PAUL L. TRACTENBERG
Attorney at Law and Legal Consultant
123 Washington Street
Newark, NJ 07102
973-879-9201
paulltractenberg@gmail.com

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Cary Booker
Assistant Commissioner
New Jersey Department of Education
PO Box 500
Trenton, NJ 08625-0500

Re: Alcantara, et al. v. Allen-McMillan, et al., Agency Dkt. No. 156-6/14; Commissioner Decision No. 149-21; Appellate Dkt. No. A-3693-20

Dear Assistant Commissioner Booker,

Please accept this letter brief in lieu of a more formal brief on behalf of my co-counsel Arthur Lang and me. It is in response to your consultants' report entitled "Comprehensive Review of the Lakewood Public School District," dated March 1, 2024 (the Report), and transmitted to us, and to Lakewood's board attorney Michael Inzelbuch, on that date.

Introduction

We had hoped that the Report would assist you in responding to the Appellate Division's March 6, 2023 remand order, but, as we feared, it does not. Having confirmed that Lakewood public-school students were still not getting a thorough and efficient education (T&E), it might, for example, have evaluated the T&E implications of different adjustments in the School Funding Reform Act (SFRA), or other legislative funding approaches, in terms of the additional dollars generated for the Lakewood public schools and the impact that would have on the quality of education provided. But that simply did not seem to be part of the Department's assignment to its consultants. Instead, they focused almost entirely on an evaluation of the Lakewood school district board of education and the district's management of its schools.

As a result, our focus in this letter brief is on your upcoming April 1, 2024, final agency decision rather than on the details of the Report. As you should well know, the court's order instructed you to respond to the unanswered question raised by the student-petitioners for the entire nearly 10-

year history of this litigation—whether the denial of a thorough and efficient education (T&E) to Lakewood's public-school students was a result of the School Funding Reform Act (SFRA) as it has been applied to Lakewood.

After unequivocally confirming that Lakewood's public-school students are still being denied T&E, the Report's focus on how to improve the quality of education offered was limited to a detailed, micro-management-oriented evaluation of the operation of the district, leading to detailed recommendations. The district may wish to respond to those details, but we find no need to.

As to the court's remand order and SFRA, Dr. Kimberley Markus' 30-page Report mentions SFRA several times on pages 1 and 2, most notably identifying the first question being evaluated [presumably in the Report] as "What is the role of SFRA in deprivation of T&E [sic] in Lakewood Public School District?" Nothing in the Report seems to address that question directly or explicitly, however. The only other reference to SFRA appears on page 30 in the last sentence of the Report's Conclusion. It opines, without discussion or basis, that "To declare the SFRA unconstitutional in the context of this review, **it must be established as the singular cause for the denial of a thorough and efficient education** which this review did not find to be the case." Report at 30 (Emphasis added.))

This issue of what the constitutional standard should be for determining whether SFRA is responsible for the failure to assure students T&E is one of two significant legal points the Report raises, almost in passing. The other is where ultimate responsibility for the delivery of T&E lies. On that point, the Report, also in the concluding paragraph on page 30, clearly attempts to locate ultimate responsibility in the local district. By contrast, the Report consistently characterizes the State's role as one of monitoring, oversight, evaluation and making recommendations to the local district.

In our professional judgment, the Report got those points totally wrong, almost backwards, and our letter brief will deal with those key issues in detail. These egregious legal errors should not come as a surprise, however, since, as far as we can tell, neither Dr. Kimberley Markus nor the Public Consulting Group, the identified authors of the Report, have any demonstrated expertise in constitutional law, education law or the law relating to school funding statutes. If they had access to anyone with such expertise, it was not referenced.

The rest of our letter brief will deal with our views regarding the substance of the final agency decision, including the remedial measures you should recommend to the court and Legislature.

Abbreviated Procedural History

The petition in this case was filed with the Commissioner of Education in June 2014, almost ten years ago. The procedural history, legal issues raised, and legal argumentation have been exhaustively described many times and we see no reason to burden you with them once again. We will, however, describe the key events of the last year, which bring us to this point in an already overlong litigation.

On March 6, 2023, just over one year ago, a unanimous three-judge panel of the Appellate Division reversed Acting Commissioner Allen-McMillan's July 16, 2021, final agency decision, ruling that Lakewood public-school students were being denied a T&E education.

The unanimous panel then remanded the case to the acting commissioner "with instructions for the agency to consider the substantive arguments pertaining to the SFRA **in light of our Supreme Court's directive in …Abbott XX, 199 N.J. 140, 146 (2009): the State has a continuing obligation to 'keep SFRA operating at its optimal level**…' and '[t]here should be no doubt that we would require remediation of any deficiencies of a constitutional dimension, if such problems do emerge (Alcantara et al. v. Allen-McMillan, et al., 475 N.J.Super. 58, 71 (2023) (Emphasis added.))

Earlier in its opinion, the unanimous panel put an even finer point on the instruction to the agency when it stated that "The Commissioner owed appellants a thorough review of their substantive argument: the funding structure of the SFRA was unconstitutional as applied to Lakewood's unique demographic situation." (Id. at 67.)

Since the court's March 6, 2023, order, we have sought to expedite the remand process, without success until the court granted our motion in aid of litigants' rights on November 27, 2023, and ordered that the remand process be completed by April 1, 2024.

The court's instructions, quoted above, constitute your marching orders in connection with your April 1, 2024, final agency decision. Because, as we predicted, the Report provides little help to you in responding to the court's clear and explicit instructions, you will need to look elsewhere for guidance. We will try to provide it in this letter brief.

Argument

I. THE DENIAL OF T&E TO LAKEWOOD PUBLIC-SCHOOL STUDENTS IS BEYOND DISPUTE

There have been overwhelming and elaborately documented decisions by Administrative Law

Judge Scarola and a unanimous three-judge panel of the Appellate Division that Lakewood public-school students have been denied their fundamental state constitutional right to T&E. The only contrary decision was a sparse 9 ½ page final agency decision by Acting Commissioner Allen-McMillan, in which she expressly accepted all of ALJ Scarola's findings and found nothing to the contrary. She simply applied to those facts a different and unacceptably low legal standard for T&E. The court's reversal of her decision was not appealed to the NJ Supreme Court, so it is binding law.

The Report, most of which, as indicated above, is irrelevant to your response to the Appellate Division's remand order, does reinforce the T&E decisions of the ALJ and the Appellate Division "based on an updated educational record." (Report at 1). Its conclusion: "The findings detailed within this report **unequivocally demonstrate that the students at the Lakewood Public School District are being underserved, not receiving the thorough and efficient education they are entitled to.**" (Report at 30 (Emphasis added.)).

II. THE DENIAL OF T&E MUST BE REMEDIED AS EXPEDITIOUSLY AS POSSIBLE SINCE TIME IS OF THE ESSENCE FOR LAKEWOOD'S PUBLIC-SCHOOL STUDENTS

The most powerful statement of this principle is in Justice Albin's concurring opinion in Abbott v. Burke, 206 N.J. 332, 478 (2011) (Abbott XXI) (Albin, J., concurring opinion):

> Children go to school for a finite number of years. They have but one chance to receive a constitutionally adequate education. That right, once lost, cannot be reclaimed. The loss of that right will have irreparable consequences, particularly for the disadvantaged children to whom SFRA was intended to give a fair chance at a thorough and efficient education.

We have been arguing this point, perhaps less elegantly but more frequently, from the start of this litigation. Our only notable success thus far has been the Appellate Division's November 27, 2023, order, which accelerated the remand clock.

It is difficult to explain, let alone justify, how almost 10 years have been consumed by this case and how generations of Lakewood public-school students have suffered from inadequate education while the State, supposedly the protector of their interests, delays, obfuscates and denies that it has ultimate power and duty to assure their rights to T&E.

III. THE FINAL AGENCY DECISION IN THIS CASE MUST STRONGLY REAFFIRM THE LONGSTANDING CONSTITUTIONAL PRINCIPLE THAT THE STATE IS ULTIMATELY RESPONSIBLE FOR STUDENTS RECEIVING T&E

It is hard to understand how a foundational constitutional principle of more than 50 years standing in New Jersey has been called into question by the State, without its even acknowledging that that is what it is doing.

The principle was set forth in the New Jersey Supreme Court's first decision in Robinson v. Cahill in April 1973, and has formed a cornerstone not only of the Robinson litigation, but also of Abbott v. Burke, which grew organically out of Robinson beginning in 1981.

In Robinson, Chief Justice Weintraub wrote on behalf of a unanimous court about the meaning of the state constitution's T&E clause:

> …[W]e do not doubt that an equal educational opportunity for children was precisely in mind. The mandate that there be maintained and supported a 'thorough and efficient system of free public schools for the instruction of all the children in the State between the ages of five and eighteen years' can have no other import. **Whether the State acts directly or imposed the role upon local government, the end product must be what the Constitution commands. A system of instruction in any district of the State which is not thorough and efficient falls short of the constitutional command. Whatever the reason for the violation, the obligation is the State's to rectify it. If local government fails, the State government must compel it to act, and if the local government cannot carry the burden, the State must itself meet its continuing obligation**. (Robinson v. Cahill, 62 N.J. 473, 513 (1973) (Emphasis added.)).

This seminal statement of New Jersey constitutional law has clear application to our case since the education being received by Lakewood public-school students has been determined to fall short of T&E. Consequently, rectifying that situation is ultimately the State's responsibility if the local district cannot do so. If the primary cause of the T&E denial is the state's school funding system, as we believe it is in our case, then the State's responsibility to cure the problem is obvious and undeniable.

Until quite recently the State's executive and legislative branches have adhered to this core constitutional concept of ultimate state responsibility for T&E. But something seems to have gone badly awry and it has infected the way in which the State has chosen to implement SFRA. Now the State seems to be seeking to impose ultimate responsibility for T&E on local districts, including Lakewood. The Report reflects that wrong-headed and ahistorical approach, but the signs were there for years before. For example, when Kevin Dehmer, the Acting Commissioner and Commissioner-Designate, testified in the Alcantara case on July 9, 2019, he clearly expressed that fundamental constitutional misconception.

He testified that, as Assistant Commissioner for the NJDOE's Division of Finance, his division oversaw the offices of School Finance, Fiscal Policy and Planning, and State monitors (Tr. At 7-8), all highly relevant to our case. Later in his testimony, the following exchange occurred:

> Q Is it…the role of your office to see to it that every district is able to provide a thorough and efficient education?
>
> A **My understanding is that generally [it is] the responsibility of the local board to ensure T&E. We [in NJDOE] do provide some different supports in different offices,** but that's…usually when there's been a failure to provide it or something in the local board. (Tr. at 89) (Emphasis added.)

This seems to encapsulate the State's current view--that the State Department of Education's role is to provide support to local school boards, and that it is the local boards which have ultimate responsibility for ensuring T&E. It is impossible to square that with the contrary view that the New Jersey Supreme Court announced in Robinson in 1973 and reiterated many times since in Abbott and other important T&E decisions. If, as we believe to be the case, the denial of T&E in Lakewood is primarily a function of the less-than-optimal performance of SFRA, then trying to impose ultimate responsibility on the local district makes absolutely no sense.

In the final agency decision scheduled to be issued in this case on April 1, 2024, you have an obligation to set the record straight about the State's ultimate responsibility for T&E and to ensure that the Department's implementation of SFRA reflects that fundamental jurisprudential principle.

IV. THE FINAL AGENCY DECISION IN THIS CASE MUST STRONGLY ACKNOWLEDGE THAT SFRA IS NOT OPERATING AT ITS OPTIMAL LEVEL REGARDING THE LAKEWOOD SCHOOL DISTRICT AND IS, THEREFORE, UNCONSTITUTIONAL AS APPLIED TO LAKEWOOD

At the heart of your response to the Appellate Division's remand order about the constitutionality of SFRA as applied to Lakewood are several linked questions: (i) the first is whether SFRA is operating at an optimal level regarding Lakewood; and (ii) the second is what burden of proof the challengers must meet to demonstrate that SFRA is unconstitutional as applied to Lakewood.

The first question requires some explication. By citing the "optimal level" language from Abbott XX in its remand order, the Appellate Division was acknowledging that, because of its determination that Lakewood public-school students were being denied T&E, the conditions for SFRA's constitutionality established in Abbott XX apply in full force to Lakewood. In effect,

Lakewood students have been joined with Abbott district students as warranting special constitutional protection.

The complete version of the Abbott XX quote, which the Appellate Division abridged in its remand order, therefore, provides the standard for review of SFRA's constitutionality on remand:

> Our approval of SFRA under the State Constitution relies, as it must, on the information currently available. But a state funding formula's constitutionality is not an occurrence at a moment in time; it is a continuing obligation. Today's holding issues in the good faith anticipation of a continued commitment by the Legislature and the Executive to address whatever adjustments are necessary to keep SFRA operating at its optimal level. The three year look-back, and the State's adjustments based on that review, will provide more information about the efficacy of this funding formula. There should be no doubt that we would require remediation of any deficiencies of a constitutional dimension, if such problems do emerge. (Abbott XX, 199 N.J. 140, 146 (2009)).

Presumably, if SFRA were properly conceived and implemented at its "optimal level," the Lakewood school district would have sufficient assured, certain, and predictable funding from SFRA to enable it to provide its students with T&E. Since ALJ Scarola, the unanimous Appellate Division panel and the Department's own consultants in their recent report have all concluded that Lakewood's public-school students are in fact being denied T&E, primarily for fiscal reasons, perhaps the State should have the burden of proving that SFRA was **not** the cause of the T&E denial rather than the burden being on the student-petitioners to prove the converse.

Even if an appropriate burden were imposed on the student-petitioners, though, the record suggests that they should be able to meet it easily. First, at the oral argument about SFRA's facial constitutionality in Abbott XX, New Jersey's then Attorney General Anne Milgrim urged the Court, if it had concerns about SFRA, to add two explicit conditions—that SFRA must be fully funded every year and must be periodically re-evaluated to ensure that it was operating at its optimal level for every district. The court did just that and the fact that neither explicit condition has been met yet (although the full funding condition is supposed to be satisfied for the first time in the 2024-2025 school year, 15 years after SFRA was permitted to go into effect) starts the State's defense of SFRA's constitutionality as applied to Lakewood at a decided disadvantage.

The failure of the State to satisfy the court's second condition of SFRA's constitutionality as applied—periodic evaluations of SFRA's actual efficacy at funding districts—is even more directly germane to Lakewood because of its unique demographics acknowledged in the Report and everywhere else.

For a small sampling of the voluminous evidence of SFRA's constitutional insufficiency as to Lakewood in the elaborately documented record of this case:

- The ALJ and Appellate Division decisions in this case have ruled definitively that the

Lakewood public-school students are not receiving T&E, largely for fiscal reasons.

- The Report by the Department's own consultants has strongly confirmed that "an updated educational record" "unequivocally demonstrate[s] that the students at the Lakewood Public School District are being underserved, not receiving the thorough and efficient they are entitled to." (Report at 1, 30).
- The Report also details that "Lakewood has borrowed a cumulative of $215 million in School Funding Reform Act (SFRA) state aid advances since 2015. For FY24, Lakewood requested $93 million in advance aid and was awarded $50 million. At the end of FY23, the remaining balance owed was $123 million. The projected remaining balance owed for FY24 is $156 million."[1] (Report at Exh. A, p. 7)
- Although the Report includes these loan figures in a section entitled "District Financial Challenges," it never addresses how these challenges have undermined Lakewood's ability to provide its students with T&E, how the district—or the State—might overcome them, or how unusual loans of that amount are for New Jersey school districts (the district with the next highest loan indebtedness to the State is Lyndhurst with $4.8 million). By contrast, ALJ Scarola characterized the loans as creating "an unsustainable fiscal situation" for Lakewood and even as a "Ponzi scheme."
- For Lakewood to get these advance state aid loans, for eight years between FY2015 and FY2024, a succession of commissioners of education had to sign annual certifications to the State Treasurer to the effect that the loans are "necessary to ensure the provision of a thorough and efficient education," (NJSA 18A:7A-56) and the Treasurer had to approve and act on those certifications.[2]
- In its detailed 231-page examination of the Lakewood School District, the Report identifies many practices it considers deficient and recommends many changes in the way the district operates.[3] Nowhere, however, does the voluminous report even estimate

[1] Clearly, if SFRA were working for Lakewood at its "optimal level," advanced state aid loans in that staggering amount would not be necessary. Moreover, there is a credible legal argument that excessive loans, without more, can violate T&E. See In re: Petition for Authorization to Conduct a Referendum on the Dissolution of Union County Regional High School District No. 1, 298 N.J.Super. 1, 7 (App.Div. 1997) ("An excessive debt burden…would result in a condition inconsistent with the 'thorough and efficient system of free public schools…' which the State is obligated to maintain and support.").

[2] In other words, SFRA funding was insufficient for the district to be able to provide T&E. These certifications by a succession of the State's chief education officers, as we have argued repeatedly, proved our case regarding SFRA's unconstitutionality as applied to the Lakewood school district. Moreover, it is well-established New Jersey law that T&E funding must be regular, assured, and predictable. The advance state aid loans are none of those—indeed they are not even grants of funds to the district since they are required to be repaid out of future state aid payments. One must question whether these repayable loans were ever intended to apply to a Lakewood-type situation, where a long-time shortfall in SFRA funding is being patched over by a short-term loan program.

[3] The Report's detailed evaluation of the Lakewood school district, its sharp criticism of many aspects of the district's management and operations, and its elaborate recommendations for a major overhaul must call into question what the multiple State monitors assigned to the district for the past 10 years (and whose salaries and other costs are paid for by the district) have been doing. After all, under the governing statute, NJSA 18A:7A-55, the State monitors have broad authority over the operations of the district, including the power to oversee fiscal management and all district staffing, as well as the power to override actions of the superintendent and board of education. The statute also requires the State monitors to "ensure development and implementation of a plan…[with] measurable benchmarks

> whether implementing those recommendations would save the district money—and, if so, how much, or whether their implementation might actually cost the district more money. The bare, unsupported possibility that some of the Report's recommendations might help the district to do better by its students is hardly a meaningful solution to SFRA's acknowledged underfunding of the Lakewood public schools and its 5,000+ low-income students, most of them Latino and black.

The Report is as notable for what it does not say as for what it does say. It does not directly address the question of whether SFRA is operating at its "optimal level" Instead, it seems to suggest, as the acting commissioner did in her July 16, 2021, final agency decision regarding whether Lakewood public-school students were being denied T&E, that anything better than barely marginal would be sufficient. If adopted by you regarding SFRA's constitutionality as applied to Lakewood, it would give a whole new meaning to the word "optimal." The standard dictionary definition is "most desirable" (Merriam-Webster), "best, most likely to bring success" (Cambridge Dictionary), "the best possible, producing the best possible results." (Oxford Dictionary).

The evidence in the record of this case surely establishes that, by any reasonable definition of "optimal," SFRA falls far short as it has been applied to the Lakewood school district. Without more, the Report's recitation of Lakewood having needed more than $215 million in advanced state aid loans, repayable out of future state aid allotments, over the past eight years (Report at 7) to keep the district barely afloat gives the lie to any argument that SFRA has been operating at an optimal level regarding Lakewood.[4]

The Report's treatment of the student-petitioners' burden of proof in connection with their claim that SFRA is unconstitutional as applied to Lakewood is even worse, more sharply at variance with well-established New Jersey law. Without justification, explanation or support, the Report simply sets out in its last sentence "To declare the SFRA unconstitutional in the context of this review, it must be established as **the singular cause for the denial of a thorough and efficient education** which this review did not find to be the case." (Report at 30. (Emphasis added.)).

In other words, if anything other than SFRA, no matter how minor, impedes the district in

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and specific activities to address the deficiencies of the school district." If such a plan was ever developed and implemented, it seems to have escaped the attention of the State's consultants. Since the State monitors also are explicitly required by statute "to report directly to the commissioner or his designee on a weekly basis," at the bottom of any Lakewood School District problems may lurk State actors, either the State monitors if they have not been doing their jobs, or the commissioner's designee assigned to get the monitors' weekly reports. In Kevin Dehmer's testimony, his assistant Glenn Forney was identified as the commissioner's designee in 2019.

[4] The Report's sharp criticism of the district's fiscal and management practices is also at sharp variance with some other contemporaneous reports. According to a February 26, 2024, APP article, entitled "Lakewood Schools' auditor says poor state aid makes its finances 'tricky,'" the independent auditor was quoted as saying that he gave "high marks to the district's financial management" and ranked its fiscal oversight as "excellent."

providing T&E, SFRA is off the hook because it is not "the singular cause" of that denial. That unprecedented interpretation of the burden of proof would impose on anyone who challenges SFRA's constitutionality as applied a burden that far exceeds the usual burden in a civil case—preponderance of evidence. Indeed, it even exceeds the much higher burden in a criminal prosecution—beyond a reasonable doubt. That simply cannot be the law in New Jersey or any place else, however.

The record in this case clearly shows that "deficiencies of a constitutional dimension" have emerged in SFRA's operation in Lakewood (as witness the elaborate findings in the ALJ decision and in the Report relating to, among others, transportation aid, special education funding and even full funding of the district's adequacy budget). The student-petitioners' have more than amply proven those deficiencies. As the Appellate Division pledged, these must be remediated.

V. THE FINAL AGENCY DECISION IN THIS CASE MUST IDENTIFY REMEDIES SUFFICIENT TO ASSURE LAKEWOOD PUBLIC-SCHOOL STUDENTS T&E AND TO ASSURE THE LAKEWOOD SCHOOL DISTRICT THAT ITS FISCAL SITUATION IS PUT ON A SUSTAINABLE FOOTING

The prior argument points make clear that Lakewood public-school students are entitled to a remedy for their denial of T&E over many years. Since that denial has had a serious negative impact on the lives and employment prospects of thousands of students some form of compensation, even reparations payments, might be appropriate.

Even looking forward, not just backward, though, their school district must be put on a sustainable fiscal footing, and to receive adequate and assured funding for T&E into the future.

Any meaningful remedy for the Lakewood school district's well-documented fiscal distress will have to come ultimately from the Legislature. After all, the constitutional education clause starts with the words "The Legislature shall provide for the maintenance and support" of T&E. And the appropriation of funds is a quintessential legislative function.

Still, that does not mean that the other branches of state government do not have essential roles to play in the remedial process. The executive branch can—and must—identify problems in the public education system and recommend changes to rectify those problems. And when changes are made, the executive must implement them properly.

The judiciary's role can be reactive—to determine the legality and sufficiency of the changes agreed to by the other branches, or proactive—to urge necessary action on the other branches

when they have not taken the initiative.

In this case, if you are persuaded by our argument that SFRA is unconstitutional as applied to the Lakewood school district, you have an opportunity and an obligation to suggest how the unconstitutionality can best be remedied. We may not yet be at the stage of a detailed remedial exposition, but it is an appropriate time to begin laying out the remedial parameters.

Here is a brief statement of those parameters:

1. If the Lakewood school district is to be placed on a stable and solid fiscal footing, the following State actions have to be taken: (i) the existing advance state aid loan balance must be forgiven in its entirety; (ii) the district must be reimbursed for repayments it has made against the loans;[5] and (iii) the district must be reimbursed for all payments it has made toward the State monitors' salaries and costs.[6]
2. The annual state aid payments made to the district going forward must be sufficient to enable it to provide its students with T&E.[7]
3. The necessary legislative changes can be achieved through an amendment of the SFRA aid formula, or separate freestanding legislation, or a combination of the two, so long as they assure that the Lakewood school district receives annual funding both adequate to enable it to provide its public-school students with T&E and consistent with the Abbott criteria—that it be certain, predictable, and timely to enable effective educational planning.

[5] The loans were a direct result of SFRA's failure to provide the Lakewood school districts with adequate funding for T&E. In effect, they—and probably additional dollars--should have come to the district as State education grants, not repayable loans. Therefore, any repayments already made or considered due should be reimbursed or forgiven. That would enable the district to go forward on a fiscally stable and sustainable basis.

[6] The Report has called into question whether the Lakewood district received value for its substantial outlay of dollars for salaries and other costs of the multiple State monitors assigned to it for 10 years. Even aside from that question, it seems like a questionable policy judgment to impose on a fiscally struggling district the substantial annual costs of State monitors to oversee it. Since, by statute, State monitors must remain in the district until advance state aid loans are repaid, and the maximum repayment period is 10 years, that means a long-term and costly presence of the State monitors.

[7] The student-petitioners are not alone in their belief that statutory changes must be made to the current funding approach to enable it to assure T&E. For example, the district's independent auditor was recently quoted as saying that: "the district needs to see a better state funding approach because it cannot rely on loans and a mounting debt;" "to me, it is a state funding formula issue;" "Lakewood is a one-of-a-kind school district, it does not fit like any other school district;" "district leaders are forced to rely too much on state loans due to an inadequate state aid funding formula." In much the same vein, a July 11, 2023, internal report by State Auditor David Kaschak was featured in an August 15, 2023, APP article entitled "NJ Auditor finds 'severe fiscal distress' in Lakewood schools, recommends new funding model." That report stated that the "Lakewood school district may be considered a district confronted by severe fiscal distress and could benefit from the creation of an additional state aid category." Finally, State Senator Robert Singer, whose Ocean County district includes Lakewood, said of the Office of the State Auditor's report that: "the report is proof that a state aid change is needed." He also was quoted as saying that "We have no option but to do this…. We have asked to change the formula. This explains why it has to happen." Singer expressed the hope that legislation to alter the state aid formula could be introduced after the November 2023, elections, and expressed optimism about such a change being adopted because "The administration has been very cooperative with this."

Sincerely,

Paul L. Tractenberg
Co-counsel for petitioners-appellants

cc (electronically): Arthur Lang <lakewoodlaw@gmail.com>,
michael@inzelbuchlaw.com
kevin.dehmer@doe.nj.gov,
christopher.huber@doe.nj.gov,
Christopher Weber <christopher.weber@law.njoag.gov>,
Daniel.Dryzga@law.njoag.gov,
Donna Arons <Donna.Arons@law.njoag.gov>,
Jennifer Simons <jennifer.simons@doe.nj.gov>,
Matthew Lynch <Matthew.Lynch@law.njoag.gov>,
Matthew Platkin <Matthew.Platkin@law.njoag.gov>,
Melissa Raksa <Melissa.Raksa@law.njoag.gov>,
Melissa.Schaffer@law.njoag.gov,
Ryan Silver <ryan.silver@law.njoag.gov>,
Senruiz@njleg.org,
Sensarlo@njleg.org.