
LEONOR	ALCANTARA,	:	SUPERIOR COURT OF NEW JERSEY
individually and as guardian ad		:	APPELLATE DIVISION
litem for E.A.;	LESLIE	:	DOCKET NUMBER: A-2493-23
JOHNSON, individually and as		:	
guardian ad litem for D.J.;		:	<u>CIVIL ACTION</u>
JUANA PEREZ, individually		:	
and as guardian ad litem for		:	
Y.P.;	TATIANA ESCOBAR,	:	
individually;	and IRA	:	AGENCY DOCKET NO.: 156-6/14
SCHULMAN, individually and		:	
as guardian ad litem for A.S.,		:	
		:	
Appellants,		:	
		:	
v.		:	
		:	
ANGELICA	ALLEN-	:	
MCMILLAN,	Acting	:	
Commissioner of the New Jersey		:	
Department of Education; THE		:	
NEW JERSEY STATE BOARD		:	
OF EDUCATION; and THE		:	
NEW JERSEY DEPARTMENT		:	
OF EDUCATION,		:	
		:	
Respondents.		:	
		:	

**APPENDIX ON BEHALF OF RESPONDENT KEVIN DEHMER,
ACTING COMMISSIONER OF EDUCATION AND THE NEW JERSEY
DEPARTMENT OF EDUCATION**

VOLUME III of III (Ra301 to Ra398)

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tables, and more. Speech spaces are located in a bubble space in the middle of pods, in immediate proximity to student classrooms, and there's a separate speech room with similar materials and furniture. There are presently no students at this school who use a wheelchair for mobility access. School administration noted that there are no known capacity issues in any of the building's special education classrooms and/or related service spaces. The classrooms visited were clean, well appointed, bright, and were at or under capacity. All spaces throughout the building were notably clean. School Security was present and processed all adults entering and exiting the building. According to the Lakewood Township School District Annual Comprehensive Financial Report for the Fiscal Year Ended in June 30, 2021, this building was constructed in 1957 and has a capacity for 537 students. The building is 102,080 square feet.

At **Lakewood High School**, grades 9-12 and Post Graduate Special Education, the building is multi-level and has two elevators for student access. The OT/PT related service space is large with a sensory room, bikes, trikes, rowing machine, treadmill, trampoline, tables with adapted seating, and more. Speech has a dedicated space focusing on language and comprehension with well-resourced materials stored in cabinets. There's also a Life Skills area with a functional academic focus, including tables with adapted seating, break space, and appliances. There are presently no students at this school who use a wheelchair for mobility access. School administration noted that there are no known capacity issues in any of the building's special education classrooms and/or related service spaces. The classrooms visited were clean, well appointed, bright, and were at or under capacity. All spaces throughout the building were notably clean. School Security was present and processed all adults entering and exiting the building. According to the Lakewood Township School District Annual Comprehensive Financial Report for the Fiscal Year Ended in June 30, 2021, this building was constructed in 1971 and has a capacity for 714 students. The building is 276,916 square feet.

STAFFING, LEADERSHIP, AND COLLABORATION

Staffing Ratios

During classroom and site visits, PCG noted that classrooms providing special education services were well staffed with class sizes relatively small and consistent with requirements in code. In ICR elementary settings, the District keeps ICR pairs together throughout the entire day. While this is a best practice, it is rarely seen in other Districts across the United States given its high cost and struggle to find enough special educators. Staff's perceptions of these staffing resources are contrary to this point however, in that, on the staff survey, only 47.1% of participants agreed with the statement that staffing allocations are sufficient to meet the needs of students with IEPs at their schools.

In middle and high school, there are many ICR offerings. PCG noted during visits that some ICR teachers were missing and or were in transition. Staff noted that ICR teachers frequently get pulled from the classroom for IEP meetings or coverage needs.

In the 2021-22 school year, Lakewood Public School District had a 14:1 special education teacher to student with disability ratio. Among the list of comparison Districts, it is the third lowest ratio. For Child Study Team to student with disability ratio, Lakewood is the second lowest among the cohort at 22:1.

TABLE 32: SPECIAL EDUCATION STAFFING RATIOS BY COMPARABLE DISTRICTS, 2021-22 (AGES 3-21)

School District	Special Education Teachers	Students with Disabilities	SWD Student to Special Education Teacher Ratio	Child Study Team to Student with Disability Ratio
Brick	190	1,714	9:1	28:1
Jackson	162	1,373	8:1	30:1

Jersey City	95	3,605	38:1	19:1
Lakewood	124	1,767	14:1	22:1
Toms River	217	2,780	13:1	46:1

Note. Retrieved from "2021-22- New Jersey and District Profile Page (Ages 3-21)" provided by Lakewood Public School District.

Recruitment and Retention

Information gathered from interviews and focus groups raised the following themes on recruitment and retention. First, the promotion and training of paras are sources of pride, emphasizing their importance in the educational system. However, finding and retaining suitable staff is a significant area for improvement. Identifying critical staffing needs, particularly for LDTC and bilingual school psychologists, is crucial due to a limited pool of qualified candidates.

Some feel the inconsistency in staff and high turnover rates, especially among counselors, pose challenges. While some teachers leave due to relocation, turnover in middle and high schools remains a concern. There is a desire for more training, especially among new hires.

Staff shared concerns about changes in leadership within buildings, and how this creates instability that could potentially impact retention. In addition, they noted a re-shuffling of teachers between buildings, annually, and its impact on stability and a desire to stay in the District. Despite turnover, efforts made by building leadership around climate and culture have made a difference.

In addition, some staff shared they believe the District may be considering a reduction in paraeducators, raising concerns. Some staff also believe there are disparities in paraeducator salaries also need attention, with some new hires earning more than experienced counterparts.

Leadership

In Lakewood Public School District, the Department of Special Services is managed by three lateral positions (1) Supervisor of Special Education; (2) Supervisor of Child Study Team; and (3) Supervisor of Related Services. All three roles report directly to the Superintendent of Schools. All special education teachers report to their respective building principals; however, their performance reviews are conducted by the building principal and the Supervisor of Special Education. All CST members are supervised by the Supervisor of Child Study Team, and all related service providers and contractors report to the Supervisor of Related Services. The department also recently added special education coaches to support special educators, especially with parallel teaching. There are two case managers assigned to students placed in out of District settings. An additional 24 case managers have both in-district and out of District students on their caseloads.

As noted by teachers and administrators during interviews and focus groups, the school leadership landscape within the District has undergone a significant transformation over the past five years. This includes both building leadership roles as well as central office roles. Teaching staff and some administration noted this has been marked by the prominent role of consultants in shaping special education initiatives. Several teachers noted that plans to overhaul the school schedules are in motion, creating confusion and uncertainty among teachers and students due to the rapid and District-wide nature of the shift.

Teachers noted that in situations around supporting the needs of students with IEPs, conflicts arise regarding which supervisor and or building leadership to follow.

Teachers noted the District's frequent changes and new rules, communicated primarily through emails with minimal instruction, contribute to confusion and inconsistency.

Written Procedures and Policy

During the course of this review, the District produced a wide variety of documents, including detailed staff handbooks, code of conduct information, student handbooks, among other information. While these resources exist, it was evident that in many cases school staff either do not know about them or do not understand how to apply these resources in their context.

It may also be that staff would need more explicit guidance specific to special education as evidenced by the staff survey results, in which 52.9% of participants agreed that there is written guidance established that defines expectations for special education service delivery.

MEDIATION AND DUE PROCESS

Under IDEA, states are required to operate a special education dispute resolution system that provides procedural protections for students with disabilities. New Jersey's system is a collaborative effort between the New Jersey Department of Education (NJDOE) and the Office of Administrative Law (OAL). When there is a dispute between a parent and a school District regarding the identification, evaluation, program and/or placement of a student with a disability, the parent or school District may request mediation or a due process hearing through the NJDOE's Office of Special Education Policy and Dispute Resolution (SPDR). The scheduling of mediation conferences, which are conducted by special education mediators employed by the OAL, is the responsibility of SPDR staff. Due process hearings are conducted by Administrative Law Judges (ALJs) to determine whether a school District provided a free and appropriate public education to a student with disability, as required by law.

In accordance with Public Law 2017, Chapter 103, which was enacted in July 2017, the NJDOE is required to make available on its website a full-text copy of each written decision rendered by an Administrative Law Judge (ALJ) in a special education due process hearing. In New Jersey, a decision in a special education due process hearing is a final agency decision subject to the law requiring each decision to be made public.¹¹⁵

Data regarding decisions rendered by an ALJ are available by year on the NJDOE website. The following information was listed by year for Lakewood.

- 2018 – 3 cases
- 2019 – 0 cases
- 2020 – 0 cases
- 2021 – 0 cases
- 2022 – 0 cases
- 2023 – 0 cases

Data provided to PCG from both the District and the NJDOE indicate a higher level of cases brought forward through the dispute resolution process by Lakewood families. While the data are difficult to interpret given the format provided and limited details, it is evident that there is a common approach to entering into settlement agreements before an ALJ issues a ruling.

There are currently 49 cases that the District is managing, 48 of which involve students currently in out of District placements, either in or out of state. One case involves a student at LECC. Of these, five students have active cases awaiting a decision following scheduled resolution hearings. For active agreements, the District is estimating these agreements, primarily for nonpublic school placements, to be \$2.8M for the 2023-24 year. Several cases are multi-year, with totals over \$133,000 for each student's tuition costs over multiple years.¹¹⁶

¹¹⁵ *New Jersey special education due process hearing decisions.* (n.d.). State of New Jersey Department of Education. <https://www.nj.gov/education/legal/specialed/>.

¹¹⁶ "Due Process Spreadsheet" (n.d.). Lakewood Public School District.

It should be noted that the District is not capturing these students on any of its enrollment counts. Often a stipulation of the agreement is that the District will disenroll these students from its rolls. According to the District, case managers keep these students on their lists in order to informally keep track of documentation.

There are several risks with managing students in nonpublic schools pursuant to settlement agreements in this manner. First, there does not appear to be a clear mechanism to track the end dates of settlements or processes to track that triennial reevaluations and annual IEPs are compliant. Several students have IEP dates that exceed a one-year timeline, including some from 2020 and 2021. Some focus group participants shared that it is a common practice for the IEP to enter a “holding pattern” when students’ services are provided through a settlement agreement. It is also unclear if the District is conducting residency checks for these students.

FAMILY ENGAGEMENT

This section summarizes findings from Lakewood Public School District specific to perceptions of parent and community engagement.

Parents are a child’s first teacher and are important partners as their children progress through school. Their vital role is acknowledged in IDEA, which requires parental input in writing IEP goals, the provision of related services, and placement. IDEA also requires collaboration with parents and students with disabilities, as appropriate, to design special education along with related and other supplementary services. As part of this review, the parent’s role and satisfaction with special education processes and instructional/service delivery within Lakewood Public School District were evaluated. The review sought to examine three topics related to parent and family engagement:

- **Accessible Communication and Resources:** The extent to which parents are provided with useful information and communication throughout the process and in their preferred language, have the ability to find consistent and reliable information about each process, and the extent to which the resources (literature, documentation, etc.) support the special education process;
- **Collaboration and Advocacy:** The extent to which stakeholders feel that their input is solicited, heard, and included; resources used to facilitate communication with parents of students with disabilities; and how parents are approached to collaborate with school staff in a trusting manner; and
- **Student Support:** The extent to which parents believe the evaluation process and IEPs support their children, and that appropriate placements, instruction, services, interventions and accommodations and progress reports are provided.

Accessible Communication and Resources

Information in Preferred Language

A parent or legal guardian of a student who receives special education services has the right to meaningfully participate in the development and review of their child’s special education program. This can be very challenging if parent or legal guardian does not speak or understand English and the school District does not provide interpreters or translate documents into their native language. Under the IDEA, parents are entitled to an interpreter during IEP meetings and to receive a copy of the written notice, parental rights, and their child’s written IEP in their native language (unless it is not feasible to do so).¹¹⁷

Overall, there seems to be a strong cultural commitment within Lakewood Public School District to provide access to information for parents, especially with regards to special education, in their native language. Focus group participants described a variety of ways in which translation occurs. It primarily comes in the form of translators during meetings to bridge language barriers, though other technologies such as

¹¹⁷ Code of Federal Regulations, 34 CFR §300.503(c), retrieved from <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-300/subpart-A/subject-group-ECFR0ec59c730ac278e/section-300.39>

Boostlingo or other computer-based translation systems are also employed. On the family survey, some participants praised the District for making sure that everything is translated and for having Spanish-speaking staff to support in everyday requests.

Despite these efforts, focus group participants also shared challenges around enhancing accessibility for non-native English-speaking parents. They said that there is a need for more translators, in addition to translators for languages other than Spanish. As a stop gap, when translators may not be available, students are translating for their parents during parent conferences or school visits. Students may also be used to communicate information to their parents in the event the parent does not have an email address. Finally, some staff are unclear about how to initiate a request for translation or access to an interpreter.

On the family survey, participants were asked a series of questions about access to interpreters. Of those who responded to the survey, 57% said they require language translation services to better understand their child's educational needs. The majority of these parents (91.7%) indicated that they were asked if they would like an interpreter at their child's IEP meeting and that one was provided.

Advocacy and Collaboration

Special Education Parent Advisory Group (SEPAG)

In the State of New Jersey, each school District is required to have a Special Education Parent Advisory Group (SEPAG). The SEPAG is a District-level, parent-driven group charged with providing input critical issues related to students with disabilities and system-level challenges in special education and related services. New Jersey Administrative Code states: *Each board of education shall ensure that a special education parent advisory group is in place in the District to provide input to the District on issues concerning students with disabilities. 6A:14-1.2(h).* SEPAGS should ensure that all families are represented and reflect the diversity of the District.¹¹⁸

Lakewood Public School District has an active SEPAG of approximately 20 members that meets monthly. Advertisements for the meetings are in English and Spanish. All meetings are conducted virtually, though at times a hybrid in-person meeting is also offered. The District keeps active attendance records of these meetings. Below is a summary of meetings for the 2022-23 school year.

TABLE 33: SEPAG MEETING TOPICS FOR 2022-23

Topic	2022-23 School Year
September	General Meeting
October	General Meeting
November	<i>Guest Speaker:</i> Viviana Attanasio, Behavior Analyst, LPS <i>Topic:</i> Collaborating and Discussing How to Turn Ideas into Action
December	<i>Guest Speaker:</i> Ana Maria Sanchez, Ocean County Library <i>Topic:</i> Strategies for Strength and Growth of the Group
January	<i>Guest Speaker:</i> Stephen Bukowinski, Intervention and Referral Services, 504 Coordinator, LPS

¹¹⁸ *Special education parent advisory groups in New Jersey: A guide to developing and conducting an effective group.* (2019, April 16). SPAN Parent Advocacy Network. <https://www.nj.gov/education/specialed/parents/docs/SEPAG%20Guide-English-updated%204%2016%2019.pdf>

	<i>Topic:</i> Brainstorming and Creative Solutions to Benefit Children, Parents, Schools, and the Community
February	<i>Guest Speaker:</i> Elsa Mena, Bilingual Instructional Coach and Kindergarten Teacher <i>Topic:</i> Effective Strategies for Building and Sustaining Collaboration and Partnerships
March	<i>Guest Speakers:</i> Carla Marmelstein, Licensed Clinical Social Worker, Lakewood School Based Director, LPS; Adelaida Salmeron, Psychotherapy, LPC <i>Topic:</i> Strategies for Strength and Growth
April	<i>Guest Speaker:</i> Sally Castellano, Licensed Clinical Social Worker, LPS <i>Topic:</i> Vision and Mission of our SEPAG

Note. Retrieved from "SEPAG Guide-English-updated" provided by Special Education Parent Advisory Groups in New Jersey (SEPAG Guide-English-updated 4 16 19.pdf (nj.gov))

Of parents with students that have IEPs surveyed, 71.4% reported being familiar with the support offered through the SEPAG. A far lower percentage, 33.3%, indicated that they have participated in District-led training or workshops for families of students with disabilities.

Early Childhood

Focus group participants noted that a large degree of parent involvement and collaboration occurs at the LECC, as the school reportedly makes significant efforts to understand their students and meet the needs of each family. Parents are routinely invited into the building and receive regular communication about their child. Teachers also post on their Google classroom pages what students are doing throughout the day, along with pictures, so that parents have insight into their children's daily activities. Teachers also reportedly feel empowered to connect with parents to better understand the children's home environment. There is a general perception in the community that families love the early childhood center for the warmth of its staff and how they understand the children they are serving.

The LECC runs monthly parent meetings that include trainings on early childhood development, building community connections, and the necessities for child development. Topics are selected through a family survey. During the 2022-23 school year, topics included:

- Creative Curriculum
- Staying Healthy
- Social-Emotional Connections
- Building Language at Home
- How Young Children Learn
- Routines at Home
- Working through Challenging Behavior
- Stress Management
- Transition to Kindergarten

Student Services

Parent Input and Communication

Of family survey responses, 85.7% of participants said their input is considered during IEP meetings and 90.5% feel comfortable asking questions at IEP meetings. Several focus group participants shared though,

that parents may be asked to sign special education related documents without knowing what they mean and that it is incumbent on the CST, not just during the IEP meeting but on an ongoing basis, to help families understand their rights in the special education process or what options are available for their children.

Lakewood has a structured process for sharing the schedule for related services, quarterly progress reports, parent/teacher conferences with parents each year. One parent, however, shared that they did not receive a follow up to explain the results of an evaluation nor verification of transportation or speech services, sharing “the smallest details” matter. Another family shared that while progress reports are shared, they did not understand how the school came to that assessment for each goal and if there are things that they can do at home to assist their child. The majority (90.5%) of parents surveyed reported that their child’s IEP tells how progress toward goals will be measured and 81.0% reported receiving reports on their child’s progress toward meeting their IEP goals, yet there remains an opportunity for Lakewood Public School District to provide more detailed information to parents about data collection and how progress on IEP goals is determined.

High Expectations and Inclusivity

The majority of parents (90.5%) surveyed reported that school staff have high expectations of their child with an IEP. A slightly lower percentage (81.0%) indicated that building administrators share this sentiment. Overall, participants on the survey indicated that their child with a disability is a valued member of their school community, both in the classroom and outside of school (e.g., extracurricular activities).

NONPUBLIC SCHOOLS

As has been noted throughout this report, the composition of Lakewood, with 170+ nonpublic schools in its boundaries, has far reaching impacts, none more so than for special education.¹¹⁹ Of students parentally-placed in nonpublic schools, nearly 9,700 of them are students identified with a disability.¹²⁰ The number of students eligible for special education as consistently increased, according to data Lakewood Public School District provided on its IDEA funding application, from 7,683 on the FY 21 application to 9,698 in FY 24.

While there are slight variations in the numbers of nonpublic students Lakewood Public School District reports as eligible for special education services depending on where it is reported and at what point in time, there is greater variability between those reported as receiving services. The following series of charts display the counts of eligible students and those receiving services, as reported by the District through NJ Smart, in nonpublic schools. Those reported here are likely receiving services through Chapters 192 and 193 funding. It is unclear how many eligible students are receiving services through these funding streams as well as through IDEA.

Demographics

School Age

The number of nonpublic students, ages 5-21, eligible to receive special education services increased by 1,606 students, from 8,171 in 2019-20 to 9,777 in 2021-22. This growth represents a 20% increase in eligible students.

TABLE 34: TOTAL NUMBER OF ELIGIBLE NONPUBLIC SCHOOL STUDENTS (AGES 5-21), 2019-20 TO 2021-22

Year	Student Count
2019-20	8,171
2020-21	9,143
2021-22	9,777

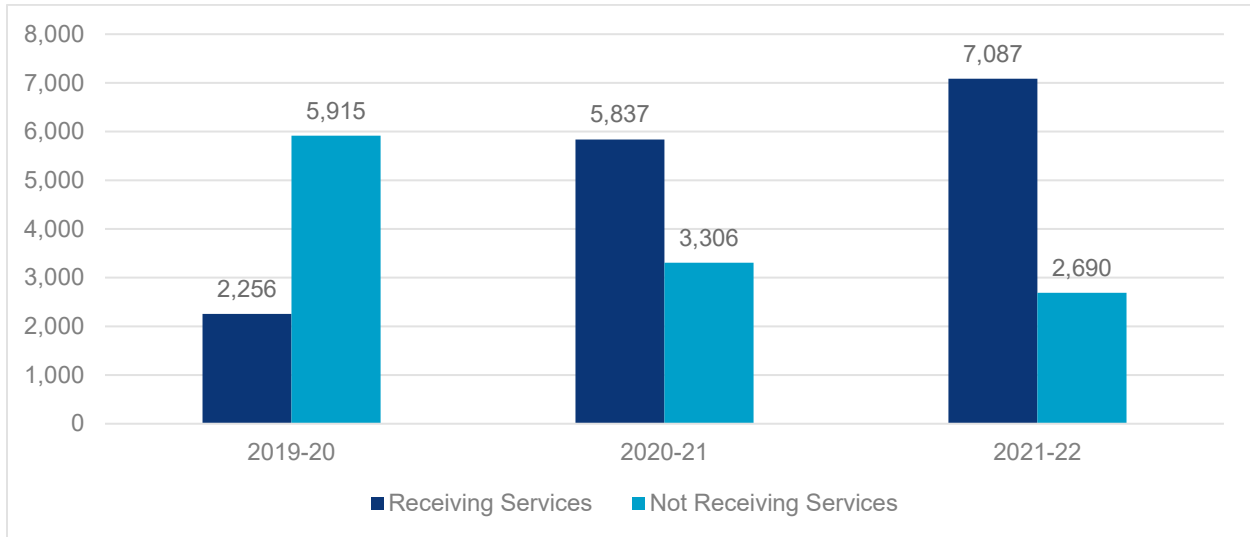
Note: Data retrieved from “NJ SMART Data Extract - Oct 15 Snapshot”, Nov 2023”, provided by Lakewood Public School District

¹¹⁹ List of 2022-23 Nonpublic Schools. (n.d.), Lakewood Public School District.

¹²⁰ As of the October 2022 child count, 9,686 students were identified as eligible for special education services.

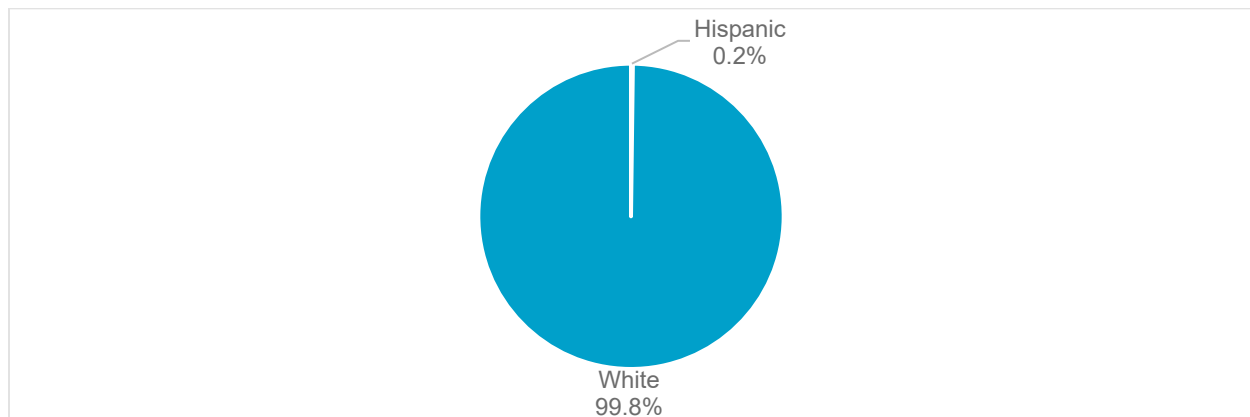
Of the 8,171 eligible students in 2019-20, 2,256 students (27.6%) received services. In 2021-22, 7,087 of the 9,777 eligible students (72.5%) received services. While the reporting of these data in NJSmart do not indicate how eligible students are receiving services, it is likely that they are services provided through a combination of Chapter 192, Chapter 193, and IDEA funds. It is unclear why there are significant increases in the number of eligible students annually.

FIGURE 57: NUMBER OF NONPUBLIC PLACEMENTS (AGES 5-21), 2020-22



Note: Data retrieved from "NJ SMART Data Extract - Oct 15 Snapshot", Nov 2023", provided by Lakewood Public School District
Of eligible students ages 5-21 in nonpublic schools, 98.2% are White and 0.2% Hispanic (**Figure 58**).

FIGURE 58: PERCENT OF NONPUBLIC PLACEMENTS WITH IEPs (AGES 5-21) BY RACE/ETHNICITY, 2022



Note: Data retrieved from "NJ SMART Data Extract - Oct 15 Snapshot", Nov 2023", provided by Lakewood Public School District

Preschool

The number of nonpublic students, ages 3-4, eligible to receive special education services increased by 50 students, from 86 in 2019-20 to 136 in 2021-22. This growth represents a 58% increase in eligible students.

TABLE 35: TOTAL NUMBER OF ELIGIBLE NONPUBLIC SCHOOL STUDENTS (AGES 3-4), 2019-20 TO 2021-22

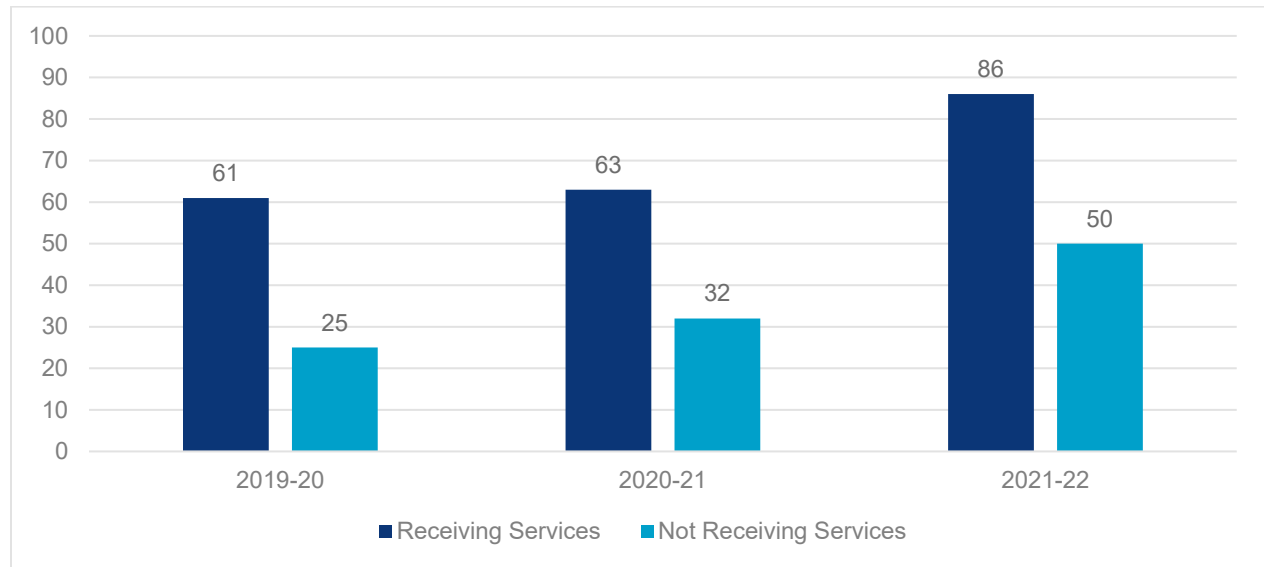
Year	Student Count
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2019-20	86
2020-21	95
2021-22	136

Note: Data retrieved from "NJ SMART Data Extract - Oct 15 Snapshot", Nov 2023", provided by Lakewood Public School District

Of the 86 eligible students in 2019-20, 61 students (70.9%) received services. In 2021-22, 86 of the 136 eligible students (63.2%) received services.

FIGURE 59: NUMBER OF NONPUBLIC PLACEMENTS (AGES 3-4), 2020-2022



Note: Data retrieved from "NJ SMART Data Extract - Oct 15 Snapshot", Nov 2023", provided by Lakewood Public School District

100% of students ages 3-4 in nonpublic placements are classified as White.

Chapters 192 and 193

There are two mechanisms, one through local legislation and funding – Chapter 192 and 193, and one federal – IDEA - by which students determined eligible for special education services can receive supplemental support while enrolled in a nonpublic school.

New Jersey's Chapter 192 programs and Chapter 193 programs are provided to eligible students enrolled full-time in nonpublic elementary and secondary schools in New Jersey. During the school year, the parent or guardian of a nonpublic school student must request Chapter 192 and Chapter 193 services by completing a signed student application (407-1 form) and submitting it according to the instructions from the District. Submission of the student application does not make the student eligible for the Chapter 192 or Chapter 193 services. The public school District responsible for Chapter 192 and 193 services must approve eligibility according to the specific eligibility requirements for each allowable

Chapter 192 programs provide nonpublic school students with auxiliary services such as compensatory education, English language learning and home instruction. As described in state guidance:

Auxiliary Services, commonly referred to as Chapter 192 programs, provide nonpublic school students with services designed to assist pupils who have academic needs that prevent them from succeeding in regular school programs, including compensatory education (supplemental to the regular programs) for the improvement of math and language arts literacy skills, English as a second language and home instruction.

Chapter 193 programs provide nonpublic school students with remedial services such as evaluation and determination of eligibility for special education and with limited related services that include supplementary instruction and speech-language services. These State-funded programs must be supplemental to federal IDEA programs.¹²¹ As described in state guidance:

Remedial services, commonly referred to as Chapter 193 programs, provide nonpublic school students with evaluation and classification for determination of eligibility for special education services, and with limited services that are supplemental to federal IDEA programs.¹²²

Pursuant to administrative code at N.J.A.C. 6A:14-6.2(c), the following remedial/Chapter 193 services are available:

- Evaluation and classification to determine eligibility for special education.
- Supplementary instruction in math and language arts.
- Speech-Language evaluation and services, including determination of eligibility for speech services (for students referred for speech evaluation only) and the provision of speech services.

Funding for evaluation (initial evaluation, reevaluation, annual evaluation, and speech-only evaluation) to determine eligibility for special education services is provided only through Chapter 193 and not through IDEA, while all other special education services for nonpublic school students must be provided through IDEA funds before 193 funds are expended.¹²³ The public school District and service provider are permitted to provide the Chapter 192 and Chapter 193 instructional services in a sectarian nonpublic school.

District Practices and Expenditures

The District contracts with external agencies for Chapter 192 and Chapter 193 services, as evidenced by the release of two competitive Request for Proposals (RFPs) in the July 2022.¹²⁴

According to the background provided in the RFP for Chapter 193 services, during the 2020-21 school year, approximately 1,862 pupils were funded to receive an initial evaluation or a reevaluation and approximately 2,603 pupils were funded to receive an annual review. These data align to the summary chart provided below by NJDOE of Chapter 192 and 193 allocations and categories of expenditures.

¹²¹ Auxiliary and Remedial Services for Nonpublic Schools (Chapters 192 and 193) (nj.gov)

¹²² *Guidelines for auxiliary and remedial services (chapters 192 and 193) for nonpublic school students.* (2014, February). New Jersey Department of Education. from <https://www.nj.gov/education/nonpublic/forms/192193man.pdf>

¹²³ Ibid.

¹²⁴ Lakewood Public Schools Request for Proposals.

<https://www.lakewoodpiners.org/cms/lib/NJ01001845/Centricity/Domain/4/CC%2006-2223%20final-%20rebid%20of%20CC%2005.pdf>; <https://www.lakewoodpiners.org/cms/lib/NJ01001845/Centricity/Domain/4/CC%2004-2223%20FINAL.pdf>

TABLE 36: CHAPTERS 192 AND 193 AWARDS, LAKEWOOD FY21-24

Fiscal Year	Program Category	Awards					Refunded to the State
		Services	Initial Allocation	Additional Services	Additional Funds	Total Funds (Initial and Add)	
2020-21	COMPENSATORY EDUCATION	24,253	\$21,122,180.00	3,598	\$1,253,414.00	\$ 22,375,594.00	\$ 2,621,907.00
	E.S.L.	876	\$ 778,002.00	710	\$ 244,946.00	\$ 1,022,948.00	\$ -
	TRANSPORTATION		\$ 1,251,678.00		\$ -	\$ 1,251,678.00	\$ 790,638.00
	INITIAL EXAM & CLASS	1,682	\$ 2,419,948.00	310	\$ 402,892.00	\$ 2,822,840.00	\$ 260,633.00
	ANNUAL EXAM & CLASS	2,603	\$ 969,357.00	0	\$ -	\$ 969,357.00	
	CORRECTIVE SPEECH	3,068	\$ 2,796,175.00	0	\$ -	\$ 2,796,175.00	\$ 816,598.00
	SUPPLEMENTARY INSTRUCTION	1,924	\$ 1,557,440.00	0	\$ -	\$ 1,557,440.00	\$ 841,123.00
		34,406	\$30,894,780.00	4,618	\$1,901,252.00	\$ 32,796,032.00	\$ 5,330,899.00
2021-22	COMPENSATORY EDUCATION	26,312	\$23,570,290.00	10,015	\$7,695,996.00	\$ 31,266,286.00	\$ 6,469,094.00
	E.S.L.	1,119	\$ 1,022,207.00	931	\$ 737,378.00	\$ 1,759,585.00	\$ 232,076.00
	TRANSPORTATION		\$ 264,520.00		\$ 240,947.00	\$ 505,467.00	\$ 76,825.00
	INITIAL EXAM & CLASS	1,557	\$ 2,064,847.00	190	\$ 251,972.00	\$ 2,316,819.00	\$ -
	ANNUAL EXAM & CLASS	2,865	\$ 1,088,700.00	0	\$ -	\$ 1,088,700.00	
	CORRECTIVE SPEECH	3,073	\$ 2,857,890.00	701	\$ 372,558.00	\$ 3,230,448.00	\$ 757,125.00
	SUPPLEMENTARY INSTRUCTION	1,667	\$ 1,376,942.00	354	\$ 121,009.00	\$ 1,497,951.00	\$ 619,169.00
		36,593	\$32,245,396.00	12,191	\$9,419,860.00	\$ 41,665,256.00	\$ 8,154,289.00
2022-23	COMPENSATORY EDUCATION	28,589	\$28,254,795.00	4,580	\$3,323,490.00	\$ 31,578,285.00	\$ 2,724,132.00
	E.S.L.	1,593	\$ 1,596,584.00	809	\$ 632,320.00	\$ 2,228,904.00	\$ 239,471.00
	TRANSPORTATION		\$ 465,978.00		\$ 34,480.00	\$ 500,458.00	\$ 44,031.00
	INITIAL EXAM & CLASS	2,003	\$ 2,656,319.00	96	\$ 127,313.00	\$ 2,783,632.00	\$ 391,959.00
	ANNUAL EXAM & CLASS	2,450	\$ 931,000.00	464	\$ 176,320.00	\$ 1,107,320.00	
	CORRECTIVE SPEECH	1,584	\$ 1,473,120.00	2,012	\$1,382,817.00	\$ 2,855,937.00	\$ 382,913.00
	SUPPLEMENTARY INSTRUCTION	1,433	\$ 1,183,658.00	499	\$ 246,726.00	\$ 1,430,384.00	\$ 645,049.00
		37,652	\$36,561,454.00	8,460	\$5,923,466.00	\$ 42,484,920.00	\$ 4,427,555.00
2023-24	COMPENSATORY EDUCATION	35,903	\$32,279,669.00	0	\$ -	\$ 32,279,669.00	
	E.S.L.	2,158	\$ 1,975,865.00	631	\$ 519,969.00	\$ 2,495,834.00	
	TRANSPORTATION		\$ 366,065.00		\$ 64,860.00	\$ 430,925.00	
	INITIAL EXAM & CLASS	1,553	\$ 2,059,542.00	0	\$ -	\$ 2,059,542.00	
	ANNUAL EXAM & CLASS	2,147	\$ 815,860.00	0	\$ -	\$ 815,860.00	
	CORRECTIVE SPEECH	3,342	\$ 3,108,060.00	0	\$ -	\$ 3,108,060.00	
	SUPPLEMENTARY INSTRUCTION	1,956	\$ 1,615,656.00	0	\$ -	\$ 1,615,656.00	
	TOTAL	47,059	\$42,220,717.00	631	\$ 584,829.00	\$ 42,805,546.00	

Note. Chapter 192 and Chapter 193 Allocations and Expenditures, provided by the New Jersey Department of Education.

For FY 24, Lakewood Public School District received \$42,220,717 for Chapter 192 and 193 services. The majority of this funding, \$32,279,669, is allocated for compensatory education, followed by \$3,108,060 for speech services. It is important to note that Chapter 192 funding can support services for students who are

not eligible under IDEA. As such, the Services numbers listed in the chart above likely reflect support for all nonpublic school students.

Idea Equitable Services

Equitable services are special education and related services, including direct services, provided to parentally placed private and homeschool students with disabilities in accordance with the provisions of IDEA and its implementing regulations in 34 C.F.R. §§ 300.130 through 300.14.¹²⁵ Services are provided in accordance with a service plan for eligible students following consultation with private schools and homeschool parents.

Child Find and Eligibility

The local education agency (LEA) that is the District of location (i.e., the District where the private school is located) is responsible for the identification and determination of eligibility for special education and related services for students parentally placed in private schools.

As referenced above, OnTrack is contracted to conduct the initial evaluations and reevaluations for students parentally placed in nonpublic schools and to develop service plans for eligible students. Lakewood Public School District taps Chapter 193 funding for staffing to manage and fulfill these responsibilities. Though the District contracts for these services, it remains as the LEA and is responsible for adhering to IDEA requirements around evaluation practices and eligibility determinations. The District states that it has a robust approach to managing the delivery of OnTrack's services and compliance with federal and state requirements, though it is unclear to what extent the auditing of OnTrack's services occurs.

The following chart shows the number of students eligible for special education and receiving services at their nonpublic schools through IDEA funding.

TABLE 37: NONPUBLIC IDEA SCHOOL AGE STUDENTS ELIGIBLE AND SERVED UNDER IDEA, AGES 3-21, 2021-2024

	2021		2022		2023		2024	
	<i>Eligible</i>	<i>Served</i>	<i>Eligible</i>	<i>Served</i>	<i>Eligible</i>	<i>Served</i>	<i>Eligible</i>	<i>Served</i>
Brick	70	73	73	73	63	81	67	82
Jackson	1	1	1	1	1	0	0	0
Jersey City	117	126	124	246	112	79	186	181
Lakewood	7,683	700	7,922	750	8,651	800	9,698	800
Toms River	161	169	145	144	127	143	103	156

Note: Data retrieved from "IDEA Grant Applications:" <https://njdoe.mtwgms.org/NJDOEGmsWeb/Logon.aspx>

In 2021, Lakewood Public School District served 9.1% of eligible nonpublic students under IDEA Equitable Services. In 2024, 8.2% of eligible students were served. This distribution differs substantially from peer Districts, in that these Districts provide equitable services to the majority of their eligible students. Eligibility numbers are derived from the previous school year, yet funding is to provide services for students eligible in the current year. This could mean that the number of students served is potentially greater than those found eligible.

¹²⁵ Code of Federal Regulations, 34 CFR §300.130-14, retrieved from <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-300/subpart-A/subject-group-ECFR0ec59c730ac278e/section-300.39>

TABLE 38: NONPUBLIC IDEA SCHOOL AGE STUDENTS ELIGIBLE AND SERVED UNDER IDEA, AGES 3-5, 2021-2024

	2021		2022		2023		2024	
	<i>Eligible</i>	<i>Served</i>	<i>Eligible</i>	<i>Served</i>	<i>Eligible</i>	<i>Served</i>	<i>Eligible</i>	<i>Served</i>
Brick	0	0	0	0	0	0	0	0
Jackson	0	0	0	0	0	0	0	0
Jersey City	0	0	0	2	10	0	1	3
Lakewood	281	150	320	150	319	200	377	200
Toms River	0	0	0	0	0	0	0	0

Note: Data retrieved from "IDEA Grant Applications:" <https://njdoe.mtwgms.org/NJDOEGmsWeb/Logon.aspx>

For eligible students ages 3-5, Lakewood Public School District served an average 53.9% across the four years. Jersey City PS was the other peer District to identify eligible students in this age range, albeit with only a few students.

Funding Calculation and Allocation

As cited on the NJDOE website:

Section 612(a)(10)(A) of the IDEA and its implementing regulations 34 CFR §§300.130 through 300.144 require that LEAs, after timely and meaningful consultation with private school representatives, conduct a thorough and complete child-find process to determine the number of parentally placed children with disabilities attending private schools located within the LEA regardless of where those students live. IDEA establishes that the District where the private school is located (District of location) is responsible to provide services to parentally placed students after consulting with the eligible nonpublic schools within the District.¹²⁶

On the IDEA grant application each year, Districts must submit the following information for each parentally placed private school student.

TABLE 39: EXAMPLE OF REQUIRED IDEA GRANT APPLICATION NONPUBLIC STUDENT INFORMATION¹²⁷

County Code (2 digit)	District Code (4 digit)	Private School Code	Name of Private School or Private Preschool School	Student's Initials	Student was between ages 3 and 5 on 10/15/22 (Y/N)	Student was between ages 6 and 21 on 10/15/22 (Y/N)	Eligible and Receiving Services (Y/N)	Eligible and Not Receiving Services (Y/N)
e.g., 02	0010	020	Holy Spirit	DS	Y	N	Y	N

Note. Retrieved from "Special Education Policy and Procedures" provided by Official Site of the State of New Jersey (Special Education Policy and Procedures (nj.gov))

¹²⁶ *Legal protections and responsibilities.* (n.d.). New Jersey Department of Education. <https://www.nj.gov/education/specialed/home/docs/3.13.17NPFAQ.shtml>

¹²⁷ *New Jersey policies and procedures in special education.* (n.d.). New Jersey Department of Education. <https://www.nj.gov/education/specialed/policy/>

Based on the student counts submitted, the nonpublic share of funding is calculated. The District where the private school is located is responsible to report all identified students with disabilities in NJ Smart (ages 3-21) even if they are not receiving services.¹²⁸ As described by NJDOE:

the determination of the IDEA nonpublic proportionate share starts with the determination of the number of parentally placed private school children with disabilities (both resident and nonresidents) in the area served by the LEA (as reported in NJ SMART). The number of parentally placed private school children with disabilities in the area served by the LEA is then divided by the total number of children with disabilities in the area served by the LEA – both public and private.¹²⁹

It is up to the LEA to determine how these IDEA funds will be spent, in accordance with the regulations and in consultation with the private schools. IDEA funds for equitable services may not be paid directly to a private school. Federal guidance is clear about these regulations, specifically:

Under 34 C.F.R. § 300.141, an LEA may not use IDEA Part B funds to finance the existing level of instruction in a private school, and such funds may not be used for meeting the needs of a private school or the general needs of the students enrolled in the private school. The LEA must use the proportionate share of IDEA Part B funds to meet the special education and related services needs of parentally-placed private school children with disabilities.¹³⁰

It should be noted that Districts are not required to serve every eligible student, instead working in consultation with nonpublic school representatives and families to determine how these funds should be distributed. Eligible students not receiving services under IDEA Equitable Services could be receiving them under Chapters 192 and 193.

In the charts and descriptions below, IDEA grant information across comparable Districts is displayed and analyzed.

TABLE 40: IDEA SCHOOL AGE BASIC GRANT FUNDING ALLOCATION COMPARISONS, 2021-2024

	2021		2022		2023		2024	
	Ages 3-21	Nonpublic Share	Ages 3-21	Nonpublic Share	Ages 3-21	Nonpublic Share	Ages 3-21	Nonpublic Share
Brick	\$2,538,680	\$96,423	\$2,503,756	\$102,624	\$2,586,338	\$100,642	\$2,726,010	\$104,967
Jackson	\$1,969,725	\$1,244	\$1,910,982	\$1,255	\$1,972,058	\$0	\$2,095,592	\$0
Jersey City	\$8,779,214	\$255,896	\$8,030,989	\$261,102	\$8,469,600	\$222,687	\$8,720,595	\$637,340
Lakewood	\$9,294,745	\$7,635,963	\$9,571,144	\$7,815,152	\$10,421,267	\$8,983,099	\$11,763,964	\$10,052,597
Toms River	\$3,852,009	\$210,371	\$3,695,245	\$186,110	\$3,911,105	\$190,165	\$4,147,878	\$142,032

Note: Data retrieved from "IDEA Grant Applications:" <https://njdoe.mtwgms.org/NJDOEGmsWeb/Logon.aspx>

In 2021, Lakewood Public School District nonpublic share was 82.1% of the District's total IDEA school age basic allocation. In 2024, this percentage increased to 85.5%. Comparatively, Jersey City's IDEA non-public share, which is the second highest across Districts analyzed, in 2021 was 2.9% and in 2024 was 7.3%.

¹²⁸ *Legal protections and responsibilities*. (n.d.). New Jersey Department of Education. <https://www.nj.gov/education/specialed/home/docs/3.13.17NPFAQ.shtml>

¹²⁹ *Ibid*.

¹³⁰ *Questions and answers on serving children with disabilities placed by their parents in private schools* (PDF). (2020, December). United States Department of Education. <https://sites.ed.gov/idea/files/qa-parentally-placed-private-schools-12-2020.pdf>

TABLE 41: IDEA PRESCHOOL BASIC GRANT FUNDING ALLOCATION COMPARISONS, 2021-2024

	2021		2022		2023		2024	
	Ages 3-5	Nonpublic Share	Ages 3-5	Nonpublic Share	Ages 3-5	Nonpublic Share	Ages 3-5	Nonpublic Share
Brick	\$100,110	\$0	\$101,391	\$0	\$110,920	\$0	\$110,526	\$0
Jackson	\$67,372	\$0	\$68,061	\$0	\$76,008	\$0	\$75,773	\$0
Jersey City	\$194,503	\$0	\$190,676	\$0	\$229,177	\$0	\$222,456	\$1,171
Lakewood	\$324,843	\$165,664	\$339,535	\$182,301	\$404,922	\$185,865	\$410,994	\$221,984
Toms River	\$128,128	\$0	\$129,072	\$0	\$147,401	\$0	\$146,366	\$0

Note: Data retrieved from "IDEA Grant Applications:" <https://njdoe.mtwgms.org/NJDOEGmsWeb/Logon.aspx>

Aside from a small set aside for Jersey City, Lakewood is the only District with non-public share IDEA set aside for preschool. In 2021, this allocation was 50.1% of the District's total preschool allocation. In 2024, this increased to 54.0%.

For FY 24, the District planned to use IDEA Equitable Services funds for three distinct services:

- Nonpublic Supplemental Services Program (NPSSP)
- In-Class Resource Program (ICRP), and
- Paraprofessional Support Services

Of the 124 nonpublic schools who participated in the consultation meeting about IDEA Equitable Services, the following 50 schools receive these services for their students. This equates to approximately \$235,279 per site. Service Plans are written for eligible students in these 50 schools:

- BAIS CHINUCH L'BONOS BAYIS RUCHEL
- BAIS KAILA TORAH PREP HS
- BAIS REUVEN KAMENITZ
- BAIS TOVA INC.
- BAIS YAAKOV BNOS CHAYIL
- BAIS YAAKOV OF JACKSON
- BNOS DEVORAH
- BNOS ESTHER MALKA
- BNOS ORCHOS CHAIM
- BAS YISROEL
- CALVARY ACADEMY
- CHINUCH L'BANOS T/A TIFERES CHAYA
- CONG. MIKOR HATORAH
- CONGREGATION VORKA EDUCATION CENTER
- JEWISH EDUCATION FOR GIRLS, INC./ B
- KESSER BAIS YAAKOV
- KOCHVEI OHR
- LAKEWOOD CHEDER SCHOOL
- MORESHES BY
- NACHLAS BAIS YAAKOV INC
- NEEMAS BAIS YAAKOV
- NESIVOS HATORAH
- SANZ OF LAKEWOOD – BOYS

- SEPHARDIC BET YAAKOV
- SHIRAS RUCHAMA
- TALMUD TORAH BAIS AVROHOM
- TALMUD TORAH OF LAKEWOOD
- TALMUD TORAH TOLDOS YAKOV YOSEF
- TASHBAR OF LAKEWOOD
- TORAS IMECHA, INC.
- UTA OF LAKEWOOD
- UTA OF LAKEWOOD, INC.
- YESHIVA BAIS HACHINUCH
- YESHIVA EVEN YISROEL
- YESHIVA KOL TORAH
- YESHIVA MASORAS AVOS
- YESHIVA OHR YEHUDA
- YESHIVA ORCHOS CHAIM
- YESHIVA BAIS HATORAH DBA TORAH INST
- YESHIVA SHAGAS ARYEH
- YESHIVA TIFERETH TORAH
- YESHIVA TORAS ARON
- YESHIVA YESODEI HATORAH/CHEDER BAIS
- YESHIVAS OHR YISSOCHOR ACADEMY
- YESHIVAT OR HACHAIM OF LAKEWOOD
- YESHIVAT YAGDIL TORAH
- ZECHER YOCHANAN
- S.C.S.C, INC./MEKAR HACHINUCH
- BNOS BASYA INC
- TIFERES BAIS YAAKOV

Aside from citing that it consulted with the nonpublic school community, the District was not able to provide information about how it was determined that services would be provided in these select schools nor answer why only a fraction of those eligible were served. This funding, to the extent it was described, is used for teaching and paraeducator staffing in nonpublic schools.

Between the required nonpublic equitable services set-aside and the mandatory CCEIS set-aside because of the significant disproportionality findings in FY 24, the District has little, if any, IDEA funds to support students with disabilities in its public schools. While CCEIS funds can be spent to support initiatives for students with disabilities, these funds must be focused on preventative intervention measures, not to support programming, supplies, or staffing specifically for special education.

FINANCIAL PRACTICES ANALYSIS

PCG partnered with AAFCPAs to conduct a forensic analysis and discovery in the following areas:

- **Financial Data Analytics** - These are financial analytics, using the Caseware IDEA Audit Tool by CaseWare International, that were run on the entire general ledger (GL) and were filtered by account.
- **Internal Controls Testing** – This analysis focused on:
 - Governance
 - Higher risk financial controls
 - Application controls that relate to supporting financial controls
 - Segregation of duties Service provider/vendor selection.

AAFCPAs followed the Statements for Consulting Standards, from the Association of International Certified Professional Accountants (AICPA), for this analysis. The findings reported here did not constitute an audit or examination, the objective of which is the expression of an opinion on financial statements, on other subject matter or on management's assertion.

SUMMARY

- **General Ledger.** There was no questionable activity noted in the General Ledger activity based off Caseware IDEA testing.
- **Vendor Management Controls.** There are significant deficiencies noted on the vendor management controls in the procure to pay cycle as internal controls related to vendor selection, review and retention are not operating effectively.
- **Payroll Processing Controls.** There are significant deficiencies noted on the payroll processing cycle, as internal controls related to review and completion of the payroll register and payroll processing checklist, respectively, are not operating effectively.
- **Financial Close Controls.** There are deficiencies noted on the finance close cycle, as internal controls related to completion of close process checklist are review of cash flow statements are not operating effectively.
- **Governance and IT Cycle Controls.** There are significant deficiencies noted on the Governance and IT cycle as internal controls related to completion of employee handbook acknowledgement, new hire training and approval of access, termination requests are not operating effectively.

FINANCIAL DATA ANALYTICS – CASEWARE IDEA TESTING

AAFCPAs conducted testing on Lakewood Public School District's general ledger (GL) for the years ending June 30, 2018 – June 30, 2023. For each school year, AAFCPAs tested the GL for completeness, as well as examine any outlying activity identified by Caseware IDEA Data Analytics software. During the testing, AAFCPAs noted that each year total debits equaled total credits, and each school year's total debits and credits tied to the noted beginning and ending balances in each of the GLs. When testing the date range in each year's GL, AAFCPAs noted there were entries booked at 12/31/202X in the period following the year end. AAFCPAs reviewed these entries and noticed each year there were budget adjustments made. AAFCPAs noted this is a yearly entry and was not deemed to be significant concern.

AAFCPAs examined entries made to the general journal for each year, noting entries were related to fund balancing entries which again were not deemed a significant concern. AAFCPAs examined activity related to checks, examining checks written on weekends, any gaps in the check number sequence, and duplicate checks. AAFCPAs noted that while there were checks that had issue dates on weekends, these dates all fell on the first of the month and were related to recurring monthly payments; therefore, there was no significant concern noted. There were gaps in the check sequences noted, but these were all explained by voided checks that were also recorded in the GL. Therefore, there was no significant concern noted here

either. AAFCPAs did not note any duplicate checks. AAFCPAs ran a Benford's Law¹³¹ analysis on each GL, with each of the tests resulting in acceptable conformity, meaning there were no instances of the first two digits of a number appearing more than expected in the analysis.

AAFCPAs also ran IDEA's Exception Exceptions Smart Analyzer tool on each GL to isolate general journal entries that could be of concern. AAFCPAs notes that IDEA's Exception Exceptions Smart Analyzer tool runs 24 tests on the GL then comes up with a risk score based on the content of the entries. The tool then returns a sample of entries to examine. AAFCPAs notes the following tests were run on the general journal entries posted to each year's GL.

TABLE 42. IDEA EXCEPTIONS SMART ANALYZER

Test #	IDEA Exceptions Smart Analyzer
Test 01	Out of Balance Journal Entries
Test 02	Potential Duplicate Journal Entries by User
Test 03	Potential Duplicate Journal Entries
Test 04	Journal Entries Posted on Weekends
Test 05	Journal Entries Posted on Unusual Day
Test 06	Journal Entries Posted on Unusual Time
Test 07	Journal Entries Posted at the End of Year-End
Test 08	Back-Dated Journal Entries
Test 09	Journal Entries with Rounded Amount
Test 10	Journal Entries with Recurring Digits
Test 11	Journal Entries with Keywords of Interest
Test 12	Journal Entries with Little or No Description
Test 13	Unusual-Rare Accounts Posting Combination
Test 14	Complex Account Combinations
Test 15	Unusual Accounts for Document Type
Test 16	Entries with Opposite as Normal Debits and Credits
Test 17	Unusual Users Posting Entries
Test 18	Journal Entries with High Value Amounts
Test 19	Benford's Law First Two Digits
Test 20	Benford's Law Summation
Test 21	Benford's Law Second Order

¹³¹ Gill, J. (2019, May 16). *What Is Benford's Law and Why do Fraud Examiners Use it?*. ACFE Insights. <https://www.acfeinsights.com/acfe-insights/what-is-benford's-law>

*Fraud examiners use Benford's Law tests on natural numbers, like payment amounts. Benford's Law provides an extra method for fraud examiners to test data for potentially fraudulent activity.

Test #	IDEA Exceptions Smart Analyzer
Test 22	Benford's Law Last Two Digits
Test 23	Outliers Detection - Machine Learning
Test 24	Incorrect Credits or Debits

Note: Caseware IDEA's Exception Exceptions Smart Analyzer Tool Tests

AAFCPAs reviewed the entries that were produced as a sample of the testing and noted all entries were in line with typical entries made by a school. None of the entries were deemed suspicious. Overall, AAFCPAs notes there was no questionable activity noted in the GL activity based off IDEA testing.

Vendor to Employee Comparison – IDEA Testing

In order to test whether there were any employees listed as vendors, AAFCPAs took Lakewood’s employee master file and Lakewood’s accounts payable master file and compared the listing using IDEA’s “fuzzy lookup” feature. This feature scores comparisons between two sets of data based on how similar two line items are. As a result of this testing, AAFCPAs determined that there were no employees who were also set up as vendors. Further, no vendors were noted as a concern based on this manner of analysis.

INTERNAL CONTROLS TESTING

AAFCPAs inspected the District’s policy manual and conducted process walkthroughs to identify key internal controls over financials reporting. AAFCPAs tested these controls for design, implementation, and operating effectiveness over the period of July 2020 to June 2023. The results are presented below.

Procure to Pay Testing Cycle

TABLE 43. RESULTS OF PROCURE TO PAY TESTING CYCLE

Control Activity		Results of Testing
PTP 1	Federal procurement chart thresholds are listed in the financial policy manual and is approved by School Board.	Control is designed properly, implemented, and is operating effectively.
PTP 2	Purchase Requisitions / purchase orders require approval in accordance with the approval process listed in financial policy manual.	Control is designed properly, implemented, and is operating effectively.
PTP 3	Vendor master file is maintained in Series 3000 and quarterly review of vendors is performed by CFO.	Control is designed properly but could not evidence implementation and operating effectiveness. Per discussion with the Lakewood Accounting manager, it was noted that there is no evidence of review available for the vendor master file.

Control Activity		Results of Testing
PTP 4	New vendors and changes to existing vendors are approved by the School Board.	Control is designed properly but could not evidence implementation and operating effectiveness. Per discussion with the Lakewood Accounting Manager, it was noted that board approval is not taken at the time of vendor onboarding and the approval of the bill list for making payments is considered as the approval for vendors. See appendix.
PTP 5	All vendors are required to have a W-9 and NJ certificate of business to conduct business.	Control is designed properly but not operating effectively, as there were no W-9 and business registration certificate retained for 14 out of 21 vendors selected. See appendix.
PTP 6	3-way match is completed by: Packing slip and materials received matched to purchase order by the Shipper/Receiver and receipt of goods is created. Receipt of goods matched to invoice by purchasing associate.	Control is designed properly, implemented, and is operating effectively.
PTP 7	Checks are stored under locked cabinets.	Control is designed properly, implemented, and is operating effectively.
PTP 8	The bill list along with related invoices are approved by the School Board on a monthly basis.	Control is designed properly, implemented, and is operating effectively.
PTP 9	Checks and wires require signatures from Board Secretary and/or Assistant Board Secretary and the Student Activity Fund Treasurer.	Control is designed properly, implemented, and is operating effectively.
PTP 10	Completed bank reconciliations for all bank accounts that reconciles the account balance per the bank statement to the general ledger are reviewed by the accounting manager. Reconciling items are investigated and resolved in a timely manner.	Control is designed properly, implemented, and is operating effectively.

Control Activity		Results of Testing
PTP 11	In online banking system, the initiator can enter a wire payment but cannot release or approve the wire payment. That process can only be completed by a different authorized signer.	Control is designed properly but could not evidence implementation and operating effectiveness. Assumption: AAFCPAs has made three requests for evidence to test the control; however, no evidence was provided. Therefore, the conclusion is that this control is not operating effectively.
PTP 12	Access grants to the online banking system require board approval and Access Grants are also reviewed semi-annually.	Control is designed properly but could not evidence implementation and operating effectiveness. Assumption: AAFCPAs has made three requests for evidence to test the control; however, no evidence was provided. Therefore, the conclusion is that this control is not operating effectively.
PTP 13	On a yearly basis, an Open PO report is run and reviewed for accuracy to ensure proper recording of payments.	Control is designed properly, implemented, and is operating effectively.
PTP 14	Series 3000 is configured to generate a message if a duplicate invoice is entered.	Control is designed properly but could not evidence implementation and operating effectiveness.

Note: AAFCPA’s Results of Procure to Pay Testing Cycle

Overall Conclusion

There are significant deficiencies noted on the vendor management controls in the procure to pay cycle as internal controls related to vendor selection, review and retention are not operating effectively. The risk of material misstatement is deemed **high** for this cycle.

HR and Payroll Testing Cycle

TABLE 44. RESULTS OF HR AND PAYROLL TESTING CYCLE

Control Activity		Results of Testing
HR 1	Background checks are completed for all new hires prior to their start date.	Control is designed properly, implemented, and is operating effectively.
HR 2	Each job has a defined job description and related skills requirement to ensure that the position is properly staffed.	Control is designed properly, implemented, and is operating effectively.
HR 3	Annual salary increases are approved by the School Board.	Control is designed properly, implemented, and is operating effectively.

Control Activity		Results of Testing
HR 4	Rate changes and department transfers are approved by the School Board.	Control is designed properly but could not evidence implementation and operating effectiveness. Assumption: AAFCPAs has made three requests for evidence to test the control; however, no evidence was provided. Therefore, this conclusion is that this control is not operating effectively.
HR 5	Payroll manager reviews the pre payroll register on semi-monthly basis to ensure completeness and accuracy.	Control is designed properly but could not evidence implementation and operating effectiveness. Per discussion with Lakewood Payroll Manager, it was noted that evidence of review for the pre-payroll registers were not retained. The payroll manager confirmed that evidence would be retained going forward.
HR 6	System 3000 is configured with payroll checklist which is completed before payroll is processed.	Control is designed properly but could not evidence implementation and operating effectiveness. Per discussion with Lakewood Payroll Manager, it was noted that completed payroll checklist were not retained in Series 3000. The payroll manager confirmed that evidence would be retained going forward.
HR 7	For hourly employees, timesheets are approved by the supervisors.	Control is designed properly, implemented, and is operating effectively.
HR 8	For teachers getting paid for the extracurricular activities, the vouchers are approved by the principal.	Control is designed properly, implemented, and is operating effectively.
HR 9	Quarterly, payroll tax forms are prepared by the Payroll Manager and are reviewed by the CFO for completeness and accuracy.	Control is designed properly, implemented, and is operating effectively.

Note: AAFCPA's Results of HR and Payroll Testing Cycle

Overall Conclusion

There are significant deficiencies noted on the payroll processing cycle, as internal controls related to review and completion of the payroll register and payroll processing checklist, respectively, are not operating effectively. Therefore, risk of material misstatement is deemed **high** for this cycle.

Financial Close Controls Testing Cycle

TABLE 45. RESULTS FOR FINANCIAL CLOSE CONTROLS TESTING CYCLE

Control Activity		Results of Testing
FSP 1	A detailed Close Process Checklist is maintained and completed on a monthly basis for preparing the financial statements.	Control is designed properly but could not evidence implementation and operating effectiveness. Per discussion with Lakewood Accounting Manager, it was noted that Close Process Checklist is not completed nor retained as evidence.
FSP 2	The Series 3000 accounting system will not process a journal entry if the entry does not balance and will generate an error message, which is displayed for the individual posting the entry to resolve.	Control is designed properly, implemented, and is operating effectively.
FSP 3	General Ledger Balance Sheet Accounts are reconciled and reviewed by someone other than the preparer on a monthly basis.	Control is designed properly, implemented, and is operating effectively.
FSP 4	Financial reports and cash reports are approved by the School Board and Treasurer respectively on a monthly basis.	Control is designed properly, implemented, and is operating effectively.
FSP 5	Cash flows are prepared by CFO and is reviewed by state monitors on a monthly basis.	Control is designed properly but could not evidence implementation and operating effectiveness. Per discussion with Lakewood Accounting Manager, it was noted that the State Monitor verbally reviews the cash flow statements on a monthly basis and the evidence of review is not retained.
FSP 6	Chart of accounts are initially approved by New Jersey's DOE and any small changes to the chart of accounts are approved by the CFO.	Control is designed properly, implemented, and is operating effectively.
FSP 7	Annual budget is prepared and approved by the School Board and NJ DOE.	Control is designed properly, implemented, and is operating effectively.

Note: AAFCPA's Results of Financial Close Controls Testing Cycle\

Overall Conclusion

There are deficiencies noted on the finance close cycle, as internal controls related to completion of close process checklist are review of cash flow statements are not operating effectively. Therefore, the risk of material misstatement is deemed **medium** for this cycle.

Governance and IT Testing Cycle

TABLE 46. RESULTS FOR GOVERNANCE AND IT TESTING CYCLE RESULTS

Control Activity		Results of Testing
GovIT 1	An employee handbook with the code of conduct is maintained. All new employees are required to sign an acknowledgement form stating that they have read and understood the handbook, this is done as soon as reasonably possible upon hire and existing employees sign an acknowledgement at least on a yearly basis.	Control is designed properly but could not evidence implementation and operating effectiveness. Assumption: AAFCPAs has made three requests for evidence to test the control; however, no evidence was provided. Therefore, the conclusion is that this control is not operating effectively.
GovIT 2	The responsibilities and authorities of individuals are defined and made available via the job descriptions and SOD matrix. Segregation of Duties exist between various functions	Control is designed properly, implemented, and is operating effectively.
GovIT 3	The district has a whistleblower policy which was provided to all employees of the Company.	Control is designed properly, implemented, and is operating effectively.
GovIT 4	The School Board meets on a monthly basis to discuss financial reports, personnel changes and provides updates on regulations and legal matters.	Control is designed properly, implemented, and is operating effectively.
GovIT 5	Unique user IDs and passwords are used for three different modules in Series 3000 and MFA is deployed for all internal applications.	Control is designed properly, implemented, and is operating effectively.
GovIT 6	Series 3000 access is reviewed at least on a quarterly basis.	Control is designed properly, implemented, and is operating effectively.
GovIT 7	Back up of the Series 3000 system is conducted on a daily basis.	Control is designed properly, implemented, and is operating effectively.

Control Activity		Results of Testing
GovIT 8	All new hires are required to undergo a series of training programs including security awareness and general IT trainings and all existing employees are required to complete these trainings at least on an annual basis.	Control is designed properly but could not evidence implementation and operating effectiveness. Assumption: AAFCPAs has made three requests for evidence to test the control; however, no evidence was provided. Therefore, the conclusion is that this control is not operating effectively.
GovIT 9	Admin access to the Series 3000 is restricted to the authorized individuals.	Control is designed properly, implemented, and is operating effectively.
GovIT 10	All new hires are approved by the School Board and Superintendent and are communicated to IT for access implementation by the HR and access is approved by the CFO.	Control is designed properly but could not evidence implementation and operating effectiveness. Assumption: AAFCPAs has made three requests for evidence to test the control; however, no evidence was provided. Therefore, the conclusion is that this control is not operating effectively.
GovIT 11	All terminations are approved by the superintendent are communicated to IT by HR. The access is revoked at the last working day.	Control is designed properly but could not evidence implementation and operating effectiveness. Assumption: AAFCPAs has made three requests for evidence to test the control; however, no evidence was provided. Therefore, this conclusion is that this control is not operating effectively.

Note: AAFCPA's Results of Governance and IT Testing Cycle

Overall Conclusion

There are significant deficiencies noted on the Governance and IT cycle as internal controls related to completion of employee handbook acknowledgement, new hire training and approval of access, termination requests are not operating effectively. Therefore, the risk of material misstatement is deemed **high** for this cycle.

TRANSPORTATION

This section reviews transportation practices for the Lakewood Public School District, including transportation for students being transported within the district, for out of district placements and for those attending a non-public school.

SUMMARY

PCG made several major observations regarding Lakewood Public School District's transportation services:

- Lakewood is unique in that it serves more resident students (40,958) than all other districts in New Jersey due to a high number of nonpublic school students. The district serving the next closest number is Toms River, also in Ocean County, serving 14,097 students
- The Lakewood Student Transportation Authority (LSTA) appears to be an innovative solution that effectively helps Lakewood meet its significant nonpublic school student transportation obligations while helping the town satisfy its desire to provide courtesy transportation
- There is not sufficient separation between Lakewood as contracting agency and the LSTA as vendor
- There are potential opportunities to lower prices by bidding tiered routes as packages rather than individually. Some buses are running four to eight routes a day at a total cost of over \$200,000 per bus

SCHOOL TRANSPORTATION IN NEW JERSEY

In New Jersey, state law mandates that local districts provide transportation for public school students and certain private school students. The law also allows local districts to provide locally funded transportation for some students not entitled to mandated transportation.

Public School Students

Public school students are entitled to transportation when they are in one or more of the following situations:

- Live "remote" from the school, i.e., beyond two miles for students in grades preschool through eight and beyond 2.5 miles for students in grades nine through twelve
- Transportation is required per the student's individualized education plan (IEP)
- Transportation is required for an out-of-district special education placement

Transportation may be waived in writing by parents/guardians subject to district board policies.

Districts **may**, at local expense, provide transportation to public school students who are not entitled to state-supported mandatory transportation (subject to board policy) in the following situations:

- Student lives closer than "remote" from the school
- A hazard condition exists (for example, inadequate sidewalk)

This non-mandated transportation is also known as courtesy busing. Under some circumstances, districts may charge families for all or part of the cost of courtesy busing. Districts must make accommodations for financial hardship so that students are not excluded from receiving transportation services if there is a fee involved. Also, further rights and restrictions on public charter and choice student transportation exist in New Jersey law. Homeless students, students residing in resource family homes, students in group homes, and students in shared custody homes benefit from specific school transportation regulations that may confer additional transportation rights.¹³²

¹³² N.J.A.C. 6A:27, *Student Transportation*. (n.d.). Subchapter 1: General Provisions.
<https://www.nj.gov/education/code/current/title6a/chap27.pdf>

Nonpublic School Students

If the school district receives state aid for transportation, nonpublic school students residing in the district are entitled to district funded transportation or aid in lieu of transportation (AIL) when they are in all of the following situations:

- Live “remote” from the school, i.e., beyond two miles for students in grades kindergarten through eight and beyond 2.5 miles for students in grades nine through twelve (no preschool unless IEP-mandated)
- Attending a nonpublic school that is not wholly or partly operated for profit
- Attending a nonpublic school that is within certain distance limitations set forth by state law
- Are in grades K-12 (not preschool)

Districts may also provide locally funded courtesy transportation for nonpublic school students in the same manner as they may do for public school students.¹³³

State Transportation Aid

New Jersey provides state transportation aid for students receiving mandatory transportation from their districts of residence. For Fiscal Year 2024, the state maximum per pupil transportation formula amount is \$1,165 per student.¹³⁴ Of this maximum, \$441 is state aid and the balance (\$724) is provided by the local school district. Students whose IEPs specify that oxygen, a nurse or aide, a wheelchair lift, or extended school year is warranted bring additional transportation state aid to the district. Districts must often pay more than the state maximum to transport students. Any excess cost is the responsibility of the district.

Under certain circumstances districts are required to provide AIL payments to families of nonpublic, charter, or choice students. AIL payments are set at the state maximum transportation formula amount. Districts are not required to cover costs in excess of the state maximum if AIL payments are requested by families.¹³⁵

Coordinated Transportation Services Agency (CTSA)

New Jersey state law allows certain governmental entities to act as Coordinated Transportation Services Agencies (CTSAs) to maximize efficiency. These entities provide districts with additional options for transporting nonpublic school students, students with special education transportation needs, and vocational students. CTSAs may transport public and nonpublic students who are mandated to receive transportation or, if the CTSA’s policy allows, courtesy busing. CTSAs are used to provide transportation for resident and non-resident students.¹³⁶

The most a CTSA can charge a resident district for transportation per student is the state maximum amount or actual cost of transportation, plus an administrative fee. This fee is typically between 2% and 6%, paid by the district of residence. As with districts, CTSAs may charge families for all or part of the cost of courtesy busing unless financial hardship conditions apply.

LAKWOOD PUBLIC SCHOOL DISTRICT TRANSPORTATION

Lakewood Public School District has an estimated 50,000 school-age children, of which about 4,600 are enrolled in public school. The district is responsible for transportation services for many of the over 45,000 nonpublic school students residing in the district. As of October 2023, the district financially supported transportation for 4,727 public school students (including charter school students) and over 36,231 nonpublic school students. **Table 47** shows the number of students that Lakewood Public School District

¹³³ Ibid

¹³⁴ Sarlo, P.A. (2023, June 28). *State of New Jersey. NJ Legislature*. <https://pub.njleg.state.nj.us/publications/budget/S2024.pdf>

¹³⁵ Ibid

¹³⁶ Ibid

funded for transportation by school type, further split by mandated and courtesy transportation. Students receiving aid in lieu of transportation are included in the table.

TABLE 47: STUDENT TRANSPORTATION COUNTS BY SCHOOL TYPE AND MANDATED VERSUS COURTESY, FY 2024, LAKEWOOD PUBLIC SCHOOL DISTRICT

School Type	Mandated	Courtesy	Total
Public	2,502	1,779	4,281
Nonpublic	26,259	9,510	35,769
Nonpublic SWD	367	0	367
Charter (public)	325	121	446
Other/Not specified	95	0	95
Total	29,548	11,410	40,958

Note: Retrieved from "Lakewood all grades.xlsx" and "Lakewood routes 22 w-macros.xlsx," October 2023, provided by NJ Department of Education.

Additional courtesy transportation students are transported by the Lakewood Student Transportation Authority (LSTA) and are funded through government grants through the town and fees charged to families. The LSTA is further described later in this chapter. The LSTA transports roughly 25,000 mandated nonpublic students and 10,000 nonpublic school courtesy busing students each year.

Lakewood does not operate its own bus yard. All routes are contracted out and procured through a bid process. The district uses a standard state contract form and standard county competitive bidding process. Lakewood arranges transportation for public school students and contracts through the LSTA to provide services to nonpublic school students. Lakewood's relationship with the LSTA is contractual in nature, with contract renewal subject to the Lakewood Public School District Board of Education's approval.

Lakewood Public School District's transportation department is staffed by a coordinator, an assistant coordinator, two managers, a compliance and safety officer, and a clerk.¹³⁷ Routing is performed using the Versatrans student transportation management system which can create outputs for uploading into the state transportation system of record, DRTRS (District Report of Transported Resident Students). Versatrans is one of the leading school transportation systems on the market. The state uses entries in DRTRS to determine state transportation aid to districts.

A unique characteristic of Lakewood Public School District among New Jersey districts is the number of nonpublic school students Lakewood is required to transport in comparison to its public school student transportation count. An analysis of 2021-2022 statewide data indicates that Lakewood's responsibility for transportation dwarfs the next largest district, even if courtesy busing is removed. Furthermore, Lakewood has both a transient population and a growing population of nonpublic school students.

TABLE 48: TOP 20 NEW JERSEY SCHOOL DISTRICTS RANKED BY TOTAL STUDENTS PROVIDED TRANSPORTATION OR AID IN LIEU, LAKEWOOD PUBLIC SCHOOL DISTRICT

County	District	Regular Public	Regular Special Education	Special Education Special Needs	Nonpublic Transported	Nonpublic AIL	Courtesy	TOTAL
Ocean	Lakewood Twp	2137	0	1014	23229	2211	12367	40958
Ocean	Toms River Regional	5290	536	449	823	1885	5114	14097
Essex	Newark City	9012	4434	296	3	312	0	14057
Monmouth	Freehold Regional	6352	1321	460	74	587	2830	11624

¹³⁷ Lakewood Public School District (NJ) transportation. (n.d.). <https://www.lakewoodpiners.org/domain/32>

Ocean	Jackson Twp	4600	750	357	1439	2428	1702	11276
Cumberland	Vineland City	6345	142	281	0	534	3210	10512
Middlesex	Edison Twp	4656	329	377	0	1222	3522	10106
Mercer	W Windsor-Plainsboro Reg	6192	27	225	148	305	2243	9140
Camden	Cherry Hill Twp	3088	472	354	56	572	4480	9022
Somerset	Franklin Twp	4593	552	484	23	770	2186	8608
Atlantic	Egg Harbor Twp	4953	669	423	222	458	1766	8491
Ocean	Brick Twp	3376	1115	337	426	78	3091	8423
Middlesex	Old Bridge Twp	4819	424	268	374	262	2032	8179
Somerset	Bridgewater-Raritan Reg	4706	316	343	0	428	2358	8151
Middlesex	Woodbridge Twp	3003	63	669	330	198	3836	8099
Middlesex	South Brunswick Twp	4703	41	309	47	207	2141	7448
Mercer	Hamilton Twp	3299	598	566	301	432	1998	7193
Middlesex	East Brunswick Twp	3418	492	362	34	180	2583	7069
Burlington	Lenape Regional	4538	1041	135	65	280	1004	7063
Middlesex	Monroe Twp	4489	636	181	0	310	1381	6997

Note: Retrieved from https://www.nj.gov/education/finance/fp/audit/2223/October2022_DRTRS_CountySummary.xlsx, 2022, provided by NJ Department of Education.

Lakewood Student Transportation Authority (LSTA)

The Lakewood Student Transportation Authority (LSTA) was initially enabled by Bill S2049 of the 2016-2017 Session of the New Jersey Legislature. The statute established a three-year pilot program to meet nonpublic student transportation needs. The law provided that an eligible district would pay the consortium the aid in lieu amount for each nonpublic school student who is required to be transported in accordance with state law. The consortium takes on responsibilities of the district for transportation of students the consortium receives payment for, including paying AIL if the cost to transport exceeds the AIL amount. If the consortium has funds available after transporting required students, it may provide courtesy busing. The consortium must refund any leftover funds to the district.¹³⁸

The LSTA is the only consortium established under this law to support Lakewood Public School District. After the pilot, the LSTA was granted the authority to continue operating. In addition to the funds received from Lakewood, the LSTA receives grants from Lakewood Township of about \$1.2 million per year to help pay for courtesy transportation. Furthermore, the LSTA has opted to collect a fee from parents (currently \$260) for additional students to help fill seats on the bus and offset costs.¹³⁹

Lakewood Student Transportation Authority functions similar to a coordinated transportation services authority (CTSA). However, a CTSA is a governmental entity and the LSTA is a non-profit limited-liability company. Districts typically cannot contract directly with religious schools for education support services, but a non-profit organization can.

The LSTA appears to be an innovative solution for meeting Lakewood's transportation mandates and the community's religious restrictions. Unlike a CTSA, LSTA cannot charge an administrative fee. One of the LSTA's advantages over Lakewood for operating nonpublic routes is its flexibility in charging for courtesy busing, which Lakewood cannot do because of the district's free and reduced lunch percentages. A study performed by Lakewood, NJ CPA firm HFA Certified Public Accountants and Advisors in 2020 found that

¹³⁸ *Bill S2049 Session (2016-2017)*. New Jersey Legislature. https://www.njleg.state.nj.us/bill-search/2016/S2049/bill-text?f=PL16&n=22_

¹³⁹ *Lakewood Student Transportation Authority LLC*. (2020, July). ProPublica. <https://projects.propublica.org/nonprofits/organizations/813531813>

the LSTA saves the district over \$11 million versus the district bidding and managing all routes.¹⁴⁰ Any savings goes toward the LSTA providing courtesy transportation in accordance with the local government's preferences. PCG received only the summary documents for this study and cannot verify these findings.

The LSTA utilizes the same bid and contract forms as does Lakewood along with the same procurement practices. As a non-governmental entity, the LSTA has been responsive to requests for records. There is a lack of public-facing information on the LSTA's web presence. The LSTA uses the Versatrans school transportation management system (as does Lakewood) to track and route students and to generate uploads for DRTRS. The LSTA uses the same procedures as Lakewood to verify student residency in accordance with Board Policy 5111, "Eligibility of Resident/Nonresident Students." A compliance officer who works for Lakewood also monitors LSTA contractors to ensure bus safety standards.

Recent Legislation

In 2024, state legislation was enacted that further codified the LSTA and enabled other similar consortia to form.¹⁴¹ There are several differences between the LSTA's enabling legislation from 2016 and the new law. The original was a three-year pilot program limited to one eligible district where the new law allows more than one and a consortium may be formed of schools in multiple counties or districts. The 2024 law also drops the size requirements for participating districts. A major change in the new program that differs from the 2016 pilot is that the new law does not allow the consortium to use savings to provide courtesy transportation; all savings must be returned to the district. Another major change is that the consortium, under the new law, may assess up to a six percent administrative charge, where there was no such fee allowed under the 2016 pilot.¹⁴² The new law sunsets after the third year. Lakewood has been operating the LSTA after the original pilot through a series of waivers.¹⁴³ PGC has no information on if or how the new law will impact the future operation of the LSTA or the continued relationship between Lakewood and the LSTA.

Transportation Contract Vendor Analysis

¹⁴⁰ *Executive Summary, Lakewood Transportation Analysis, 2020, HFA CPA.* (2023, May 8). Lakewood Public School District.

¹⁴¹ Assembly no. 5412 state of New Jersey 220th legislature. (2023, May 8). State of New Jersey. https://pub.njleg.state.nj.us/Bills/2022/A5500/5412_R2.PDF

¹⁴² Bill S2049 session 2016-2017. (n.d.). State of New Jersey. https://www.njleg.state.nj.us/bill-search/2016/S2049/bill-text?f=PL16&n=22_

¹⁴³ *Contract extension between Lakewood Board of Education and the Lakewood Student Transportation Authority.* (2023, August 30). Provided by Lakewood School Transportation Authority.

Table 49 displays the distribution among vendors of students transported between the five school types served by Lakewood Public School District. These figures are based on files extracted from DRTRS (District Report of Transported Resident Students) as of October 2023. Additional students receiving family-paid courtesy busing to fill the private school buses are not in the DRTRS database. All spelling and punctuation of vendor names are as they appear in the data file. Aid in lieu, parental transport, and vendors transporting fewer than ten students were pulled out of the analysis; counts of these students appear on the table.

TABLE 49: PERCENTAGE OF STUDENTS TRANSPORTED BY SCHOOL TYPE PER VENDOR, FY 2024, LAKEWOOD PUBLIC SCHOOL DISTRICT

% of students transported by school type						
Vendor (excluding AIL, Parent, <10 students)	Public	Nonpublic	Nonpublic Students with Disabilities	Charter	Other	Students Transported
Baal Hagolo Transportation Corp	0%	100%	0%	0%	0%	196
Belz Institutions Of Lakewood	0%	100%	0%	0%	0%	174
Congregation Rachmistrivka, Inc.	0%	100%	0%	0%	0%	410
D.A.G. Transport LLC	25%	0%	60%	0%	15%	52
HT Bus Services	0%	100%	0%	0%	0%	1576
Jay's Bus Service	13%	87%	0%	0%	0%	23229
Klarr Transport Service	10%	72%	1%	17%	0%	2530
Masoras Avos Inc	0%	100%	0%	0%	0%	413
Meoros Nosson Bussing	0%	100%	0%	0%	0%	440
Presidential Transporttaion, LLC.	12%	88%	0%	0%	0%	3948
School Bound Transportation	49%	0%	51%	0%	0%	35
Seman Tov	12%	81%	7%	0%	0%	4108
Talmud Torah Toldos Yakov	0%	100%	0%	0%	0%	197
Talmud Torah Yesodei Hatorah	0%	100%	0%	0%	0%	133
Toras Imecha, Inc.	0%	100%	0%	0%	0%	623
UTA of Lakewood	0%	100%	0%	0%	0%	551
Subtotal (% of transported)	11%	87%	1%	1%	0%	
Subtotal (count of transported)	4263	33589	337	428	14	38615
AIL, Parent, <10	18	2180	30	18	81	2343
Total (count of transported)	4281	35769	367	446	95	40958

Note: Retrieved from "Lakewood all grades.xlsx" and "Lakewood routes 22 w-macros.xlsx," October 2023, provided by NJ Department of Education.

- The contractors with the largest numbers of students transported (Jay's Bus Service, Klarr Transportation Service, Presidential Transportation, and Seman Tov) have distributions between public and nonpublic school students transported that resemble the overall split between the two school types.
- Jay's Bus Services transports approximately 60% (20,245) of all students.
- Two vendors (D.A.G. Transport and School Bound Transportation) transport smaller numbers of students and appear to concentrate on serving students with special education needs.
- There are ten other contractors (Baal Hagolo Transportation, Belz Institutions of Lakewood, Congregation Rachmistrivka, HT Bus Services, Masoras Avos, Meoros Nosson Bussing, Talmud Torah Toldos Yakov, Talmud Torah Yesodei Hatorah, Toras Imecha, and UTA of Lakewood) transporting exclusively nonpublic school students.
- We assume based on our review of route data that the "Other" column represents students receiving IEP-required transportation

Transportation Route Analysis

Table 50 shows the average cost to Lakewood Public School District to transport each student by type of school and mandated versus courtesy transportation. Due to variability in the cost of transporting students with disabilities, this analysis excluded students whose IEP required special transportation accommodations. Students receiving aid in lieu of transportation are also excluded.

TABLE 50: AVERAGE TRANSPORTATION COST TO TRANSPORT STUDENTS BY SCHOOL TYPE, EXCLUDING IEP-REQUIRED AND AID IN LIEU

	School Type			
	Public	Nonpublic	Charter	All Types
Mandated	\$1,652.73	\$849.87	\$895.30	\$907.46
Courtesy	\$1,129.41	\$821.44	\$846.50	\$869.87
All	\$1,397.45	\$841.85	\$881.38	\$896.10

Note: Retrieved from "Lakewood all grades.xlsx" and "Lakewood routes 22 w-macros.xlsx," October 2023, provided by NJ Department of Education.

Lakewood Public School District handles transportation for the public school and public charter school students. The Lakewood Student Transportation Authority handles transportation for nonpublic school students. The LSTA pays less per student than Lakewood Public School District for students not requiring special transportation accommodations per their IEPs. **Table 51** may partially explain this cost difference in that Lakewood buses appear to run less full than LSTA routes. As with **Table 50**, IEP-required and AIL students are excluded.

TABLE 51: AVERAGE STUDENTS TRANSPORTED PER ROUTE, EXCLUDING IEP-REQUIRED AND AID IN LIEU

	School Type		
	Public	Nonpublic	Charter
Students transported	3647	33588	424
Number of routes	138	742	10
Students per route	26.4	45.3	42.4

Note: Retrieved from "Lakewood all grades.xlsx" and "Lakewood routes 22 w-macros.xlsx," October 2023, provided by NJ Department of Education.

PGC reviewed routes to determine whether the most expensive routes appeared unreasonable as far as cost per rider. Given that the most expensive routes are generally small ridership routes for IEP-required special education, without specifics we cannot tell if costs are excessive. However, observing that the most expensive routes are for IEP-required transportation is consistent with what we would expect in such a review.

Cost per route and students transported per route are two measures of efficiency of bus routes. Student ride time, empty miles and empty/idle time are other common measures. Determining these would require an analysis of routes in Lakewood's and the LSTA's Versatrans systems which were not available at the time of this report. The favorable cost per student of the LSTA routes could be a function of the high utilization of seats, shorter routes, more students per stop, and fewer stops. LSTA staff also believe their relationship with local vendors contributes to bids favorable to the LSTA and to contractor retention. According to LSTA, if there were an expectation that efficiency would result in a discount or refund to the district, there would be one. However, the LSTA is designed to meet the town's desire to provide courtesy busing and minimize children walking hazardous routes, and the LSTA does that with the savings and income from families.

In some cases, vendors are using the same buses to do separate routes, taking advantage of tiered schedules and cooperation between the nonpublic schools to ensure transportation services are available

but bidding as if the routes were stand-alone. There may be an opportunity for Lakewood and the LSTA to receive lower bids by monitoring these patterns of grouping by the vendors and soliciting pre-packaged groups of routes.

PCG found some extreme examples of the same bus being used for multiple routes. During the analysis we noted obvious data entry errors, but where those could be filtered out, significant examples remained of the same plate number used for several routes. Many districts employ double or even triple tier routes to alleviate driver shortages, leverage capital resources, or to help drivers and aides get enough hours for full-time pay and benefits. Four or higher tiers per bus are not common but the database analysis showed as many as eight routes per plate in some cases. New Jersey double tier routes cost in the \$115,000 range; that number can be used as a reasonableness check in case routing practices are such that AM and PM routes are classified as separate routes. Special education routes can come with a higher-than-expected price tag per route, but then we would expect to see fewer riders on such routes so a lower ridership number could indicate a bus transporting high-needs special education students. **Table 52** displays the top 20 plate numbers, by cost, along with the operator and number of routes served by each bus.

TABLE 52: TOP 20 BUS PLATE NUMBERS BY SUM OF ROUTE COST

Plate	Ownership	Sum of Riders	Sum of Route Cost	Routes
Y456S1	Jay's Bus Service	315	\$309,547.15	8
N269S1	Jay's Bus Service	295	\$283,993.39	7
N271S1	Jay's Bus Service	252	\$264,085.53	8
F2868S1	Seman Tov	54	\$262,018.20	4
H583S1	Jay's Bus Service	213	\$251,625.78	7
F164S1	Jay's Bus Service	213	\$250,404.64	6
G621S1	Jay's Bus Service	288	\$246,337.92	6
R518S1	Jay's Bus Service	233	\$245,915.41	7
F823S1	Jay's Bus Service	282	\$245,559.81	6
U241S1	Jay's Bus Service	185	\$239,660.51	6
P518S1	Jay's Bus Service	229	\$232,886.70	6
N639S1	Jay's Bus Service	274	\$228,624.85	6
U236S1	Jay's Bus Service	243	\$224,806.95	5
R154S1	Presidential Transportaion, LLC.	260	\$220,838.65	6
Y610S1	Presidential Transportaion, LLC.	236	\$213,902.40	6
L910S1	Jay's Bus Service	205	\$212,960.50	5
H566S1	Jay's Bus Service	253	\$212,617.76	5
R138S1	Seman Tov	36	\$210,511.80	4
J421S1	Jay's Bus Service	231	\$210,237.18	6
E434S1	Jay's Bus Service	230	\$208,909.56	5

Note: Retrieved from "Lakewood all grades.xlsx" and "Lakewood routes 22 w-macros.xlsx," October 2023, provided by NJ Department of Education.

Staff Salaries

High salaries of senior transportation staff were noted during PCG's review of Lakewood Public School District's User-Friendly Budgets and the IRS 990 forms. More analysis is needed to see how the salaries compare to similar operations in New Jersey. Comparable districts for transportation administration purposes should reflect the number of students transported (regular and special education), not just district enrollment, due to the difference in effort and overhead for administering transportation for the nonpublic students in addition to the public and public charter students.

Lakewood Public School District Transportation Administration

Lakewood salaries were listed in the User-Friendly Budgets which contain the following narrative: "N.J.S.A. 18A:7F-5.3 requires that the user-friendly budgets contain detailed information on the salaries and benefits of each district superintendent, assistant superintendent, school business administrator and school district employee whose annual base salaries exceeds \$75,000, and who is not a member of a collective bargaining unit."

Transportation administrator salaries from the Lakewood user-friendly budgets are as listed:¹⁴⁴

- 2022-2023: Interim Transportation Manager, 1.0 FTE, 260 days, \$150,800
- 2022-2023: Interim Transportation Manager, 1.0 FTE, 260 days, \$78,000
- 2021-2022: Interim Transportation Manager, 1.0 FTE, 260 days, \$135,000
- 2021-2022: Interim Transportation Manager, 1.0 FTE, 260 days, \$110,000
- 2020-2021: Interim Transportation Manager, 1.0 FTE, 260 days, \$130,000
- 2020-2021: Interim Transportation Manager, 1.0 FTE, 260 days, \$104,000
- 2019-2020: No transportation salaries over \$75,000 reported
- 2018-2019: Transportation Manager, 1.0 FTE, 260 days, \$90,000
- 2017-2018: Coordinator/Director/Manager/Supervisor of Transportation, 1.0 FTE, 260 days, \$92,250

Lakewood has two transportation managers for the 2023-2024 school year, neither of whom are listed above. According to the District website, is currently a Transportation Coordinator. Per review of Board minutes, the two Interim Transportation Managers were hourly employees of the district during 2022-2023, both at a rate of \$100/hour. A current Transportation Coordinator who also works as Director for LSTA reported to PCG that he works for Lakewood approximately 22 hours per week and does not receive benefits from Lakewood.¹⁴⁵

Lakewood Student Transportation Authority Senior Officers

Lakewood Student Transportation Authority senior officer salaries over \$100,000 were listed in the IRS Form 990 for the LSTA. These senior officers and their salaries are as follows:¹⁴⁶

- 2021-2022: Director, 50 hrs/wk, \$257,028
- 2021-2022: Assistant Director, 50 hrs/wk, \$113,539
- 2020-2021: Director, 50 hrs/wk, \$224,028
- 2019-2020: Director, 50 hrs/wk, \$218,367

Potential Dual Employment

PCG observed potential dual employment of a senior staff member between Lakewood's transportation department and LSTA, both positions being reported in User-Friendly Budgets and the LSTA IRS Form 990 as full-time. This could be problematic for several reasons, most concerning of all potential for procurement issues, diminished incentive to return saved funds to Lakewood, and potential for conflicts in

¹⁴⁴ 2023-24 school district budget summaries/salaries & benefits. (n.d.). <https://www.nj.gov/education/finance/fp/ufb/>

¹⁴⁵ Meeting of the Lakewood Board of Education held on Wednesday, May 12, 2021. (2021, May 12).

<https://www.lakewoodpiners.org/site/handlers/filedownload.ashx?moduleinstanceid=77&dataid=1590&FileName=May%2012%202021.pdf>

¹⁴⁶ Lakewood Student Transportation Authority LLC. (n.d.). Propublica. <https://projects.propublica.org/nonprofits/organizations/813531813>

contract oversight of LSTA as a vendor. The total compensation to this staff member reported for FY 2022 from both sources is \$392,028. The FY 2023 IRS 990 for LSTA is not yet publicly available.

The New Jersey Department of Education’s manual on the student transportation contracting process states, “the bid process shall be designed to encourage free, open and competitive bidding. Bidding shall also be designed to prevent fraud, favoritism and extravagance, to safeguard the taxpayers, and protect the lowest responsible bidder.”¹⁴⁷ Lakewood Board of Education District Policy 1540, Administrator’s Code of Ethics, states that “no administrator or member of his/her immediate family shall have an interest in a business organization or engage in any business, transaction, or professional activity that is in substantial conflict with the proper discharge of his/her duties in the public interest.” Board Policy 6115.03, Federal Awards/Funds Internal Controls – Conflict of Interest contains the following statement affirming the need to avoid potential conflict of interest in using federal grants including ESSER: “No employee, officer, or agent of the Board of Education may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest.”¹⁴⁸

Transportation Funding

Analysis of the October 2023 DRTRS files showed that the total value of bus routes for Lakewood Public School District was \$43,900,195.14. Average expenditure per student based on that figure (\$43,900,195.14 divided by 40,958 students) is \$1,071.83, including IEP-required transportation and AIL. Looking at the Lakewood Annual Comprehensive Financial Report (ACFR) it is difficult to find specific transportation expenditure figures that tie to that total. Furthermore, there are some routes listed in the routes file with dollar amounts but no students. This in itself does not indicate that Lakewood is being charged for empty or non-running buses; more exploration and analysis would be needed.

Table 53 displays the Lakewood expenditures that are directly attributed to transportation in the last several ACFRs. Other transportation-related expenses may be classified in categories other than transportation or not included in the Lakewood ACFR, depending on expenditure coding and accounting practices.

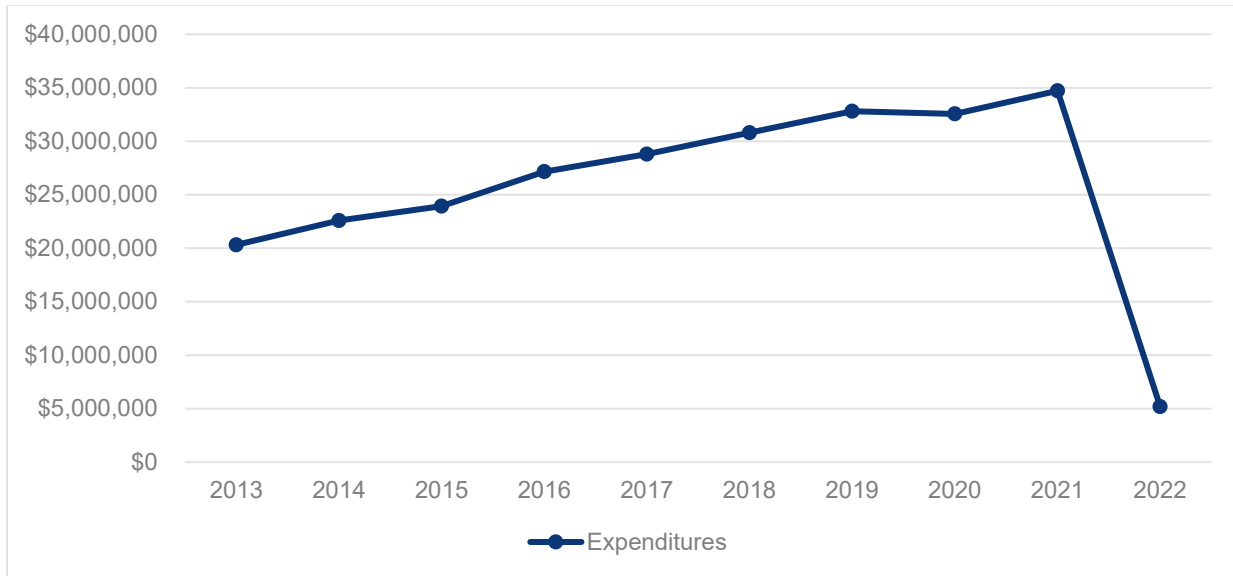
TABLE 53: TRANSPORTATION EXPENSES PER ACFR, LAKEWOOD PUBLIC SCHOOL DISTRICT

Fiscal year ending	Expenditures, Pupil Transportation
2022	\$5,184,538
2021	\$34,719,706
2020	\$32,555,800
2019	\$32,808,113
2018	\$30,799,400
2017	\$28,797,644
2016	\$27,156,552
2015	\$23,931,396
2014	\$22,590,184
2013	\$20,312,121

¹⁴⁷ *Contracting student transportation services*. (2014). New Jersey Department of Education. Retrieved from <https://www.nj.gov/education/finance/transportation/contracts/contracting.pdf>

¹⁴⁸ *Lakewood board of education*. (n.d.).

<https://www.straussesmay.com/seportal/Public/districtpolicyTOC.aspx?id=69d917eec73348b88ae66af620e165e5>



Note. Retrieved from "Exhibit J-4, Lakewood Public School District Annual Comprehensive Financial Report" 2022. (<https://nj.gov/education/finance/fp/acfr/search/22/2520.pdf>)

Several state funding sources specifically for education were listed in the 2022 ACFR.

- State Categorical Aid \$3,052,174
- Nonpublic Transportation Aid \$1,500,000
- Chapter 192 Auxiliary Transportation Aid \$428,642

Municipal Transportation Aid of \$1.2 million was also noted in the 2022 ACFR. The balance of funding for transportation is likely to be local tax revenue or federal funds. The preliminary FY 2023 budget earmarked \$14,043,275 of ARP-ESSER III funds for nonpublic transportation.¹⁴⁹ PCG is not able to determine if ESSER III was actually spent on nonpublic transportation or if prior expenditures had been recoded to ESSER III.

Lakewood Student Transportation Authority Funding

Funding for the LSTA comes from three major sources, The first is an agreement with Lakewood Public School District to provide transportation or aid in lieu for approximately 25,000 nonpublic school students at the maximum AIL rate per student. For FY 2022, this amount was \$24,740,600. The next largest is fees paid by families for courtesy transportation designed to fill the buses. LSTA charged \$260 per student for the approximately 10,000 students receiving this service. For FY 2022, the total revenue to the LSTA from families paying for in-district and out-of-district transportation was \$2,513,364. The third and final revenue stream is a payment from the town to help ensure that nonpublic school students get seats on a bus. For FY 2022, this amount was \$1,203,100. Total revenue for the LSTA (FY 2022) was \$27,253,964.

The LSTA's expenses totaled \$30,813,857 for FY 2022. Program expenses included \$28,817,333 for contracted bus services and \$869,994 for aid in lieu payments. The LSTA reported administrative expenses of \$1,126,530, about 3.8% of program expenses, which is in line with what CTSA's charge (although the LSTA does not explicitly charge an administrative fee in the same way that CTSA's do). One concern is that the LSTA appears to be running at a loss each year and has a growing amount of receivables at the end

¹⁴⁹ 2022-2023 Introduced budget presentation. (2022, March 23). <https://www.lakewoodpiners.org/cms/lib/NJ01001845/Centricity/Domain/4/2022-23%20Introduced%20Budget%20Presentation%20FINAL%203-23-22.pdf>

of each fiscal year. More exploration would be needed to determine the nature of the deficit and receivables and whether there is cause for concern.¹⁵⁰

FINDINGS

PCG reports the following findings:

- There is potential co-employment of a key staff member between Lakewood Public School District and the Lakewood Student Transportation Authority
- Bid/procurement procedures and contracts appear to be done in accordance with standard practices, except for conflict of interest policy compliance
- There does not appear to be preferential treatment of certain vendors in the procurement process; route profitability analysis would be required to confirm this
- Data quality in the transportation management and reporting systems along with the User-Friendly Budgets could be improved
- Many nonpublic students do not have a student ID number in DRTRS. This presents a risk that students might be counted and funded in multiple counties
- The LSTA appears to be an innovative solution to providing transportation and meeting the local community's needs in a unique and challenging environment
- Administering programs for a large number of nonpublic students requires additional support at the district level. Much of this has been outsourced to the LSTA
- The new nonpublic transportation consortium law may impact Lakewood and LSTA if waivers for LSTA are discontinued
- The contract renewal dated August 30, 2023 between Lakewood Public School District and the Lakewood Student Transportation Authority "Disclosure of Prohibited Investment Activities in Iran, Russia and Belarus" form carries the Township of Branchburg (a New Jersey town in Somerset County) rather than Lakewood Public School District as the contracting unit. A spot-check of three RFPs on the Lakewood 2024-2025 RFPs/Bids/Proposals page revealed the same error. This could indicate a systematic lack of legal, procurement, and financial review and oversight of bid documents
- Net position and expenditure data for transportation reported in Lakewood's latest available ACFR went down by roughly \$30 million from FY 2021 to FY 2022. This indicates a major change in funding source, accounting practices, or other issues to explore further

Further observations may have an impact on provision of a "thorough and efficient" education for Lakewood students:

- There may have been inappropriate use of \$14,043,275 of ARP-ESSER III funds for nonpublic transportation versus for learning initiatives
- There are potential opportunities to lower prices by bidding tiered routes as packages rather than individually. Some buses are running four to eight routes a day at a total cost of over \$200,000 per bus
- The LSTA enabling statute requires that unused funds be returned to the district. If funds are allocated to salary in lieu of being returned, these funds could have been used for instruction or to partially offset the district's advance loan debt
- The town has contributed millions to the LSTA for courtesy transportation while not maximizing the potential school tax rates every year

¹⁵⁰ *Lakewood Student Transportation Authority LLC*. (n.d.). Propublica.
<https://projects.propublica.org/nonprofits/organizations/813531813>

APPENDIX

A. STAKEHOLDER ENGAGEMENT

Interviews held with Lakewood Public School District Stakeholders

1. Ana Faone, Central Registration Coordinator, Parent Liaison, Homeless Liaison
2. Charles DePeri, Facilities Manager
3. Jane Gulics, Non-public grants/Purchasing Specialist
4. Jason Mercer, Grants Office CPA
5. Kevin Campbell, Assistant Business Administrator
6. Dr. Laura Winters, Superintendent
7. Michael Inzelbuch, General Counsel, Board & District (virtual)
8. Ronald Fisher, State Monitor (departed Lakewood in December 2023)

Focus groups held with Lakewood Public School District Stakeholders

1. Board of Education Group 1
2. Board of Education Group 2
3. Board of Education Group 3
4. Board of Education Group 4
5. Curriculum Supervisors
6. Child Study Team Members
7. Counselors/Social Workers
8. Early Childhood School Principals
9. Elementary School Teachers
10. Families and Caregivers (Two groups, offered in Spanish & English)
11. High School Special Education Teachers
12. High School Teachers
13. In District Students
14. Instructional Coaches
15. Middle School Special Education Teachers
16. Middle School Teachers
17. Middle/High School Assistant Principals
18. Middle/High School Principals
19. PreK/Elementary Special Education Teachers
20. Related Service Providers (SLP, OT, PT)
21. School Nurses
22. School Support Staff
23. Special Education Middle and High School Paraeducators
24. Special Education Supervisors
25. Transportation Department
26. Union Leadership

Virtual follow-up conversations with Lakewood Public School District Stakeholders

1. Abe Krawiec, LSTA Director
2. Adina Weisz, Supervisor of Related Services
3. Amy Bearden, Transportation Manager
4. Devorie Stareshefsky, Supervisor of Special Education
5. Dr. Laura Winters, Superintendent
6. Michelle DiPietro, Supervisor of Child Study Teams

7. Ronald Fisher, State Monitor (departed Lakewood in December 2023)
8. Robert Finger, State Monitor (arrived in Lakewood January 2024)
9. Susan Naples, Ocean County Special Education Specialist
10. Tracy Paolantonio, Supervisor of ESL/Bilingual Services

Financial Controls Walkthrough Participants

1. Agnese Bratolli, Accounting Manager
2. Diane Piasentini, Purchasing Manager
3. Jane Gulics, Non-public grants/Purchasing Specialist
4. Jason Mercer, Grants Office CPA
5. Jim Trischitta, Supervisor of Technology & Security Grants
6. Kari Vashey, Human Resource Manager
7. Kevin Campbell, Assistant Business Admin

B. DATA AND DOCUMENTATION RECEIVED

Received from Lakewood Public School District

1. AP Course Offerings
2. AP Student Assessment Data
3. AP Student Demographics
4. AP Master File
5. Application List
6. Annual Comprehensive Financial Report (2022) (ACFR) and the roll up from the trial balance to the ACFR
7. Budget information for curricular materials
8. 2023-2024 Case Managers
9. Coordination and Supervision
10. Count of Self-Contained Classrooms
11. Controls Inventories
12. Class Size for Elementary, Middle and HS ELA, Math, and Science Courses
13. Curriculum map and/or pacing guide ELA/Reading, Math and Social Studies K-12
14. Curriculum adoption process
15. Curriculum Improvement Plans or Action Plans
16. Curriculum Supervisor Job Descriptions
17. District program and Outcome Data
18. Employee Master File
19. Enrollment Numbers as of January 29, 2024
20. Facilities Reports
21. FTEs for Elementary, Middle and High School
22. Financial Policy Manuals
23. FSP Controls Evidence
24. GOV Controls Evidence
25. General Ledgers
26. High School Schedule
27. HR Controls Evidence
28. 23-24 Hazardous Streets
29. IEP Student Files
30. Improvement planning
31. Instruction aligned with core standards & curriculum
32. Instructional Support
33. Interventions for Students with IEPs
34. Instructional resources ELA/Reading, Math and Social Studies K-12

35. Litigation and Settlement Decisions (Monetary) over the past five years
36. Lesson plan samples ELA/Reading, Math and Social Studies K-12
37. Lakewood ML Totals by School and Grade Level
38. Lakewood State Monitor Letter
39. Monitoring Performance
40. Multi-tiered System of Supports (MTSS) Manual
41. Middle and High School Course Offerings
42. MTSS-Lakewood School District
43. NJSMART Data Extract for SY21-SY23 (October 15th Snapshot) – student and staff data
44. Number of students in each High School Class
45. Number of teachers non-renewed over the past five years at each school
46. Organization Chart
47. Online resources provided by textbook Vendor
48. Other curriculum reviews
49. Paraprofessional Allocation
50. Paraprofessional Determination of Need
51. Paraprofessional Evaluation
52. Paraprofessional Types
53. Principal Job Descriptions
54. Professional development (PD)
55. Pre-Approved Textbook List
56. Percent time in Gen Ed Report
57. PTP Controls Evidence
58. Referrals
59. School Board Meeting Recordings
60. Special Education Accountability
61. Special Education Data Reports
62. Special Education Due Process
63. Special Education Fiscal Expenditures
64. Special Education High-Cost Areas
65. Special Education Parents
66. Special Education Student Census
67. Special education teachers' evaluation
68. Students Educated in General Education Classes
69. Student text(s) names for ELA/Reading, Math and Science
70. School Maps with Room Designation of Usage
71. Student text(s) names for ELA/Reading, Math and Science
72. Staff Grievances (Levels 2-4 in accordance with the CBA) over the past five years
73. Suspension rates
74. Teacher text and supplemental material for ELA/Reading, Math, and Science
75. Trade books or other texts
76. Textbook cycles
77. Training or PD provided to support textbook and/or curriculum adoption
78. Trial Balances for each of the last 5 years, broken out by sub-accounts
79. Unit-level plans/modules ELA/Reading, Math and Social Studies K-12

Data Received from New Jersey Department of Education

1. AP Performance Reports
2. Compensatory Education Reviews disproportionality data
3. CRRSSA Funding Report
4. DRTRS Records
5. IDEA Grant Applications

6. IEP Student Files
7. IEP selection for Compensatory reviews
8. Letter explaining identification of significant disproportionality
9. List of engagement in trainings/programs that Lakewood has been involved in
10. Prior School Year Student Level Discipline Referral and Suspension Data - All Students With and Without IEPs
11. QSAC curriculum review
12. QSAC Reports
13. Ratio requirements for school personnel
14. Settlement agreements

Data Received from "Everyone Alcantara" Listserv

The following documents were received by PCG from everyonealcantara@lakewoodpiners.org; on behalf of Michael Inzelbuch (michael@pinersprideisback.com).

Document Name	Document Description
2017-2023 Alcantara Data March 25 2023	Includes: Chronic absenteeism, NJSLA ELA, NJSLA Math, Resignations and Termination numbers, average salaries, SAT scores, QSAC ratings, preschool teacher salaries, preschool improvements, list of foreign languages offered, aggregated vocational student data
2021-2024 LAA Contract signed with board resolution (FINAL)	Formal resolution between Lakewood Public Schools and the Lakewood Board of education concerning terms and conditions of employment
2023 - 2024 Bilingual ESL Data	Bilingual/ESL Data
2023-2024 After School Clubs	PDF containing afterschool clubs 23-24
2023-2024 After School Clubs, Activities & Sports	Sports: High school fall sports, winters sports, spring sports, gold team - coed new, middle school fall sports, middle school winter sports, middle school spring sports, clubs & activities.
2023-2024 CTE Programs at LHS	Career and Technical Education at LHS
2023-2024 CTE Programs at LHS	List of CTE programs
2023-2024 Lakewood Public District Goals	Lakewood School District's Goals for the 2023-2024 School Year (English)
2023-2024 Lakewood Public District Goals	Lakewood School District's Goals for the 2023-2024 School Year (Spanish)
2023-2024 Textbook, Inventory, Kindergarten - Grade 12	Textbook inventory (K-6, Grades 7-12)
ACLU/NJDOE Lawsuit - Email #3-Alcantara	Email content: Info regarding the ACLU/NJDOE lawsuit from 2005 - serves as the basis of the Districts position that B.Gantwek not be involved
After School Clubs/Sports	Email regarding afterschool clubs clarification
Alcantara - Fernanda's Story	Email content: intro to Fernandas story (student with hearing loss)

Alcantara on AP Classes	In her Alcantara Decision, Judge Scarola made incorrect statements regarding the education of 3-year-old preschool students, the availability of vocational programs, the teaching of languages other than Spanish (including Latin and ASL), and the provision of AP classes.
Alcantara Review Email #2	Info on tasks discussed during call
Bilingual Manual	Bilingual Program Handbook
Board Attorney Video - April 2021	Video: The Lakewood School District is advocating for increased funding while highlighting their commitment to delivering a comprehensive education to all students, substantiated by audit recommendations and demonstrable improvements in educational outcomes.
Booklet_8.17_Print.PDF_Lakewood School District	Overview of school personnel, buildings in District, high level programs offered
Career and Technical Education (CTE) Numbers @ LHS	Number of students enrolled in various vocational programs for the 2023-2024 school year
Commissioner Allen - McMillan - Charter School Review	Dr. Laura Winters requesting a comprehensive of the Ocean Academy Charter School Located in Lakewood to actin commissioner, department of education
CORRECTED DROPOUT RATES and GRADUATION RATES	Graduation and dropout rates 2016-2023
Data for Alcantara - March 27, 2023 "Meet and Greet"	Email content: "As we feel very strongly that we are on a positive trajectory offering a 'T&E' based on the totality of factors we are presented with , other than an important factor , lack of stability to teachers, students, and the community due to always being dependent on possible loans, I present this data/documentation/video for your review."
December Crash Report	Traffic Incidents in Lakewood
Fernanda's Story	The video shared is about Fernanda, a bright student with hearing loss who made excellent progress during the ESY 2023 program with the help of her case manager and a team of teachers and specialists, and she will continue to receive support from a TOD throughout the school year despite recommendations for out-of-District programs.
FULLY EXECUTED SETTLEMENT.pdf	Settlement agreement: OSEP to withdraw its petition of appeal filed with the commissioner of education.
FW_Lakewood District Funding	Email from Michael in response to an email sent to Dr. Winters by The star-Ledger
Fwd_Information Requested	Email with summary of communication with parents and social workers assigned to buildings
Hispanic Heritage Month Recap	video demonstrating Hispanic heritage month

Instant Decision Days	Students make decisions about college acceptance in a video
LAA Contractual Increases 2021-2024	Approved percent increase for 2021-2024 with capped sick and personal leave payout caps listed
Lakewood - Expiring CEIS Release.pdf	Details on released IDEA Funds by Lakewood provided by DOE - saved in DOE Data folder.
Lakewood 2023 Year in Review	Review of the year video
Lakewood crashes rise 69% in 20 years	Lakewood crashes rise 69% in 20 years; here are the changes planned (app.com)
Lakewood DPR 22-23	NJ Single Accountability Continuum - District Performance Review (District information and score summary) Years 2022-2023
Lakewood Reconsideration Determination	Information regarding the districts reconsideration request and subsequent placement on the NJ Quality Single Accountability Continuum (NJQSAC)- District is considering appealing the instruction score.
Lakewood Reconsideration	Lakewood Township School District reconsideration request on the placement of the District on the New Jersey Quality Single Accountability Continuum, in areas of instruction and program, fiscal management, governance operation and personnel.
Lakewood School District Data - Data-As Per NJDOE Performance Reports	Data table of enrollment percentage by subgroup
Lakewood State Monitor Letter	Letter announcing new state monitor assigned to Lakewood
Latino Family Literacy at OCC	Latino Family Literacy Project
LEA & LAA Contracts	Email including contractual increases for 2021-2026
LEA Contract 2021-2026 Final	Agreement between the Lakewood Education Association NEA/NJEA/OCCEA/LEA and the Board of Education of Lakewood NJ
LEA Contract Notes for the 2021-2026 Contract - Approved November 17, 2023	Letter announcing successful negotiations for salary guides between Lakewood and the union.
Letter to Barbara Gantwerk 12-8-05	Lakewood Board of Education letter
LHS Marching Band Playing at Rutgers	Photo
LHS Program of Studies 23-24 LW	Program of studies Handbook 2023-2024
LMS After School Interventions	After school academic clubs offered at LMS
LTSA waiver approval FY24 Final	Approval from NJ DOE to continue with transportation contracting for 2023-2024 school year

Mel Wynns School Funding Flaws	The severe funding formula flaws that have been affecting the Lakewood School District and similar Districts with regard to property wealth and income calculations, as well as funding for special education programs, are causing significant challenges, with the potential for state intervention and loans in the future.
NJSLA - District 2022 v 2023	Standardized testing results
NJSLA - Final Results by District and SCHOOL Sept 3, 2023	Standardized test results: by District wide results
NJSLA-District 2022 v 2023	Standardized test results: NJSLA Scores 2022 v 2023. by School.
Oct22_ASSA_2520	District tuition + ASSA report
PCG Letter	Requested information about consultants/employees involved in the Lakewood Report, asked for a list of New Jersey Districts PCG has issued reports for, and requested the removal of Barbara Gantwerk from involvement in the Comprehensive Review
PCG onsite Coordination	Staff members that were randomized assigned have resigned: Andrea Palermo, Gabrielle Lafer, Kelly Myron
Petition 7-28-06	Board of Education of the Township of Lakewood Ocean County v. Office of Special Education, Division of Student Services New Jersey Department of Education
Petition	Lakewood Board of Education Petitioner v. New Jersey Department of Education, Special Ed programs respondent
Pictures of College Center at Lakewood High School	Picture of college center at Lakewood High School
Pictures of FAFSA Night - Jan 17th	Pictures of Financial Aid Night
Post Secondary data 2024	Post secondary information (College rep visits, name of universities/college/ number of students, other events)
Program of Studies Handbook 2023-2024	High School course offerings (including AP)
QSAC 2014 to 2023 LW	New Jersey Quality Single Accountability Continuum (NJQSAC) Review
QSAC 2014 to 2023	Email content referring to the QSAC scores in 2014-2023
Resignations	Email listing the number of staff resignations from 2018-2023
Salary Data as of October 18, 2023	Email content: Average salary of certified staff (\$71,343.53) & Paraprofessionals (\$27,400.30)
Smoking Gun - Barbara Gantwerk Email 5-17-05	Gantwerk email: Lakewood Special Education Figures
Special Ed Vocational Programs	Email content: "Deidre Llach would be a great person to talk to regarding Lakewood High School's Vocational Visions Program. DLlach@lakewoodpiners.org "

State Report 5-24-06	Review of referrals of students to special education programs in the Lakewood school District
Sue Gamm Document Lakewood Special Ed Funding Report	NJ School Funding Impact on Lakewood Public Schools: Focus on special Ed. Discusses: Overview of NJ's school funding framework, unique nature of Lakewood, NJ's school funding framework disproportionately and adversely impacts LSD, NJ's special ed funding designed is not aligned with Lakewood.
Sue Gamm Report 7-30-06	Preliminary Report of New Jersey Department of Education Findings
Summer Program 2023, May 15, 2023.pdf	Summer Program Catalog
Vocational Visions Program - LHS Presentation	Presentation on LHS - purpose is to enhance and develop the talents and strengths of students with disabilities.
White Paper from Legislative Auditors	School District funding for review, issues were based on recent forensic audit of a school District.

C. PARTICIPATION IN STATE-SPONSORED PROFESSIONAL LEARNING

The New Jersey Department of Education offers professional learning throughout the year to LEAs. The below table lists all Lakewood staff participation in state-sponsored professional learning. Lakewood staff registered to attend 105 course events between February 2021 to November 2023. There were a total of 195 staff registrations across the course events. Registration counts ranged from 1 staff member in most cases to 20 staff at the highest end.

Event Title	Date Held	Attendee Count
<u>ESL Schedules During Remote and Hybrid Instruction</u>	<u>2/17/2021</u>	<u>1</u>
<u>Drilling Guidance for Schools February 2021</u>	<u>1/25/2021</u>	<u>3</u>
<u>Deaf Education Roundtable for Speech-Language Pathologists/Specialists</u>	<u>4/19/2021</u>	<u>1</u>
<u>Perkins Amendment Technical Assistance Webinar FY21</u>	<u>2/22/2021</u>	<u>1</u>
<u>SY21-22 State Seal of Biliteracy Information and Updates Previously Participating Districts</u>	<u>12/1/2021</u>	<u>1</u>
<u>Drilling Guidance for Schools March 2021</u>	<u>2/26/2021</u>	<u>3</u>
<u>NJDOE Third Annual Early Learning Virtual Conference (Social Emotional Learning Session)</u>	<u>3/24/2021</u>	<u>1</u>
<u>NJDOE Third Annual Early Learning Virtual Conference (Foster Parent Partners Session)</u>	<u>3/24/2021</u>	<u>1</u>
<u>NJDOE Third Annual Early Learning Virtual Conference (Math Work Stations Session)</u>	<u>3/24/2021</u>	<u>1</u>
<u>NJDOE Third Annual Early Learning Virtual Conference (Power of Inclusion Session)</u>	<u>3/24/2021</u>	<u>2</u>
<u>Perkins V FY 2022 Introduction Technical Assistance Webinar</u>	<u>3/18/2021</u>	<u>1</u>
<u>Perkins V FY 2022 Introduction Technical Assistance Webinar</u>	<u>3/19/2021</u>	<u>1</u>
<u>Leveraging High-quality Science Resources</u>	<u>5/11/2021</u>	<u>1</u>
<u>CRRSA Act/ESSER II Technical Assistance Session</u>	<u>4/9/2021</u>	<u>1</u>
<u>Adapting Science Curricula</u>	<u>4/13/2021</u>	<u>1</u>

<u>Instructional Models that Support Accelerated Learning in Science</u>	<u>6/8/2021</u>	<u>1</u>
<u>CRRSA Act/ESSER II Technical Assistance Session</u>	<u>4/6/2021</u>	<u>1</u>
<u>Drilling Guidance for Schools April 2021</u>	<u>3/31/2021</u>	<u>2</u>
<u>Bridge Year Liaison Webinar</u>	<u>5/7/2021</u>	<u>2</u>
<u>Drilling Guidance for Schools May 2021</u>	<u>5/4/2021</u>	<u>1</u>
<u>Drilling Guidance for Schools June 2021</u>	<u>5/27/2021</u>	<u>3</u>
<u>Celebrating Our School Communities as the 2020-2021 School Year Comes to a Close</u>	<u>6/3/2021</u>	<u>2</u>
<u>SY21-22 WIDA: Nurturing Speaking Growth (Nov. Live Webinar Dates)</u>	<u>11/3/2021</u>	<u>1</u>
<u>SY21-22 WIDA: Learning through 2 Languages for School Leaders (15 weeks)</u>	<u>1/10/2022</u>	<u>1</u>
<u>SY21-22 NJDOE Three Year Plan Content & Forms Training (P.M.)</u>	<u>11/8/2021</u>	<u>1</u>
<u>2021-2022 DREAMS Program Orientation-By Invitation Only</u>	<u>8/26/2021</u>	<u>1</u>
<u>Dare to Dream Student Leadership Conference</u>	<u>10/8/2021</u>	<u>2</u>
<u>Presentation for Professionals Serving Students who are Deaf or Hard of Hearing</u>	<u>10/6/2021</u>	<u>3</u>
<u>Deaf Education Administrator's Roundtable</u>	<u>10/19/2021</u>	<u>2</u>
<u>Preparing for FY23 Perkins V CLNA: Through the Lens of Equity (CENRAL REGION Part 1)</u>	<u>5/18/2022</u>	<u>1</u>
<u>Dare to Dream Student Leadership Conference</u>	<u>10/15/2021</u>	<u>1</u>
<u>Conducting Child Study Team Evaluations for Students who are Deaf or Hard of Hearing</u>	<u>10/18/2021</u>	<u>9</u>
<u>Conducting Child Study Team Evaluations for Students who are Deaf or Hard of Hearing</u>	<u>12/9/2021</u>	<u>5</u>
<u>Fire and Security Drilling Guidance for Schools</u>	<u>9/10/2021</u>	<u>4</u>
<u>American Rescue Plan Elementary and Secondary School Emergency Relief</u>	<u>10/26/2021</u>	<u>1</u>
<u>SY21-22 Experienced Bilingual/ESL/ELS Supervisors (P.M.)</u>	<u>12/15/2021</u>	<u>1</u>
<u>American Rescue Plan Elementary and Secondary School Emergency Relief</u>	<u>11/9/2021</u>	<u>1</u>
<u>ARP ESSER Round Table Series - Summer Learning/Afterschool Programs/Grant Deadlines</u>	<u>6/15/2022</u>	<u>1</u>
<u>Structuring Gifted and Talented Professional Development for Educators</u>	<u>1/20/2022</u>	<u>1</u>
<u>SY21-22 Charter School Bilingual/ESL/ELS Supervisors and Coordinators Training</u>	<u>3/9/2022</u>	<u>1</u>
<u>Conducting Child Study Team Evaluations for Students who are Deaf or Hard of Hearing</u>	<u>3/29/2022</u>	<u>2</u>
<u>Elementary and Secondary School Emergency Relief (ESSER) Performance Report</u>	<u>3/2/2022</u>	<u>2</u>
<u>An Intro to Creating Trauma-Informed Learning Environments</u>	<u>4/5/2022</u>	<u>3</u>
<u>School Safety and Security Webinar</u>	<u>3/3/2022</u>	<u>1</u>
<u>CANCELED ELL Topics: Bilingual Programs in N.J. & Parents Rights Bilingual Policy</u>	<u>4/25/2022</u>	<u>1</u>
<u>Innovative Use of Federal Funds</u>	<u>5/26/2022</u>	<u>1</u>
<u>ESEA Title Programs: Purposes and Uses of Funds</u>	<u>5/5/2022</u>	<u>3</u>
<u>DAEF Grant FY23 Original Application Technical Assistance Session</u>	<u>6/2/2022</u>	<u>1</u>
<u>School Security and Safety Seminar - Ocean County</u>	<u>8/17/2022</u>	<u>5</u>
<u>Leveraging PLCs to Accelerate Learning (Cohort 2)</u>	<u>9/20/2022</u>	<u>1</u>

<u>New Preschool Instructional Coach Seminar-Central Region</u>	<u>10/20/2022</u>	<u>1</u>
<u>FY22 ESEA Final Expenditure Report Technical Assistance</u>	<u>9/21/2022</u>	<u>1</u>
<u>Virtual Roundtable for Professionals Serving Students who are Deaf or Hard of Hearing</u>	<u>10/24/2022</u>	<u>4</u>
<u>Virtual Roundtable for Professionals Serving Students who are Deaf or Hard of Hearing</u>	<u>11/1/2022</u>	<u>1</u>
<u>Virtual Roundtable for Professionals Serving Students who are Deaf or Hard of Hearing</u>	<u>11/3/2022</u>	<u>3</u>
<u>Mental Health Webinar Series: Session 3</u>	<u>10/19/2022</u>	<u>1</u>
<u>2022-2023 Regional Preschool Administrator Meeting- North</u>	<u>10/27/2022</u>	<u>2</u>
<u>McKinney-Vento Roundtable, October 11, 2022 ~ 10:30 am - 12:00 pm</u>	<u>10/11/2022</u>	<u>1</u>
<u>New Preschool Community Parent Involvement Specialists in State Funded Preschool Programs</u>	<u>10/27/2022</u>	<u>1</u>
<u>2022-2023 Regional Preschool Administrator Meeting-Central-Session #2</u>	<u>11/30/2022</u>	<u>1</u>
<u>SY22-23 Experienced Bilingual/ESL/ELS Supervisors and Coordinators Training</u>	<u>11/30/2022</u>	<u>2</u>
<u>SY22-23 ELL Topics: Bilingual Programs in N.J. & Parents Rights (Part 1 of 2 Series)</u>	<u>11/15/2022</u>	<u>1</u>
<u>Mental Health Webinar Series: Session 4</u>	<u>11/16/2022</u>	<u>1</u>
<u>Bilingual Programs in N.J. & Parent Rights Part 2</u>	<u>2/7/2023</u>	<u>1</u>
<u>Positive School Climate for Students Experiencing Homelessness</u>	<u>12/6/2022</u>	<u>1</u>
<u>Preschool in a Mixed Delivery System- Session #2</u>	<u>12/9/2022</u>	<u>1</u>
<u>Seal of Biliteracy 2022-2023 Updates</u>	<u>12/7/2022</u>	<u>1</u>
<u>Sheltered Instruction Training of Trainers</u>	<u>3/28/2023</u>	<u>1</u>
<u>2022-2023 Regional Preschool Administrator Meeting (Session #3): Central</u>	<u>2/2/2023</u>	<u>1</u>
<u>Elementary and Secondary School Emergency Relief (ESSER) Performance Report</u>	<u>3/17/2023</u>	<u>1</u>
<u>Responding to School Bomb Threats</u>	<u>3/16/2023</u>	<u>1</u>
<u>Strategies for Safe, Supportive, and Healthy Schools Using Title IV, Part A Funds</u>	<u>3/15/2023</u>	<u>3</u>
<u>Using ARP-HCY Funds to Meet Student Needs</u>	<u>3/6/2023</u>	<u>1</u>
<u>2022-2023 Regional Preschool Administrator Meeting (Session #4): Central (Howell)</u>	<u>5/9/2023</u>	<u>1</u>
<u>Responding to School Bomb Threats</u>	<u>3/31/2023</u>	<u>1</u>
<u>State Board of Education Central Regional Public Testimony Hearing - May 3, 2023</u>	<u>5/3/2023</u>	<u>1</u>
<u>Understanding the "NEW" LEA Homeless Data Tools and Resources - Region III</u>	<u>4/19/2023</u>	<u>1</u>
<u>Veteran Instructional Coach Meeting</u>	<u>5/3/2023</u>	<u>2</u>
<u>Matching Students to Employment Sites to improve Work-Based Learning Experiences for SWD</u>	<u>7/20/2023</u>	<u>1</u>
<u>Utilizing the Inclusive Classroom Profile (ICP) in the Preschool Classroom</u>	<u>8/10/2023</u>	<u>2</u>
<u>School Psychological Evaluations for Students who are Deaf or Hard of Hearing</u>	<u>8/16/2023</u>	<u>1</u>
<u>Introduction to the FY 2024 Perkins Application</u>	<u>5/11/2023</u>	<u>1</u>
<u>Understanding the Purposes and Uses of ESSA Funding</u>	<u>5/16/2023</u>	<u>2</u>
<u>Understanding the Purposes and Uses of ESSA Funding</u>	<u>5/23/2023</u>	<u>6</u>
<u>FY24 ESEA Original Application Technical Assistance</u>	<u>6/7/2023</u>	<u>1</u>

<u>Sustainability - Looking Beyond American Rescue Plan Homeless Children and Youth Program</u>	<u>6/6/2023</u>	<u>1</u>
<u>Cohort 3 Preschool Child Outcome Summary (COS)</u>	<u>9/20/2023</u>	<u>3</u>
<u>Standards for School Searches - Virtual Presentation</u>	<u>7/24/2023</u>	<u>20</u>
<u>New Jersey Learning Acceleration Program: High-Impact Tutoring Grant</u>	<u>8/11/2023</u>	<u>3</u>
<u>Chapter 9C and Professional Learning Guidance: 2023-2024 and Beyond</u>	<u>8/24/2023</u>	<u>1</u>
<u>Chapter 15 Bilingual Education Code</u>	<u>9/19/2023</u>	<u>5</u>
<u>New and Experienced Bilingual/ESL/ELS Supervisors and Coordinators Training</u>	<u>11/14/2023</u>	<u>1</u>
<u>Dynamic Duo</u>	<u>10/3/2023</u>	<u>1</u>
<u>Exploring Strategies to Address Meta- Cognition in the Curriculum</u>	<u>10/5/2023</u>	<u>1</u>
<u>Part 2: Choices and Consequences: Setting Limits through Play</u>	<u>10/11/2023</u>	<u>1</u>
<u>Equity and Empathy: Strategies for Welcoming All Learners in Our Inclusive Classrooms</u>	<u>9/18/2023</u>	<u>1</u>
<u>Part 1: Using Play to Support Children's Expression and Social-Emotional Learning (SEL)</u>	<u>10/4/2023</u>	<u>1</u>
<u>Collaborative Meeting of the Early Mathematics Leaders Consortium across the P-3 Continuum</u>	<u>11/2/2023</u>	<u>1</u>
<u>Professional Learning for Math Leaders: Differentiated Math Centers across the P-3 Continuum</u>	<u>12/4/2023</u>	<u>1</u>
<u>Professional Learning for Math Leaders: Assessment Practices across the P-3 Continuum</u>	<u>2/22/2024</u>	<u>1</u>
<u>Coaching Consortium for (VETERAN) K-3 Instructional Coaches</u>	<u>12/1/2023</u>	<u>3</u>
<u>Seal of Biliteracy 2023-2024 Updates</u>	<u>10/30/2023</u>	<u>1</u>
<u>Innovation Dual Enrollment Pilot Notice of Grant Opportunity TA Session</u>	<u>10/18/2023</u>	<u>2</u>
<u>An Overview of the 2023 NJ Student Learning Standards for English Language Arts</u>	<u>11/20/2023</u>	<u>5</u>
<u>An Overview of the 2023 NJ Student Learning Standards for English Language Arts</u>	<u>11/28/2023</u>	<u>1</u>

D. CODE LIST FOR QUALITATIVE ANALYSIS

Code List for Focus Groups and Interviews

Domain Category	Codes Used
Governance	<ul style="list-style-type: none"> • Communication • Leadership • Policies and Practices
Curriculum & Education	<ul style="list-style-type: none"> • Access to Advance Coursework • Career Planning • Curriculum Development • Curriculum Materials/Resources • Instructional Strategies • Lesson Scripts • Pacing Guides • Standards Alignment • Commitment to Students • Communication

	<ul style="list-style-type: none"> ○ Efficacy ○ Transparency ● Extracurricular Activities ● Morale ● Professional Development ● Services for Bilingual Learners ● Teacher and Leadership Dynamics
Special Education	<ul style="list-style-type: none"> ● Family and Community Engagement <ul style="list-style-type: none"> ○ Access ○ Advocacy ○ Collaboration ○ Communication ○ Community Partnerships ○ Resource Center and Training ● Human Capital <ul style="list-style-type: none"> ○ Flexible Career Pathways ○ Quality Professional Learning ○ Recruitment ○ Retention ○ Staff Wellness ● High Expectations <ul style="list-style-type: none"> ○ Culturally Relevant Practices ○ Growth Mindset ○ Inclusivity ○ Positive Learning Environment ○ Presumed Competence ○ Student Engagement and Voice ● Learning Environment and Specialized Services <ul style="list-style-type: none"> ○ Access to General Education Curriculum ○ Early Childhood, Transition Activities ○ Eligibility, evaluation Criteria, processes ○ IEP Development ○ Individualized Supports ○ Learning Environment ○ Positive Behavior Supports ● Leadership <ul style="list-style-type: none"> ○ Vision and Strategic Plan ○ Collaboration ○ Shared Accountability ○ Student-centered Decision Making ○ Team Building and Morale ● Systems and Structures <ul style="list-style-type: none"> ○ Data quality, culture, capacity ○ Equitable funding and staffing ○ Organizational Structure and Role ○ Policy, Procedure, Compliance

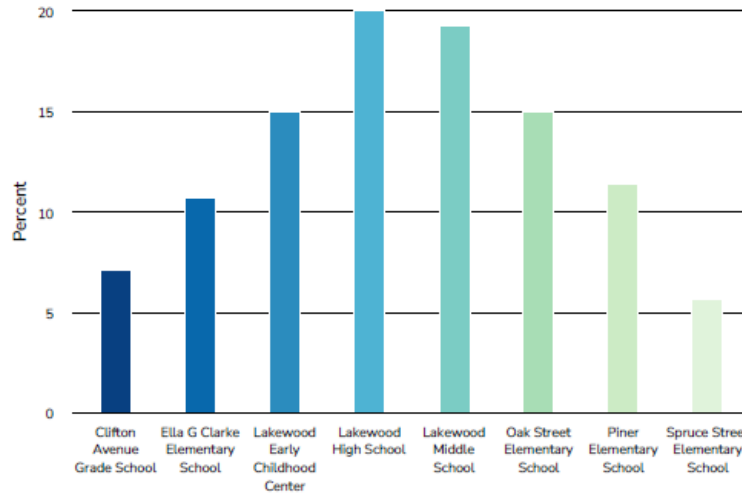
	○ Space and Materials
Transportation	<ul style="list-style-type: none">• Non-Public• Public
Finance	<ul style="list-style-type: none">• Contracts• Non-Public Services• Public Services• Routes

E. SURVEY RESULTS

Lakewood Public School District Staff Survey

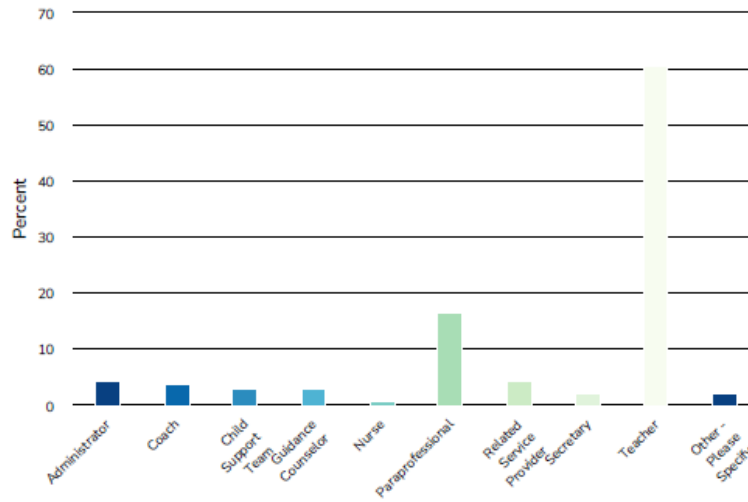
PCG conducted a virtual survey for school-based staff in Lakewood Public School District. Results of the survey are shared below.

1. Please select the building(s) that you work in.

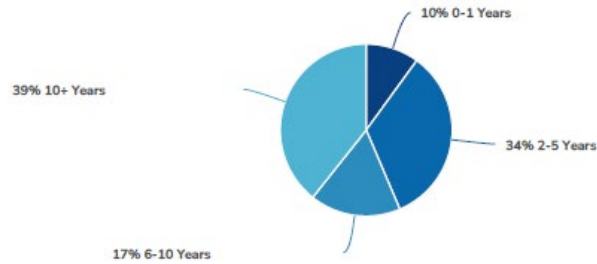


Value	Percent	Responses
Clifton Avenue Grade School	7.1%	10
Ella G Clarke Elementary School	10.7%	15
Lakewood Early Childhood Center	15.0%	21
Lakewood High School	20.0%	28
Lakewood Middle School	19.3%	27
Oak Street Elementary School	15.0%	21
Piner Elementary School	11.4%	16
Spruce Street Elementary School	5.7%	8

2. Please select your role within Lakewood Public Schools.



3. How long have you worked in the Lakewood Public School District?



Value	Percent	Responses
0-1 Years	10.0%	14
2-5 Years	33.6%	47
6-10 Years	17.1%	24
10+ Years	39.3%	55
		Totals: 140

4. Please indicate your level of agreement with the following statements regarding Teaching and Learning

	Agree	Disagree	I Don't Know	Responses
My school holds high expectations for every student, irrespective of their race, ethnicity, cultural background, language, sexual orientation, gender identity, economic status, disability, and religious beliefs. important issues and events. Count Row %	129 92.1%	10 7.1%	1 0.7%	140
Teachers differentiate instruction for our diverse student population needs. Count Row %	118 84.3%	16 11.4%	6 4.3%	140
Teachers provide interventions to help students succeed in core classrooms. Count Row %	124 88.6%	14 10.0%	2 1.4%	140
Teachers have collaborative relationship with families to increase opportunities for students to learn. Count Row %	103 73.6%	29 20.7%	8 5.7%	140
Teachers need to supplement content areas when designing and teaching. Count Row %	103 73.6%	16 11.4%	21 15.0%	140
There are structures and processes used to implement new programs and innovations that ensure success. Count Row %	74 52.9%	54 38.6%	12 8.6%	140
My teaching is hindered by a lack of high quality instructional materials and supplies at my school. Count Row %	49 35.0%	74 52.9%	17 12.1%	140
Teachers ensure NJ Learning Standards (NJS) are incorporated in my lessons and treated with appropriate depth and quality required to support student learning. Count Row %	115 82.1%	10 7.1%	15 10.7%	140
Totals Total Responses				140

5. Please indicate your level of agreement with the following statements regarding Professional Development

	Agree	Disagree	I Don't Know	Responses
I have the professional development I need to implement the NJS effectively. Count Row %	98 70.0%	24 17.1%	18 12.9%	140
I have many opportunities to attend professional development within the school day (i.e. workshops, PLCs, coaching). Count Row %	98 70.0%	38 27.1%	4 2.9%	140
Professional development opportunities offered by LPS help me to monitor student progress. Count Row %	79 56.4%	40 28.6%	21 15.0%	140
Coaching and mentoring are integral aspects of professional learning and growth at my school. Count Row %	95 67.9%	32 22.9%	13 9.3%	140
Teachers and school leaders examine data disaggregated by student groups in team-level meetings. Count Row %	99 70.7%	17 12.1%	24 17.1%	140
Teachers and school leaders participate in planned meetings to review and discuss data. Count Row %	111 79.3%	15 10.7%	14 10.0%	140
Totals Total Responses				140

6. Please indicate your level of agreement with the following statements regarding Learning Environment and Specialized Services

	Agree	Disagree	I Don't Know	Responses
The district offers a robust continuum of services to support students with IEPs. Count Row %	83 59.3%	43 30.7%	14 10.0%	140
My school provides an inclusive environment for students with IEPs. Count Row %	111 79.3%	19 13.6%	10 7.1%	140
IEPs are implemented with fidelity (i.e., goals are time bound and relevant, present level statements that align to goals, related services that are prescribed and delivered, accommodations are consistently delivered). Count Row %	96 68.6%	28 20.0%	16 11.4%	140
Student progress toward IEP goals is analyzed and discussed (i.e., qualitative and quantitative data are collected and shared in progress reports and in IEP meetings). Count Row %	100 71.4%	14 10.0%	26 18.6%	140
Totals Total Responses				140

7. Please indicate your level of agreement with the following statements regarding Family and Community Engagement

	Agree	Disagree	I Don't Know	Responses
The IEP process involves collaboration between building administrators, general education teachers, special educators, and parents. Count Row %	105 75.0%	17 12.1%	18 12.9%	140
Parents are given a meaningful opportunity to participate in IEP meetings. Count Row %	111 79.3%	12 8.6%	17 12.1%	140
My school effectively responds to the needs and concerns of families of students with IEPs. Count Row %	96 68.6%	24 17.1%	20 14.3%	140
Totals Total Responses				140

8. Please indicate your level of agreement with the following statements regarding Systems, Structures, and Human Capital

	Agree	Disagree	I Don't Know	Responses
Staffing allocations are sufficient to meet the needs of students with IEPs in my school. Count Row %	66 47.1%	53 37.9%	21 15.0%	140
The central office is responsive to my school's requests for assistance with special education related issues. Count Row %	54 38.6%	35 25.0%	51 36.4%	140
There is written guidance established that defines expectations for special education service delivery. Count Row %	74 52.9%	28 20.0%	38 27.1%	140
With the knowledge I have, I feel equipped to support students with IEPs. Count Row %	104 74.3%	24 17.1%	12 8.6%	140
Totals Total Responses				140

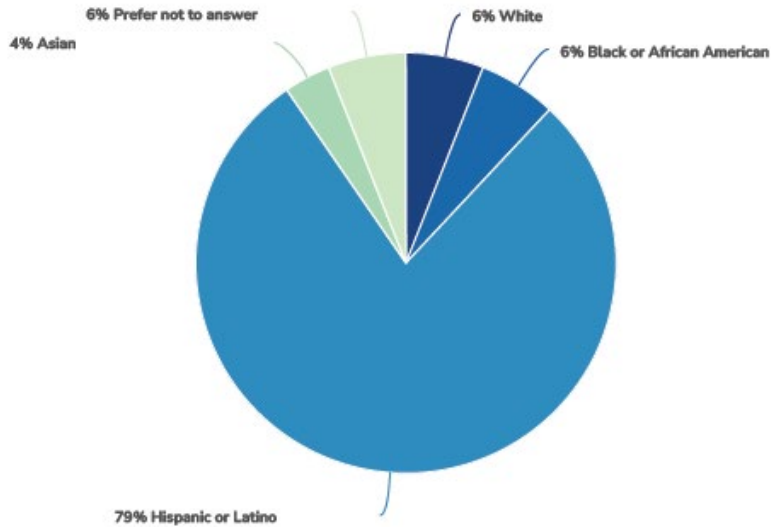
9. Please indicate your level of agreement with the following statements regarding Leadership and High Expectations

	Agree	Disagree	I Don't Know	Responses
Building administrators (principals, assistant principals, etc.) in my school have high expectations of students with IEPs. Count Row %	115 82.1%	11 7.9%	14 10.0%	140
School staff (teachers, related service providers, paraeducators, coaches, social workers, counselors, etc.) in my school have high expectations of students with disabilities. Count Row %	122 87.1%	9 6.4%	9 6.4%	140
There is collaboration between the Child Study Team (CST) and building leadership to implement a robust continuum of services. Count Row %	79 56.4%	30 21.4%	31 22.1%	140
Totals Total Responses				140

Lakewood Public School District Parent & Family Survey

PCG conducted a virtual survey for school-based staff in Lakewood Public School District. Results of the survey are shared below.

1. Please select your race/ethnicity.



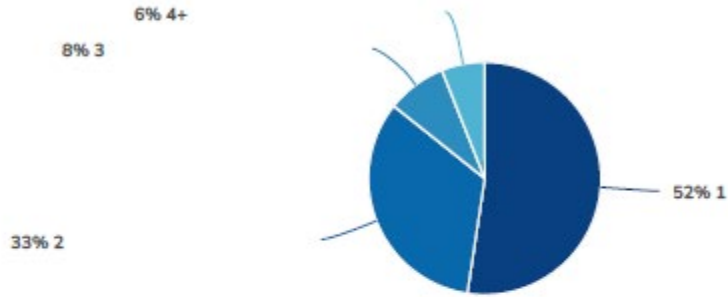
Value	Percent	Responses
White	6.0%	5
Black or African American	6.0%	5
Hispanic or Latino	78.6%	66
Asian	3.6%	3
Prefer not to answer	6.0%	5
Totals:		84

2. How long have you had a child in the Lakewood Public School system?



Value	Percent	Responses
0-1 Years	33.3%	28
2-5 Year	16.7%	14
6-8 Years	11.9%	10
9-12 Years	15.5%	13
12+ Years	22.6%	19
		Totals: 84

3. How many children do you have enrolled in the Lakewood Public School system?



Value	Percent	Responses
1	52.4%	44
2	33.3%	28
3	8.3%	7
4+	6.0%	5

Totals: 84

4. Please indicate your level of agreement with the following statements regarding Communicating Effectively.

	Agree	Disagree	I Don't Know	Responses
The school(s) keeps families informed about important issues and events. Count Row %	72 85.7%	11 13.1%	1 1.2%	84
The school(s) communicates with families in their home language in multiple ways including, using e-mail, phone, or website. Count Row %	75 89.3%	9 10.7%	84	
I can talk to the school principal when I need to. Count Row %	59 70.2%	16 19.0%	9 10.7%	84
My child's teacher communicates with me on a regular basis. Count Row %	70 83.3%	14 16.7%	84	
It's easy to get a translator if I need one. Count Row %	63 75.0%	10 11.9%	11 13.1%	84
School staff respond to my concerns within a reasonable time. Count Row %	66 78.6%	17 20.2%	1 1.2%	84
Totals Total Responses				84

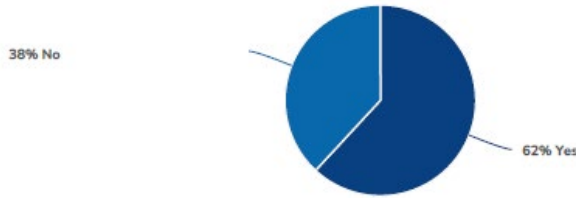
5. Please indicate your level of agreement with the following statements regarding Supporting Student Success.

	Agree	Disagree	I Don't Know	Responses
My child's teacher keeps me well informed about how my child is doing in school. Count Row %	74 88.1%	10 11.9%	84	
I understand the NJ Academic Standards my child is supposed to meet and how the curriculum is linked to those standards. Count Row %	72 85.7%	9 10.7%	3 3.6%	84
My child's teacher gives me useful information about how to improve my child's progress. Count Row %	71 84.5%	13 15.5%	84	
My child is challenged to do their best. Count Row %	77 91.7%	5 6.0%	2 2.4%	84
My child's teachers are aware of his/her/their learning needs. Count Row %	76 90.5%	6 7.1%	2 2.4%	84
Totals Total Responses				84

6. Please indicate your level of agreement with the following statements regarding Advocating for my Child.

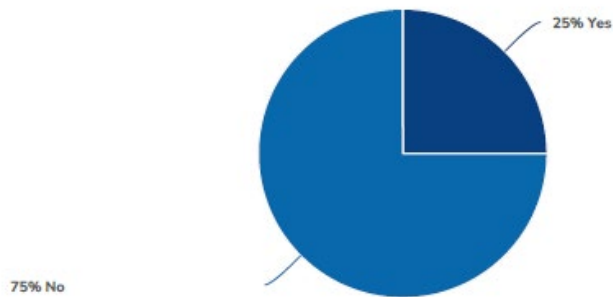
	Agree	Disagree	I Don't Know	Responses
If the school can't help me, they will connect me to someone who can. Count Row %	62 73.8%	10 11.9%	12 14.3%	84
I understand the rules and requirements for student dress, language, and behavior. Count Row %	81 96.4%	2 2.4%	1 1.2%	84
The school keeps me informed of my rights under federal and state laws and policies and helps me exercise those rights as needed. Count Row %	59 70.2%	17 20.2%	8 9.5%	84
I feel empowered to advocate for my child's in school. Count Row %	72 85.7%	6 7.1%	6 7.1%	84
Totals Total Responses				84

7. Is your child receiving English Language Learner (ELL) services?



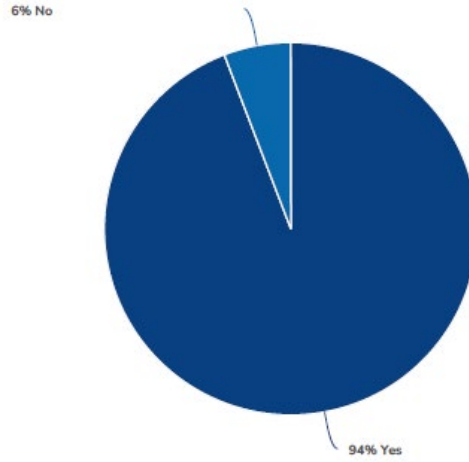
Value	Percent	Responses
Yes	61.9%	52
No	38.1%	32
Totals: 84		

8. Do you have a child that requires Special Education services?



Value	Percent	Responses
Yes	25.0%	21
No	75.0%	63
Totals: 84		

9. Are you satisfied with the English Language services that your child is receiving?



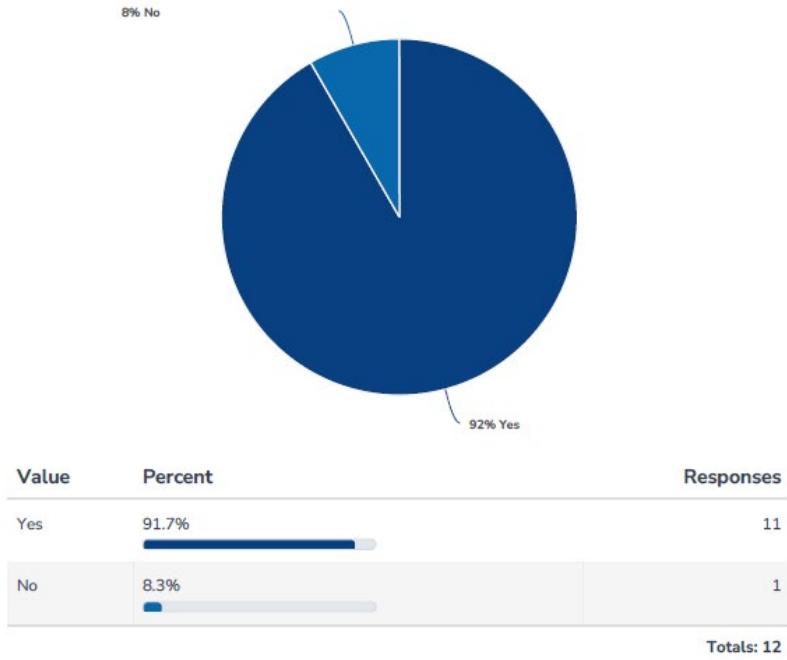
Value	Percent	Responses
Yes	94.2%	49
No	5.8%	3
Totals: 52		

10. Do you require language translation services to better understand your child's educational needs?

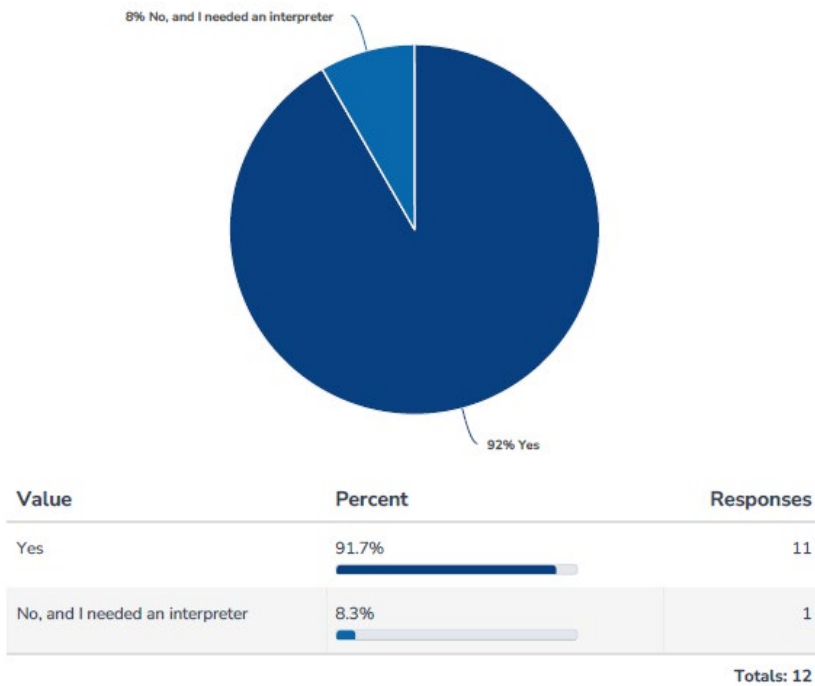


Value	Percent	Responses
Yes	57.1%	12
No	42.9%	9
Totals: 21		

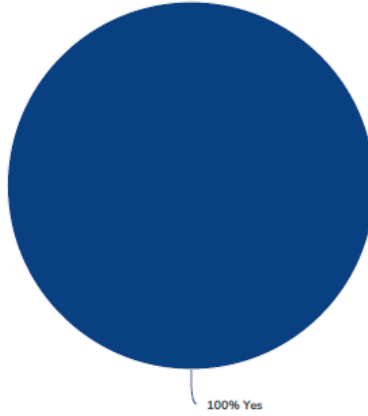
11. Were you asked if you would like to have an interpreter in IEP meetings?



12. Was an interpreter provided at IEP meetings?



13. Did the interpretation provided at the IEP meetings help you understand the information discussed?



Value	Percent	Responses
Yes	100.0%	8
		Totals: 8

14. Please indicate your level of agreement with the following statements regarding Learning Environment and Specialized Services.

	Agree	Disagree	I Don't Know	Responses
My child is receiving the special education services that best fits his/her/their needs. Count Row %	19 90.5%	2 9.5%	21	
My child's school is inclusive of students with IEPs. Count Row %	19 90.5%	2 9.5%	21	
At my child's most recent IEP meeting, the IEP team discuss receiving special education services in the general education class. Count Row %	19 90.5%	2 9.5%	21	
My child is a valued member of the school and is generally included in all academic and extracurricular activities. Count Row %	17 81.0%	2 9.5%	2 9.5%	21
My child is getting the amount and type of services that are listed in his/her/their IEP. Count Row %	16 76.2%	2 9.5%	3 14.3%	21
My child's IEP tells how progress towards goals will be measured. Count Row %	19 90.5%	1 4.8%	1 4.8%	21
I receive reports on my child's progress towards meeting his/her IEP goals. Count Row %	17 81.0%	3 14.3%	1 4.8%	21
Totals Total Responses				21

15. Please indicate your level of agreement with the following statements regarding Family and Community Engagement.

	Agree	Disagree	I Don't Know	Responses
I am familiar with the support offered through the Special Education Parent Advisory Group (SEPAG). Count Row %	15 71.4%	4 19.0%	2 9.5%	21
I have participated in district-led training or workshops for families of students with disabilities. Count Row %	7 33.3%	7 33.3%	7 33.3%	21
I feel comfortable asking questions at IEP meetings. Count Row %	19 90.5%	1 4.8%	1 4.8%	21
My input is considered during IEP meetings. Count Row %	18 85.7%	1 4.8%	2 9.5%	21
Totals Total Responses				21

16. Please indicate your level of agreement with the following statements regarding Systems, Structures, and Human Capital.

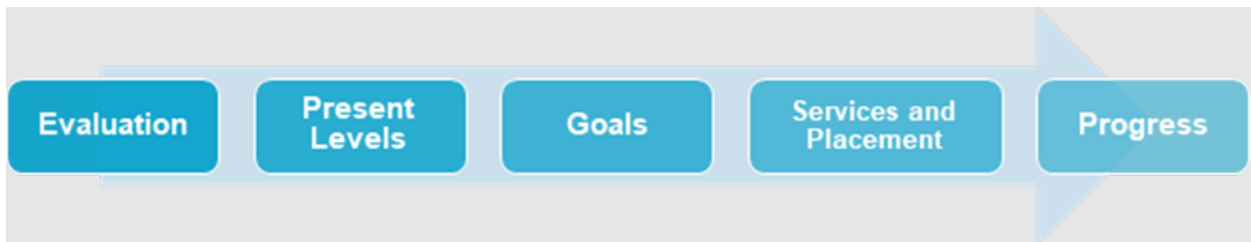
	Agree	Disagree	I Don't Know	Responses
There are enough staff to implement my child's IEP with consistency. Count Row %	17 81.0%	4 19.0%	21	
Totals Total Responses				21

17. Please indicate your level of agreement with the following statements regarding Leadership and High Expectations.

	Agree	Disagree	I Don't Know	Responses
Building administrators (principals, assistant principals, etc.) have high expectations of my child who has an IEP. Count Row %	17 81.0%	1 4.8%	3 14.3%	21
School staff (teachers, related service providers, paraeducators, coaches, social workers, counselors, etc.) have high expectations of my child who has an IEP. Count Row %	19 90.5%	2 9.5%	21	
Totals Total Responses				21

F. GOLDEN THREAD FRAMEWORK

For a student with a disability, his or her IEP team is charged with ensuring that the evaluation supports the existence of a disability and shows a clear connection to the Present Levels of Academic Achievement and Functional Performance (PLAAFP) statement, identified learner characteristics, least restrictive environment considerations, and selected accommodations for instruction and assessment. This logical progression through the body of evidence, known as the **Golden Thread**, should connect the pieces to tell a student’s complete educational story.



Evaluation - What are the student's characteristics as a learner? What is his/her documented disability? How do the evaluation results inform an instructional plan?

Present Levels - What is the student's present level of academic achievement and functional performance (PLAAFP)? How can access to grade-level standards be ensured regardless of the disability or language barrier?

Measurable Annual Goals - What can the child reasonably be expected to accomplish within one year? What types of instructional tasks are expected of the student to demonstrate proficiency in grade-level content? Are goals reasonably ambitious and achievable, and do they address all areas of need?

Services and Placement - What services will be provided? By whom and for how frequent? What accommodations are needed for learning in multiple settings? What services and supports are needed for

the student to progress in all identified areas? Are accommodations documented and used as a foundation for classroom instruction and assessment? Where and how will the student receive services?

Progress Reports - What data are being collected on the fidelity of IEP implementation as well as on student progress toward meeting IEP goals? Is the student making progress?

Quality Indicator Review

This Quality Indicator Review, based on the tenets of the Golden Thread Framework, focuses on areas essential to the development of quality Evaluation, IEP, and Progress Monitoring documentation. Taken together, these documents for students with disabilities provide a comprehensive view of their access, participation, and progress in the general education curriculum and address other disability needs.

The quality indicators are based on these foundational assumptions:

- Results of individual evaluations provide the information the IEP team needs to make its recommendations.
- The student’s strengths and needs guide IEP development.
- The IEP team considers the interrelationship of the impact of the student’s disability and the components of the IEP.
- IEP development occurs in a structured, sequential manner.
- IEPs include documentation of recommendations in a clear and specific manner so the IEP can be implemented consistent with the evaluation team’s recommendations.
- Annual goals are identified to enable the student to progress in the general education curriculum and meet other disability-related needs.
- The IEP team determines how student needs will be met in the least restrictive environment.
- The IEP team demonstrates knowledge of grade level general education curricular and behavioral expectations and benchmarks.
- IEPs are implemented with fidelity and adjusted based on student response to instruction.
- Ongoing progress monitoring and formative assessment of student progress, goals and objectives are consistently implemented.
- Revisions to the IEP are made based on data indicating changes in student needs or abilities.
- IEPs for students with disabilities developed by the evaluation team result in students access, participation and progress in the general education curriculum and address a student's other disability needs.²⁰

PCG used five overarching quality indicators to assess files. The rubric included specific “look-fors,” or classifications of evidence, under each indicator.

Indicator	Evidence
<p>1. Results of individual evaluations provide the information the Evaluation Team needs to make its recommendations.</p>	<ul style="list-style-type: none"> • Evaluation results are reported in a manner that provides sufficient basis for: present levels of performance (PLP); comparison to typically developing peers and grade-level expectations; unique learning characteristics and educational needs of the student; development of IEP annual goals and, as appropriate, short-term instructional objectives and benchmarks; and transition activities. • Evaluation results provide sufficient baseline information for future determination of progress in all areas of the suspected disability. • Evaluation reports are written in clear, precise, and easily understood language that is: jargon free, succinct, and provided in a language/mode of communication understood by the parent. • Evaluation reports identify the nature and extent to which the student may need environmental modifications or accommodations; human and material resources to support learning in the general education curriculum and environment. • Evaluation reports provide instructionally relevant information that provides insight into the student’s learning characteristics and needs and supports development and provision of instruction likely to result in achievement of the student’s IEP goals.

	<ul style="list-style-type: none"> • The Evaluation Team reviews, discusses, analyzes, and evaluates the student's progress in order to address his/her unique needs related to the disability.
<p>2. The IEP Team considers the interrelationship of the impact of the student's disability and present levels in the IEP.</p>	<ul style="list-style-type: none"> • PLAAFPs establish a measurable baseline of student's abilities and needs for determining progress. • Parent input is solicited and included in the development of the IEP. • Clear, concise PLAAFP statements are written in user friendly language, and are a thorough description of student strengths and needs.
<p>3. Annual goals are identified to enable the student to progress in the general education curriculum and meet other disability related needs.</p>	<ul style="list-style-type: none"> • Annual goals focus on the knowledge, skills, behaviors and strategies to address the student's needs. • Goals are developed in consideration of the student's need to progress toward the State standards by identifying the foundation knowledge (e.g., reading/math) necessary to meet the standards and/or the learning strategies that will help him or her to learn the curriculum content. • Targeted learning outcomes/goals are closely aligned to the general education curriculum and aligned with the age/developmental level of the class or grade level. • Annual goals define the path from the student's present level of performance to a level of performance expected by the end of the year. • IEP goals and objectives are: instructionally relevant; measurable, aligned with identified targeted needs; reasonably achieved in the period covered by the IEP; congruent with the student's ability/disability; and designed to support participation and success in the general education curriculum.
<p>4. The IEP Team determines how student needs will be met in the least restrictive environment.</p>	<ul style="list-style-type: none"> • The IEP Team uses knowledge of the continuum of appropriate academic and behavior intervention strategies for subject areas and age/developmental levels. • The IEP includes support for school personnel (professional development or technical assistance) as needed to implement the IEP. • The IEP Team considers issues of access, participation and progress in relation to each individual student's needs, including, but not limited to, consideration of: curriculum content; modifications to instructional materials; rate of learning; physical environments; demonstration of learning; instructional approaches; instructional supports; and behavioral supports. • Recommended special education program and services, accommodations, and modifications needed for student to achieve goals are discussed. • The IEP Team actively considers and recommends accommodations or modifications to instruction and/or the use of assistive technology as necessary to ensure access to the general education curriculum. • A student's performance on classroom, state, and/or and District-wide assessments is discussed, considered and documented. • Placement is the last recommendation made in consideration of the least restrictive environment in which the student's IEP can be implemented.

E. BOARD MEETING EVALUATION RUBRIC

Evaluator Name: _____

Meeting Date: _____

Effective School Board Component	Likert Scale 1-Not Present During Meeting 2-Present, but Ineffective 3- Present and Effective 4- Present and Highly Effective	Evidence
AGENDA ITEMS		
The agenda is well organized, supported by necessary documents, and provided within timeline	1 2 3 4	
Each Board member was prepared to discuss agenda items	1 2 3 4	
Only agenda items were discussed, no getting off-track	1 2 3 4	
Routine agenda items were acted upon through a consent agenda.	1 2 3 4	
The items on the agenda reflect the current needs of the system including strategic plan items.	1 2 3 4	
Board members made informed comments and asked appropriate questions regarding agenda items	1 2 3 4	

OPERATION OF MEETING		
All board members were present	Yes or No	
Agenda items were reviewed and any changes in priority were set by the board as it adopted the agenda.	1 2 3 4	
The Board Chair guided the meeting effectively and members participated responsibly.	1 2 3 4	
A diversity of opinions were expressed and issues were dealt with respectfully and collaboratively	1 2 3 4	
When issues came up in the meeting, they were thoroughly explored until everyone understood the issue.	1 2 3 4	
Each board member participated in the discussion and no one dominated the meeting time	1 2 3 4	
Whenever possible, the Board withheld definite Board action until after the superintendent's recommendation was presented.	1 2 3 4	
Before decisions were made, Board members had the opportunity to engage in discussion and		

deliberation; so that all members had full attention paid to their point of view.	1	2	3	4	
Closure on each agenda item was obtained before the Board moved to the next item.	1	2	3	4	
The Board guarded against spending meeting time with administrative details; time and energy were used for important governance issues; policy-making, and planning	1	2	3	4	
Only agenda items were discussed, Board members did not get off-track	1	2	3	4	
When a decision was made, it was clear who should carry it out and when	1	2	3	4	
BOARD MEMBER PARTICIPATION DURING THE MEETING					
Board members strived to work closely together as a Board and avoided negative, disrespectful or derogatory comments or facial expressions to other Trustees or CCSD staff.	1	2	3	4	
All Board members were involved and attention to the business being discussed.	1	2	3	4	
Board members kept their comments or questions focused on the agenda items under discussion.	1	2	3	4	
Board members used the Board meeting time for genuine discussion and problem solving.	1	2	3	4	
The Board chair made certain all Board members had equal opportunity to present their views.	1	2	3	4	

School Board Rubric Adapted from: Tennessee School Board Association (TSBA). Meeting Management Assessment. Board of Distinction. Retrieved from: https://www.tsba.net/wp-content/uploads/2022/07/Bd_of_Dist_Mtg_Mgmt_Form.pdf.

F. AUDIT VENDOR FINDINGS

Vendor #	Vendor #	Remit to name	Index name	<u>Testing</u>		Last year of activity	Response from Lakewood	
				Board Approval	W9 and BRC			
1	10993	TZIPPA WEINBERGER	WEINBERGER, TZIPPA	No	No	2008/2009	There are no Pos against this vendor	
2	11235	THE PRINCETON PACKET INC.	PRINCETON PACKET INC., THE	No	No	2011/2012	Documents not available	
3	8133	NJASBO	NJASBO	No	Yes		Attached	
4	1542	OCEAN MENTAL HEALTH SVCS	OCEAN MENTAL HEALTH SVCS	No	Yes		Attached	
5	11468	CHANA ZIONS	ZIONS, CHANA	No	No	2012/2013	No BRC- under the threshold	W9 Not available
6	5750	BATA INC.	BATA INC.	No	Yes		Attached	
7	1137	FRANKMAN, EDWARD	FRANKMAN, EDWARD	No	No	2007/2008	No BRC- under the threshold	W9 Not available
8	10122	CHAVA GOLDING	GOLDING, CHAVA	No	No	2009/2010	No BRC- under the threshold	W9 Not available
9	8954	RACHEL COHEN	COHEN, RACHEL	No	No	2013/2014	No BRC- under the threshold	W9 Not available
10	6679	APPLAUSE THEATER & CINEMA	APPLAUSE THEATER & CINEMA	No	No	2008/2009	No BRC- under the threshold	W9 Not available
11	10541	CUSTOM COACH & LIMO, INC.	CUSTOM COACH & LIMO, INC.	No	No	2009/2010	No BRC- under the threshold	W9 Not available
12	1701	C. SANDER'S EMBLEMS, LP	C. SANDER'S EMBLEMS, LP	No	No	2008/2009	No BRC- under the threshold	W9 Not available
13	12887	SINAI SPECIAL NEEDS INSTITUTE	SINAI SPECIAL NEEDS INSTITUTE	No	Yes		Attached	
14	8177	ROCHEL ROTKIN	ROTKIN, ROCHEL	No	No	2006/2007	No BRC- under the threshold	W9 Not available
15	13434	GLENDALE PARADE	GLENDALE PARADE	No	No	2016/2017	Attached	
16	9002	INDOFF, INC	INDOFF, INC.	No	No	2007/2008	No BRC- under the threshold	W9 Not available
17	12616	ROCHEL COHEN	COHEN, ROCHEL	No	No	2014/2015	No BRC- under the threshold	W9 Not available
18	14872	GF SUPPLIES LLC	SIGO SIGNS	No	Yes		Attached	
19	9912	YURY'S BUS SERVICE	YURY'S BUS SERVICE	No	No	2008/2009	No BRC- under the threshold	W9 Not available
20	13038	TRI FURNITURE DESIGN LLC	TRI FURNITURE DESIGN LLC	No	Yes		Attached	
21	11120	FOX EQUIPMENT	FOX EQUIPMENT	No	No	2011/2012	No BRC- under the threshold	W9 Not available
<u>Response from Lakewood</u>								
I am unsure of what you mean by "Evidence of approval for these vendors" The Board approves the Bills List so if any payments are being made the Board approves the payment to the vendor.								
Most of these vendors have not been accessed for many years. Some as much as 16 years ago. We would not have that documentation any longer.								

149-23
OAL Dkt. No. EDU 11069-14
Agency Dkt. No. 156-6/14

New Jersey Department of Education

Final Decision

Leonor Alcantara, individually and as Guardian ad Litem for E.A.; Leslie Johnson, individually and as Guardian ad Litem for D.J.; Juana Perez, individually and as Guardian ad Litem for Y.P.; Tatiana Escobar; Henry Moro and Ira Schulman, individually and as Guardian ad Litem for A.S.,

Petitioners,

v.

Angelica Allen-McMillan, Acting Commissioner of the New Jersey Department of Education; New Jersey State Board of Education; and New Jersey Department of Education,

Respondents.

Background and Procedural History

In a 2014 petition filed against the New Jersey Commissioner of Education, the New Jersey Department of Education (Department), and the New Jersey State Board of Education (collectively, “respondents”), petitioners alleged that the Lakewood Township Board of Education (Board or Lakewood) is unable to provide its public school students with a

thorough and efficient education (T&E) because it does not receive sufficient funding under the School Funding Reform Act, *N.J.S.A. 18A:7F-43 to -70* (SFRA).¹

Following a hearing, the Administrative Law Judge (ALJ) found that Lakewood's public-school students are not receiving T&E, but concluded that petitioners failed to meet their burden of demonstrating that the lack of T&E derives in significant part from the SFRA. The ALJ found that the population boom in Lakewood Township over the past twenty years resulted in a rise in attendance at private schools, totaling almost 30,000 non-public school students compared to approximately 6,000 students who attend Lakewood public schools. This causes a strain on the district financially, as the private school students are entitled to transportation at Lakewood's expense. Further, tens of millions of dollars are spent each year to send students to out-of-district placements.

Nevertheless, the ALJ found that the SFRA is not unconstitutional as applied to Lakewood and that Lakewood has failed to take steps to increase its ability to provide T&E. The ALJ found that although Lakewood had a budget surplus in 2010, it chose not to increase its levy to the cap for several years thereafter, despite being aware of population growth trends. Due to those choices, the district did not generate revenues that could have compounded over the years and was not taxing up to its local fair share. Relatedly, the ALJ found that Lakewood made little effort to exercise statutorily available tools to raise funds.

¹ Petitioners are parents of children who attend Lakewood's public schools. Lakewood and Paul Tractenberg, Esq., joined this matter as participants. Mr. Tractenberg is a Professor of Law Emeritus and Board of Governors Distinguished Service Professor at Rutgers University. He established the Education Law Center, the Institute on Education Law and Policy, and the Center for Diversity and Equality of Education. While Lakewood initially declined to join this matter as a party and joined instead as a participant in 2016, Lakewood subsequently filed a motion to intervene as a party at the start of the hearing in 2018, which was denied.

Additionally, the ALJ explained that although Lakewood's transportation costs have continued to increase annually from \$23 million in 2014-15 to \$31 million in 2018-19, there is little evidence that Lakewood has done everything possible to reduce those costs. Further, there is no evidence that these rising costs are solely due to the increasing number of nonpublic school students in the district. The ALJ also noted that a large portion of Lakewood's budget is dedicated to special education due to the number of out-of-district placements (specifically, 343 students were placed in private schools for a cost of \$33 million in 2018-19), but the record lacks evidence of any steps taken to set up a district-run special education program to save money by educating these students in-district, as the Department has urged. The ALJ also noted that the SFRA provides greatly increased aid for in-district special education, as opposed to out-of-district special education, but found no evidence in the record that Lakewood even tried to avail itself of that option.

The ALJ also reasoned that Lakewood does not offer a comprehensive preschool for three-year-old general education students. The ALJ found no evidence that Lakewood even attempted to receive State financing for a preschool facility to accommodate more at-risk, non-special education children.

Finally, the ALJ added that other legislation outside the SFRA has affected Lakewood financially, such as a tax levy cap on school districts and the annual Appropriations Act.

Following a review of the record, including the ALJ's Initial Decision and the exceptions and replies thereto, the Commissioner issued a decision concluding that petitioners failed to establish the lack of T&E in Lakewood. *Alcantara v. Hespe*, Commissioner Decision No. 149-21 (July 16, 2021). In doing so, the Commissioner relied upon improving standardized test scores,

success in meeting accountability targets, and the wide range of classes and programs offered to students. Nonetheless, the decision recognized that the quality of education in Lakewood could be improved, and therefore ordered the Department to conduct a comprehensive review of Lakewood's organization, structure, and policies to assess its compliance with quality performance indicators and to determine how it could improve its educational program. Id. at 7. As a result of the finding that Lakewood delivered T&E, the Commissioner did not reach the issue of the constitutionality of the SFRA. *Alcantara v. Hespe*, Commissioner Decision No. 149-21 (July 16, 2021).

Petitioners appealed, and the Appellate Division reversed and remanded the matter with instructions for the Commissioner to consider petitioners' substantive arguments pertaining to the SFRA. *Alcantara v. Allen-McMillan*, 475 N.J. Super. 58 (App. Div. Mar. 6, 2023).

On May 12, 2023, the Commissioner issued a letter directing the Department to expedite the comprehensive review of the Lakewood school district initially ordered in *Alcantara v. Hespe*, *supra*. The Commissioner indicated that the information that comprised the record before the OAL, the Commissioner, and the Appellate Division is now outdated and found that an updated record would assist the Department in identifying the root causes that led to the educational deprivations identified by the Appellate Division.

The Department retained Dr. Kimberly Markus, an education consultant who is also a former New Jersey Commissioner of Education, along with Public Consulting Group LLC, a management consulting firm that focuses on public sector clients, to complete the review. The report, entitled "Comprehensive Review of the Lakewood Public School District" (Comprehensive Report), was filed on March 1, 2024. The Comprehensive Report examined

five critical areas deemed relevant as influencing the provision of T&E in Lakewood: governance, curriculum and instruction, special education, finance, and transportation. The report closely evaluated each of these areas and presented a comprehensive analysis of each area's impact on T&E. The report's findings and conclusions are discussed in further detail below.

In response to the Comprehensive Report, petitioners² note that it confirms the conclusions of the ALJ and the Appellate Division that Lakewood students are not receiving T&E, and they urge the Department to remedy this denial as expeditiously as possible. According to petitioners, the Comprehensive Report does little to analyze the impact of the SFRA on the quality of education in Lakewood. Therefore, petitioners indicate that they do not feel the need to respond to the details of the report and instead choose to use their response to express their views regarding the final agency decision in this matter.

Petitioners take issue with the Comprehensive Report's framing of the obligation to provide T&E as an obligation of the district, rather than the State. Petitioners argue that the denial of T&E in Lakewood is primarily a function of the less-than-optimal performance of the SFRA and, accordingly, ultimate responsibility should be imposed on the State. Petitioners note that the SFRA has not been fully funded for 15 years, rendering any defense of its constitutionality at a disadvantage.³ Petitioners further contend that if the SFRA were functioning at an optimal level, it would not have been necessary for the district to receive

² A joint response was filed by Mr. Tractenberg and counsel for petitioners. For ease of reference, this decision will use the term "petitioners" when referring to this response, together with the statements and arguments made therein.

³ Petitioners acknowledge that the Governor's proposed budget for FY2024-25 would fully fund the SFRA if enacted.

\$215 million in advance state aid loans since 2015. Petitioners also argue that the Comprehensive Report set an improperly high burden on petitioners by stating that declaring the SFRA unconstitutional would require that the SFRA “be established as the singular cause for the denial of a thorough and efficient education.”⁴ Finally, petitioners set forth a number of suggestions for remediation, including forgiving the existing advance state aid loan balance, amending the SFRA, or passing separate legislation to provide additional funding to Lakewood.

Lakewood’s⁵ response identifies alleged factual errors in numerous areas of the Comprehensive Report. Lakewood objects to what it characterizes as the selective use of comments made by stakeholders, as well as to portions of the report dealing with issues which the reviewers allegedly did not discuss with Lakewood’s officials. According to Lakewood, the Comprehensive Report makes recommendations without discussion of the cost to the district and fails to analyze whether the recommendations will improve the provision of education to Lakewood students.⁶

Analysis

Upon review of the record, including the ALJ’s Initial Decision, exceptions and filings made in response to the Initial Decision, the supplemental information contained in the Comprehensive Report, and the parties’ written responses to the Comprehensive Report, the Assistant Commissioner concludes that the SFRA is not the significant cause of Lakewood’s

⁴ Comprehensive Report at 30.

⁵ The filing indicates that it is the response of Superintendent Dr. Laura A. Winters and the Superintendent’s Executive Leadership Team, and that it has been reviewed by both a committee of the Board and individual Board members.

⁶ The majority of these areas concern portions of the report not relied upon herein and, accordingly, they are not reviewed in detail. To the extent that Lakewood’s response does address items discussed herein, the response is detailed in the applicable section of the analysis below.

failure to provide T&E and that therefore, the SFRA is not unconstitutional as applied to Lakewood. “It is well recognized that legislative enactments enjoy a presumption of validity,” and when a constitutional challenge is raised, “there is a strong presumption that the statute is constitutional.” *Abbott ex rel. Abbott v. Burke* (“*Abbott XX*”), 199 N.J. 140, 235 (2009) (internal citations omitted). “Whether a statute passes a constitutional challenge ‘as-applied’ to any individual school district at any particular time must be determined only in the factual context presented and in light of the circumstances as they appear.” *Ibid.* Here, the constitutionality of the SFRA as applied to Lakewood “turn[s] on proof that [petitioners] suffer educational inequities and these inequities derive, in significant part, from the funding provisions” of the SFRA.⁷ *Abbott v. Burke* (“*Abbott I*”), 100 N.J. 269, 296 (1985).

The SFRA is a weighted school funding formula through which districts fund their budgets using a combination of local levies and State aid, which includes multiple categories of aid, discussed in more detail below.⁸ See N.J.S.A. 18A:7F-43 to -66. According to the legislative findings, the SFRA “should provide State aid for every school district based on the characteristics of the student population and up-to-date measures of the individual district’s ability to pay.” N.J.S.A. 18A:7F-44(d).

Equalization aid is a wealth-equalized category of State aid to school districts. The amount of equalization aid that a district receives is based, in part, on measures of local fiscal capacity to raise revenue to support the school district. The first component in calculating a

⁷ Based on this principle, the Acting Commissioner declines to apply the higher standard set forth in the Comprehensive Report – that the SFRA must be the “singular” cause for the educational inequities in Lakewood.

⁸ Although each type of aid discussed herein is categorized, these categories are all part of the district’s general fund revenue.

district's equalization aid is determining its adequacy budget, which is an estimate of a district's cost of providing educational opportunities to its students that are consistent with State standards and incorporates the characteristics of the student body. The calculation begins with a base per pupil amount, which reflects the cost of educating a student included in the district's resident enrollment in grades kindergarten through five who does not have any additional needs.⁹ *N.J.S.A.18A:7F-51(a)*. Next, this base per pupil amount is augmented using weights that account for students who are: enrolled in middle school or high school; "at-risk" (meaning that the student lives in a household in which income is no greater than 185 percent of the federal poverty threshold); English language learners; or enrolled in a county vocational school district.¹⁰ *Ibid.*

The adequacy budget also accounts for the provision of special education services, employing a census-based model that funds special education based on the assumption that a fixed percentage of the district's resident enrollment requires special education services at a specific excess cost. *N.J.S.A. 18A:7F-51(e)*.¹¹ Two-thirds of this cost is added to the district's

⁹ The base per pupil amount is established by the Educational Adequacy Report (EAR), which is issued by the Governor to the Legislature every three years. *N.J.S.A. 18A:7F-49; N.J.S.A. 18A:7F-46(b)*. The 2023 EAR is available at <https://www.nj.gov/education/stateaid/2223/EAR2023.pdf> (last visited March 13, 2024). For fiscal year (FY) 2023, the base per pupil amount was \$12,451. 2023 EAR at 5.

¹⁰ The EAR establishes these weights. *N.J.S.A. 18A:7F-49*. The SFRA also includes a county-level geographic cost adjustment. *N.J.S.A. 18A:7F-51(a)*.

¹¹ The percentage of students requiring special education services is based on the statewide average classification rate established in the EAR. *N.J.S.A. 18A:7F-51(e)*. For FY2023, the classification rate was 15.9 percent and the average excess cost was \$19,524. 2023 EAR at 11-12.

adequacy budget.¹² *Ibid.* Finally, the adequacy budget includes an allotment for students who receive speech-only services.¹³ *Ibid.*

The second component of calculating a district's equalization aid is determining its local fair share (LFS), which is an estimate of the amount that a district is able to raise through local taxation to support its education expenditures. This calculation considers two economic factors: the district's equalized property valuation and aggregate income, as determined based on New Jersey gross income tax returns.¹⁴ *N.J.S.A. 18A:7F-52(a)*. If a district's adequacy budget is greater than the LFS, the district's equalization aid equals the difference between the two; if the LFS exceeds the adequacy budget, the district does not receive equalization aid. *N.J.S.A. 18A:7F-53*.

Districts also receive security aid, which includes two components. First, districts receive a flat per pupil amount, multiplied by the district's resident enrollment.¹⁵ *N.J.S.A. 18A:7F-56*. Second, districts receive a per pupil amount that increases as the percentage of low-income students in the district's resident enrollment increases.¹⁶ *Ibid.* This per pupil amount is multiplied by the number of low-income students included in the district's resident enrollment. *Ibid.*

¹² The remaining one third is funded through special education categorical aid, which is dispersed to districts without regard to any measure of a district's wealth. *N.J.S.A. 18A:7F-55*.

¹³ For FY2023, the speech-only classification rate was 1.61 percent and the average excess cost was \$1,270. *N.J.S.A. 18A:7F-51(e)*; 2023 EAR at 11-12.

¹⁴ Each of these factors is multiplied by a Statewide rate, with the products being summed and divided by two; the resulting amount is the LFS. *N.J.S.A. 18A:7F-52(a)*.

¹⁵ The FY2023 per pupil amount was \$86. *N.J.S.A. 18A:7F-56*; 2023 EAR at 10.

¹⁶ For FY2023, the per pupil amount for the second component increases to a maximum of \$519 per pupil once the low-income concentration is equal to or greater than 40 percent. *N.J.S.A. 18A:7F-56*; 2023 EAR at 10.

Districts receive transportation aid for each student for whom the district is required to provide transportation, including nonpublic students. *N.J.S.A. 18A:7F-57*. Districts receive a base amount for each student who does not have any special transportation needs, plus an additional fee per mile between the student's home and school.¹⁷ *Ibid.* For students who have special transportation needs – such as the need for a wheelchair on the school bus, a one-to-one aide or nurse assigned to the student, or transportation to an extended school year program – districts receive an increased base amount for each student, plus a mileage fee.¹⁸ *Ibid.*

On top of the transportation aid allocated for each nonpublic student, the State bears additional costs for nonpublic student transportation. For nonpublic school students, districts are subject to a maximum per pupil expenditure.¹⁹ *N.J.S.A. 18A:39-1a*. As the maximum increases beyond the amount of \$710 set for the 2001-2002 school year, the additional cost is borne by the State. *Ibid.*

Districts that educate students with higher special education costs receive additional funding in the form of extraordinary special education costs aid. This type of aid reimburses school districts for a portion of the costs incurred in educating students with disabilities in various educational settings. Specifically: 1) for students educated in a public school setting with general education peers, districts are reimbursed for 90 percent of the cost of instruction

¹⁷ For FY2023, the base amount is \$481.37 per pupil, plus \$13.17 per mile. *N.J.S.A. 18A:57(b)*; 2023 EAR at 10.

¹⁸ For FY2023, the base amount is \$3,355.31 per pupil, plus \$6.40 per mile. *N.J.S.A. 18A:57(b)*; 2023 EAR at 10.

¹⁹ If a district is unable to secure transportation between home and school for an eligible nonpublic school student within this limit, the district can satisfy its statutory obligation to provide transportation by making an aid-in-lieu-of transportation payment to the parent or guardian. *N.J.S.A. 18A:39-1.6*. Accordingly, the district's cost to transport a nonpublic student should never exceed the statutory maximum.

and support services that exceed \$40,000; 2) for students educated in a public school setting who are in self-contained classrooms, districts are reimbursed for 75% of the cost of instruction and support services that exceed \$40,000; and 3) for students educated in a private, out-of-district placement, districts are reimbursed for 75 percent of the tuition costs that exceed \$55,000. *N.J.S.A. 18A:7F-55*.

In addition to the above principles, it is important to note that students enrolled in an approved private school for students with disabilities (APSSD) are included in the district's enrollment count for State aid purposes. See *N.J.S.A. 18A:7F-45* (including in the definition of "resident enrollment" a pupil who is a resident of the district and is enrolled in a "private school to which the district of residence pays tuition"). Accordingly, for purposes of calculating equalization aid, special education categorical aid, and security aid, a student enrolled in an APSSD is counted on the same basis as a student who attends Lakewood's public schools.²⁰

Throughout the proceedings in this matter, petitioners have argued that the SFRA is unconstitutional as applied to Lakewood because it does not take Lakewood's unique demographics into account. Specifically, petitioners cite Lakewood's extraordinary costs in providing transportation and special education services to more than 30,000 nonpublic school students.²¹ However, the record demonstrates that Lakewood's own choices and management issues have resulted in the unavailability of funds that could and should have been used to

²⁰ As noted above, the district may also receive extraordinary special education costs aid for students enrolled in APSSDs, based on the criteria set forth in *N.J.S.A. 18A:7F-55*.

²¹ As of 2019, Lakewood had approximately 6,000 public school students and more than 30,000 private school students. Initial Decision at 65. Lakewood's response to the Comprehensive Report indicates that Lakewood currently has approximately 5,000 public school students and more than 40,000 nonpublic students. Lakewood Response at 1.

provide T&E to its students. The ALJ found that these issues existed at the time of the Initial Decision; the Comprehensive Report found that the issues persist today.

The SFRA anticipates that both the State and the local district will contribute to the district's budget in amounts determined by the district's relative wealth. Our Supreme Court has long upheld the sharing of financial responsibility for schools between the State and local districts. *Robinson v. Cahill*, 62 N.J. 473, 510 (1975). Accordingly, the Court has considered a municipality's ability to raise funds to support its portion of school funding to be critical when analyzing the formula's constitutionality. Indeed, when finding previous funding regimes unconstitutional as applied to certain districts, the Supreme Court specifically relied upon those districts' *inability* to raise revenue due to the lack of a tax base and municipal overburden. *Abbott by Abbott v. Burke*, 119 N.J. 287, 357 (1990) (finding that municipal overburden "effectively prevents districts" from raising money to support education in special needs districts); *see also Robinson v. Cahill*, 69 N.J. 449, 465 (1976) (identifying the possibility of an as-applied challenge based upon a "showing of inability at the local level" to contribute sufficient funding). The Court reasoned that, even at full State funding, such districts could not achieve a thorough and efficient education due to the lack of local resources. That is simply not the case for Lakewood, which has chosen not to require its tax base to further support its schools, and suffers from local mismanagement regarding its transportation and special education costs. Nothing in the record supports a finding that Lakewood suffers from municipal overburden to a degree that it cannot raise revenue to support its public schools and reduce the impact of transportation and special education costs.

As the ALJ found, Lakewood's decision to not maintain adequate local fair share contributed to the district's current fiscal problems. Initial Decision at 96-97. Lakewood had a \$5 million surplus in 2010. Initial Decision at 65. Lakewood chose not to raise its tax levy to the cap from 2011-2014, despite the fact that the community's non-public school population was rapidly increasing. Initial Decision at 96-97. From 2014 to 2018, Lakewood was not taxing up to its LFS and lost not only the increased revenue from those years, but the compounding value as well. *Id.* at 60, 71, 97. Over fiscal years 2015 through 2018, Lakewood raised \$31.5 million less than it would have had it taxed at its LFS level. *Id.* at 71. Furthermore, Lakewood chose not to avail itself of opportunities to present voters with a referendum to increase the school tax levy, as permitted by *N.J.S.A.* 18A:22-40 and *N.J.S.A.* 18A:7F-39, in any year except 2016.²² *Id.* at 97-98. As a consequence of all of these decisions, Lakewood's school-tax rate was below the state average and below other districts. *Id.* at 52; *Cf. Abbott*, 119 N.J. at 355 (noting that special needs districts lacked resources but already had higher-than-average school tax rates and local tax levies). Lakewood only tried on one occasion in 2016 to raise additional money to help with transportation costs, which was unsuccessful. The Acting Commissioner concurs with the ALJ's supported finding that Lakewood failed to take advantage of opportunities under the funding scheme to ameliorate its financial difficulties. *Id.* at 97. The SFRA cannot be solely blamed for the substantial loss of revenue attributable to Lakewood's tax-related choices.

Additionally, the SFRA is not the only legislation that affects a district's finances. *N.J.S.A.* 18A:7F-38 – which is not a provision of the SFRA – places a cap on the district's tax levy, limiting

²² The 2016 referendum, which was aimed at providing courtesy busing, a non-T&E item, was rejected by the voters. Initial Decision at 63.

the district's ability to raise revenue. With the tax levy comprising a sizable portion of a district's funding, any restriction on the amount of the levy has financial consequences, separate and apart from the amount of State aid the district receives under the SFRA. The annual Appropriations Act also affects the amount of money districts receive through the SFRA. From FY2010 through the enactment of P.L.2018, c.67, State aid was not allocated pursuant to the provisions of the SFRA. Instead, State aid was calculated based on provisions included in the State budget, with underlying funding policy changing every year. While petitioners assert that this fact contributes to their conclusion that the SFRA is unconstitutional, the Assistant Commissioner concludes that the opposite is true. Lakewood was not fully funded according to the provisions of the SFRA; therefore, even if Lakewood's funding levels had contributed to the denial of T&E during those years, the SFRA could not have been the cause.

The record also demonstrates severe deficiencies in Lakewood's fiscal management, including its failure to keep track of expenditures, records, and data and questionable spending practices. For example, testimony demonstrated that there were no purchase orders in place for students sent to out-of-district placements. Initial Decision at 36. The district did not keep an accurate position control roster reconciled with the names of staff. *Ibid.* An auditor from the Office of Legislative Services testified that an audit of Lakewood found financial transactions that were not consistent with government auditing standards, a lack of control environment leading to a lack of stability, lax reconciliation procedures, a lack of supporting documentation, Board approvals of contracts without review, and other questionable expenses. *Id.* at 54-44. The audit also noted that, in terms of special education costs, there was a lack of proper approval, tuition documentation, and attendance records for students placed in unapproved

nonpublic schools. *Id.* at 76. The New Jersey State Aid Audit Unit determined that poor record-keeping resulted in Lakewood incorrectly reporting hundreds of students on its Application for State School Aid (ASSA). *Id.* at 57.

Attention to administrative and financial detail remains an issue in Lakewood. There were significant data discrepancy and reporting issues related to special education State Performance Plan indicators and categorization of students by placement type. Comprehensive Report at 5. A financial audit noted that there are significant deficiencies in Lakewood's vendor management controls, payroll processing controls, financial close controls, and governance and IT cycle controls. *Id.* at 6. The Comprehensive Report found that the Board is not approving vendors before payment is issued, as required. *Id.* at 10. The transportation review noted that many nonpublic students do not have a student identification number in the District Report of Transported Resident Students (DRTRS), presenting a risk that students might be counted and funded in multiple counties. *Id.* at 20. A spot-check of transportation documents revealed several that listed the Township of Branchburg rather than the Lakewood Public School District as the contracting unit, which "could indicate a systemic lack of legal, procurement, and financial review and oversight of bid documents." *Id.* at 21.

The pervasive errors and questionable practices in Lakewood's record-keeping result in the inefficient use of funds.²³ If the Board is not properly vetting its vendors and only approving payments after services have been rendered, there is a risk that the district is overcharged. This practice is of even greater concern when paying for students' out-of-district

²³ Despite petitioner's suggestion to the contrary, the Assistant Commissioner does not find that the fault for these errors lies with the State monitor. It is not the monitor's responsibility to double-check the work of each member of Lakewood's staff.

placements or for special education services in nonpublic schools; the necessity of documenting tens of millions of dollars for those expenses, and thereby ensuring that all payments are proper, should be paramount. Furthermore, when students are incorrectly categorized or omitted from the rolls, Lakewood may be losing out on State aid for those students.

The record further reflects that transportation and special education costs accounted for more than half of the district's budget in 2017-2018. Initial Decision at 65. The financial impact of these areas was no surprise to the district. Through a Needs Assessment issued by the Department in 2009, when Lakewood was still running a surplus, the Department recommended that Lakewood take steps to reign in transportation and special education costs. Initial Decision at 74. This was followed by a 2014 Audit that made similar recommendations and observed the inevitable population trends. *Id.* at 75. Lakewood has not taken reasonable steps to control its special education and transportation costs despite receiving advice to do so for over a decade. Initial Decision at 77. In the 2009 Needs Assessment, the DOE noted that courtesy busing was contributing to the district's financial strain. *Id.* at 99. While the district no longer provides courtesy busing at its own expense, that practice was not stopped until 2016. *Id.* at 100. The cost of courtesy busing services – totaling \$4 million for the 2008-2009 school year,²⁴ and presumably similar for the other years in which it was provided – drained resources from the district that could have been used to provide T&E. The 2014 Audit observed that Lakewood used gendered buses and that tiering bell times could save \$6.7 million. Initial Decision at 75-76. At the OAL hearing, multiple experts, including one testifying on behalf of petitioners, stated that transportation costs could be reduced if route sharing were increased,

²⁴ Initial Decision at 100.

but it's unclear if any such initiatives have been explored. *Id.* at 10-12; 55-56. The ALJ found that Lakewood admitted it could stagger their school schedules to greatly reduce transportation costs, but noted that the record was unclear on whether such staggering had ever occurred. *Id.* at 100.

In terms of current transportation practices, the Comprehensive Report indicates that there is not sufficient separation between Lakewood as a contracting agency and the Lakewood Student Transportation Authority (LSTA) as a vendor. Comprehensive Report at 6. Additionally, the review notes that a single employee may have been employed full time by both Lakewood and the LSTA, creating "potential for procurement issues, diminished incentive to return saved funds to Lakewood, and potential for conflicts in contract oversight of the LSTA as a vendor," in addition to the duplication of salary. *Id.* at 20. Furthermore, there are potential opportunities to lower prices by bidding tiered routes as packages rather than individually. *Id.* at 6. The Report notes that some buses run four to eight routes a day at a cost of over \$200,000 per bus, and finds extreme examples of the same bus being used for multiple routes. *Id.* at 145, 153. It also observes that for students transported by the district rather than the LSTA, buses run less full and costs per student are higher. *Id.* at 152.

Although the Commissioner acknowledges that Lakewood's demographics result in higher nonpublic transportation costs than in other districts, when the SFRA is fully funded, the majority of nonpublic transportation costs are supported by the State through a combination of the transportation aid for each nonpublic student and the State's assumption of the portion of the cost that exceeds \$710. By way of example, testimony indicated that Lakewood paid \$1,000 for each bused student in FY2018. Initial Decision at 21. Under the SFRA, that year

Lakewood would have received a minimum of \$466 for each nonpublic student who was required to be transported.²⁵ With the State bearing the cost in excess of \$710, that leaves \$244 per nonpublic student that must be covered by the district's tax levy (the \$710 local share per student reduced by the \$466 State aid payment per student); for 30,000 nonpublic students, the total would be approximately \$7.3 million. This cost is certainly substantial, but with an anticipated tax levy of \$96.9 million for FY2018,²⁶ Lakewood would have \$89.6 million remaining in its levy to use – in combination with other categories of State aid it received – to provide T&E to its students.

The 2009 Needs Assessment also recommended that Lakewood develop strategies to educate more of its special education students in-district, which would both save money and result in a greater allocation of extraordinary special education costs aid, which is structured to provide more aid for students who are educated in the district than for those in private placements. Initial Decision at 99-100. However, the ALJ concluded that petitioners had failed to demonstrate that Lakewood had taken steps to save money in this manner. *Ibid.* Furthermore, the ALJ concluded that even if none of the 343 students sent to out-of-district placements in the 2018-2019 school year (at a cost of \$33 million) could have been educated in-

²⁵ The base and mileage amounts are established by the EAR every three years and adjusted by the Consumer Price Index (CPI) for the following two years. *N.J.S.A.* 18A:57(b). For FY2017, the base amount was \$442.18 per pupil, plus \$12.10 per mile. 2023 EAR at 10. Because districts are required by *N.J.S.A.* 18A:39-1 to provide transportation to elementary students who reside more than two miles from school, the minimum transportation aid that the district would receive under the SFRA for each student was \$466.31 (\$442.18 + \$12.10 + \$12.10). This amount would have been slightly higher in FY2018 due to the CPI adjustment. The amount would also increase for any student who lived more than two miles from school, or for students with special transportation needs. However, for purposes of clarity, the lowest possible figure – the base amount from FY2017 – is used in this example.

²⁶ See Lakewood's User Friendly Budget, https://www.nj.gov/education/finance/fp/ufb/2017/reports/29/2520/UFB18_2520.pdf (last visited March 13, 2024.)

district, Lakewood could have applied for additional aid based on an usually high rate of low-incidence disabilities.²⁷ *Id.* at 101. Petitioners did not present any evidence that Lakewood availed itself of this opportunity. *Ibid.* Nor had Lakewood applied for facilities funding to increase its ability to serve special education students in-district, despite the fact that Lakewood’s Superintendent testified that a barrier to providing in-district special education services was a lack of space. *Id.* at 17, 99-100.

The Comprehensive Report undermines the Lakewood’s Superintendent’s claim that so many out-of-district placements are necessary because of insufficient space within the District.²⁸ Initial Decision at 17. The Report notes that Lakewood has made substantial investments in state-of-the-art related therapy equipment but is underutilizing those resources because of the number of students with disabilities who are not educated in the public-school buildings. Comprehensive Report at 5. As the Comprehensive Report observes, “For students with disabilities to improve their academic achievement and reduce the achievement gap with their nondisabled peers, they need to be included in the core curriculum and receive evidence-based interventions . . . throughout a continuum of special education services which are provided in the Least Restrictive Environment (LRE), where, to the maximum extent appropriate, a student with a disability is educated with peers who are not disabled.” *Id.* at 15. Notably, Lakewood has not met targets related to LRE and has been found to be significantly

²⁷ See *N.J.S.A.18A:7F-55(g)*.

²⁸ The Superintendent also undermined that claim herself to the extent that she conceded that the Board could have sought voter approval for additional facilities but failed to do so. Initial Decision at 18.

disproportionate with regard to white students being placed in separate settings.²⁹ *Id.* at 14. The Comprehensive Report concludes that there is room in most of the buildings in the district to provide special education services. *Id.* at 26.

Lakewood’s response to the Comprehensive Report indicates that because nonpublic students are not entitled to receive individualized services with respect to disabilities, students with significant disabilities typically leave nonpublic schools to enroll in Lakewood’s public school system. Lakewood then becomes responsible for providing the intensive assistance that these students need, including the obligation of finding out-of-district placements at increased costs. Lakewood response at 1. Although Lakewood correctly notes that it is responsible for these students once they have enrolled in the district, as the Comprehensive Report concluded, creating special education programming in-district “could be a huge cost saver in the long run and best for students.” *Id.* at 26. The Assistant Commissioner concurs with the ALJ’s finding that the record contains “scant evidence of the district’s efforts to educate more of these children in-district, which could save Lakewood substantial sums and result in more aid.” *Initial Decision* at 101.

Conclusion

As stated by the Appellate Division, “the State has a continuing obligation to ‘keep SFRA operating at its optimal level.’” *Alcantara v. Allen-McMillan, supra*, 475 N.J. Super. at 71 (quoting *Abbott XX, supra*, 199 N.J. at 146). However, this principle does not give districts a

²⁹ Lakewood’s response to the Comprehensive Report takes issue with the disproportionality finding, arguing that the Department’s data does not take into account the total population of Lakewood students. Lakewood response at 25. However, that argument has previously been rejected by the Appellate Division. See *Bd. of Educ. of the Twp. of Lakewood v. N.J. Dep’t of Educ.*, No. A-0709-21, 2023 N.J. Super. Unpub. LEXIS 2155 (App Div. Nov. 27, 2023), *pending certification*.

blank check to spend money unwisely at the expense of the State's taxpayers. In light of Lakewood's tax-related choices that decreased revenue, the significant deficiencies in Lakewood's spending practices, and Lakewood's failure to control its transportation and special education costs, the Assistant Commissioner concludes that Lakewood's failure to provide T&E to its students does not derive, in significant part, from the provisions of the SFRA.

Accordingly, the petition of appeal's claim regarding the constitutionality of the SFRA as applied to Lakewood is hereby denied.

IT IS SO ORDERED.³⁰

A handwritten signature in black ink, appearing to read "Cary Booker", is enclosed in a thin black rectangular border.

ASSISTANT COMMISSIONER OF EDUCATION³¹

Date of Decision: April 1, 2024
Date of Mailing: April 1, 2024

³⁰ This decision may be appealed to the Appellate Division of the Superior Court pursuant to *N.J.S.A. 18A:6-9.1*. Under *N.J.Ct.R. 2:4-1(b)*, a notice of appeal must be filed with the Appellate Division within 45 days from the date of mailing of this decision.

³¹ Pursuant to *N.J.S.A. 18A:4-34*, this matter has been delegated to Assistant Commissioner Cary Booker.