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December 29, 2017

VIA FACSIMILE AND REGULAR MAIL

Hon. Susan M. Scarola, ALJ  
Office of Administrative Law  
9 Quakerbridge Plaza  
Mercerville, New Jersey 08619

Re: **Leonor Alcantara, et al. v. David Hesse, et al.**  
**OAL Docket No. EDU 11069-14**

Dear Judge Scarola:

Please accept this letter brief in lieu of a more formal brief on behalf of State Respondents, David Hesse, Commissioner of Education, New Jersey State Board of Education, and New Jersey Department of Education ("Department" or "DOE"), as a motion to bar the report of Danielle C. Farrie, PhD as a net opinion.

Under the Uniform Rules of Administrative Procedure ("UAPR"), if a witness is testifying as an expert, his or her opinion is only admissible if it assists the judge in understanding the evidence, is "[b]ased on facts and data perceived by or made known to the witness at or before the hearing," and is "[w]ithin the scope of the special knowledge, skill, experience or training possessed by the witness." N.J.A.C. 1:1-15.9(b) (emphasis added).



This rule codifies the doctrine known as the "net opinion rule." Buckelew v. Grossbard, 87 N.J. 512, 524 (1981) (an expert's bare conclusions, unsupported by factual evidence, is inadmissible). There must be competent evidence to support each ultimate fact in an administrative proceeding. Thus, although the UAPR give an ALJ latitude in admitting evidence, an expert's opinion must still be based upon factual evidence.

The reasoning behind the net opinion rule is that the admission of expert opinion testimony without a factual foundation would amount to an invasion of the fact finder's function. Vuccollo v. Diamond Shamrock Chem. Co., 240 N.J. Super. 289, 299-300 (App. Div. 1990). A factfinder cannot indulge in mere surmise, conjecture, speculation or guesswork, and neither may an expert witness. See, e.g., Rempfer v. Deerfield Packing Corp., 4 N.J. 135, 145 (1950); see also Ciuba v. Irvington Varnish & Insulator Co., 27 N.J. 127, 139 (1958); Layton v. Healy, 12 N.J. 459, 464 (App. Div. 1951). Where an expert offers an opinion "without providing specific underlying reasons for the alleged malfunction, he [or she] ceases to be an aid to the trier of fact and becomes nothing more than an additional [factfinder.]" Jimenez v. GNOC, Corp., 286 N.J. Super. 533, 540 (App. Div. 1996), certif. denied,

145 N.J. 374 (1996). The rule is a "prohibition against speculative testimony." Grzanka v. Pfeifer, 301 N.J. Super. 563, 580-81 (App. Div. 1997), certif. denied, 154 N.J. 607 (1998). As the probative weight of an expert's opinion can rise no higher than the underlying facts, Johnson v. Salem Corp., 97 N.J. 78, 91 (1984), opinions which do not thoroughly set forth the factual basis for their conclusions are not admissible.

For that reason the net opinion rule requires an expert witness to give the why and wherefore of his or her expert opinion, not a mere unsupported conclusion. Jiminez, supra at 540. Application of the rule "frequently focuses . . . on the failure of the expert to explain a causal connection between the act or incident complained of and the injury or damage allegedly resulting therefrom." Ibid. Therefore, expert testimony should be excluded if it is based merely on "non-sequiturs, unquantified possibilities or unsubstantiated conclusions." Grzanka, supra at 607.

Likewise, expert testimony should not be received if it appears that the witness is not in possession of such facts as will enable the witness to express a reasonably accurate conclusion as distinguished from a mere guess or conjecture. Myrlak v. Port Auth. of NY & NJ, 302 N.J. Super. 1, 9 (App. Div. 1997), aff'd in

part, rev'd on other grounds, 157 N.J. 89 (1999). If the expert merely states what any lay person without any expert knowledge might guess was a potential cause, the testimony is nothing more than an effort to shift the burden of proof away from the plaintiff or petitioner. See Jimenez, 286 N.J. Super. at 539-43.

In Randall v. State, 277 N.J. Super. 192 (App. Div. 1994), a case involving a visitor at a state prison who claimed that she suffered psychological and physical injuries as a result of a strip search, the Court deemed a physician's report inadmissible net opinion because it merely parroted the Plaintiff's own assessment of her state of mind, accepting that assessment as true. Randall at 198. The Court found that the expert's opinion was "purely conclusory, being unsupported by any explanation how, from a medical point of view, the [strip] search caused the symptoms plaintiffs describe[d] . . ." Id. at 198.

The opinions set forth by Dr. Farrie in her report are conclusory. Although her report provides references to data, Dr. Farrie never explains how that data supports her ultimate conclusions. At best, the data referenced in her report suggests two things: (1) that Lakewood Public Schools ("Lakewood") had a budget deficit in 2016-17; and (2) that student performance on

standardized tests has declined from 2006 to 2014. (Report of Danielle C. Farrie, PhD, pp. 2-3, 5, 7-8 (hereinafter "Farrie Report")). First, it is non-sensical that a budget deficit in 2016-17 could be the cause of declining academic performance between 2006 and 2014.<sup>1</sup> There is no analysis to support Dr. Farrie's conclusion that "Lakewood's stagnant instructional spending correlates with declining academic performance." (Farrie Report, pg. 9). Dr. Farrie's conclusion that the budget deficit is responsible for the cited decline in student performance is wholly unsupported conjecture. In offering an unsupported conclusion Dr. Farrie is improperly usurping the factfinder's role.

Dr. Farrie makes an even greater logical leap in concluding that "changes are necessary to ensure that public school students are receiving their constitutionally guaranteed right to a thorough and efficient education." (Ibid.). Here, Dr. Farrie assumes the ultimate issue being decided in this matter: whether there has been a constitutional deprivation in Lakewood. That question is a matter of law which cannot be assumed as a basis for offering expert testimony. Because expert opinions interpreting

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<sup>1</sup> Dr. Farrie also relies on U.S. Census data from 2015. This data also post-dates the data relating to the alleged declining academic performance (2004-2014). (Farrie Report, fn. 1, pg. 1).

questions of law are not based on factual or other data, they are inadmissible net opinion. See State v. Townsend, 186 N.J. 473, 494 (2006).

The data in Dr. Farrie's report only supports her premises—1) that Lakewood operated with a budget deficit in 2016-17, and 2) that academic performance has declined between 2006 and 2014. It does not support her conclusions—that the funding scheme is responsible for the academic decline, and that students are being deprived of a thorough and efficient education. It is particularly problematic that the data purporting to show a harm predates the data purporting to show the cause of that harm by at least two years. By failing to support her conclusions, admission of this report would improperly shift the burden of proof to State Respondents to show why those conclusions are erroneous. See Jimenez, 286 N.J. Super. at 539-43.

Like the expert in Randall, Dr. Farrie is merely parroting the allegations in the Petition. The report invites the reader to infer that it is the funding formula that has caused Lakewood's alleged decline in academic performance between 2006 and 2014 without providing any evidence or analysis as a basis for that assumption. Dr. Farrie has failed to explain the causal connection

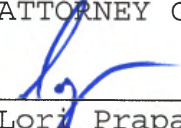
between the "act or incident complained of and the injury or damage allegedly resulting therefrom." Jiminez, supra at 540. While Dr. Farrie utilizes data to show that Lakewood was operating under a budget deficit in 2016-17 and that academic performance on standardized tests declined between 2006 and 2014, these are not her ultimate conclusions. By relying on data to assert the above premises, she attempts to create the illusion that her ultimate conclusions are also supported by facts, but they are not. Because Farrie's conclusions are based on "non-sequiturs, unquantified possibilities or unsubstantiated conclusions[,] " her report should be excluded as inadmissible net opinion. Grzanka, supra at 607.

For the reasons above, State Respondents' Motion to Bar Dr. Farrie's Report should be granted.

Respectfully Submitted,

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### **Employment**

- 2008 – present      Research Director, Education Law Center, Newark, NJ
- 2006 – 2008      Research Assistant, School of Social Administration, Temple University, Philadelphia, PA
- 2008      Consultant, Public/Private Ventures, Philadelphia, PA
- 2007      Intern, U.S. Census Bureau, Housing and Household Economic Statistics Division, Poverty and Health Statistics Branch
- 2005 – 2007      Research Assistant, Institute for Public Affairs, Temple University, Philadelphia, PA
- 2005 – 2006      Research Assistant, Pennsylvania and Metropolitan Philadelphia Survey, Temple University, Philadelphia, PA
- 2004 – 2005      Research Assistant, A Place to Live and Learn, Temple University, Philadelphia, PA
- 2001 – 2005      Research Assistant, Philadelphia Survey of Child Care and Work, Temple University, Philadelphia, PA
- 2001 – 2002      Teaching Assistant, Temple University, Philadelphia, PA

### **Education**

- Ph.D.      Temple University, Sociology, 2008  
Dissertation: School Choice and Segregation: How Race Influences Choices and the Consequences for Neighborhood Public Schools
- M.A.      Temple University, Sociology, 2003
- B.A.      Loyola College, Sociology and Writing, 2000



## **Publications**

### ***Journal Articles***

- Goyette, Kimberly, Danielle Farrie, and Joshua Freely. 2012. "This School's Gone Downhill: Racial Change and Perceived School Quality among Whites." *Social Problems*. 59(2):155-176.
- Farrie, Danielle, Yookyong Lee, & Jay Fagan. 2011. The effect of cumulative risk on paternal engagement: Examining differences among adolescent and older couples. *Youth & Society*. 43(1):90-117.
- Fagan, Jay, Rob Palkovitz, Kevin Roy & Danielle Farrie. 2009. Pathways to paternal engagement: Longitudinal effects of risk and resilience on nonresident fathers. *Developmental Psychology*. 45(5):1389-1405.
- Cabrera, Natasha J., Jay Fagan, & Danielle Farrie. 2008. Explaining the long reach of fathers' prenatal involvement on later paternal engagement with children. *Journal of Marriage and Family*. 70(5):1094-1107.
- Cabrera, Natasha J., Jay Fagan, & Danielle Farrie. 2008. Rejoinder: Why should we encourage unmarried fathers to be prenatally involved? *Journal of Marriage and Family*. 70(5):1118-1121.
- Laughlin, Lynda, Danielle Farrie, & Jay Fagan. 2009. Father involvement with children following marital and non-marital separations. *Fathering*. 7(3):226-248.

### ***Book Chapters***

- Baker, Bruce, Danielle Farrie and David G. Sciarra. 2016. "The Changing Distribution of Educational Opportunities: 1993-2012" in *The Dynamics of Opportunity in America*, edited by I. Kirsch and H. Braun. Springer International Publishing.
- Sciarra, David G. & Danielle Farrie. 2015. "From *Rodriguez* to *Abbott*: New Jersey's Standards-Linked School Funding Reform" in *The Enduring Legacy of Rodriguez*, edited by C. Ogletree, Jr. and K. Robinson. Cambridge, MA: Harvard Education Press.
- Fagan, Jay & Danielle Farrie. 2008. "Fathers and the Life Cycle" in *The Encyclopedia of the Life Course and Human Development*, edited by D. Carr. Farmington Hills, MI: The Gale Group.

### ***Research Reports***

Baker, Bruce D., Danielle Farrie, Monete Johnson, Theresa Luhm, David G. Sciarra. 2017. *Is School Funding Fair? A National Report Card, 6<sup>th</sup> Edition*. Education Law Center. Newark, NJ. (Also co-author for editions 1-5)

Baker, Bruce D., Theresa Luhm, Danielle Farrie, David G. Sciarra. 2016. *Is School Funding Fair? America's Most Fiscally Disadvantaged School Districts*. Education Law Center. Newark, NJ.

Baker, Bruce D., Danielle Farrie, David G. Sciarra. 2016. *Mind the Gap: 20 Years of Progress and Retrenchment in School Funding and Achievement Gaps*. ETS Research Report Series, 2016: 1-37.

### **Awards**

American Educational Research Association, Division L – Educational Policy and Politics, Outstanding Policy Research Report Award, 2013

# The School Funding Reform Act and the Impact on Lakewood Public Schools

Danielle Farrie, PhD  
Education Law Center

In 2008, the New Jersey Legislature enacted a new school funding formula, the School Funding Reform Act (SFRA). The SFRA is a “weighted student formula” which determines the cost of supporting the state’s core curriculum program with a “base cost” and “weights” for the additional funding required to support programs and services for students who are poor (at-risk), English language learners (ELL), and students with disabilities. The SFRA defines an “adequacy budget” for each district by calculating the costs associated with its unique student population.

The adequacy budget is funded through a mix of local property taxes and state aid. The fiscal capacity of the municipality, measured by average income and property wealth, determines the “local fair share” or the amount that the local municipalities should contribute. The remainder of the adequacy budget is funded through state aid. This process is referred to as “wealth equalization” and ensures that state aid is equitably distributed so that districts with lower tax bases rely on greater shares of state aid than districts that have greater property wealth.

The SFRA also includes categorical grants in addition to the adequacy budget calculation. Transportation, security, and one-third of special education costs are provided as categorical grants that are funded directly from the state and require no local contribution.

The SFRA was the first school funding formula declared constitutional for all students by the New Jersey Supreme Court. The formula explicitly connects school funding to the state’s academic content standards and performance assessments. The “weighted” formula was designed to advance equity across New Jersey by delivering greater resources to higher poverty school districts to ensure that all students have the opportunity to meet the state’s academic standards.

The SFRA was adopted as a unitary system to define appropriate school funding levels for all districts across the state. The formula, however, cannot properly respond to the needs of Lakewood’s public school students because of the unique demographics of the Lakewood community. According to the most recent (2015) U.S. Census American Community Survey (ACS), there are approximately 31,000 school-aged children residing in Lakewood (children age 5 -17).<sup>1</sup> Only about 6,000 of those children are enrolled in the Lakewood public schools. The remaining 25,000 attend private schools. This extraordinary circumstance – where the vast majority of children do not attend public schools – places the Lakewood public school budget in severe distress from year-to-year because the budget must fund

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<sup>1</sup> U.S. Census Bureau; American Community Survey, 2015 American Community Survey 1-Year Estimates, Table B01001; generated using American FactFinder; (27 April 2017).

two categories of expenditures that reflect the needs of the entire school-aged population: special education and transportation. These issues are addressed below.

## Special Education

Special education funding is provided through SFRA using a census-based approach. The additional funding for special education students is not determined by the actual count of classified students; instead each district is funded at the statewide classification rate of approximately 15%. Each district's special education costs are calculated using the following formula:

Resident enrollment \* statewide classification rate \* special education excess cost

Under the SFRA's census-based formula, the Lakewood adequacy budget provides approximately \$15 million for the cost of special education in 2016-17. Yet, according to the district's 2016-17 budget summary, Lakewood will spend \$44 million for special education services, including Instruction; Speech, OT, PT and Related Services; Child Study Teams; and Tuition for out-of-district placements.<sup>2</sup> Thus, the SFRA formula falls far short of providing funding to support the extraordinarily high cost of special education in the district's budget.

There are three drivers behind Lakewood's high special education costs:

- 1) Lakewood has a large population of students who enroll in the district only because they are eligible for special education services. This dynamic raises the district's classification rate far above the state average used to calculate Lakewood's adequacy budget under the SFRA formula.
- 2) Lakewood has a higher than average number of students in the highest cost disability categories.
- 3) Lakewood places a higher than average number of students in out-of-district placements.

Table 1 compares the demographic characteristics of the entire school-aged population of Lakewood, the public school population, and the special education population within the district. While the school-aged population is 87% white, the public schools are only 5% white, indicating the white students are far more likely to enroll in private schools. The special education population, however, is 30% white, meaning that white students are overrepresented in special education relative to their overall public school population (30% v. 5%).

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<sup>2</sup> New Jersey Department of Education. "User-friendly" Plain Language Budget Summaries, <http://www.state.nj.us/education/finance/fp/ufb/>

Table 1. Community and School Demographics

Population	Black	Hispanic	White
Lakewood school-aged population (5-17)	1%	11%	87%
Lakewood Public Schools (PK-12)	10%	84%	5%
Lakewood Public Schools - Special Education	9%	61%	30%

Source: U.S. Census Bureau; American Community Survey, 2011-15 American Community Survey 5-Year Estimates, Table B01001; generated using American FactFinder; (27 April 2017); NJ Department of Education, 2015-16 Fall Survey Enrollments; Lakewood Public Schools Special Education Enrollment, 2015-16, provided by Laura Winters, District Superintendent, on November 25, 2016.

This imbalance suggests that white families with special education needs are opting in to the public education system at a much higher rate than other white families. As a result, Lakewood’s classification rate is significantly higher than the statewide average used in the census-based funding. In 2015-16, the district reported 1,324 special education students, a classification rate of 22%. The census approach, using the statewide average classification rate of 15%, provides funding for only 915 students. Lakewood’s budget must provide special education services for a population that is nearly 50% larger than what their funding is premised upon.

A second strain on the Lakewood budget is the composition of the special education population. The SFRA provides a per pupil excess cost for special education that is calculated as the average spending across the state. But Lakewood’s population is not average and contains a higher than expected number of students with severe, high cost disabilities.

In 2013-14, the most recent complete data publicly available, Lakewood reported a higher than average number of students aged 6-21 in the following eligibility categories: Autism, Intellectual Disabilities, and Multiple Disabilities (see Table 2). According to a report commissioned by the NJDOE, Autism and Multiple Disabilities have “high” average costs and Intellectual Disabilities have “moderate” costs.<sup>3</sup> Having a higher than average number of such students will drive district costs above the statewide average.

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<sup>3</sup> Augenblick, Palaich and Associates. Analysis of New Jersey’s Census-Based Special Education Funding System. October, 2011, <http://nj.gov/education/sff/sereport.pdf>

Table 2. Special Education Disability Categories

	Lakewood	State
Autism	10%	8%
Deaf-blindness	0%	0%
Emotional disturbance	2%	4%
Hearing impairment	1%	1%
Intellectual disability	9%	2%
Multiple disabilities	15%	9%
Orthopedic impairment	0%	0%
Other health impairment	12%	19%
Specific learning disability	24%	36%
Speech or language impairment	26%	21%
Traumatic brain injury	1%	0%
Visual impairment	0%	0%

Source: New Jersey Department of Education, Special Education Data Collection, 2013-14, <http://www.state.nj.us/education/specialed/data/>

NJDOE data also show that Lakewood places a far higher number of students in out-of-district placements. For students age 6-21, 19% of classified students are placed in “separate schools” compared to 7% statewide (see Table 3). For students age 3-5, 28% are in “separate schools” compared to 6% statewide (see Table 4).

Table 3. Special Education Placements, ages 6-21

	Lakewood	State
General education 80%+	37%	48%
General education 40-79%	15%	27%
General education <40%	28%	17%
Separate school	19%	7%
Residential facility	1%	0%
Home bound/hospital	1%	0%
Correctional facility	0%	0%

Source: New Jersey Department of Education, Special Education Data Collection, 2013-14, <http://www.state.nj.us/education/specialed/data/>

Table 4. Special Education Placements, ages 3-5

	Lakewood	State
Majority general education	17%	41%
Majority other	35%	21%
Separate class	19%	32%
Separate school	28%	6%
Service provider location	0%	0%
Home	0%	0%
Residential facility	1%	0%

Source: New Jersey Department of Education, Special Education Data Collection, 2013-14, <http://www.state.nj.us/education/specialed/data/>

These expensive placements drive Lakewood’s cost far above what would be anticipated under the SFRA based on their student enrollment. According to the 2016-17 budget summary, over \$31 million is spent on tuition payments alone, more than twice the amount that SFRA allocates for the entire special education program.

## Transportation

Under the SFRA, Lakewood must provide transportation to both public and non-public students. The district receives funding under the formula based on student counts, both public and non-public. The district is provided with a per pupil amount for each student with an adjustment based on average distance. In 2016-17, Lakewood projected serving 2,163 general education students, 15,919 non-public students, and 717 special education students with bus routes and 1,050 students with aid in lieu of transportation.

Under the SFRA formula, Lakewood was entitled to \$11.5 million in Transportation categorical funding for 2016-17. The formula provides \$485 per pupil for the transportation of general education students (including all non-public students) and \$3,082 per pupil for special education students.

Under a pilot program implemented in 2016-17, Lakewood’s non-public bussing is now overseen by a non-public school transportation consortium.<sup>4</sup> The district is required to provide \$884 per pupil for the transportation of non-public students, with a \$174 per pupil reimbursement from the state. If the SFRA were properly funded with the \$485 per pupil from categorical Transportation funding, that would still require Lakewood to make up the remaining \$225 per pupil with either local funds or state aid. At current SFRA funding levels, where Lakewood receives only 41% of their calculated Transportation aid or about \$200 per pupil, the district has to contribute \$510 from other funding streams. Using the 2016-17 non-public student count, that amounts to an additional \$8 million that the district must dedicate to the transportation of non-public students that should be supporting programs and services for public students.

<sup>4</sup> New Jersey Senate Bill 2049, [http://www.njleg.state.nj.us/2016/Bills/S2500/2049\\_I1.PDF](http://www.njleg.state.nj.us/2016/Bills/S2500/2049_I1.PDF)

## Addressing the Funding Deficit

The state aid distributed to districts through the SFRA is fungible; districts have discretion over how the state aid is spent. In other words, districts are not restricted in how they spend their funds, regardless of which category of SFRA they are distributed through. If, for example, transportation categorical aid is insufficient to support the district's transportation program, the district must use other state or local revenue to make up the difference. The same is true for special education.

As shown above, Lakewood's spending in the areas of transportation and special education far exceeds what is provided under the formula, even if the SFRA were funded to its maximum level (which it currently is not). Because special education and transportation, in particular, are two areas of Lakewood's budget that are subject to mandatory spending to bus non-public students through the new transportation consortium, and to meet state and federal mandates for all students with disabilities, the district is forced to reduce spending in other program areas within the public schools.

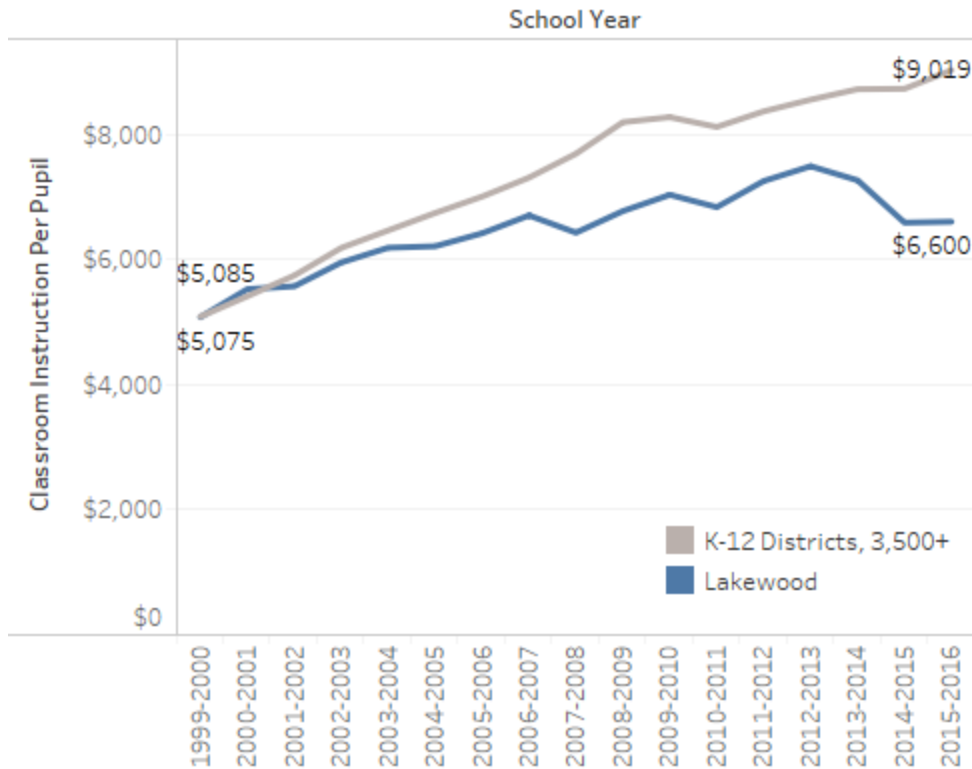
While this balancing of spending certainly occurs in other districts, the strain on Lakewood's budget is unique. In a typical district, some repurposing of funds is expected to occur as the district adjusts the formula aid levels to its own circumstances. However, in Lakewood, there is a persistent and significant imbalance in special education and transportation costs because of the extraordinary number of private school students and students with high-cost disabilities. This can only be remedied by reducing spending on regular instruction and support services for public school students. This means that the district must repurpose funding that should support the adequacy budget for general education or the supplemental programs and services for at-risk or ELL students in the public schools. Because special education and transportation expenses in Lakewood reflect the costs of serving the greater school-aged population, and not the resident enrollment upon which the adequacy budget is built, the drain on district resources is substantial.

Further, because the district's funding levels are currently about \$12 million below the adequacy level defined by the SFRA, the excess spending in Transportation and Special Education necessarily pushes the district further below adequacy in the other areas, whether that is the general education program or support services for at risk students and those learning English.

This is illustrated in a comparison of per pupil spending on classroom instruction from the NJDOE's Comparative Spending Guide. Comparing Lakewood with other large, K-12 districts, the gap in average per pupil spending on classroom instruction grows significantly over time. In 1999-2000, Lakewood spent about the same as the other districts at about \$5,000 per pupil. By 2015-16, Lakewood's classroom instruction spending only increased by \$600, not accounting for inflation, while the average spending nearly doubled to just over \$9,000 per pupil (see Figure 1).



Figure 1. Classroom Instruction Spending per Pupil



Source: New Jersey Department of Education, Taxpayers Guide to Education Spending, <http://www.state.nj.us/education/guide/>

## Relative Academic Performance

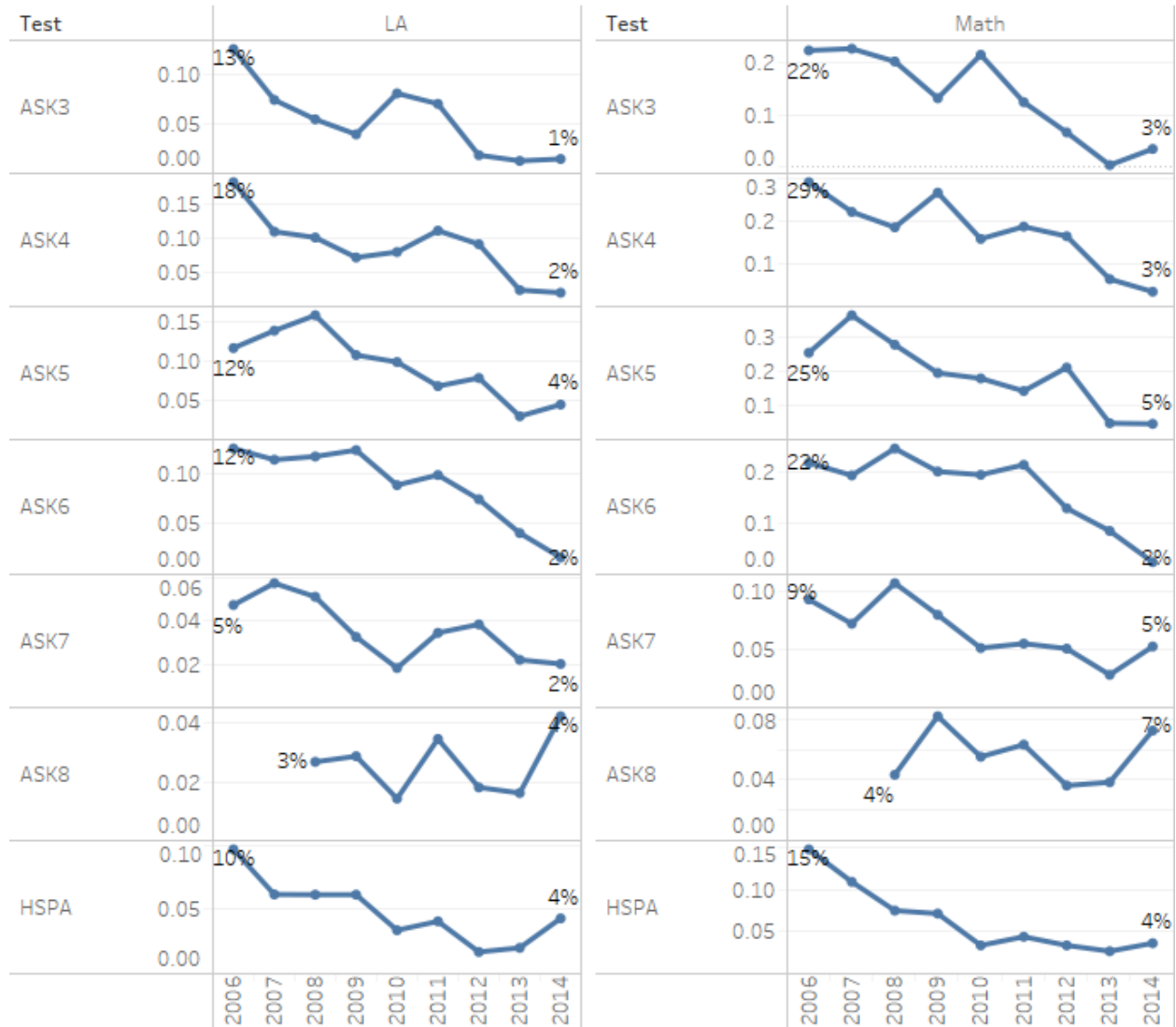
While much of the district’s budget supports excessive special education and transportation costs, and classroom spending is stagnant, Lakewood’s academic performance has been on the decline.

Examining longitudinal trends in standardized test scores is difficult because regular changes to the composition and scoring of the tests make year-to-year comparisons of scores invalid. To overcome this, district test scores can be translated into relative rankings using percentiles. Percentile rank simply measures each district’s test scores relative to other districts in the state. Scores rank from 0 (lowest) to 100 (highest). The percentile rank reported here represents the percentage of districts that Lakewood scored above.

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 18<sup>th</sup> percentile on 4<sup>th</sup> grade Language Arts in 2006 and fell to the 2<sup>nd</sup> percentile in 2014. The district scored in the 29<sup>th</sup> percentile on 4<sup>th</sup> grade Math in 2006 and fell to the 3<sup>rd</sup> percentile in 2014. The one area where test

scores did not decline was the 8<sup>th</sup> grade test where Lakewood’s initial performance was already extremely low to start (3rd percentile in Language Arts and 4th percentile in Math).

Table 6. Lakewood Assessment Results, Percentile Rank



Source: New Jersey Department of Education, Assessment Reports, Total Students, <http://www.state.nj.us/education/schools/achievement/prior.htm>

## Conclusion

The SFRA, a weighted student funding formula, determines the cost of delivering the state’s academic standards and equitably allocates state funding to allow districts to meet those standards. If properly implemented, it is able to respond to the specific needs of school districts by calculating state funding based on overall enrollment with additional “weights” for at risk students, English language learners, and those with disabilities. However, the formula is incapable of addressing the extremely unique circumstances in Lakewood, an exceptional district where the majority of the community’s children do not attend the public schools.

The Lakewood school district is in constant fiscal distress because the unique circumstances described above – the small proportion of school-aged children attending public schools, the resulting high rate of students with disabilities and of out-of-district placements, and the excessive transportation costs for public and non-public students – require Lakewood to spend a disproportionate amount of its available funding in those areas, reducing the amount that is available for general education and support services in the public schools. For a district that is already spending below its adequacy target under the SFRA, the impact on public school students is significant: Lakewood’s stagnant instructional spending correlates with declining academic performance. Because this situation is both unique and persistent, changes are necessary to ensure that public school students are receiving their constitutionally guaranteed right to a thorough and efficient education.