

Education Law Center
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RAYMOND ARTHUR ABBOTT, ET AL.,
Plaintiffs-Movants,
v.
FRED G. BURKE, ET AL.,
Defendants-Respondents.

SUPREME COURT OF NEW JERSEY
DOCKET NO. 42,170
CIVIL ACTION

CERTIFICATION OF DR. DANIELLE FARRIE

Dr. Danielle Farrie, of full age, hereby certifies as follows:

1. I am Director of Research at the Education Law Center ("ELC"), and have served in that capacity since September 2008. As Director of Research, I am responsible for the collection and analysis of data, and for conducting research, on a wide variety of educational issues, including school funding, preschool, assessments and academic performance, school reform and improvement, and student and school demographics. Prior to my employment at ELC, I conducted research in the field of urban education on such topics as reactions to school integration, the effect of school choice policies on the racial and economic

segregation of schools, and the effect of racial change on perceptions of school quality. I have presented my research at academic conferences such as the American Sociological Association, Eastern Sociological Society, Population Association of America, and the Society for Research on Adolescence. I have published articles in the following peer-reviewed journals: *Journal of Marriage and Family*, *Youth & Society*, *Fathering*, and *Developmental Psychology*. I have a B.A. in Sociology from Loyola College in Maryland and a Ph.D. in Sociology from Temple University with a concentration in Urban Sociology and the Sociology of Education. A copy of my resume is attached as Exhibit A.

2. I submit this Certification to provide the Court with data and analysis about how the 2010-11 reduction in kindergarten through grade 12 ("K-12") state formula aid has impacted the budgets of districts with high enrollments of poor or "at-risk" students, and affected the availability of programs, services and staff deemed necessary under the School Funding Reform Act of 2008 ("SFRA"). For my analysis, I collected data prepared by these districts for the Department of Education ("DOE" or "State") and included in their 2010-11 Annual Budget Submissions. All districts filed Annual Budget Submissions with the DOE by March 22, 2010.

3. In preparing this Certification, I reviewed the specific provisions of the SFRA formula; the Abbott XX ruling; the aid amounts provided to school districts under the SFRA formula in the current 2009-10 school year; the State's 2010-11 aid levels to

districts, as contained in the DOE state aid notices issued on March 19, 2010; and the 2010-11 Annual Budget Submissions.

4. I am familiar with the analysis of the State's \$1.081 billion reduction in SFRA K-12 formula aid to districts statewide by Melvin Wyns, as set forth in his Certification on this motion.

5. To assess how districts responded to the State's significant reduction in formula aid for the 2010-11 school year, I analyzed the budget documentation from a sample of districts classified by the DOE as "high need." High need districts have an enrollment where 40% or more of the students are "at-risk," as defined by eligibility for the federal free or reduced priced lunch program. High need districts are also not meeting certain proficiency levels on state assessments, set by the DOE in regulation. See N.J.A.C. 6A:13-3.3(a). Under these criteria, DOE has classified 93 districts as high need, including all 31 former Abbott districts. A list of these districts, including student enrollment characteristics, is set forth in "Table 1: Student Enrollment Characteristics of High Need Districts," attached as Exhibit B.

6. In April 2010, I requested high need districts to provide ELC with certain database files included in their 2010-11 budgets submitted to DOE on March 22, 2010. Specifically, I requested the following budget data files: 1) Advertised Appropriations; 2) School-Based Budget Appropriations; and 3) the Supporting Documentation - Budgeted Full-Time Equivalents.

7. To date, 44 high need districts have responded to my request, a response rate of 47%. Seventeen (55%) of the 31 Abbott districts provided the requested data. A list of the districts participating in my analysis is attached as Exhibit C and all of the data presented in my analysis set forth in Exhibits E through H is based on this representative sample of districts.

8. The 44 participating districts are representative of the high need districts overall in terms of size, location, grade span, and socioeconomic status. High need districts are located in every county in the state and our sample represents districts in all but three counties. The districts represented include elementary districts, secondary districts, and K-12 districts. Most of the districts are in District Factor Groups A and B, though there are also a handful of moderate income districts. The districts range in size from small districts with fewer than 1,000 students to large districts with over 10,000 students. An analysis comparing the characteristics of the districts in the sample and those not participating is set forth in "Table 2: Description of Sample of High Need Districts," attached as Exhibit D.

9. Districts are required to submit electronic budgets to the DOE for each school year using software provided by DOE. In general, the budgets allocate available revenue from state, local, and federal funds to specific expenditure line-items. Account codes are used to identify the line items by fund (i.e. current expense, capital outlay, special schools, special revenue), program

(e.g. regular programs, special education, bilingual education), and function (e.g. instruction, support services). While most districts report all appropriations at the district level, Abbott districts are also required to submit school-based budgets. The school-based budgets can be merged with the district level budget using a crosswalk that translates the budget line numbers from the school-based files to the account numbers in the district-wide file. In addition, districts are required to submit "Supporting Documentation" files to the DOE, which provide the number of Full-Time Equivalent staff (FTEs) currently employed and the expected change for the upcoming school year.

10. My analysis relies on the data contained in the Appropriations and Budgeted Full-Time Equivalents data files from the 44 participating districts. In the Appropriations files, the districts report actual expenditures for 2008-09, revised appropriations for 2009-10, and appropriations for 2010-11 for up to 1,028 individual budget expenditure line items. I collapsed these line items into broader budget categories for ease of analysis and interpretation. As guidance, I used the categories reported by the DOE in the "User-Friendly" Budget Summaries, an annually published budget summary intended to provide increased public accountability and transparency. See <http://www.state.nj.us/education/finance/fp/ufb/>. These "User-Friendly" summary categories are included in my analysis contained in Exhibit E. A list of all the more specific budget expenditure

line-items making up the summary categories is included in my analysis contained in Exhibit F attached to this Certification.

11. With the data from these files, I compared the changes made by the districts among the various budget categories in the 2009-10 and 2010-11 budgets, respectively. From this analysis, I am able to determine the specific program areas in the 2010-11 budgets that were reduced by districts in response to the State's reduction in K-12 formula aid. I first explain the results of my analysis of 2010 budget reductions in paragraphs 12-19 of this Certification and then describe the results of my analysis of the reductions in staff positions in paragraphs 20-23.

A. Analysis of 2010-11 Budget Reductions

12. Based on the analysis set forth below, my overall conclusion is that, due to the sheer size and scope of the state aid reduction, districts reduced expenditures in almost every program and service component of their budgets, including the core instructional program for regular education and special education. Districts also made significant cuts in expenditures for many of the programs and services identified in the SFRA formula for at-risk students and high need districts, or districts serving high numbers of those students.

13. I first analyzed the high need district budgets and summarized the differences in the main expenditure categories for the 2009-10 and 2010-11 school years among all 44 high need districts in the research sample. This summary analysis is set

forth as "Table 3: Summary of 2010-11 Budget Reductions in High Need Districts" in Exhibit E.

14. My key findings from the summary analysis of the districts' budget reductions, as indicated in Table 3, Exhibit E, are as follows:

a) The total 2010-11 budget for all the high need districts in the research sample is \$4.446 billion, which represents a \$223 million, or 5%, reduction from the previous year's (2009-10) budget;

b) These districts cut \$93 million in expenditures on instruction and \$73 million in expenditures on support services. Taken together, cuts in the core areas of instruction and support services account for \$166 million, or 75% of the total budget reduction;

c) The districts reduced expenditures for capital outlay by \$34.3 million or 58% of the total from 2009-10. Capital outlay includes items that are funded by general fund revenues including increases to the general fund capital reserve account, equipment purchases, and facilities acquisition and construction services; and

d) The reductions impact all core components of the districts' budgets that support programs and services, particularly those intended for at-risk students in high need districts, determined by the State to be necessary to achieve State academic standards in the SFRA formula.

15. I also disaggregated the summary data to examine budget reductions in the former Abbott districts and other high need districts separately. This analysis is set forth in "Table 4: Summary of 2010-11 Budget Reductions in Abbott Districts" and "Table 5: Summary of 2010-11 Budget Reductions in Other High Need Districts," attached to this Certification as Exhibit E.

16. My key findings from the disaggregated data relating to the Abbott districts are as follows:

a) Abbott districts cut \$73 million in expenditures on core instructional areas and \$74 million in support service expenditures. These cuts account for 83% of their total budget reductions;

b) These districts cut their expenditures on capital outlay in half, reducing appropriations by \$18 million or 55%; and

c) The districts did increase expenditures in the special schools category, but, as my more detailed analysis in paragraph 19 section h shows, this appears to be the result of an increase in transfer payments to charter schools. It is important to note that, despite the overall increase in this category, specific supplemental programs in the districts, including summer school and adult education, experienced cutbacks.

17. My key findings on the disaggregated data relating to the other high need districts in the research sample are as follows:

a) These high need districts reduced instructional expenditures, cutting 5% or \$20 million over the previous year. While expenditures for support services were relatively stable, some supplemental programs experienced significant cuts, such as guidance, attendance and social work, and instructional improvement (professional development);

b) The districts cut \$16 million or over 60% of capital outlay expenditures; and

c) The districts maintained funding in the special schools category. However, similar to Abbott districts, these districts increased transfer payments to charter schools and cut expenditures for summer programs and evening schools.

18. I further analyzed the budget data from all 44 high need districts in the research sample to gain a more in-depth understanding of the specific program and service reductions within the summary categories described above. This analysis is set forth as "Table 6: 2011-10 Reductions by Expenditure Category in High Need Districts," and is attached as Exhibit F.

19. My findings from this in-depth examination of the specific program and service reductions in the high need district budgets are as follows:

a) Districts reduced expenditures in the regular (or core curriculum) instructional program by \$62 million, a 6% cut from 2009-10. Regular instruction represents the largest expenditure by far among the various instructional categories

in the districts' budgets;

b) The districts also reduced expenditures in nearly every other area of the core instructional program, including special and bilingual education, remedial and vocational instruction, and extracurricular activities;

c) Specific supplemental program and service categories experienced significant cutbacks, including before and after school programs (8%), health services (6%), and attendance and social work (17%);

d) Expenditures for "other" supplemental programs are reduced by 67%. This category includes supplemental programs that are not specifically delineated elsewhere in the DOE budget software, including tutoring, small learning communities, specialized academies, and reading improvement initiatives;

e) Districts reduced expenditures in several support service areas, including reductions in two categories focused on school reform and professional development -- 18% for "improvement of instructional services" -- and 26% for "instructional staff training services;"

f) Districts also made reductions in expenditures in numerous other supplemental programs or programs for students with special needs, including guidance (11%), child study teams for special education (4%), and school libraries (7%);

g) Districts reduced expenditures in other small, but

important, categories such as adult education (83%), summer school programs (28%), and vocational education (15%). In addition, districts reduced expenditures for food services (nutrition), a critical student service in high need districts, by 42%; and

h) Transfer payments by districts to charter schools increased significantly, which appears attributable to a rise in charter school enrollments and a DOE directive that districts must hold charter school budgets harmless from any of the formula aid reductions. See Analysis of the New Jersey Budget, FY2010-11, Department of Education, April 2010, page 42-3;

http://www.njleg.state.nj.us/legislativepub/budget_2011/education11.pdf. The DOE's directive insulated the charter schools from having to make any cuts in programs and services due to the State's 2010-11 aid reduction to their host districts.

B. Analysis of 2010-11 Reductions in Staff Positions

20. In addition to examining the impact of the reductions in high need budget submissions to DOE, I also analyzed data from the "Supporting Documentation" files - also part of the DOE budget software package -- to assess the effect of the budgetary reductions on specific staff positions. In the Supporting Documentation files, districts are required to provide the number of Full-Time Equivalents (FTEs) currently employed and the expected change for the upcoming school year in 37 distinct staff position

classifications. For my analysis, I grouped these staff positions into 6 program areas: regular teachers; special education support; tutors and reading specialists; professional development; and guidance/social work; and others, including administration, technology, operations and health. A detailed description of the positions included in each of these 6 categories is set forth in Exhibit G attached to this Certification.

21. My overall conclusion from analyzing the staff position data mirrors my findings regarding the cuts made by districts in the various budgetary expenditure categories -- all areas of the educational program are impacted by staff reductions, including regular and special education teachers, and staff providing supplemental programs and services for at-risk students, such as reading tutors, guidance counselors, and social and health services personnel.

22. The specific results of my analysis of the reductions by the high need districts in staff positions are set forth in "Table 7: Summary of 2010-11 Reductions in Staff Positions," and is attached as Exhibit H. This table includes the overall totals and also disaggregates the data by Abbott districts and other high need districts in the research sample.

23. My specific findings on the reductions in staff positions are as follows:

- a) The high need districts cut a total of 3,188 full-time equivalent ("FTE") positions. This represents an overall

staff reduction in these districts of 8%;

b) These districts reduced regular education teacher positions by 1,355, or 7% of the total core instructional teaching workforce, along with 493 special education support positions serving students with disabilities;

c) The districts reduced guidance counselor and social work positions by 168 or 12%;

d) The districts cut 1,001 or 10% in "other" staff positions, which include technology, health services (e.g. school nurses), and school and district operations and administration;

e) Professional development staff are reduced by 26 or 5%; and

f) Abbott districts cut tutors and reading specialists by 145, or 53% of all staff in these key supplemental program areas.

Conclusion

24. In summary, I conclude:

a) In response to the State's reduction in K-12 formula aid, the high need districts in my research sample reduced expenditures in almost every program and service area in their budgets, including the core instructional program for regular education and special education. The cuts in core instruction and support services account for \$166 million, or 75% of the total budget reduction among these districts;

b) These districts also made significant cuts in expenditures in the programs and services identified in the design of the SFRA formula for at-risk students in high need districts, including tutoring, professional development, library and technology services, social and health services, after and summer school, alternative education, and nutrition;

c) The districts' reductions in staff positions similarly impact all program and services areas, including regular and special education teaching staff, and staff essential to the provision of supplemental programs and services for at-risk students, such as reading tutors, guidance counselors, and social and health services personnel;

d) It is important to note that the reductions in programs, services and staff for at-risk students in high need districts are those included in 1) the cost model developed to determine appropriate funding levels, i.e., the at-risk weights, under the SFRA formula; and (2) the supplemental programs requirements for Abbott districts which, as the Abbott XX decision indicates, would be continued with the funding provided under the SFRA formula;

e) While the allocation of reductions in specific program areas and staff varied from district-to-district, few program areas are spared from cutbacks, including the instructional core curriculum. The breadth and depth of the reductions across instructional and supplemental program

categories -- from regular to special education and an array support services -- reflects the substantial size and scope of the State's K-12 formula aid reduction each district had to address in finalizing the budget submissions to DOE;

f) The broad sweep of the budgetary reductions also reflects the absence of any constraints on the programmatic use of state funding at the district and school level. As a result, even though the State reduced aid in specific categories in the SFRA formula - special education categorical aid, security aid, adjustment aid, transportation aid, etc. - the cuts made by districts are not confined to those program and service areas, but rather extend across the entire spectrum of instructional and support programs and services contained in each district's adequacy budget under the SFRA. In addition, I am unaware of any directives issued by DOE to providing districts with guidance on prioritizing the reductions or limiting cuts in certain key instructional or supplemental program areas. My analysis shows that each district was left to make its own decisions about which programs, services, and staff to cut or eliminate in order to fashion a budget at the substantially-reduced State K-12 formula aid level; and

g) The State's reduction of aid well below the levels required by the SFRA formula has resulted in high need district budgets that no longer contain adequate resources

deemed essential in the SFRA formula for students to achieve State academic standards.

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements are knowingly false, I am subject to punishment.



DANIELLE FARRIS, PhD

Dated: June 7, 2010

Exhibit A

Danielle C. Farrie

Employment

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

Education

Ph.D.	Temple University, Sociology, 2008
M.A.	Temple University, Sociology, 2003
B.A.	Loyola College, Sociology and Writing, 2000

Publications

Journal Articles

- Farrie, Danielle, Yookyong Lee, & Jay Fagan. (forthcoming). The effect of cumulative risk on paternal engagement: Examining differences among adolescent and older couples. *Youth & Society*.
- Fagan, Jay, Rob Palkovitz, Kevin Roy & Danielle Farrie. 2009. Pathways to paternal engagement: Longitudinal effects of risk and resilience on nonresident fathers. *Developmental Psychology*. 45(5):1389-1405.
- Cabrera, Natasha J., Jay Fagan, & Danielle Farrie. 2008. Explaining the long reach of fathers' prenatal involvement on later paternal engagement with children. *Journal of Marriage and Family*. 70(5):1094-1107.
- Cabrera, Natasha J., Jay Fagan, & Danielle Farrie. 2008. Rejoinder: Why should we encourage unmarried fathers to be prenatally involved? *Journal of Marriage and Family*. 70(5):1118-1121.
- Laughlin, Lynda, Danielle Farrie, & Jay Fagan. 2009. Father involvement with children following marital and non-marital separations. *Fathering*. 7(3):226-248.

Book Chapters

- Fagan, Jay & Danielle Farrie. 2008. "Fathers and the Life Cycle" in *The Encyclopedia of the Life Course and Human Development*, edited by D. Carr. Farmington Hills, MI: The Gale Group.

Research Reports

- Baker, Bruce D., David G. Sciarra, and Danielle Farrie. (forthcoming). *Is School Funding Fair? A National Report Card*. Education Law Center. Newark, NJ.

Conference Presentations

- Baker, Bruce D., David G. Sciarra, and Danielle Farrie. 2010. Filling budget holes: Evaluating the impact of arra fiscal stabilization funds on state funding formulas. Paper Presentation. Stimulating Equity? The Impact of the Federal Stimulus Act on Educational Opportunity, Teachers College, New York, NY.
- Goyette, Kimberly A., Joshua Freely, and Danielle Farrie. This school's on its way down: Thresholds of racial change in schools and perceived school quality. Paper presentation, Eastern Sociological Society Annual Meeting, Philadelphia, PA, February 2007.
- Barlas, Frances and Danielle Farrie. Perceptions of neighborhood safety: Social disorganization and racial differences in the impact of neighborhood characteristics. Paper presentation,

American Sociological Association Annual Meeting, Montreal, QC, August 2006.

Goyette, Kimberly A., Joshua Freely, and Danielle Farrie. This school's gone downhill: Racial change and perceived school quality. Paper presentation, Population Association of America Annual Meeting. Los Angeles, CA, April 2006.

Farrie, Danielle & Julie E. Press. Informal job search and employment in the service sector: The role of female network ties. Paper presentation, American Sociological Association Annual Meeting, Philadelphia, PA, August 2005.

Laughlin, Lynda & Danielle Farrie. Gender and neighborhood satisfaction. Paper presentation, Institute for Women's Policy Research Annual Conference, Washington, D.C., June 2005.

Farrie, Danielle. Neighborhood racial change and the residential preferences of whites in Los Angeles. Paper Presentation, Eastern Sociological Society Annual Meeting, New York, NY, February 2004.

Press, Julie E., Jay Fagan, and Danielle Farrie. The Philadelphia Survey of Child Care & Work: An Overview. Poster presented at Child Care Bureau Annual Conference, Washington D.C., April 2003.

Farrie, Danielle. Locating Labor and Morality: State Intervention in a Free Market Society. Paper presented at Temple University Department of Sociology Annual Student Conference, Philadelphia, PA, February 2002.

EXHIBIT B

Table 1: Student Enrollment Characteristics of High Need Districts

District	Asian	Black	Latino	White	At Risk	LEP	IEP	Total
Asbury Park	0%	75%	23%	2%	69%	9%	15%	2,174
Atlantic City	13%	42%	36%	10%	65%	11%	13%	6,391
Bayonne	7%	10%	32%	51%	51%	6%	14%	8,810
Belmar Boro	1%	6%	35%	57%	40%	7%	14%	521
Beverly City	0%	58%	12%	30%	56%	1%	10%	217
Bound Brook	2%	7%	65%	26%	55%	11%	11%	1,506
Bridgeton City	0%	40%	49%	10%	82%	18%	12%	4,708
Buena Regional	1%	16%	19%	64%	42%	3%	20%	2,496
Burlington City	2%	53%	5%	40%	38%	3%	15%	1,806
Camden	1%	51%	46%	1%	81%	7%	20%	13,105
Camden County Vocational	2%	37%	38%	23%	87%	0%	33%	1,868
Carteret	23%	20%	37%	20%	58%	5%	10%	3,900
Chesilhurst	1%	65%	23%	11%	--	0%	11%	104
Clementon	3%	23%	10%	64%	37%	2%	14%	519
Cliffside Park	7%	3%	41%	49%	34%	8%	11%	2,588
Commercial	0%	15%	5%	80%	65%	0%	9%	671
Dover Town	2%	7%	79%	12%	61%	10%	9%	2,924
East Newark	1%	3%	81%	15%	76%	16%	8%	225
East Orange	0%	92%	8%	0%	72%	4%	15%	9,891
Egg Harbor City	2%	21%	40%	37%	72%	3%	18%	502
Elizabeth	2%	24%	65%	9%	73%	15%	9%	21,303
Englewood City	6%	53%	34%	6%	56%	10%	12%	2,699
Essex County Vocational	1%	52%	44%	3%	85%	0%	17%	2,121
Fairfield Township	0%	61%	13%	19%	68%	5%	12%	609
Fairview Boro	3%	2%	66%	29%	62%	12%	16%	1,057
Freehold Boro	2%	15%	56%	26%	58%	17%	15%	1,348
Garfield City	2%	8%	41%	49%	59%	9%	13%	4,492
Gloucester City	2%	5%	6%	88%	51%	1%	18%	2,125
Guttenberg	9%	2%	85%	4%	70%	17%	9%	956
Hackensack	6%	32%	46%	15%	43%	8%	11%	4,880
Haledon	8%	13%	53%	26%	54%	4%	13%	1,013
Harrison Town	8%	1%	58%	32%	67%	8%	12%	1,820
Highlands	1%	8%	7%	84%	33%	0%	18%	179
Hillside Twp	1%	67%	21%	10%	50%	5%	9%	3,161
Hoboken	4%	15%	58%	24%	67%	3%	13%	2,294
Irvington	0%	93%	7%	0%	75%	5%	8%	7,276
Jersey City	13%	36%	38%	11%	73%	12%	13%	28,119
Keansburg	2%	13%	16%	69%	64%	2%	14%	1,854
Keyport	2%	11%	17%	69%	30%	3%	17%	1,177
Lakewood	1%	31%	56%	12%	52%	11%	13%	5,457
Lawnside Boro	1%	97%	2%	1%	51%	0%	8%	297
Linden	2%	36%	31%	30%	47%	6%	15%	6,123
Lindenwold Boro	3%	50%	23%	24%	59%	5%	14%	2,264

Lodi Boro	10%	8%	40%	40%	44%	5%	9%	3,126
(cont)	Asian	Black	Latino	White	At Risk	LEP	IEP	Total
Long Branch	2%	26%	40%	33%	61%	6%	10%	4,824
Lower Township	1%	5%	6%	87%	46%	2%	17%	1,837
Middlesex County Vocational	5%	15%	38%	42%	38%	0%	31%	1,897
Milleville City	1%	30%	17%	52%	56%	4%	19%	6,267
Mount Holly	2%	38%	16%	45%	44%	4%	20%	986
Mullica	1%	10%	22%	67%	33%	2%	11%	724
Neptune	2%	62%	11%	25%	42%	3%	16%	4,433
New Brunswick	1%	20%	77%	2%	67%	22%	15%	6,708
Newark	1%	58%	34%	8%	70%	10%	15%	40,507
North Bergen	5%	1%	80%	14%	50%	9%	13%	7,465
North Plainfield	6%	24%	53%	17%	46%	7%	13%	3,083
Orange	1%	82%	17%	0%	74%	12%	15%	4,568
Passaic city	3%	8%	88%	1%	81%	25%	13%	12,398
Passaic County Manchester Regional	0%	17%	45%	35%	50%	3%	15%	775
Passaic County Vocational	3%	24%	62%	11%	68%	0%	16%	2,802
Paterson	3%	34%	57%	6%	81%	13%	14%	24,087
Paulsboro	1%	51%	8%	40%	61%	1%	18%	1,400
Pemberton Township	2%	30%	12%	55%	46%	1%	15%	5,008
Pennsauken Township	9%	37%	35%	19%	56%	4%	19%	5,568
Penns Grove-Carneys Point Regional	1%	39%	22%	38%	54%	5%	17%	2,454
Perth Amboy	0%	7%	89%	3%	72%	0%	9%	9,461
Phillipsburg	2%	10%	11%	77%	29%	4%	13%	3,645
Pine Hill Boro	2%	27%	7%	63%	40%	1%	20%	2,182
Plainfield	0%	57%	42%	0%	72%	19%	12%	6,461
Pleasantville	1%	53%	44%	2%	63%	6%	11%	3,478
Prospect Park	0%	21%	60%	15%	70%	6%	13%	837
Quinton	0%	25%	4%	70%	34%	0%	8%	343
Rahway	3%	43%	30%	24%	50%	4%	15%	3,872
Red Bank	1%	24%	63%	12%	22%	22%	9%	842
Riverside	0%	10%	13%	77%	34%	3%	19%	1,435
Roselle Boro	1%	67%	30%	2%	53%	10%	15%	2,818
Salem City	0%	72%	6%	22%	69%	2%	18%	1,425
Seaside Heights	0%	20%	27%	52%	89%	8%	15%	207
Seaside Park Boro	0%	1%	8%	90%	27%	0%	10%	78
Somers Point	5%	18%	12%	65%	40%	2%	13%	1,115
Trenton	1%	62%	35%	3%	65%	12%	13%	11,448
Union City	1%	1%	96%	2%	94%	33%	11%	9,730
Upper Deerfield	1%	23%	13%	56%	43%	2%	10%	896
Ventnor City	15%	6%	33%	47%	46%	14%	8%	943
Vineland City	2%	21%	46%	30%	61%	6%	14%	9,770
Weehawken	4%	3%	65%	28%	54%	7%	10%	1,164
West New York	1%	1%	87%	10%	59%	16%	12%	7,054
Westville	4%	8%	5%	82%	38%	2%	18%	353
Wildwood City	0%	22%	43%	34%	57%	14%	24%	879
Willingboro township	1%	91%	5%	2%	45%	1%	14%	4,674
Winslow	3%	57%	8%	32%	38%	1%	13%	6,063

Woodbine Boro	0%	33%	41%	27%	84%	4%	15%	211
(cont)	Asian	Black	Latino	White	At Risk	LEP	IEP	Total
Woodbury City	1%	43%	12%	44%	49%	1%	16%	1,599
Woodlynne	9%	36%	46%	7%	73%	12%	16%	459
High Need Total	3%	35%	41%	17%	64%	9%	13%	401,909
State*	8%	17%	19%	55%	28%	4%	17%	1,378,631

Source: 2007-08 NJ School Report Card, 2007-08 Fall Survey

Note: At-Risk = Eligible for Federal Free or Reduced Priced Lunch Program, LEP = Limited English Proficient, IEP = Students with Individualized Education Plan

* State total for IEP represents the statewide classification rate for ages 3-21 including districts, charter schools, and state agencies

EXHIBIT C

List of Participating Districts

Abbott "High Need"

ASBURY PARK CITY
BRIDGETON CITY
BURLINGTON CITY
CAMDEN CITY
CITY OF ORANGE TWP
ELIZABETH CITY
GARFIELD CITY
GLOUCESTER CITY
IRVINGTON CITY
LONG BRANCH CITY
MILLVILLE CITY
NEWARK CITY
PASSAIC CITY
PEMBERTON TWP
PERTH AMBOY CITY
VINELAND CITY
WEST NEW YORK TOWN

Other "High Need"

BOUND BROOK BORO
BUENA REGIONAL
CARTERET BORO
EGG HARBOR CITY
FREEHOLD BORO
HACKENSACK CITY
HILLSIDE TWP
LAKEWOOD TWP
LINDEN CITY
LINDENWOLD BORO
LODI BOROUGH
MOUNT HOLLY TWP
MULLICA TWP
NORTH PLAINFIELD BORO
PASSAIC CO MANCHESTER REG
PENNS GRV-CARNEY'S PT REG
QUINTON TWP
RAHWAY CITY
RED BANK BORO
ROSELLE BORO
UPPER DEERFIELD TWP
VENTNOR CITY
WEEHAWKEN TWP
WILDWOOD CITY
WILLINGBORO TWP
WINSLOW TWP
WOODBURY CITY

EXHIBIT D

Table 2. Description of Sample of High Need Districts

	In Sample		Not in Sample		Total	
	N	Percent	N	Percent	N	Percent
District Factor Group						
A	17	39%	18	37%	35	38%
B	18	41%	17	35%	35	38%
CD	6	14%	6	12%	12	13%
DE	2	5%	3	6%	5	5%
FG	0	0%	1	2%	1	1%
N	1	2%	0	0%	1	1%
V	0	0%	4	8%	4	4%
Grade Span				0%		0%
K-6/K-8	8	18%	20	41%	28	30%
K-12	35	80%	26	53%	61	66%
7-12/9-12	1	2%	0	0%	1	1%
Vocational	0	0%	3	6%	3	3%
Enrollment						
0-1800	13	30%	23	47%	36	39%
1801-3500	10	23%	13	27%	23	25%
3501 +	21	48%	13	27%	34	37%
Total	44	100%	49	100%	93	100%

EXHIBIT E

Table 3: Summary of 2010-11 Budget Reductions in High Need Districts (N=44)

	2009-10	2010-11	Reduction	Percent Change	Percent of Total Reduction
GENERAL CURRENT EXPENSE					
Instruction	\$1,541,823,636	\$1,448,733,256	-\$93,090,380	-6%	42%
Support Services	\$2,303,841,952	\$2,230,938,203	-\$72,903,749	-3%	33%
CAPITAL OUTLAY	\$59,107,759	\$24,777,104	-\$34,330,655	-58%	15%
SPECIAL SCHOOLS	\$141,464,293	\$161,178,133	\$19,713,840	14%	--
GRANTS AND ENTITLEMENTS	\$586,737,058	\$544,391,025	-\$42,346,033	-7%	19%
DEBT SERVICE	\$35,310,013	\$35,621,351	\$311,338	1%	--
TOTAL	\$4,668,284,711	\$4,445,639,072	-\$222,645,639	-5%	100%

Table 4: Summary of 2010-11 Budget Reductions in Abbott Districts (N=17)

	2009-10	2010-11	Reduction	Percent Change	Percent of Total Reduction
GENERAL CURRENT EXPENSE					
Instruction	\$1,119,678,845	\$1,046,845,494	-\$72,833,351	-7%	41%
Support Services	\$1,674,092,480	\$1,600,263,764	-\$73,828,716	-4%	42%
CAPITAL OUTLAY	\$32,559,825	\$14,540,496	-\$18,019,329	-55%	10%
SPECIAL SCHOOLS	\$132,380,894	\$152,144,450	\$19,763,556	15%	--
GRANTS AND ENTITLEMENTS	\$480,791,303	\$450,708,854	-\$30,082,449	-6%	17%
DEBT SERVICE	\$11,898,941	\$10,349,878	-\$1,549,063	-13%	1%
TOTAL	\$3,451,402,288	\$3,274,852,936	-\$176,549,352	-5%	100%

Table 5: Summary of 2010-11 Budget Reductions in Other High Need Districts (N=27)

	2009-10	2010-11	Reduction	Percent Change	Percent of Total Reduction
GENERAL CURRENT EXPENSE					
Instruction	\$422,144,791	\$401,887,762	-\$20,257,029	-5%	44%
Support Services	\$629,749,472	\$630,674,439	\$924,967	0%	--
CAPITAL OUTLAY	\$26,547,934	\$10,236,608	-\$16,311,326	-61%	35%
SPECIAL SCHOOLS	\$9,083,399	\$9,033,683	-\$49,716	-1%	0%
GRANTS AND ENTITLEMENTS	\$105,945,755	\$93,682,171	-\$12,263,584	-12%	27%
DEBT SERVICE	\$23,411,072	\$25,271,473	\$1,860,401	8%	--
TOTAL	\$1,216,882,423	\$1,170,786,136	-\$46,096,287	-4%	100%

EXHIBIT F

Table 6. 2010-11 Reductions by Expenditure Category in High Need Districts (N=44)

	2009-10	2010-11	Reduction		
			Dollar	Percent Change	Percent of Total Reduction
GENERAL CURRENT EXPENSE					
Instruction:					
Regular Program	\$1,065,470,591	\$1,003,668,666	-\$61,801,925	-6%	28%
Special Education	\$277,618,133	\$270,180,832	-\$7,437,301	-3%	3%
Basic Skills/Remedial	\$20,073,258	\$17,517,344	-\$2,555,914	-13%	1%
Bilingual Education	\$85,408,765	\$83,307,454	-\$2,101,311	-2%	1%
Vocational - Instruction	\$1,059,797	\$905,914	-\$153,883	-15%	0%
Co/Extra-Curr. Activities	\$10,799,621	\$9,619,172	-\$1,180,449	-11%	1%
Athletics	\$26,691,961	\$23,817,970	-\$2,873,991	-11%	1%
Other Instructional Program	\$867,320	\$2,039,099	\$1,171,779	135%	--
Before/After School Programs	\$12,851,241	\$11,810,395	-\$1,040,846	-8%	0%
Summer School Instruction	\$1,577,555	\$2,329,340	\$751,785	48%	0%
Alternative Ed Programs	\$13,204,657	\$13,419,329	\$214,672	2%	0%
Other Supplemental/At-Risk Programs	\$23,462,705	\$7,753,453	-\$15,709,252	-67%	7%
Community Service Program	\$2,738,032	\$2,364,288	-\$373,744	-14%	0%
Support Services:					
Tuition	\$335,991,140	\$328,826,686	-\$7,164,454	-2%	3%
Attendance and Social Work	\$34,521,144	\$28,488,125	-\$6,033,019	-17%	3%
Health Services	\$44,523,300	\$41,819,262	-\$2,704,038	-6%	1%
Speech, OT, PT, Related & Extra. Services	\$55,174,244	\$56,060,843	\$886,599	2%	0%
Guidance	\$72,512,810	\$64,783,840	-\$7,728,970	-11%	3%
Child Study Team	\$100,903,916	\$96,929,191	-\$3,974,725	-4%	2%
Improvement of Instructional Services	\$102,540,066	\$84,476,541	-\$18,063,525	-18%	8%
Educational Media Services - School Library	\$47,354,479	\$43,866,647	-\$3,487,832	-7%	2%
Instructional Staff Training Services	\$7,750,886	\$5,717,916	-\$2,032,970	-26%	1%
General Admin	\$68,610,527	\$61,960,852	-\$6,649,675	-10%	3%
School Admin	\$134,604,308	\$131,020,766	-\$3,583,542	-3%	2%
Central Svcs & Admin Info Tech	\$85,931,322	\$77,896,541	-\$8,034,781	-9%	4%
Operation & Maintenance of Plant (inc. Security)	\$400,615,782	\$365,704,983	-\$34,910,799	-9%	16%
Student Transportation	\$176,881,313	\$175,316,739	-\$1,564,574	-1%	1%
Other Support					0%
Personal services - employee benefits	\$628,882,703	\$663,996,313	\$35,113,610	6%	--
Food Services	\$6,953,952	\$4,044,252	-\$2,909,700	-42%	1%

(cont.)

	2009-10	2010-11	Reduction		Percent of Total Reduction
			Dollar	Percent Change	
Emergency Reserve	\$55,144	\$1,775	-\$53,369	-97%	0%
Maintenance Reserve	\$34,916	\$26,931	-\$7,985	-23%	0%
CAPITAL OUTLAY					
Total Capital Expenditures	\$58,387,362	\$24,701,111	-\$33,686,251	-58%	15%
Capital Reserve	\$720,397	\$75,993	-\$644,404	-89%	0%
SPECIAL SCHOOLS					
Summer School	\$6,202,474	\$4,445,635	-\$1,756,839	-28%	1%
Other Special Schools	\$155,950	\$155,950	\$0	0%	0%
Accr Evening/Adult/PostGrad Schools	\$5,585,496	\$3,595,096	-\$1,990,400	-36%	1%
Adult Ed Local	\$2,071,855	\$344,253	-\$1,727,602	-83%	1%
Vocational Evening			\$0		0%
Evening School for Foreign-born	\$37,538	\$21,754	-\$15,784	-42%	0%
GED	\$30,000	\$0	-\$30,000	-100%	0%
Transfer to Charters	\$127,380,980	\$152,615,445	\$25,234,465	20%	--
GRANTS AND ENTITLEMENTS					
Preschool Education Aid	\$340,042,411	\$362,428,600	\$22,386,189	7%	--
Other Grants and Entitlements	\$246,694,647	\$181,962,425	-\$64,732,222	-26%	29%
DEBT SERVICE					
Repayment of Debt	\$35,310,013	\$35,621,351	\$311,338	1%	0%
Total	\$4,668,284,711	\$4,445,639,072	-\$222,645,639	-5%	100%

EXHIBIT G

Detailed Description of Position Codes

Category	FTE Position
Regular Teachers	Teachers - General Fund Teachers - Special Revenue
Special Education Support	Child Study Team - Professional Child Study Team - Support Classroom Aides - General Fund Classroom Aides - Special Revenue Speech, OT, PT & Related Services Extraordinary Services
Tutors & Reading Specialist	Teacher Tutors & Reading Spec
Professional Development	Facilitators, Math & Lit. Coaches Improv of Instruc - Support Prof Development - Professionals Prof Development - Support
Guidance/Social Work	Attendance & Social Work Guidance - Support Guidance - Professional
Other	Admin Info. Technology Services Central Services - Administrators Central Services - Professionals Central Services - Support Directors - Special Revenue Gen. Administration - Attorneys Gen. Administration - Professional Gen. Administration - Support General District Administrators Health Services Media Services/Technology Coord Oper. & Maint. - Security Guards Operations & Maintenance - Other Other Principals/Assistant Principals School Admin - Other Professionals School Admin - Support Sup & Other Prof. Staff-Spec. Rev Supervisors & Other Professionals Support - Special Revenue Transportation

EXHIBIT H

Table 7. Summary of 2010-11 Reductions in Staff Positions

	<i>Abbott</i>			<i>Other High Need</i>			<i>Total</i>		
	FTE's 2009-10	2010-11 Cuts	Percent Change	FTE's 2009-10	2010-11 Cuts	Percent Change	FTE's 2009-10	2010-11 Cuts	Percent Change
Regular Teachers	13,956	-943	-7%	5,724	-412	-7%	19,680	-1,355	-7%
Special Education Support	4,033	-276	-7%	1,553	-217	-14%	5,586	-493	-9%
Tutors and Reading Specialists	261	-145	-56%	13	0	0%	274	-145	-53%
Professional Development	510	-15	-3%	66	-11	-16%	577	-26	-5%
Guidance/Social Work	1,137	-149	-13%	271	-19	-7%	1,408	-168	-12%
Other - Administration, Technology, Operations, & Health	8,122	-795	-10%	2,332	-206	-9%	10,453	-1,001	-10%
Total	28,019	-2,323	-8%	9,958	-864	-9%	37,977	-3,188	-8%