance housing units and the number of families who participate in aid to families of dependent children.

If possible, I would like to discuss this concern with you in the event there is a chance of the Lakewood School District becoming one of the special twenty-eight special need school districts.

I am sending a brief narrative describing the status of Lakewood as an urban school district.

Again, thanks for your time and cooperation.

Sincerely,

  
Ernest J. Cannava, Ed.D.  
Superintendent of Schools

EJC:des  
enclosure

March 3, 1992

The Honorable James J. Florio  
Governor, State of New Jersey  
State House  
Trenton, New Jersey 08625

Dear Governor Florio:

It has come to my attention the Lakewood Public Schools recently met with Commissioner John Ellis. The purpose of this meeting was to request to have Lakewood classified as a special needs district.

Dr. Cannava, Superintendent of Schools in Lakewood, and Assemblyman Robert Singer, presented the district's rationale to the Commissioner.

Briefly, the Abbott vs. Burke decision created special financial assistance for twenty-eight poor school districts in the State. Lakewood was not one of these districts. The district strongly feels because of its special needs with a large minority population and diverse community it should be among the special districts.

Lakewood is a recipient of financial assistance to municipalities in the State. Lakewood qualifies for urban aid to municipalities under a formula that includes the number of public assistance housing units and the number of families who participate in aid to families of dependent children.

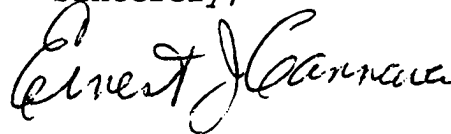
Enclosed is some information indicating that Lakewood is a multi-cultural district with special needs. In addition to this diversity, there are several large senior citizen retirement villages. The residents in these areas have special financial constraints.

The large number of private and parochial school children and their families add another unique quality to Lakewood. These parents are also having financial difficulty supporting two school systems.

I strongly support Lakewood's request and hope that when it comes to your attention you will give it favorable consideration.

If you need additional information, please call.

Sincerely,



## LAKWOOD PUBLIC SCHOOLS

In February, 1992, Assemblyman Singer and Dr. Cannava met with the Commissioner of Education and his staff. The purpose of the meeting was to request the Lakewood Public Schools be considered a Special Needs District. Petitions supporting this request were circulated by the Coordinating Council and forwarded to Mr. Singer in December, 1992. Lakewood was not one of the Special Needs Districts identified in the Abbot vs. Burke court decision.

Lakewood is the third largest community in Ocean County, New Jersey with a total of 45,000 residents. The Lakewood community has the largest minority population in the county. There is also a large Orthodox Jewish population residing in the community.

Lakewood because of its diverse population has unique needs. As an example, Lakewood is a recipient of financial assistance to municipalities in the State. Lakewood qualifies for urban aid to municipalities under a formula that includes the number of public assistance housing units and the number of families who participate in aid to families of dependent children.

A synopsis of the present guidelines for Special Needs Districts include:

### I. District educational improvement plans

- a. Each board of education in a special needs district shall submit annually as part of the annual school district budget an educational improvement plan for the district. The plan shall be:
  1. Based on student outcome goals consistent with State educational goals.
  2. Consistent with the elements and indicators required for district certification through the monitoring process.
  3. Designed to support comprehensive district-level planning to improve student outcomes through improvement of management, governance, finance and facilities.
  4. Developed collaboratively by staff, parents, community members, and students, where appropriate.



2. Development of a school-level data base which allows analysis of needs and evaluation of success of all students in reaching targeted student outcomes.
3. Selection of demonstrably effective improvement strategies and programs which could reasonably be expected to result in improvements in student learning based on research results. Such demonstrably effective strategies and programs include, but are not limited to, the following areas:
  - a. early childhood
  - b. instructional uses of technology
  - c. drop-out prevention
  - d. school-based management
  - e. staff development
  - f. enriched curricula
  - g. increased instructional time
  - h. interagency collaboration
  - i. student/family support services

IV. It should be noted that the present guidelines most likely will change or be modified when a new tier of special needs school districts are approved. Using the present regulations for special needs districts it is possible for the Lakewood School District to implement the following initiatives utilizing funds other than local money:

1. Develop a complete full day kindergarten program, including staff and facilities in all elementary schools.
2. Create a preschool program for students in the regular instructional program.
3. Enriched curriculum for students at all levels of instruction.
4. Additional instructional programs identified by the planning team.

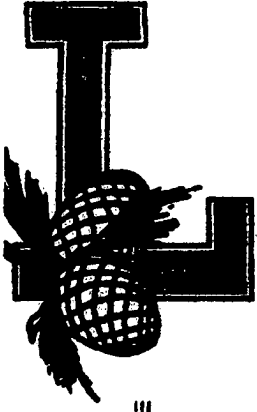
- b. The chief school administrator shall be responsible for developing, implementing and evaluating the district educational improvement plan.
- c. For special needs districts, the district educational improvement plan shall substitute for required district-level planning objectives.

## II. School educational improvement plans

- a. Beginning with the 1993-94 school year, an educational improvement plan shall be developed for each school in a special needs district.
- b. Each school shall establish and maintain a planning team to coordinate the development, implementation and evaluation of the plan.
  - 1. The district shall ensure that time and resources are allocated to support planning team activities.
  - 2. Membership on the planning team shall include, but not be limited to, the principal, teachers and parents. A majority of the planning team shall be composed of parents..
  - 3. The board of education shall establish fair and reasonable policies and procedures by which teachers shall select their representatives and parents shall select their representatives.
- c. For schools where students are not meeting minimum state requirements on student performance, objectives in the areas of deficiency shall be integrated into the school educational improvement plan.

## III. District and school educational improvement plan development

- a. District and school educational improvement plans shall be developed using a process which includes the following components:
  - 1. Involvement of broad-based representation from different parts of the educational community, including administrators, supervisors, teachers, parents, community members, and students, where appropriate, in the development and implementation of the plan.



**LAKWOOD PUBLIC SCHOOLS**

655 PRINCETON AVENUE  
LAKWOOD, NEW JERSEY 08701-2895  
TEL: 908-905-3630 FAX: 908-364-1657

ERNEST J. CANNAVA, Ed. D.  
Superintendent  
of Schools

JOSEPH C. ATTARDI  
EDWARD W. LUICK  
Assistant Superintendents

December 6, 1994

The Honorable Robert Singer  
Senator, State of New Jersey  
730 Brewers Bridge Road  
Jackson, New Jersey 08527

Dear Senator Singer:

Thank you for your continued support of the Lakewood School District. I would like to ask that you continue to support our request to be considered a Special Needs District.

If you need additional information please feel free to contact me.

Thank you.

Sincerely,

Ernest J. Cannava, Ed.D.  
Superintendent of Schools

EJC:des



# LAKWOOD PUBLIC SCHOOLS

655 PRINCETON AVENUE  
LAKEWOOD, NEW JERSEY 08701-2895  
TEL: 908-985-3630 FAX: 908-364-1657

ERNEST J. CANNAVA, Ed. D.  
Superintendent  
of Schools

JOSEPH C. ATTARDI  
EDWARD W. LUTICK  
Assistant Superintendents

December 6, 1994

Mr. Leo Klagholz  
Commissioner of Education  
State Department of Education  
225 E. State St., CN 500  
Trenton, New Jersey 08625-0500

Dear Commissioner Klagholz:

In the past three years the Lakewood Public School District has requested to be considered a special needs district. I have met with both your predecessors and submitted the information necessary to support this request.

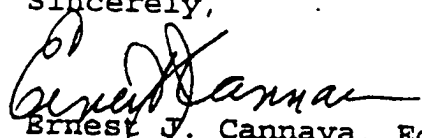
As I am sure you are aware, the Abbott vs Burke decision created special financial assistance for twenty-eight poor school districts in the State. Lakewood was not one of these districts. We strongly feel our school district, because of its special needs with our large minority population, should be among the special districts.

The Township of Lakewood is a recipient of financial assistance to municipalities in the State. Lakewood qualified for urban aid to municipalities under a formula that includes the number of public assistance housing units and the number of families of dependent children.

Because of our concern that the very best education be provided for our children, the Board of Education at its meeting of July 26, 1993 moved to strongly support Bill A-2785 which modifies the definition of special needs district to reflect new district factor groupings based on the 1990 census.

The Lakewood Board of Education requests your support in the event similar legislation is proposed this year. Thank you for your continued support.

Sincerely,

  
Ernest J. Cannava, Ed.D.  
Superintendent of Schools

EJC:des



STATE OF NEW JERSEY  
DEPARTMENT OF EDUCATION  
CN 500  
TRENTON, N.J. 08625-0500

CHRISTINE TODD WHITMAN, GOVERNOR

LEO KLAGHOLZ, COMMISSIONER

December 21, 1994

Ernest J. Cannava, Ed.D.  
Superintendent  
Lakewood Public Schools  
655 Princeton Avenue  
Lakewood, NJ 08701-2895

Dear Dr. Cannava:

I am in receipt of your letter dated December 6, 1994, regarding the designation of Lakewood as a special needs district.

In addition to pending legislation similar to A-2785, the Supreme Court requirement that we develop a more equitable funding formula for New Jersey schools, will also require that we redefine what constitutes a special needs district. The new funding formula must define the type of educational program that will best serve children. The school funding system has in the past focused exclusively on the Supreme Court mandate to equalize per pupil spending, without determining the ways money must be managed to achieve a high level of quality. Unless these issues are addressed, no amount of money will ever guarantee educational quality or equity.

We must begin to move ahead towards systemic educational improvement by requiring high standards for student learning in all areas of the curriculum and develop a long-term school funding system which is effective and fair to all of the children and citizens throughout the state.

Thank you for sharing your concerns with me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Leo".

Leo Klagholz  
Commissioner

LK/RAD/lp:cannava  
c: Richard A. DiPatri  
Michael Azzara

JAN 3



**LAKWOOD PUBLIC SCHOOLS**

655 PRINCETON AVENUE  
LAKWOOD, NEW JERSEY 08701-2895  
TEL: 908-905-3630 FAX: 908-364-1657

ERNEST J. CANNAVA, Ed. D.  
Superintendent  
of Schools

JOSEPH C. ATTARDI  
EDWARD W. LUICK  
Assistant Superintendents

February 2, 1995

The Honorable Robert Singer  
Senator, State of New Jersey  
730 Brewers Bridge Road  
Jackson, New Jersey 08527

Dear Senator Singer:

Thank you for calling last week regarding state aid. I am enclosing the final figures which indicates our net gain over last year is \$21,719.00. Even though our foundation aid was increased, the state education department reduced our transportation aid by \$289,459.00.

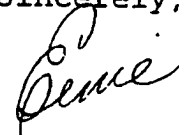
The state education department did change the method of transportation aid this year. The reason for this reduction is that we mainstreamed special education students onto regular buses and eliminated some vans. This was accomplished without notifying the school district earlier in the school year. It is my belief this is one way the state was able to say additional funding was given to education. Rob Peter to pay Paul.

We are in deep financial trouble this school year. As we have been saying over the last three years, by trying to keep the tax rate low, it is finally catching up.

I strongly ask if there is any way we can be considered as a special needs district this school year or for some additional funding.

If you have any questions, please call.

Sincerely,



Ernest J. Cannava, Ed.D.  
Superintendent of Schools

EJC:des



NEW JERSEY SENATE

ROBERT W. SINGER  
SENATOR, DISTRICT 30

PARTS OF MONMOUTH-OCEAN-  
BURLINGTON COUNTIES  
730 BREWERS BRIDGE ROAD  
JACKSON, NEW JERSEY 08527  
(908) 901-0702  
FAX: (908) 901-0587

FEB - 8 1995

COMMITTEES  
CHAIRMAN, SENIOR CITIZENS,  
MILITARY AFFAIRS,  
RACING AND AGRICULTURE  
CHAIRMAN, BIOTECHNOLOGY TASK FORCE  
MEMBER, ENVIRONMENT  
MEMBER, HEALTH

February 07, 1995

Ernest J. Cannava, Ed.D.  
Superintendent of Schools  
655 Princeton Avenue  
Lakewood, New Jersey 08701-2895

Dear Superintendent Cannava:

In reference to your letter dated February 02, 1995, I have certainly urged the Commissioner to designate you as a special needs district, but as of this time to no avail.

I am still vigorously pursuing this endeavor.

I will keep you informed of the progression of this matter.

Sincerely,

ROBERT W. SINGER  
Senator, District 30

RWS/wk

# LAKWOOD PUBLIC SCHOOLS

655 PRINCETON AVENUE  
LAKEWOOD, NEW JERSEY 08701-2895  
TEL: 732-905-3630 FAX: 732-364-1657

E-mail: [lpssuone@cybercomm.net](mailto:lpssuone@cybercomm.net)

ERNEST J. CANNAVA, Ed. D.  
Superintendent  
of Schools

JOSEPH C. ATTARDI  
EDWARD W. LUICK  
Assistant Superintendents

February 11, 1999

Mr. Robert W. Singer, Senator  
2110 West County Line Road  
Jackson, New Jersey 08527

Dear Senator Singer:

As you know, Lakewood had a reduction in State aid of approximately \$400,000.00. What is not known is that there was a reduction of \$900,000.00 in our instructional aid. Because of our frugality in the past, we are not receiving enough State aid to maintain our instructional program and keep our tax rate down.

It is my understanding that the State Department of Education is revising education State aid sometime during the week of February 17. If there is any way you can help Lakewood gain additional funds in this revision, it would be greatly appreciated.

Thank you for your continued support.

Sincerely,



Ernest J. Cannava, Ed.D.  
Superintendent of Schools

EJC:mah





**NEW JERSEY LEGISLATURE**

**LEGISLATIVE OFFICE  
30TH DISTRICT  
PARTS OF MONMOUTH-OCEAN-BURLINGTON COUNTIES**

RECEIVED

APR 6

**ROBERT W. SINGER**  
SENATOR  
**MELVIN COTTRELL**  
ASSEMBLYMAN  
**JOSEPH R. MALONE**  
ASSEMBLYMAN

**REPLY TO:**  
 2110 W. COUNTY LINE ROAD  
JACKSON, NJ 08527  
(732) 901-0702  
FAX (732) 901-0587  
 246 ROUTE 130 SOUTH  
BORDENTOWN, NJ 08505  
(609) 298-6250  
FAX (609) 298-6359

April 3, 1998

Department of Education  
Leo Klagholz, Commissioner  
P.O. Box 500  
Trenton, New Jersey 08625

Dear Commissioner Klagholz:

We are writing regarding the determination and allocation of State aid for the school year 1998-99 with respect to the Lakewood school district.

We are requesting that you review the income calculation and determine if this was done correctly. It appears that there were three income levels calculated for the Township of Lakewood over the past year, which are inconsistent with one another.

Your review and consideration of this situation would be greatly appreciated.

As always, if you wish to discuss this further we can be reached at our legislative offices.

Sincerely,

Robert W. Singer  
Senator  
District 30

Melvin Cottrell  
Assemblyman  
District 30

Joseph R. Malone  
Assemblyman  
District 30

RWS/MC/JRM/mf  
c: Ernest Cannava, Ed.D., Superintendent ✓

## RESOLUTION

### RESOLUTION OF THE TOWNSHIP OF LAKEWOOD, COUNTY OF OCEAN, STATE OF NEW JERSEY, IN SUPPORT OF INCREASED STATE SCHOOL AID FOR THE LAKEWOOD TOWNSHIP SCHOOL DISTRICT

WHEREAS, the Township Committee of the Township of Lakewood, understands that there have been different income level calculations to determine State aid figures for the Lakewood School District; and,

WHEREAS, the Township Committee understands that the Lakewood Board of Education is appealing the allocation of the State aid for the Lakewood School District; and,

WHEREAS, the Township Committee agrees with the Lakewood Board of Education that the income calculation for the school district does not accurately reflect the district's per capita wealth or income; and,

WHEREAS, the Township Committee believes that the Commissioner of Education should readjust the income calculation to a realistic level that would provide more State aid to the Lakewood Township School District and ease the unfair burden placed upon the taxpayer by the current calculation.


NOW, THEREFORE, BE IT RESOLVED that the Township Committee of the Township of Lakewood, County of Ocean, State of New Jersey, is in support of increased State school aid for the Lakewood Township School District; and,

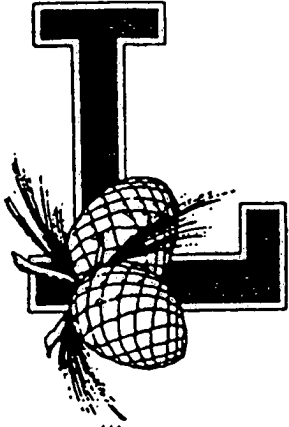
BE IT FURTHER RESOLVED that the Township Clerk shall forward a certified copy of this resolution to the following:

1. Lakewood Township Board of Education;
2. Commissioner of Education;
3. All other persons in interest.

#### CERTIFICATION

I, Bernadette Standowski, Township Clerk of the Township of Lakewood, County of Ocean, State of New Jersey, do hereby certify that the foregoing resolution was duly adopted by the Township Committee of said Township at its meeting held on March 23, 1998.

  
BERNADETTE STANDOWSKI, RMC/CMC  
Township Clerk



## LAKWOOD PUBLIC SCHOOLS

655 PRINCETON AVENUE  
LAKWOOD, NEW JERSEY 08701-2895  
TEL: 732-905-3630 FAX: 732-364-1657

E-mail: [lpssuone@cybercomm.net](mailto:lpssuone@cybercomm.net)

ERNEST J. CANNAVA, Ed. D.  
Superintendent  
of Schools

JOSEPH C. ALLARDI  
EDWARD W. LUICK  
Assistant Superintendents

March 17, 1999

Mr. Robert W. Singer, Senator  
30<sup>th</sup> District  
2110 West County Line Road  
Jackson, New Jersey 08527

Dear Mr. Singer:

I am sending you a chart showing the decline of State Aid to the Lakewood School District over the last several years. Even with the new funding formula, Lakewood is receiving substantially less in State Aid.

The Lakewood Township Public School population and its demographics are very similar to the Special Needs districts. Our population has remained constant, yet our State Aid has decreased significantly. It would be appreciated if you would lobby the Department of Education to consider Lakewood for additional funding. If there is anything that I can do to help with your quest for additional aid, please let me know.

Sincerely,

Ernest J. Cannava, Ed.D.  
Superintendent of Schools

EJC:mah

Enclosure

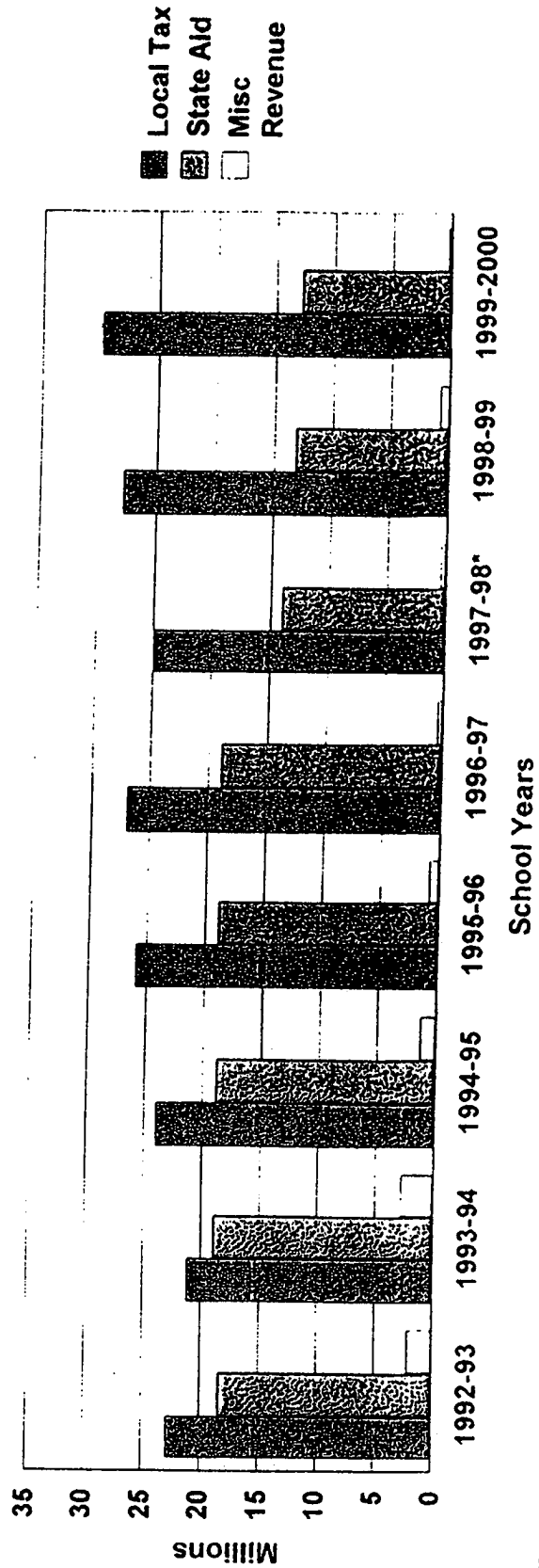
# GENERAL FUND COMPARISON

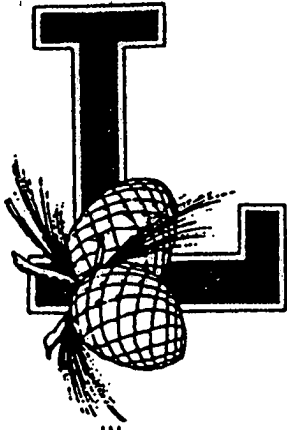
## Revenue Sources

School Year	Local Tax	%	State Aid	%	Misc Revenue	%	TOTAL
1992-93	22,872,560	53%	18,426,789	42%	2,156,508	5%	43,455,858
1993-94	21,197,115	49%	18,923,519	44%	2,793,477	7%	42,914,111
1994-95	24,011,373	54%	18,811,429	43%	1,348,333	3%	44,171,135
1995-96	25,900,320	57%	18,897,833	41%	811,660	2%	45,609,813
1996-97	26,934,613	58%	18,891,333	41%	456,164	1%	46,282,110
1997-98*	25,027,901	63%	14,033,015	36%	458,121	1%	39,519,037
1998-99	27,834,736	67%	13,103,213	31%	750,000	2%	41,687,949
1999-2000	29,847,013	70%	12,743,051	30%	225,000	1%	42,815,064

\* New Funding Formula - STATE AID

## Revenue Sources





## LAKWOOD PUBLIC SCHOOLS

655 PRINCETON AVENUE  
LAKEWOOD, NEW JERSEY 08701-2895  
TEL: 732-905-3630 FAX: 732-364-1657

E-mail: [lpssuone@cybercomm.net](mailto:lpssuone@cybercomm.net)

ERNEST J. CANNAVA, Ed. D.  
Superintendent  
of Schools

JOSEPH C ATTARDI  
EDWARD W LUICK  
Assistant Superintendents

July 6, 1999

Mr. David C. Hesse, Commissioner of Education  
State of New Jersey Department of Education  
PO Box 500  
Trenton, New Jersey 08625-0500

Dear Mr. Hesse:

Thank you for meeting with representatives from Lakewood regarding our State Aid concerns. I appreciate the time that you devoted to our meeting. The materials you requested will be sent by July 15.

I would also like to take this opportunity to commend the security guard in the Main lobby, Ms. DeSimone. She was extremely professional and effective in helping to locate a parking spot near the building because of the inclement weather. She could not do enough to make me comfortable as well as the other visitors who were coming in that day. It would be appreciated if you could pass this on to her superior.

Again, thank you.

Sincerely,

A handwritten signature in cursive script that reads "Ernest J. Cannava". The signature is written in black ink and is positioned above the printed name.

Ernest J. Cannava, Ed.D.  
Superintendent of Schools

EJC:mah



**State of New Jersey**

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

CHRISTINE TODD WHITMAN  
*Governor*

DAVID C. HESPE  
*Commissioner*

October 6, 1999

Dr. Ernest J. Cannava  
Superintendent of Schools  
Lakewood Township School District  
655 Princeton Avenue  
Lakewood, NJ 08701-2895

Dear Dr. Cannava:

I wanted to take this opportunity to update you on my review of the impact of the CEIFA funding formula on the Lakewood School District.

The CEIFA working groups have completed their work and have provided input to me on potential changes to the formula. Over the next 30 days, we will be attempting to simulate the impact of these recommendations on school districts in order to assess their effectiveness. I appreciate the information you have given to me, and we will certainly refer to it as we contemplate changes to CEIFA. If I require further information, I will let you know. In any event, I will be reaching out to you over the coming weeks to advise you of our progress.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "DCH".

David C. Hespe  
Commissioner

DCH/cp:cannava  
c: Senator Robert W. Singer  
Assemblyman Joseph R. Malone, III  
Board President Barbara Jambol

ERNEST J. CANNAVA, Ed.D.  
Superintendent of Schools

JOSEPH C. ATTARDI  
EDWARD W. LUICK  
Assistant Superintendents



655 Princeton Avenue  
Lakewood, New Jersey 08701-2895  
TEL: 732 905-3630  
FAX: 732 364-1657  
E-mail: lpssuone@cybercomm.net

January 13, 2000

Senator Robert W. Singer  
Assistant Majority Leader  
210 West County Line Road  
Jackson, New Jersey 08527


Dear Senator Singer,

I know and appreciate your support for the Lakewood Public Schools. Now it should be our turn to introduce Legislation to give us Special Needs Status.

When we met this summer, we agreed to wait until the Commissioner's Budget Committee made a decision. Now is the time to "FISH OR CUT BAIT" with the Commissioner.

If I can help, please call. Thanks again!

Sincerely,

  
Ernest J. Cannava, Ed.D.  
Superintendent of Schools

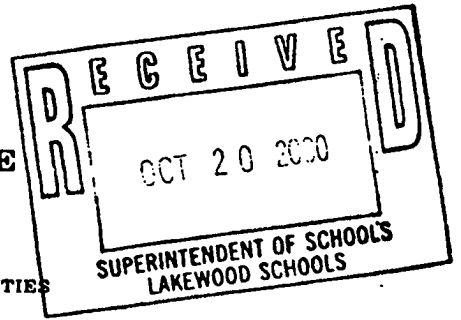
EJC:ljh

LAKWOOD PUBLIC SCHOOLS



**NEW JERSEY LEGISLATURE**

**LEGISLATIVE OFFICE  
30TH DISTRICT  
PARTS OF MONMOUTH-OCEAN-BURLINGTON COUNTIES**



**ROBERT W. SINGER  
SENATOR**

**MELVIN COTTRELL  
ASSEMBLYMAN**

**JOSEPH R. MALONE  
ASSEMBLYMAN**

**REPLY TO:**

2110 W. COUNTY LINE ROAD  
JACKSON, NJ 08527  
(732) 901-0702

FAX (732) 901-0587

246 ROUTE 130 SOUTH  
BORDENTOWN, NJ 08505

(609) 298-6250

FAX (609) 298-6359

October 17, 2000

David Hespe, Commissioner  
NJ Department of Education  
Riverview Plaza, Route 29, Building 100  
P.O. Box 500  
Trenton, NJ 08625-0500

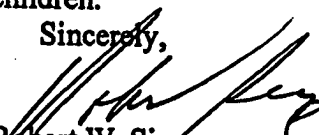
Dear Commissioner Hespe:

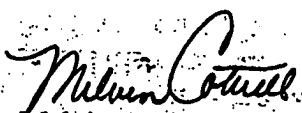
We are in receipt of your response concerning additional funding for Lakewood Township for nonpublic school students with disabilities.

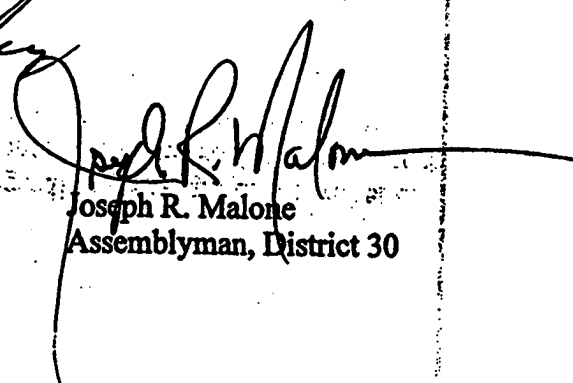
We have met with you three or four times in the past regarding the plight of a number of school districts that we represent; Lakewood being the largest one. We have received no support from your office for additional aid to these communities. We received no substantial support for how these districts can deal with their unique problems; yet, we have seen other districts that, obviously, have more personal agendas with you than ours to get additional monies. Some of them are in Ocean County. We are amazed that needy districts are being ignored and undue burden is put on local taxpayers when the state budget contains millions upon millions of dollars going to many personal agenda projects.

We were hoping that there would be some type of response from the Department showing their concern with quality education for all students. Our guess is it's business as usual in Trenton, and if you are not one of the special needs districts, you really don't care. It is obvious in our minds that we wasted valuable time in a department that cares more about adjusting test scores to look good than it does to help children.

Sincerely,

  
Robert W. Singer  
Senator, District 30

  
Melvin Cottrell  
Assemblyman, District 30

  
Joseph R. Malone  
Assemblyman, District 30

RWS/MC/JRM:tab

✓c: Dr. Ernest Cannava, Superintendent, Lakewood Schools





**MELVIN L. WYNS**  
**22 MARK TWAIN DRIVE**  
**HAMILTON SQUARE, NEW JERSEY 08690**

*School Finance Consultant*  
*Telephone (609) 890-8106*  
*Email [Wynsmel@aol.com](mailto:Wynsmel@aol.com)*

November 24, 2003

NOV 24 2003

**Mr. Edward Luick, Assistant Superintendent**  
**Lakewood Township Board of Education**  
**655 Princeton Avenue**  
**Lakewood NJ 08701-2895**

Dear Mr. Luick:

Thank you for sending me the information I requested concerning the Lakewood School District's request for Lakewood Township to absorb the cost of secondary grades 9-12 level non-remote courtesy busing.

In my opinion the financial and other information provided to Mrs. Harrison is consistent with the district's financial records and the data reported to the New Jersey State Department of Education concerning the number of transported remote and non-remote (courtesy) students. Clearly, the amount budgeted for Aid In Lieu payments is insufficient to support the number of Aid In Lieu students.

While reviewing the Lakewood School District's transportation circumstances, I noted, in case you are not aware that the Lakewood School District is among the top 20% of all districts in transportation efficiency according to the New Jersey Department of Education's 2003 Comparative Spending Guide.

Sincerely,

Melvin L. Wyns

MLW: luick4  
c: Ernest J. Cannava  
Kathryn Fuoto

## BUDGETARY SUMMARY School Year 1992 thru School Year 2002

Fiscal Year	CAP Budget	CAP Status Over/(Under)	State Aid	Tax Levy	Free Balance (Total Available from Previous School Year)	Amount Appropriated	Purpose for Appropriation	Outcome	Municipal Action	Tax Rate	Increase/ Decrease
1992-1993	\$41,484,349	(\$185,000)	\$23,057,375	\$22,872,560	\$3,343,431	\$655,185	Property Tax Relief	D		1.27	
1993-1994	\$46,068,321	(\$3,908,602)	\$18,923,519	\$21,197,115	\$2,256,186	\$2,343,093	Property Tax Relief	D	\$1,274,462 Reduction	1.28	0.01 Up
1994-1995	\$43,148,642	\$351,099	\$18,811,429	\$24,011,373	\$1,279,431	\$651,939	Property Tax Relief	D	\$887,712 Reduction	1.24	-0.04 Down
1995-1996	\$44,793,933	(\$3,000)	\$18,897,833	\$25,900,320	\$1,756,330	\$318,145	Property Tax Relief	A	N/A	1.38	0.14 Up
1996-1997	\$46,858,933	(\$1,040,707)	\$18,891,333	\$26,934,613	\$2,056,072	\$834,883	Property Tax Relief	A	N/A	1.37	-0.01 Down
*1997-1998	\$47,236,914	(\$897,016)	\$14,033,015	\$25,027,901	\$359,722	\$843,524	Property Tax Relief	D	0 Cuts	1.35	-0.02 Down
1998-1999	\$47,730,127	At CAP	\$13,103,213	\$27,834,736	(\$2,445,862)	\$400,000	Deficit	A	N/A	1.33	-0.02 Down
1999-2000	\$49,246,664	(\$283,264)	\$12,743,051	\$29,847,013	(\$3,515,153)	\$0	Deficit	D	0 Cuts	1.37	0.04 Up
2000-2001	\$55,195,806	At CAP	\$15,711,738	\$36,792,172	\$228,559	\$0	N/A	A	N/A	1.43	0.06 Up
2001-2002	\$60,100,521	At CAP	\$13,378,255	\$39,992,624	N/A	N/A	N/A	A	N/A	1.55	0.12 Up

\*Change in Funding Formula

D = Defeated

A = Approved

\*\* Legislated additional State Aid of \$3,000,000 and additional Municipal Aid of \$1,000,000

**FROM:** Blue Ribbon Funding Task Force  
C/o Lakewood Township Board of Education  
655 Princeton Avenue  
Lakewood, NJ 08701

**Contact:** Pat Forse  
Tel.: 732-905-5732

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## **Lakewood Funding Task Force Issues Final Report and Recommendations**

LAKESWOOD, N.J., (April 11, 2003) – The Funding Task Force established by the Lakewood Board of Education announced today that it has issued its final report and recommendations. The highlight of the report is a recommendation that the Lakewood Board of Education and the Lakewood Township Committee undertake a joint effort to bring about a change in the formula by which Lakewood receives state educational aid. The Blue Ribbon Funding Task Force was created in the spring of 2002 by the Lakewood Board of Education. The BOE charged the Task Force with identifying means of increasing the amount of state educational aid received by Lakewood. “The amount of state educational aid received by Lakewood has dropped precipitously during the last decade even though the number of public school students has remained essentially the same” stated Task Force member and Township Committeeman Charles Cunliffe.

According to Task Force Co-Chair Bruce Stern, the State’s school aid funding formula as set forth in the Comprehensive Education Improvement and Financing Act of 1996 (“CEIFA”), when applied to Lakewood and its unique demographic and socio/economic profile, substantially under funds the level of State educational aid needed to provide a thorough and efficient education: “Lakewood has unique demographics. Because of those unique demographics, Lakewood receives less than half of the core curriculum aid per student as compared to neighboring school districts. Lakewood children should not be short changed because the CEIFA formula never anticipated a school district with a demographic profile like Lakewood’s.”

The Task Force expects to present its recommendations for adoption by Lakewood’s Board of Education at its next available meeting

###

**FINAL REPORT OF THE  
LAKEWOOD BOARD OF EDUCATION'S  
FUNDING TASK FORCE  
APRIL 11, 2003**

In the spring of 2002, the Lakewood Board of Education (the "Board") came to the conclusion that Lakewood receives substantially less State educational aid on a per pupil basis than any other comparable school district in the State of New Jersey. For example, state statistics for the 2001- 02 school year indicate that core curriculum aid for this period in Ocean County averaged \$2,320 per student. Lakewood, by contrast, received only \$840 per student during this same period.

Based upon this finding, the Board created a Blue Ribbon Funding Task Force (the "Task Force"), and charged this Task Force with developing ideas and strategies to address this imbalance of State aid received by Lakewood. The following is the final report for the Funding Task Force. It contains a recommended plan of action for the Lakewood Board of Education in regards to State educational funding for Lakewood. This Report will be presented to Board for adoption at the next available meeting of the Board.

1. Background

The Task Force met several times in the spring of 2002 and heard from a wide array of school funding experts, including Rich Brown, Legislative Analyst from the New Jersey Education Association, and Steve Bloch, the Director of the Education Law Center. As a result of these meetings, the Task Force concluded that only two viable options existed for Lakewood to significantly increase the amount of State educational aid it received: (1) modify the State's school aid funding formula as set forth in the Comprehensive Education Improvement and Financing Act of 1996 ("CEIFA") to address Lakewood's unique funding needs, or (2) become designated as an "Abbott" or a "Quasi-Abbott" school district by the court in the pending "Jacobs" litigation that seventeen non-Abbott school districts, including Lakewood, had filed against the State of New Jersey to become designated as a special needs school district.

The Task Force decided that it would be difficult to craft a "fix" to the CEIFA funding formula that would apply to Lakewood's unique situation, but not apply to any other (or very few other) districts; it was felt by the group that if Lakewood did not have in hand a very specific proposal for the Legislature that clearly demonstrated the limited fiscal impact of its proposal, then Lakewood's chances of getting movement on this issue (especially in the current budgetary environment) was slim to none.

By contrast, legal counsel for the seventeen districts in the Jacobs litigation, Fred Jacobs, met with the Task Force and expressed optimism about Lakewood's prospects in that litigation. Based upon those assumptions, the Task Force elected to wait until the Court had rendered its decision, and then meet to analyze the implications of the decision, and to strategize about how to prevent a decision favorable to Lakewood from being challenged on

appeal. The administrative law judge's opinion had been expected during the early part of the summer, and, as stated above, it was expected to be favorable to Lakewood.

In actuality, the Court did not render its decision until the fall of 2002, and the decision was highly unfavorable to Lakewood. At a Task Force meeting held last fall, the District's Assistant Superintendent, Ed Luick, and its General Counsel, Michael Inzlebuch, Esq., made a presentation regarding the Court's adverse decision, and the reason the Board elected not to appeal. In brief, the Court's standard for a district obtaining special state funding included an element that measured the amount of a school district's property wealth per pupil. The Court set this property wealth per pupil threshold at a very low level, so low, in fact, that several current Abbott districts would not meet this criterion if they were being evaluated for eligibility today. Since the Court was within its discretion to set these low standards, and since the Court did not make any obvious errors of law in making its ruling, Lakewood did not have a solid basis for appealing the decision. In sum, Lakewood's hopes of being designated as an Abbott or a quasi-Abbott district had been eliminated.

## 2. Making CEIFA Work for Lakewood

The only avenue, therefore, that remains for Lakewood to pursue is that of modifying CEIFA so as to provide adequate State educational aid to Lakewood. When enacted, the CEIFA legislation stated among its purposes that the State of New Jersey would provide a "thorough and efficient system of public education" and assure "[a] level of financial support sufficient to provide [these] programs and services." Unfortunately, the CEIFA funding formula, when applied to Lakewood and its unique demographic and socio/economic profile, substantially under funds the level of State educational aid needed to provide a thorough and efficient education.

It is the position of the Task Force that such a legislative "fix" for the CEIFA formula does exist. Unfortunately, the problem is highly complex and technical; not one of the numerous experts on New Jersey educational funding that the Task Force met with had a simple and clean solution for Lakewood's problem that would not negatively impact other districts. The Task Force also recognizes that its members possess neither the time nor the expertise required to properly address this challenge.

## 3. A Plan of Action

Therefore, the Funding Task Force recommends that the Lakewood Board of Education adopt the following plan of action:

1. Establish a joint committee between the Lakewood Board of Education and the Lakewood Township Committee to oversee efforts to craft a legislative proposal that would modify the CEIFA formula to Lakewood's benefit, but without harming other districts, and once crafted, advocate for passage of the proposal by the State Legislature.
2. This Joint BOE-Township Committee, will be authorized and funded so as to be able to retain a team of analysts, public affairs professionals and lobbyists to

implement the goals of Paragraph 1, above, and to explore other avenues of outside funding for the Lakewood schools. This team would report to the Joint BOE-Township Committee. The team would be tasked with the following objectives:

- a. Draft specific statutory language to modify the CEIFA formula so as to achieve State educational funding parity for Lakewood.
- b. Determine which other school districts in the State, other than Lakewood, would meet the criteria set forth in the proposed language.
- c. Quantify the budgetary impact that proposed amendment would create for the State.
- d. Design a political strategy to obtain passage of the legislative proposal.
- e. Assist Lakewood public officials to implement the political strategy and obtain passage of the legislative proposal.

The plan of action set forth above will require an investment of public funds, the time and efforts of our elected officials and other concerned citizens, and the expenditure of a portion of Lakewood's store of political capital to achieve success. The Funding Task Force is of the opinion that the potential rewards that such success would bring to Lakewood, its schools and its children justify the adoption of the plan of action proposed above.

<u>Budget Year</u>	<u>General Fund</u>	<u>Actual State Aid</u>	<u>55.58% rate</u>	<u>Lost State Aid</u>
1992	\$41,484,349	\$23,057,375	\$25,798,260	\$6,874,741
1993	\$46,068,321	\$18,923,519	\$23,982,015	\$5,170,586
1994	\$43,148,642	\$18,811,429	\$24,896,468	\$5,998,635
1995	\$44,793,933	\$18,897,833	\$24,932,595	\$6,041,262
1996	\$44,858,933	\$18,891,333	\$26,254,277	\$12,221,262
1997	\$47,236,914	\$14,033,015	\$26,528,405	\$13,425,192
1998	\$47,730,127	\$13,103,213	\$27,371,296	\$14,628,245
1999	\$49,246,664	\$12,743,051	\$29,010,429	\$16,298,691
2000	\$52,195,806	\$12,711,738	\$29,796,371	\$16,418,116
2001	\$53,609,879	\$13,378,255	\$32,828,043	\$19,232,992
2002 proposed	\$59,064,489	\$13,595,051		
			<b>Total Lost Aid</b>	<b>\$116,309,722</b>

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LAKEWOOD BOARD OF EDUCATION'S  
FUNDING TASK FORCE  
APRIL 11, 2003**

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Based upon this finding, the Board created a Blue Ribbon Funding Task Force (the "Task Force"), and charged this Task Force with developing ideas and strategies to address this imbalance of State aid received by Lakewood. The following is the final report for the Funding Task Force. It contains a recommended plan of action for the Lakewood Board of Education in regards to State educational funding for Lakewood. This Report will be presented to Board for adoption at the next available meeting of the Board.

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In actuality, the Court did not render its decision until the fall of 2002, and the decision was highly unfavorable to Lakewood. At a Task Force meeting held last fall, the District's Assistant Superintendent, Ed Luick, and its General Counsel, Michael Inzlebuch, Esq., made a presentation regarding the Court's adverse decision, and the reason the Board elected not to appeal. In brief, the Court's standard for a district obtaining special state funding included an element that measured the amount of a school district's property wealth per pupil. The Court set this property wealth per pupil threshold at a very low level, so low, in fact, that several current Abbott districts would not meet this criterion if they were being evaluated for eligibility today. Since the Court was within its discretion to set these low standards, and since the Court did not make any obvious errors of law in making its ruling, Lakewood did not have a solid basis for appealing the decision. In sum, Lakewood's hopes of being designated as an Abbott or a quasi-Abbott district had been eliminated.

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It is the position of the Task Force that such a legislative "fix" for the CEIFA formula does exist. Unfortunately, the problem is highly complex and technical; not one of the numerous experts on New Jersey educational funding that the Task Force met with had a simple and clean solution for Lakewood's problem that would not negatively impact other districts. The Task Force also recognizes that its members possess neither the time nor the expertise required to properly address this challenge.

## 3. A Plan of Action

Therefore, the Funding Task Force recommends that the Lakewood Board of Education adopt the following plan of action:

1. Establish a joint committee between the Lakewood Board of Education and the Lakewood Township Committee to oversee efforts to craft a legislative proposal that would modify the CEIFA formula to Lakewood's benefit, but without harming other districts, and once crafted, advocate for passage of the proposal by the State Legislature.
2. This Joint BOE-Township Committee, will be authorized and funded so as to be able to retain a team of analysts, public affairs professionals and lobbyists to

implement the goals of Paragraph 1, above, and to explore other avenues of outside funding for the Lakewood schools. This team would report to the Joint BOE-Township Committee. The team would be tasked with the following objectives:

- a. Draft specific statutory language to modify the CEIFA formula so as to achieve State educational funding parity for Lakewood.
- b. Determine which other school districts in the State, other than Lakewood, would meet the criteria set forth in the proposed language.
- c. Quantify the budgetary impact that proposed amendment would create for the State.
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- e. Assist Lakewood public officials to implement the political strategy and obtain passage of the legislative proposal.

The plan of action set forth above will require an investment of public funds, the time and efforts of our elected officials and other concerned citizens, and the expenditure of a portion of Lakewood's store of political capital to achieve success. The Funding Task Force is of the opinion that the potential rewards that such success would bring to Lakewood, its schools and its children justify the adoption of the plan of action proposed above.

# **LAKEWOOD PUBLIC SCHOOLS**

## **The CEIFA Formula and State Aid**

**Prepared by  
Melvin L. Wyns  
School Finance Consultant  
For the  
Lakewood Township Board of Education  
September 22, 2003**

## INTRODUCTION

The Lakewood Board of Education's Blue Ribbon Funding Task Force (Task Force) was charged with developing ideas and strategies to address the imbalance of State educational aid received by the Lakewood Public Schools.

The Task Force initially concluded that only two viable options existed for the Lakewood Public Schools to significantly increase the amount of State educational aid it received: (1) To modify the State's school aid funding formula as set forth in the Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA) to address Lakewood's unique funding needs, or (2) To become designated as an "Abbott" or a "Quasi-Abbott" school district.

Upon further subsequent investigation, the Task Force determined that becoming an "Abbott" or "Quasi-Abbott" school district was not possible due to the very low property wealth per pupil threshold required by the Court for a school district to be possibly considered for consideration as an "Abbott" or "Quasi-Abbott" school district.

This left the option of pursuing a modification or modifications to CEIFA that would provide adequate State educational aid to the Lakewood Public Schools as the only option to pursue. The Task Force acknowledged that this course of action would be difficult since crafting a "fix" to the CEIFA funding formula that would apply to Lakewood's unique situation and not apply to any other (or very few other) districts without having a very specific proposal for the Legislature to consider that clearly demonstrated the limited fiscal impact of the proposal to Lakewood (or very few other districts) would likely eliminate any realistic possibility of getting the Legislature to move on approving any "fix." Despite this difficulty the Task Force felt that such a legislative "fix" for the CEIFA formula might exist. Because the Task Force also recognized that its members possessed neither the time nor the expertise required to properly address this challenge, I was retained as a consultant by the Lakewood Board of Education to assist the board as follows:

- Attempt to identify the specific problem(s) with the CEIFA formula that result in inadequate State educational aid for Lakewood.
- Determine if there is a practicable way of modifying CEIFA so as to provide adequate State educational aid to Lakewood.
- Draft the specific amendatory language if it is feasible to amend CEIFA in a practicable way to benefit Lakewood.
- Assist the board in developing a strategy and information that may likely be necessary to move forward any draft legislative proposal.

It's important to note that a condition of my agreement with the Lakewood Board of Education is that any and all of my recommendations and actions in this regard must not be detrimental to other school districts. Previously the Task Force found that not one of the numerous experts on New Jersey educational funding that they had met with had a simple and clean solution for Lakewood's problem that would not negatively impact other districts.

It's also important to note that currently school districts are experiencing the second consecutive school year where state school aid was essentially frozen and the CEIFA formulas not implemented. It's likely that the McGreevey administration hasn't made any decisions yet regarding whether it is going to freeze state school aid again next year, fully implement the CEIFA formulas, implement a modification of the CEIFA formulas or change the CEIFA formulas entirely. However, since it is unlikely that the State economy will improve significantly in the next couple of years, it is also unlikely that there will be a significant infusion of dollars for statewide state school aid purposes even if major changes are made to the CEIFA formulas. If major changes are made to the CEIFA formulas, it would be important that any similar problem to the problem in CEIFA for Lakewood not be repeated.

It's too early for me to determine if there is a simple and clean solution for Lakewood's problem that does not negatively impact other districts, however I believe it is possible in this first report to identify the specific problem with the CEIFA formula that results in inadequate State educational aid for Lakewood.

### THE PROBLEM

To attempt to identify any problems in the CEIFA formulas that are negatively impacting Lakewood, I focused on looking at the application of the CEIFA formulas for the 1998-99 through 2001-2002 school years since aid for both the 2002-2003 and 2003-2004 school years is essentially a function of the application of the CEIFA formulas in the 2001-2002 school year. Also, to factor out the impact of the CEIFA enrollment adjustment process as it impacts aid in a subsequent school year in my effort to identify any factors that are negatively impacting Lakewood, I looked at the CEIFA entitlement (ENT) printouts for Lakewood for those same school years. This analysis permitted me to make an examination of the CEIFA formulas in their purest form.

A look at the CEIFA entitlement printouts for the 1998-99 through 2001-2002 school years very quickly caused me to focus on the Core Curriculum Standards Aid formula. (See Table 1) Overall aid increased from \$19,526,259 in 1998-99 to \$20,122,964 in 2001-2002; however core curriculum standards aid declined by more than \$3 million from \$7,906,393 in 1998-99 to \$4,244,120 in 2001-2002. By 2001-2002 Lakewood had also qualified for Stabilization Aid of \$1,854,071 which was the sole reason that overall aid increased slightly during this period. Stabilization Aid is the CEIFA aid category that protects school districts from large losses of aid when the implementation of the formulas would otherwise cause such a loss.

**School Aid Entitlements**

**TABLE 1**

<b><u>Aid Category</u></b>	<b><u>1998-1999</u></b>	<b><u>1999-2000</u></b>	<b><u>2000-2001</u></b>	<b><u>2001-2002</u></b>
Core Curriculum Standards Aid	\$7,906,393	\$7,105,345	\$5,995,785	\$4,244,120
Transportation Aid	1,601,070	1,755,336	2,025,979	2,130,046
Special Education Aid	3,156,790	3,535,712	4,260,653	4,559,953
Bilingual Aid	295,336	342,693	361,100	435,664
Stabilization Aid	-0-	-0-	-0-	1,854,071
Adult & Post-Graduate Aid	143,624	159,258	115,020	154,401
Rewards for Acad. Achievement	-0-	50,115	-0-	-0-
Early Childhood Program Aid	3,923,150	4,001,350	4,129,026	4,236,145
Demonstrably Effect. Program Aid	2,008,616	2,031,608	2,114,700	2,157,276
Distance Learning Network Aid	210,412	213,696	223,170	229,504
Debt Service Aid	280,868	165,548	152,997	121,784
<b>Total</b>	<b>\$19,526,259</b>	<b>\$19,360,661</b>	<b>\$19,378,430</b>	<b>20,122,964</b>

Next it became necessary to examine the two components in the Core Curriculum Standards Aid formula that might cause such a reduction. Projected resident enrollment and the local share calculation are the two components that might individually or together cause a reduction when Core Curriculum Standards Aid is being calculated for a school district. Projected resident enrollment for Lakewood for 1998-99 was 5,132 students and 5,215 students for 2001-2002. The 83 student increase in the number of projected students over the three year period represents a very low annual percentage increase of approximately ½ percent. The actual resident enrollment for 1998-99 was 5,089.5 students and 5,116.5 students for 2001-2002 or an increase of only 27 students. However by the 2002-2003 school year actual resident enrollment was 5,232.5 students or a 116 student increase over that of the prior year. 70% of this increase was the result of an increase in the number of students in kindergarten perhaps a result of the initiation of preschool programs under CEIFA. Certainly the small enrollment increase projected between 1998-99 and 2001-2002 did not benefit Lakewood in the Core Curriculum Standards Aid calculation but since enrollment was indeed projected to increase enrollment by itself could not have caused a loss of the magnitude experienced by Lakewood.

When Core Curriculum Standards Aid is calculated under the CEIFA formula the local share or measure of district wealth is a function of a district's equalized valuation (property wealth) and its aggregate income. Both of these measures of district wealth are used equally in the Core Curriculum Standards Aid formula.

An examination of the equalized valuation and aggregate income for Lakewood for the school years 1998-1999 through 2003-2004 shows both of these wealth measures increasing substantially (See Table 2) especially in comparison to very little enrollment change. In recent years the annual percentage increase in equalized valuation has consistently been in excess of 15% and has exceeded the percentage increase in aggregate income.

**CEIFA Wealth Measures**  
**TABLE 2**

<u>Year</u>	<u>Equalized Valuation</u>	<u>Aggregate Income</u>
1998-1999	\$2,103,641,420	\$536,838,457
1999-2000	\$2,158,932,602	\$525,552,567
Percent Increase	2.63%	-2.10%
2000-2001	\$2,330,570,428	\$570,693,948
Percent Increase	7.95%	8.59%
2001-2002	\$2,693,212,271	\$602,907,783
Percent Increase	15.56%	5.64%
2002-2003	\$3,118,487,107	\$642,815,911
Percent Increase	15.79%	6.62%
2003-2004	\$3,598,018,608	\$710,180,686
Percent Increase	15.38%	10.48%

A look at the impact of this increase on the components of the local share calculation for the 1999-2000 through 2001-2002 school years, the three most recent years for which the Core Curriculum Standards Aid formula was actually implemented, shows that (See Table 3) the unadjusted local share increased 21.97%. This is in comparison to a T&E budget increase of 11.90%. It is important to note that the property value component of the local share is the larger component. Although the Core Curriculum Standards Aid formula was not implemented for the 2002-2003 and 2003-2004 school years the data suggests that Lakewood would have seen a further reduction in the amount of Core Curriculum Standards Aid calculated and that the property value component of the local share would have exceeded 60%. The reduction in Core Curriculum Standards Aid for Lakewood is a direct result of the fact that Lakewood is rapidly becoming a wealthier school district based upon the wealth measures in the Core Curriculum Standards Aid formula. This is especially true for the equalized valuation (property value) component of the wealth measure.

**Components of Unadjusted Local Share**  
**TABLE 3**

<u>School Year</u>	<u>Property Value</u>	<u>Income</u>	<u>Total Unadjusted Local Share</u>	<u>Percent Property Value</u>
1999-2000	\$16,263,347	\$12,676,168	\$28,939,515	56.20%
2000-2001	\$17,515,530	\$13,832,003	\$31,347,533	55.88%
2001-2002	\$20,638,166	\$14,660,354	\$35,298,520	58.47%

The specific problem for Lakewood with the CEIFA formula that results in inadequate State educational aid for Lakewood is the fact that Lakewood's equalized valuation and aggregate income are both increasing rapidly causing Lakewood to be considered as a wealthier school district under the CEIFA Core Curriculum Standards Aid formula. The increase is more severe for the equalized valuation or property value component of the formula and disproportionate to any change in projected resident enrollment.

In my next report I will attempt to determine if there is a practicable way of modifying CEIFA's Core Curriculum Standards Aid formula so as to provide adequate State educational aid to Lakewood.





MELVIN L. WYNS  
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BOARD SECRETARY

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LAKEWOOD BD OF ED

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October 21, 2003

Mr. Edward Luick, Assistant Superintendent  
Lakewood Township Board of Education  
655 Princeton Avenue  
Lakewood NJ 08701-2895

Dear Mr. Luick:

Enclosed is a slightly different improved version of the amendatory language necessary to amend CEIFA to benefit Lakewood.

Please replace pages 7-9 of my report with this version before the report is distributed to your board. In this version I added language that would not permit the aid increase to Lakewood to be capped in the 2004-2005 school year. This is important in the first year of full implementation of the proposal.

If you or your Board should have any questions concerning this draft legislative proposal do not hesitate to contact me. Please let me know if there is any other information the board needs if it decides to try and move forward with this draft.

Sincerely,

Melvin L. Wyns

MLW: luick4  
Enclosure  
c: Ernest J. Cannava  
Kathryn Fuoto

**ACD**

**MELVIN L. WYNS  
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October 20, 2003

Mr. Edward Luick, Assistant Superintendent  
Lakewood Township Board of Education  
655 Princeton Avenue  
Lakewood NJ 08701-2895

Dear Mr. Luick:

Enclosed is the second report to the Lakewood Board of Education concerning "A Solution to the Problem with the CEIFA Formula." This report provides a practicable way of modifying CEIFA so as to provide adequate State educational aid to Lakewood and includes the specific amendatory language necessary to amend CEIFA in the manner I am recommending.

I hope you will find that the information I have provided in the report provides a sound and logical rationale for amending CEIFA's Core Curriculum Standards Aid formula in the manner I am recommending.

If you or your Board should have any questions concerning this report do not hesitate to contact me. Please let me know if there is any other information the board needs if it decides to try and move forward with the draft legislative proposal I have provided.

Sincerely,

*Melvin L. Wyns*

Melvin L. Wyns

MLW: luick3  
Enclosure  
c: Ernest J. Cannava  
Kathryn Fuoto

HUMAN RESOURCES

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LAKWOOD BO OF ED

# **LAKEWOOD PUBLIC SCHOOLS**

**A Solution to the Problem with the CEIFA Formula**

**ACD**

**CONFIDENTIAL**

**Prepared by  
Melvin L. Wynn  
School Finance Consultant  
For the  
Lakewood Township Board of Education  
October 20, 2003**

## INTRODUCTION

This is my second report to the Lakewood Board of Education since I was retained as a consultant by the Lakewood Board of Education to assist the board as follows:

- Attempt to identify the specific problem(s) with the CEIFA formula that result in inadequate State educational aid for Lakewood.
- Determine if there is a practicable way of modifying CEIFA so as to provide adequate State educational aid to Lakewood.
- Draft the specific amendatory language if it is feasible to amend CEIFA in a practicable way to benefit Lakewood.
- Assist the board in developing a strategy and information that may likely be necessary to move forward any draft legislative proposal.

In my first report to the Lakewood Board of Education I identified the specific problem with the CEIFA formula resulting in inadequate State educational aid for Lakewood as the fact that Lakewood's equalized valuation and aggregate income are both increasing rapidly causing Lakewood to be considered as a wealthier school district under the CEIFA Core Curriculum Standards Aid formula. I pointed out that the increase is more severe for the equalized valuation or property value component of the formula and disproportionate to any change in projected resident enrollment.

## MODIFYING CEIFA

In this second report I have determined that there is a practicable, logical and defensible way of modifying CEIFA so as to provide adequate Core Curriculum Standards Aid to Lakewood and I have included the specific draft amendatory language to amend the CEIFA Core Curriculum Standards Aid formula to benefit Lakewood. It's important to note that consistent with my agreement with the Lakewood Board of Education that the specific draft amendatory language to amend the CEIFA Core Curriculum Standards Aid formula that I have provided is not detrimental to any other school district since in the event the amendatory language is enacted into law, the language will only impact Lakewood.

Before I present the specific draft amendatory language that I am recommending to amend the CEIFA Core Curriculum Standards Aid formula to benefit Lakewood, I need to discuss why I concluded that the specific approach I am recommending with the specific draft amendatory language is the most practicable, logical and defensible way of modifying CEIFA Core Curriculum Standards Aid formula to address the circumstances that are negatively impacting Lakewood.

In order to seek a possible solution it was necessary that I examine the problem in more detail. The rapid increase in Lakewood's equalized valuation and aggregate income that had caused Lakewood to be considered as a wealthier school district under the CEIFA Core Curriculum Standards Aid formula and loose a large

amount of its Core Curriculum Standards Aid since the 1998-1999 school year had also been accompanied by a very low increase of resident enrollment between 1998-99 (5,089.5 students) and 2002-2003 (5,232.5 students). The small increase in resident enrollment did not benefit Lakewood and accelerated the Core Curriculum Standards Aid loss. However, when comparing Lakewood to all of the other municipalities with a population of over 50,000 according to the 2000 census I found that Lakewood was unique in that its October 2002 resident enrollment (5,232.5) was only 8.67% of its population (60,352). This compares to an average resident enrollment percentage of 15.52% for the 28 other municipalities having a population in excess of 50,000. This meant that the local share for Lakewood was being determined for only slightly more than half of the students for which it was being determined in the other 28 largest communities in the State. The result at least of this anomaly was that the per pupil wealth of Lakewood as a community as measured by its equalized valuation and aggregate income would be disproportionately large relative to the other 28 largest communities in the State. I also found that when a similar comparison is made for all of the school districts in the State other than Lakewood the October 2002 resident enrollment represented 16.23% of the State population. It became apparent that this anomaly not only disadvantaged Lakewood relative to the 28 largest communities in the State but to all other districts in the State as well. Clearly, the local share under the CEIFA Core Curriculum Standards Aid formula, as applied to Lakewood, was impacting Lakewood differently both than the other large communities in the State and the other school districts generally.

Next it was necessary to determine why Lakewood was so unique in this regard. Again I looked first at information for the other municipalities with a population of over 50,000 according to the 2000 census. Because Lakewood's age 5-17 population of 12,017 represented 19.91 % of its population and its resident enrollment was only 8.67% of its population it became apparent that the nonpublic school student enrollment of Lakewood needed to be compared to the nonpublic student enrollment for the other 28 largest communities in the State. I found that nonpublic school student enrollment of 9,551 in the forty nonpublic schools located in Lakewood was 15.83% of Lakewood's population. This compares to an average nonpublic school student enrollment percentage of 2.66% for the 28 other municipalities having a population in excess of 50,000. When a similar comparison is made for all of the school districts in the State other than Lakewood the nonpublic school student enrollment represents 2.50% of the State population. If both public and nonpublic school student enrollments are looked at together for the State as a whole for all other districts in the State other than Lakewood the total enrollment represents 18.73% of the total population. In Lakewood's case if both are looked at together the total represents 24.5 % of the population so it's obvious that not all of the nonpublic school student enrollment in the forty nonpublic schools located in Lakewood is attributable to residents of Lakewood. For the State as a whole for communities other than Lakewood public and nonpublic school student enrollment represents 101.11% of the age 5-17 population and 88.68% of the age 5-19 population. If these percentages are applied to Lakewood's population data one would expect that Lakewood's total resident school enrollment would total 11,850-12,150, however I need to note that Lakewood's age 5-17 population and age 5-19 population percentages of 19.91% and 22.14% respectively are larger than the percentages for the rest of the State of 18.16% and 20.69% respectively. A total resident school enrollment of 11,850-12,150

would provide total enrollment percentages of 19.63%-20.13% that would be slightly larger than the 18.73% for all other districts in the State other than Lakewood. However this would be consistent with the fact that Lakewood's age 5-17 population and age 5-19 population percentages are larger than average. If 11,850-12,150 is assumed to be the total resident public and nonpublic student enrollment range then the resident nonpublic school student enrollment can be determined to be 6,617.5-6,917.5. The point of all of this discussion is to demonstrate that the local share under the CEIFA Core Curriculum Standards Aid formula, as applied to Lakewood, does not fairly represent the wealth available to support its public school enrollment since it is likely being applied against only 43-07%-44.16% of the communities total resident public and nonpublic student enrollment rather than 86.66% of a typical communities total resident public and nonpublic student enrollment. The result is that the wealth to support each public school student is being greatly overstated.

According to the U.S. Bureau of Census, Population Division, Lakewood's net population gain of 4,868 as of July 1, 2002 (from 60,352 to 65,220) led the State. Yet from October 2000 to October 2002 public school enrollment increased by only 46.5 students or less than one percent of the population growth which suggests that unless the issue is addressed the overstatement of wealth will worsen in the future.

The solution to this overstatement of wealth is to find a way to deflate the local share so that it more fairly represents the wealth available to support Lakewood's actual public school enrollment and find a way that only impacts Lakewood. In order to determine if this was possible I again examined the other 28 largest communities in the State having enrollments in excess of 50,000. I found that none of the other communities had nonpublic school enrollments for the nonpublic schools located in their community that exceeded 5.2% of their population and that only Jersey City had a nonpublic school enrollment that exceeded 9,000 students (but only 3.82% of its population). In fact when I looked at these communities I found that Lakewood had only 2.42% of the population for the group but 12.83% of the nonpublic school students within the group. When I examined the State as a whole I was able to determine that Lakewood's 9,551 nonpublic school students were the largest number in the State followed by that of Jersey City. This information meant that I would be able to identify Lakewood in a manner in amendatory language that would only impact Lakewood.

Knowing this was possible I then needed to determine the most appropriate means to deflate the local share to make it more representative of the true wealth available to support Lakewood's public school students. The solution is to simply proportionately reduce the local share to a level that fairly represents the amount available to support the public school enrollment. The reduction would be based upon the relationship between the public school enrollment and the total population for the community. Using the data from the 28 other largest districts in State and the State as a whole I knew that within the CEIFA formula public school enrollment typically represented 15%-16% of a communities population. Thus dividing Lakewood's public school resident enrollment by 15% (I used 15% rather than 16% in order to be conservative and not to over adjust the aid calculation.) of its population would provide an appropriate fraction to apply Lakewood's local share that would both put Lakewood on equal footing with the other 28 largest districts in the State and the State as a whole.

My feeling is that this is both a logical approach and an approach that can be readily supported with data for other similar communities and the State as the whole. Based upon this premise I was able to develop the draft amendatory language that is included with this report.

### **BENEFIT TO LAKEWOOD**

If the language in this draft were in place prior to the 2003-2004 school year Lakewood's Core Curriculum Standards Aid for 2003-2004 would have been \$20,186,936 rather than \$4,358,760 an increase of \$15,828,176. The increase of \$15,828,176 in Core Curriculum Standards Aid would have been offset by a loss of Stabilization Aid of \$1,854,071 that would no longer be necessary, so the total benefit to Lakewood would have been \$13,974,105. Lakewood's adjusted local share of its T&E Budget would have been 51.44% rather than its current 89.79%. The State's share of the T&E Budget would have been 48.56% rather than the current 10.21%. The adjustment makes the local share account for approximately 75% of Lakewood's total resident public and nonpublic student enrollment bringing the district much closer to the average of 86.66%. Lakewood's October 2002 effective equalized valuation per pupil would be \$397,448 rather than \$687,629 and its effective aggregate income per pupil would be \$78,449 rather than \$135,725. This reduction in the per pupil equalized valuation and aggregate income wealth solves the problem that was originally identified. It's also important to note that if Lakewood actually had a public school enrollment equal to 15% of its population its T&E Budget would have exceeded \$72.5 million and the State's share of the T&E Budget would have been the same 48.56% (since the current local share of \$37.3 million would not have been impacted by enrollment).

The amount of Core Curriculum Standards Aid for 2003-2004 that would be made available to Lakewood under the proposed language of \$20,186,936 calculates to \$3,858 per pupil. Although I am of the opinion that .15 is the appropriate multiplier to apply to the district's population in the draft amendatory language, as a practical matter if the proposal was deemed too costly the multiplier could be reduced to as low as .12. A reduction of the multiplier to .12 would reduce the Core Curriculum Standards Aid for 2003-2004 to Lakewood under the proposal to \$14,841,449 for an increase of \$10,482,689 and an overall increase of \$8,628,618. A decrease in the multiplier below .12 would not be defensible. It's also possible to include language to phase in the full benefit over a number of years by starting with a multiplier of .12 in the first year of implementation and increasing the multiplier in subsequent years (i.e. .12 for 2004-2005, .13 for 2005-2006, .14 for 2006-2007 and .12 for 2007-2008).

On September 29, 2003 Mr. Richard Rosenberg, Assistant Commissioner for the New Jersey Department of Education, provided a status report regarding current progress toward the development of a new school funding formula to replace CEIFA. Citing Office of School Funding data, Mr. Rosenberg reported that considerable progress had been made, but due to the complexity of the task and additional data requirements, a new funding formula to replace CEIFA will not be available in time for implementation in fiscal year 2004-05. Mr. Rosenberg also indicated that alternative measures of a community's ability to raise revenue locally to support education are also being explored. You will need to pay particular attention to the method used to measure wealth in any

replacement formula to try and make certain that the issues raised in this report are appropriately addressed in any new formula.

At the board's discretion I am prepared to assist the board in developing a strategy and any further additional information that the board feels is necessary to move forward this draft legislative proposal.



**AN ACT concerning the calculation of the local share for core curriculum standards aid for certain school districts and amending P.L.1996, c.138.**

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

1. Section 14 of P.L.1996, c.138 (C.18A:7F-14) is amended to read as follows:

Each school district and each county vocational school district shall receive core curriculum standards aid predicated on a local share determined by district property wealth and district income.

a. Each district's local share shall be calculated as follows:

$$\text{LSHARE} = (\text{TEBUD}/\text{LSBASE}) \times (\text{WRT} \times \text{EQVAL} + \text{IRT} \times \text{INC})/2$$

where

TEBUD is the T&E budget as determined pursuant to subsection d. of section 13 of this act;

$$\text{LSBASE} = (\text{TE} - \text{FL}) \times \text{WENR};$$

WRT is the Statewide property value multiplier determined pursuant to subsection c. of this section;

IRT is the Statewide income multiplier determined pursuant to subsection c. of this section;

EQVAL is the district's prebudget year equalized valuation; and

INC is the district's income.

b. The local share for each district which is located in a municipality which has a population of more than 50,000 according to the most recent federal decennial census and a nonpublic school student enrollment for nonpublic schools located within the district of more than 10% of the population shall be calculated as follows:

$$\text{LSHARE} = (\text{LSHAREA}) \times ((\text{ENR}/(.15 \times \text{POP}))$$

where

LSHAREA is the local share calculated pursuant to subsection a. of this section:

ENR is the resident enrollment; and

POP is the most recent July 1 population estimate published by the Bureau of the Census in the United States Department of Commerce for the municipality comprising the school district.

[b.] c. The local share for each county vocational school district shall be calculated as follows:

$$\text{LSHARE} = (\text{COLSHARE}/\text{COTEBUD}) \times \text{TEBUD}$$

where

COLSHARE is the sum of the local shares for all school districts in the county calculated pursuant to subsection a. of this section;

COTEBUD is the sum of the T&E budgets for all school districts in the county calculated pursuant to subsection d. of section 13 of this act; and

TEBUD is the county vocational district's T&E budget calculated pursuant to subsection d. of section 13 of this act.

[c.] d. The values for the property value multiplier and the income multiplier shall be annually determined by the commissioner as follows:

The property value multiplier shall be determined such that core curriculum standards aid equals the Statewide available core curriculum standards aid for all districts determined according to this act had each school district's and county vocational school district's local share equaled the product of the property value multiplier and the district's equalized valuation, and had each district's general fund levies equaled its local share.

The income multiplier shall be determined such that core curriculum standards aid equals the Statewide available core curriculum standards aid for all districts determined according to this act had each school district's and county vocational school district's local share equaled the product of the income multiplier and the district's income, and had each district's general fund levies equaled its local share.

In the event that these multipliers, when used in accordance with the provisions of this section and assuming that each district's general fund levy is equal to its local share, do not result in core curriculum standards aid for all districts equal to the Statewide available core curriculum standards aid, the commissioner shall adjust these multipliers appropriately, giving equal weight to each.

2. For the 2004-2005 school year each district with a local share calculated pursuant to subsection b. of section 1 of this act shall not be subject to the stabilization aid growth limit in N.J.S. 18A:7F-10 a.

3. This act shall take effect immediately and shall first apply to the 2004-2005 school year.

#### STATEMENT

This bill provides that in the case of a school district which is located in a municipality which has a population of more than 50,000 according to the most recent federal decennial census and a nonpublic school student enrollment for nonpublic schools located within the district of more than 10% of the population the local share for core curriculum standards aid shall be calculated in manner that adjusts the local share to account for the large percentage of nonpublic school students in nonpublic schools located within the district.