

SUPREME COURT OF NEW JERSEY
DOCKET NO. 42,170

RAYMOND ARTHUR ABBOTT, et al,
Plaintiffs,

vs.

FRED G. BURKE et al,
Defendants.

CIVIL ACTION

**BRIEF AND APPENDIX OF AMICUS CURIAE
DOLLAR\$ AND SENSE**

Stephen Eisdorfer, Esq.
HILL WALLACK LLP
202 Carnegie Center
Princeton, New Jersey 08543-
5226
(609) 924-0808
sme@hillwallack.com

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PRELIMINARY STATEMENT

Dollar\$ and Sense, an association of 35 historically high achievement school districts, files this brief as amicus curiae. As set forth in more detail below, the School Funding Reform Act of 2008 ("SFRA"), L. 2007 c. 260 (codified primarily at N.J.S.A. 18A:7F-44 et seq.), establishes a new so-called "educational adequacy" standard for expenditures by all school districts. As presented by the State, this standard bears no factual relationship with the educational expenditure by District Factor Group (DFG) I and J districts that have historically enabled them to provide a high quality education for their students. It is as much as \$2,000 per pupil below the current expenditures by DFG I and J districts.

Indeed, the statutory "adequacy budget" is below the current level of expenditures for 383 of the state's 595 operating school districts. Far from representing a consensus of informed educational decision-makers as to the level of expenditures necessary to "deliver the core curriculum content standards and extracurricular and extracurricular and co-curricular activities necessary for a through and efficient education" mandated by the SFRA, the education adequacy standard is a dramatic step down from what school districts throughout New Jersey have found to be essential for the provision of the

education that the Constitution guarantees to every child, as evidenced by their actual budget decisions.

In the present proceedings, the statutory educational adequacy standard is not supported by any empirical factual analysis of actual expenditures of successful schools. The State has not provided the type of "convincing demonstration" that this Court has required to prove that a statewide expenditure standard other than parity with current expenditure levels of DFG I and J districts assures that all districts can operate "thorough and efficient" systems of public schools.

Combined with the SFRA's stringent restrictions on increases in school expenditures and on increases in local school tax levies, the expenditure standard will have the long term practical effect of driving the expenditure level of historically high achievement districts down toward the "adequacy budget" level. It will have the foreseeable effect of also driving down their ability to provide a high quality education for their students. It may ultimately reduce the disparity between DFG I and J districts and so-called Abbott districts, but only at the price of denying all children the constitutionally mandated "thorough and efficient" education.

Moreover, the SFRA specifically precludes historically high achievement districts from seeking to demonstrate that, as a matter of fact, expenditures higher than the adequacy budget

level are necessary to provide a "thorough and efficient education." It bars them from putting this evidence before the Department of Education or the courts. It thus seeks to insulate the State from the embarrassing evidence that this Court found persuasive in Abbott II.

Amicus Dollar\$ and Sense respectfully suggests to the Court that it cannot properly entertain the State's motion to declare the SFRA a sufficient remedy for the constitutional violations previously determined in this litigation on the basis of the scanty evidentiary record before it. To decide the State's motion, the Court needs actual evidence as to what expenditures are necessary to provide a through and efficient education. The wise course would be to remand this matter to a specially appointed judge or master for evidentiary hearings on this point.

Amicus Dollar\$ and Sense further suggests that it (or those districts whose interests it represents) should be permitted to participate in the proceedings on remand as parties. The students in these districts are just as much affected by any ruling as to the constitutional sufficiency of the statutory "educational adequacy standard" as the Abbott districts. Moreover, these districts are uniquely qualified to provide evidence as to what expenditures they have found necessary to provide a high quality education for their students.

PROCEDURAL HISTORY

Amicus relies upon and adopts the statements of the procedural history set forth in the briefs of the parties.

STATEMENT OF FACTS

Amicus Dollar\$ and Sense is an unincorporated association of historically high achievement school districts. Certification of Richard Snyder ¶2 (DSmota1). It seeks to advance sensible school funding policies that both further constitutional principles articulated by this Court in the Abbott decisions and maintain the ability of its members to provide high quality education to their public school students. Id. at ¶5 (DSmota2). It has been in existence for five years and currently is supported by 35 school districts, primarily located in Bergen County. Id. at ¶¶3,4 (DSmota3,4) A list of the supporting districts is attached to Mr. Snyder's certification. Id at Ex. A (DSmota4).¹

Amicus relies upon and adopts the statement of facts set forth in the briefs filed on behalf of plaintiffs.

¹ In this brief, amicus Dollar\$ and Sense focuses on one aspect of the SFRA—the "educational adequacy" standard for expenditures and the impact of that standard on children in both DFG I and J districts and Abbott districts. This case also raises issues as to the adequacy and fairness of the scheme for allocation of state education aid. Amicus reserves the right to address that issue, too, in any subsequent proceedings before this Court or on remand.

ARGUMENT

POINT I

THE STATE HAS NOT PROVIDED THE TYPE OF "CONVINCING DEMONSTRATION" THAT THIS COURT HAS REQUIRED TO PROVE THAT A STATEWIDE EXPENDITURE STANDARD OTHER THAN PARITY WITH CURRENT EXPENDITURE LEVELS OF DFG I AND J DISTRICTS ASSURES THAT ALL DISTRICTS CAN OPERATE "THOROUGH AND EFFICIENT" SYSTEMS OF PUBLIC SCHOOLS.

In Abbott v. Burke, 119 N.J. 287 (1990) (Abbott II), this Court held that, in the absence of a statutory school finance scheme that otherwise assured all children in poor, urban school districts (since known as Abbott districts) the "thorough and efficient" education mandated by N.J. Const. art. VIII, §4, ¶1, those districts must be assured at least parity in spending with the so-called DFG I and J districts, the most affluent and historically high achieving school districts. Abbott II, 119 N.J. at 384-86. The Court reaffirmed this standard in Abbott v. Burke, 136 N.J. 444 (1994) (Abbott III) (striking down the so-called Quality Education Act), and again in Abbott v. Burke, 149 N.J. 145 (1997) (Abbott IV) (striking down the so-called Comprehensive Educational Improvement and Financing Act).

In Abbott IV, this Court established the standard that the State must meet to demonstrate that a statutory school finance scheme that does not assure this parity satisfies the State's constitutional obligations:

We acknowledged in Abbott II, *supra*, that the Legislature may choose "to equalize expenditures per

pupil for all districts in the State at any level that it believes will achieve a thorough and efficient education, and that level need not necessarily be today's average of the affluent suburban districts." 119 N.J. at 387, 575 A.2d 359; see supra at 156-157, 693 A.2d at 422-423. Thus, if it can be convincingly demonstrated under CEIFA or by amendatory legislation or administrative regulation that a substantive thorough and efficient education can be achieved in the SNDs by expenditures that are lower than parity with the most successful districts, that would effectively moot parity as a remedy. Moreover, if the State could, as implicitly authorized by CEIFA, specifically identify those elements of DFG I & J budgets that represent genuine inefficiencies or excesses and demonstrate that they are truly unnecessary to the achievement of a thorough and efficient education, as evidenced by student performance and achievement of the content standards, it then may consider those expenditures in the funding calculation. [Abbott IV, 149 N.J. at 196.]

As the Court has emphasized throughout its school finance jurisprudence, the claim that a statutory school finance scheme ensures children in the Abbott districts the level of expenditure necessary to provide the constitutionally mandated "thorough and efficient" education must be demonstrated as a matter of fact; it cannot merely be asserted or inferred from a policy-making process. Moreover, it must be "convincingly demonstrated." Id. The unhappy history of prior legislative schemes--each supported by its own highly touted policy making process, each claiming to be the innovative statutory model that will finally fulfill the State's constitutional duties, and each failing to match the claims made for it--requires that the Court apply no less stringent a standard in the present case.

A central feature of the SFRA is the establishment of a new "educational adequacy" standard for school expenditures. This involves the establishment of a "base per pupil amount," which is supposed to be "the cost per elementary pupil of delivering the core curriculum content standards and extracurricular and co-curricular activities necessary for a thorough and efficient education." N.J.S.A. 18A:7F-45 (definition of "base per pupil amount"); 18A:7F-49 (determination of "base per pupil amount"); 18A:7F-46(b) (periodic submission to the Legislature of an "Educational Adequacy Report" reporting the "base per pupil amount" for review and ratification). The "base per pupil amount" is then the basis for the calculation of an "adequacy budget" for each school district, based upon its resident enrollment. N.J.S.A. 18A:7F-51.

This "adequacy budget" is determinative of key elements of state aid levels and also of permissible local expenditures. It determines how much "equalization aid," N.J.S.A. 18A:7F-53, and "adequacy aid," N.J.S.A. 18A:7F-58(b), the State distributes to the school district. It is also determinative of the district's required local share, i.e., the portion of its expenditures it must raise through local school tax levies. N.J.S.A. 18A:7F-5(b) (required local share for districts not receiving equalization aid); 18A:7F-6(a) (power of Commissioner of Education to require additional expenditures to reach "adequacy budget").

Finally, and not least important, it is determinative of permissible increases in school expenditures, N.J.S.A. 18A:7F-5(d), and increases in local school tax levies, N.J.S.A. 18A:7F-38.

What is striking about the State's motion seeking a declaration of the constitutionality of the SFRA is that it is not supported by any factual evidence or factual analysis of the expenditures of DFG I and J districts. Contrary to the standard enunciated by the Court in Abbott IV, 119 N.J. at 196, the State has not offered evidence as to the staff, facilities, programs, and services that the expenditures by the DFG I and J districts provide. Nor has it sought to demonstrate that any of these staff, facilities, programs, or services is educationally excessive and unnecessary. Instead, it has offered merely the Department of Education's own staff judgment as to what educational expenditures are appropriate, corroborated through a number of consultations with educators, elected officials, and academics.

The policy-making process described by the State may be sound or unsound on its own terms, but it is not the type of evidence necessary to meet the "convincing demonstration" standard required by the Court in Abbott IV, 119 N.J. at 196.

In fact, the statutory "educational adequacy" standard for expenditures is as much as \$2,000 per pupil below the current

expenditures by DFG I and J districts. The Ramsey Borough School District, a supporting member of Dollar\$ and Sense, is illustrative. As set forth in the accompanying certification by school superintendent Dr. Roy Montesano, the State's "adequacy budget" for Ramsey is \$1,997 per pupil lower than Ramsey's actual level of expenditures. Certification of R. Montesano ¶6 (DSmota6).

Were Ramsey required to reduce its expenditures to the adequacy budget specified by the State, it would have to make reductions in its program that would severely impact the quality of education that it provides to its students. It would, for example, have to make the following reductions:

1. Elimination of ALL athletic and co-curricular programs \$864,015.00;
2. Elimination of ALL Basic Skills/remedial programs \$905,185.00;
3. Cutting of one full Child Study Team resulting in major loss of student services \$350,000.00;
4. Elimination of ALL educational media services \$1,171,197.00;
5. Twenty five percent reduction in budget for operation of plant services resulting in major personnel losses and potential safety of our students \$1,032,936.00;
6. Elimination of four supervisory positions resulting in major loss in instructional progress and student achievement \$520,000.00;
7. Elimination of ALL teacher training and support programs \$142,605.00; and
8. Further reduction of 20 teaching positions, \$1,273,529.00.

Montesano Cert. ¶7 (DSmota6-7).

These reductions would not involve the elimination of "frills." They are expenditures that the school district has found necessary to carry out its core mission of providing a "thorough and efficient" school system for all its students. Most of these reductions would directly affect the District's ability to "deliver the core curriculum content standards and extracurricular and extracurricular and co-curricular activities necessary for a through and efficient education" as mandated by the SFRA. Montesano Cert. ¶8 (DSmota7).

Indeed, as shown by the State's own reports² the statutory "adequacy budget" is below the current level of expenditures for 383 of the state's 595 operating school districts.³ Far from representing a consensus of informed educational decision-makers as to the level of expenditures necessary to "deliver the core curriculum content standards and extracurricular and extracurricular and co-curricular activities necessary for a through and efficient education" mandated by the SFRA, N.J.S.A. 18A:7F-45, the "education adequacy" standard is a dramatic step down from what school districts throughout New Jersey have found

² See NJ Department of Education, 2008-2009 Revised District State Aid Profiles reprinted at <http://www.state.nj.us/education/sff/profiles/revised/> (accessed June 25, 2008).

³ Table of School Districts with 2008-2009 Adequacy Budgets Lower than Their 2007-2008 Expenditure Levels, reproduced at DSmota12-20).

to be essential for the provision of the quality of education that the Constitution guarantees to every child, as evidenced by their actual budget decisions.

Because the State has not provided the type of "convincing demonstration" that this Court has required to prove that a statewide expenditure standard other than parity with current expenditure levels of DFG I and J districts assures that all districts can operate "thorough and efficient" systems of public schools, the Court cannot properly decide the State's motion on the record before it.

POINT II

THE COMBINATION OF A LOW "EDUCATIONAL ADEQUACY" STANDARD WITH RESTRICTIONS ON INCREASES IN EXPENDITURES AND ON LOCAL SCHOOL TAX LEVIES MAY REDUCE THE EXPENDITURE DESPARITIES BETWEEN DFG I AND J DISTRICTS BUT ONLY AT THE EXPENSE OF DENYING ALL CHILDREN THE CONSTITUITONALLY MANDATED "THOROUGH AND EFFICIENT" EDUCATION.

As outlined above, the SFRA's statutory "educational adequacy" standard for school expenditures is substantially below the current level of expenditures by DFG I and J districts, and, indeed, below the level of expenditures for most school districts in New Jersey. Combined with SFRA's stringent restrictions on increases in school expenditures and on increases in local school tax levies, the expenditure standard will have the long term practical effect of driving the expenditure level of high achievement DFG I and J districts down

toward the "adequacy budget" level. While this may ultimately reduce the disparity in expenditures between DFG I and J districts and the Abbott districts, it will do so only at the price of denying all children the constitutionally mandated "thorough and efficient" education.

The SFRA imposes limitations on both increases in local school expenditures, L. 2007 c. 260, §28, amending N.J.S.A. 18A:7A-5, and increases in local school tax levies, L. 2007 c. 260, §62, amending N.J.S.A. 18A:7F-38. As to local school expenditures, the statute provides that, subject to certain narrowly defined adjustments, the school district's budget may not exceed the previous year's budget by more than 2.5 percent or the percentage increase in the Consumer Price Index. N.J.S.A. 18A:7F-5(d)(1). This limitation itself means that a school budget buys less and less each year. Typically 85 percent of school budgets are devoted to salaries and benefits of teachers and other staff. The salaries of teachers naturally increase as they move up the salary scale with years of service. Health benefits also increase, historically at rates more than three times higher than the maximum statutory rate for increases in school expenditures.⁴ School budgets must increase faster

⁴ Although the statutory limitation on increases in school tax levies excludes increases in the cost of health benefits, N.J.S.A. 18:7F-38(a)(1), the limitation on school expenditures does not have any such exclusion. N.J.S.A. 18A:7F-5(d)(1).

than this rate to provide the same staff, facilities, services and programs from year to year.

Pursuant to SFRA, if a district seeks approval for a budget that is greater than the "adequacy budget," the ballot question now must include the following statement:

Your school district has proposed programs and services in addition to the core curriculum content standards adopted by the State Board of Education. Information on this budget and the programs and services it provides is available from your local school district.

N.J.S.A. 18A:7F-5(d) (10). This statement must appear on the ballot, regardless of whether it is true.

If the budget is voted down, the municipal governing body establishes the budget. If the budget fixed by municipal governing body is greater than the state "adequacy budget," the school board is stripped of the remedy mandated by this Court in Board of Education of East Brunswick v. Township Council of East Brunswick, 48 N.J. 94 (1966). It is barred from appealing the municipal governing body's actions on the grounds that the reduced budget is inadequate to provide a "thorough and efficient" education. N.J.S.A. 18A:7F-5(e)(1). That reduced

Over the past six years, the cost of health benefits to New Jersey employers generally has increased at an average rate of 9.4 percent a year. The cost per employee has doubled over that period. New Jersey State Business and Industry Association, 2008 Health Benefits Survey (April 29, 2008) reprinted at http://www.njbia.org/news_newsrs_080429.asp (accessed June 25, 2008).

budget then becomes the base for restrictions in increases in the school budget for the following year.

The school district may submit a separate budget proposal to the voters for additional expenditures. That separate budget, however, cannot include any programs or services that were included in the previous year's budget. It thus cannot be used to keep up with rising costs. Extraordinarily, it cannot include any "new programs or services necessary for students to achieve the thoroughness standards" set under the SFRA. N.J.S.A. 18A:7F-5(d)(9).

The practical effect of these restrictions is to force the expenditures by DFG I and J districts down over time toward the state "educational adequacy" level, regardless of whether doing so impairs their ability to provide a high quality education or a "thorough and efficient" education.

As to local school tax levies, the statute provides that, subject to certain narrowly defined adjustments and exclusions, the percentage increase in local school tax levies cannot exceed 4 percent. N.J.S.A. 18A:7F-38(a)(1). However, for districts whose expenditures are above the statutory "educational adequacy" level and whose prior year tax levy was greater than its statutory minimum "local share"--as is typical in DFG I and

J districts⁵--the permissible increase in school tax levy is reduced by any increase in state aid in excess of two percent or the percentage increase in the CPI. N.J.S.A. 18A:7F-38(a)(2)⁶

In theory, a district can apply to the Commissioner of Education for a waiver. By statute, however, a district that applies for a waiver surrenders to the Commissioner substantial control of its budget and of decisions as to staff, facilities, programs and services that are affected by its budget. N.J.S.A. 18A:7F-39. This provision seems better designed to deter waiver

⁵ See NJ Department of Education, 2008-2009 Revised District State Aid Profiles reprinted at <http://www.state.nj.us/education/sff/profiles/revised/> (accessed June 25, 2008). A copy of the 2008-2009 Revised District State Aid Profile for the Ramsey Borough School District is attached at DSmta21-22.

⁶ By way of illustration, as set forth in its 2008-2009 Revised District State Aid Profile (DSmta21-11), the school tax levy for the Ramsey Borough School District for 2007-2008 was \$40,527,656. This is the base for the four percent cap levy.

For the Ramsey Borough School District, the "educational adequacy" budget for the 2008-2009 school year is \$35,441,092. Its minimum local share is \$34,360,001. Thus, its expenditures exceed the "adequacy budget" and its school tax levy exceeds the minimum local share. The district is therefore subject to state aid offset.

Ramsey receives state aid, primary for special education. Because its expenditures are above the "educational adequacy" level, any increase in state aid is capped at 10 percent. N.J.S.A. 18A:7F-47(d). Its capped increase in state aid is \$246,261. Since this increase exceeds two percent, its school levy cap is thus further reduced by the "excess" over 2 percent, which equals \$197,008.

Among other things, this provision guarantees that any increase in state aid that a DFG I or J district might receive have little impact on its actual permitted expenditures. Almost all of it is lost in the reduction in the local school tax levy cap.

requests than to assure that districts can obtain the funds necessary to provide a high quality education.

A district may submit a separate budget proposal to the voters to exceed the school tax levy cap. Here, too, the separate budget proposal may not include "any programs or services necessary for students to achieve the core curriculum content standards." N.J.S.A. 18A:7F-39(c)(1). Such a separate budget proposal can be adopted only by a supermajority--60 percent of the votes cast. N.J.S.A. 18A:7F-39(c).

Here, too, the practical effect of these restrictions is to force the expenditures by DFG I and J districts down over time toward the state "educational adequacy" level, regardless of whether doing so impairs their ability to provide a high quality education or a "thorough and efficient" education.

It should be emphasized that the effect of these restrictions is cumulative. As a result their impact increases over time. Over the short run, their impact may be small.⁷ Over the long run, their impact grows relentlessly.

The SFRA phases-in these restrictions in a manner that obscures their long-term impact. For the period from 2008-2009 to 2011-2012, only the school tax levy cap provisions apply.

⁷ Indeed, if the State were to fail to provide an adequate allocation of education aid to the Abbott districts, there would surely be large short term disparities in expenditures between the Abbott districts and the DFG I and J.

N.J.S.A. 18A:7F-40. After that, the vise is squeezed tighter: both the school tax levy cap and the school expenditure limitations apply.

It may be that, ultimately, these provisions of the SFRA will reduce the disparities in expenditures between DFG I and J districts, such as those represented by Dollar\$ and Sense, and the Abbott districts. It will do so, however, only at the expense of depriving New Jersey's historically high achievement districts of the ability to deliver the quality education which the Court has set as the constitutional benchmark for funding for the Abbott districts. This violates the State's constitutional obligations to the public school students in both the historically high achievement districts and in the Abbott districts.

POINT III

THE PROPER COURSE IS FOR THE COURT TO REMAND THIS MATTER TO A SPECIALLY ASSIGNED JUDGE OR MASTER TO HEAR EVIDENCE AND MAKE FINDINGS OF FACT IN ACCORDANCE WITH STANDARDS ENUNCIATED IN ABBOTT IV AS TO WHETHER THE SFRA FULFILLS THE STATE'S DUTIES UNDER THE EDUCATION CLAUSE AND TO PERMIT DOLLAR\$ AND SENSE (OR ITS MEMBERS) TO PARTICIPATE IN THAT PROCEEDING AS A PARTY.

The State's motion presents the Court with the essentially same procedural problem it faced after the adoption of the Quality Education Act. The Legislature has adopted a new statutory school finance scheme. The matter has come before the Court on the motion of one of the parties for a determination of

the constitutionality of that scheme. The factual record before is patently insufficient for the Court to make that determination. In the context of the QEA, the Court remanded the matter to a specially assigned trial judge to conduct an evidentiary hearing and make factual findings. The findings of the trial court enabled the Court to make its determination in Abbott III.

Amicus Dollar\$ and Sense respectfully suggests that the Court should draw upon this experience and follow the same course in the present case.

Amicus Dollar\$ and Sense further suggests that it (or those districts whose interests it represents) should be permitted to participate in the proceedings on remand as a party. For the reasons outlined above, the students in these districts are just as much affected by any ruling as to the constitutional sufficiency of the statutory "educational adequacy" standard as the Abbott districts. Indeed, because the SFRA selectively bars the historically high achievement districts from filing budget appeals on the grounds that the reduced budgets deny them the ability to provide a the constitutionally mandated "thorough and efficient" education, the present proceeding is the only forum available to them to present factual evidence as to the sufficiency of the statutory "educational adequacy" standard.

Moreover, these districts are uniquely qualified to provide evidence as what expenditures they have found necessary to provide a high quality education for their students.

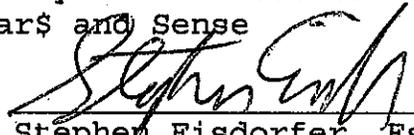
Dollar\$ and Sense respectfully suggests that it be permitted to participate in any remand on all issues, including not only issues concerning the "educational adequacy" standard but also issues concerning the constitutionality and fairness of the SFRA's scheme for distribution of state education aid.

CONCLUSION

For all the reasons set forth above, amicus Dollar\$ and Sense respectfully suggests to the Court that it should deny the State's motion on the record before it. Rather the Court should remand this matter to a specially appointed judge or master for evidentiary hearings and should permit Dollar\$ and Sense (or those districts whose interests it represents) to participate in the proceedings on remand as parties as to all issues.

HILL WALLACK
Attorneys for Amicus Curiae
Dollar\$ and Sense

By:


Stephen Eisdorfer, Esq.

Dated: June 26, 2008

APPENDIX

HILL WALLACK LLP

Stephen Eisdorfer, Esq.

202 Carnegie Center

Princeton, New Jersey 08543-5226

(609) 924-0808

Attorneys for Amicus Curiae Dollar\$ and Sense

SUPREME COURT OF NEW
JERSEY

DOCKET NO.: 42,170

CIVIL ACTION

**CERTIFICATION OF RICHARD
SNYDER**

RAYMOND ARTHUR ABBOTT, et al,
Plaintiffs,

vs.

FRED G. BURKE et al,
Defendants.

Richard Snyder, being of full age and duly sworn, upon his oath deposes and says:

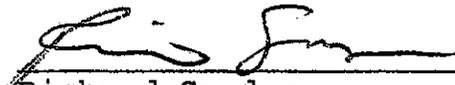
1. I am executive director of Dollar\$ and Sense. In that capacity, I am very familiar with the organization, its history, and its involvement and expertise in school funding issues.
2. Dollar\$ and Sense is an unincorporated association of historically high achievement school districts. Its principal place of business is 397 Elbert Street, Ramsey, NJ 07446.
3. The association was originally organized by a group of school board members and administrators from three leading Bergen County school districts, Demarest, Ramsey, and Ridgewood. It currently has 35 supporting school district members. A list of these members is attached as Exhibit A

1a

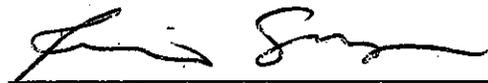
4. The association functioned in its current form for five years.
5. The association seeks to advance sensible school funding policies that both further constitutional principles articulated in the Abbott decisions and maintain the ability of its members to provide high quality education to public school students in these districts.
6. The association has conducted research on school funding issues, prepared issue papers, and presented testimony on numerous occasions before the Legislature, including before the Joint Legislative Committee on Public School Funding Reform and the Assembly Education Committee.
7. The association has conducted five public forums and maintains a website, www.dollarsandsense.bz, to provide information to public on issues involving school funding.
8. Because of the association's knowledge of the operation and funding of historically high achieving school districts represented by its own members, it is particularly well positioned to provide the Court with information and analysis as to the expenditures, staff, facilities, programs and services that have enabled those districts to provide a high quality education to their students. It is also particularly well positioned to provide the Court with information and analysis as

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to the impact of the School Finance Reform Act on those districts.


Richard Snyder

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


Richard Snyder

Dated: 6/25/08

EXHIBIT A

Dollar\$ and Sense Supporting Member School Districts

Alpine
Closter
Franklin Lakes
Demarest
Ridgewood
Ramsey
Norwood
Fairlawn
Carlstadt
Wood-Ridge
Moonachie
Wood-Cliff Lake
Rochelle Park
New Milford
North Arlington
Riverdell
Leonia
Westwood
River Edge
Englewood Cliffs
Montvale
Wyckoff
Glen Rock
Cresskill
Allendale Boro
Northvale
Oradell
Emerson
Maywood
Park Ridge Boro
Old Tappan
Carlstadt-East Rutherford
Pascack Valley
Saddle River
Harrington Park
Northern Valley Regional High School
East Rutherford
Middletown

HILL WALLACK LLP

Stephen Eisdorfer, Esq.
202 Carnegie Center
Princeton, New Jersey 08543-5226
(609) 924-0808

Attorneys for Amicus Curiae Dollar\$ and Sense

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JERSEY
DOCKET NO.: 42,170

RAYMOND ARTHUR ABBOTT, et al,
Plaintiffs,

vs.

FRED G. BURKE et al,
Defendants.

CIVIL ACTION

**CERTIFICATION OF ROY
MONTESANO**

Roy Montesano, being of full age and duly sworn, upon his oath deposes and says:

1. I am Superintendent of Schools for the School District of the Borough of Ramsey. In that capacity, I am very familiar with funding and operation of Ramsey's kindergarten through twelfth grade school system and impact upon it of the School Funding Reform Act, L. 2008 c. 260 ("SFRA").
2. Ramsey is one of the districts whose interests are represented by Dollar\$ and Sense.
3. Ramsey School District ("the District") is located in Bergen County. It is a DFG ("district factor grouping") I district. For the 2007-08 school year, approximately 3,045 students were enrolled in the District's schools.

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4. In accordance with the regulations of the State Department of Education, the Ramsey Board of Education, in consultation with the District's business administrator, my staff, and me, prepared an "adequacy budget" for the 2008-2009 school year, which the Board of Education submitted to the State Department of Education for review, together with supporting documentation.

5. Our adequacy budget was \$41,700,559, or approximately \$13,306 per projected weighted pupil.

6. Based upon the formula in the SFRA, the State found this budget to be \$6,259,467 over the statutory adequacy budget. This represents a reduction of \$1,997—almost \$2,000—per projected weighted pupil. See NJ Dept. of Education, Annual School District Budget Statement Supporting Documentation, Bergen, Ramsey Borough, June 12, 2008, attached as Exhibit A.

7. Were the District required to reduce its expenditures to the adequacy budget specified by the State, the District would have to make reductions in its program that would severely impact the quality of education that it provides to its students. It would, for example, have to make the following reductions:

- a. Elimination of **ALL** athletic and co-curricular programs
\$864,015.00;
- b. Elimination of **ALL** Basic Skills/remedial programs
\$905,185.00;

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- c. Cutting of one full Child Study Team resulting in major loss of student services \$350,000.00;
- d. Elimination of **ALL** educational media services \$1,171,197.00;
- e. Twenty five percent reduction in budget for operation of plant services resulting in major personnel losses and potential safety of our students \$1,032,936.00;
- f. Elimination of four supervisory positions resulting in major loss in instructional progress and student achievement \$520,000.00;
- g. Elimination of **ALL** teacher training and support programs \$142,605.00; and
- h. Further reduction of 20 teaching positions, \$1,273,529.00.

8. These reductions do not involve the elimination of "frills." They are expenditures necessary for the District to carry out its core mission of providing a "thorough and efficient" school system for all its students. Most of these reductions would directly affect the District's ability to "deliver the core curriculum content standards and extracurricular and extracurricular and co-curricular activities necessary for a through and efficient education" as mandated by the SFRA.

9. In rejecting the District's adequacy budget, the State did not make an educational judgment as to the whether staff, facilities, programs, and services funded by the budget would be necessary to "deliver the core curriculum content standards and extracurricular and extracurricular and co-curricular activities

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necessary for a through and efficient education." Rather, it made its decision simply by comparing the District's adequacy budget with one-size-fits-all statutory adequacy budget.

10. For the 2008-2009 school year, the District can avoid making these cuts by funding operation of the schools through revenues raised local property tax levies.

11. As the costs of providing the staff, facilities, programs, services and facilities increase over time, the limitations imposed by the SFRA on increases in school budgets and on increases in local tax revenues will make it impossible to continue fund operation of the schools through revenues raised local property tax levies.

12. At that point, the District will not be able to avoid making these or other similar budgetary cuts.

13. The SFRA's arbitrarily setting the statutory "adequacy budget" at a level much lower than Ramsey's current budget and restricting future increases in school budgets and in local tax revenues will foreseeably drive the District's expenditures down toward the statutory "adequacy budget." This "leveling down" in expenditures will unavoidably affect the quality of education provided by the District to its students and will impair the District's ability to "deliver the core curriculum content standards and extracurricular and extracurricular and co-

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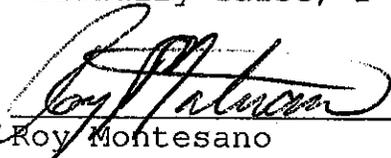
curricular activities necessary for a through and efficient education" as mandated by SFRA.

14. This is true even in a school district such as Ramsey which a) will not receive any "adjustment aid" and thus will not be affected by ultimate disappearance of that aid; and b) over the short run, will not receive a significant increase in State school aid and thus will not be affected by the requirement imposed by the SFRA that significant increases in State school aid be offset by reductions in local tax revenues.



Roy Montesano

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



Roy Montesano

Dated: 6-24-08

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Annual School District Budget Statement Supporting Documentation

BERGEN - RAMSEY BORO

1b. District Statement of Programs and Services
in Excess of the Adequacy Budget

Total Budgeted Adequacy Spending	\$ 41,700,559
District Adequacy Budget	\$ 35,441,092

The school district has proposed programs and services in addition to the core curriculum content standards adopted by the State Board of Education. Briefly describe the programs that cause the proposed budget to exceed the Adequacy amount.

The maximum adequacy budget is based upon assumptions made by the State. Those assumptions in and of themselves, explain the above-mentioned difference between the District's budget and the adequacy amount. For instance, the State uses an average "cost of doing business" that is applied from Cape May to Sussex County. This includes such items as salaries, benefits, repairs & maintenance, etc. The fact is that those costs are much higher in counties such as Bergen and Morris than they are in Cape May or Ocean. The State's efficiency standards are also based on the "ideal sized" school district. For instance, they base their costs on a district with enrollment of 5,240 students. If a district happens to have a smaller student population, as Ramsey has, the district may incur additional costs of running their programs. Finally, an assumption is made that a district only provides those programs that the State considers necessary to achieve the Core Curriculum Content Standards. Quality school districts offer students course offerings that go beyond the minimum requirements. For instance, compared to the assumptions made by the State, the Ramsey Public Schools have:

- smaller class sizes for some courses designed for students at both ends of the academic spectrum.
- increased electives at both the middle school and high school including multiple World Languages rather than a single offering, electives in Home Economics, Industrial Arts, Fine Arts, Business Education, Social Studies, English, Mathematics and Science.
- a Readiness Kindergarten Program.
- a greater level of extra- and co-curricular activities including those in the interscholastic sports and the Marching Band programs.
- higher costs for special education programs.
- additional Child Study Team members to handle the larger student population.
- an additional part-time High School Guidance Counselor.
- mandated costs for transportation that are not reimbursed by the State.

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Annual School District Budget Statement Supporting Documentation
 BERGEN - RAMSEY BORO

Budget Status

\$ 41,700,559 Budgeted Adequacy Spending _____ Below Adequacy
 X Above Adequacy

\$ 6,259,467 Total Excess over Adequacy
 _____ Separate Proposal(s) - Voters or Board of School Estimate
 _____ Automatic cap Adjustments
 _____ Commissioner Waivers

District Budget Data

\$ 0 Separate Proposal(s) - Voters or Board of Sch. Estimate Amount
 \$ 34,360,001 Minimum Tax Levy
 \$ 41,700,559 Proposed Base Budget Tax Levy
 \$ 42,000,872 Tax Levy Cap

3,169.35 Projected 2008-09 WENR - District
 3,069.50 Projected 2008-09 Resident Enrollment - District
 3,134.00 Projected 2008-09 WENR - DOE *
 3,089.00 Projected 2008-09 Resident Enrollment - DOE
 3,071.86 Projected 2007-08 WENR - District
 3,045.00 Projected 2007-08 Resident Enrollment - District
 3,099.00 Projected 2007-08 WENR - DOE *
 3,072.00 Projected 2007-08 Resident Enrollment - DOE

* Excludes School Choice Pupils

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**School Districts with 2008-2009 Adequacy Budgets
Lower than their 2007-2008 Expenditure Levels**

District	County	2007-08 Spending From State Aid Profiles	2008-09 Adequacy Budget From State Aid Profiles
Atlantic City	Atlantic	\$112,529,056	\$99,174,523
Brigantine City	Atlantic	\$15,780,440	\$11,945,532
Corbin City	Atlantic	\$1,397,676	\$1,176,052
Estell Manor City	Atlantic	\$3,811,715	\$3,679,055
Linwood City	Atlantic	\$11,596,168	\$10,469,841
Longport	Atlantic	\$1,058,653	\$642,675
Margate City	Atlantic	\$10,987,628	\$6,908,022
Pleasantville City	Atlantic	\$69,321,171	\$57,432,222
Port Republic City	Atlantic	\$2,310,801	\$1,749,389
Ventnor City	Atlantic	\$17,342,178	\$16,837,574
Allendale Boro	Bergen	\$12,942,662	\$11,475,263
Alpine Boro	Bergen	\$5,084,483	\$2,750,735
Bergenfield Boro	Bergen	\$52,451,423	\$49,229,254
Carlstadt Boro	Bergen	\$7,847,291	\$7,245,521
Carlstadt-East Rutherford	Bergen	\$10,780,150	\$8,058,783
Closter Boro	Bergen	\$15,123,956	\$14,217,143
Demarest Boro	Bergen	\$10,809,285	\$8,295,805
East Rutherford Boro	Bergen	\$11,632,776	\$8,655,793
Edgewater Boro	Bergen	\$12,415,203	\$9,405,558
Emerson Boro	Bergen	\$15,494,757	\$14,470,496
Englewood City	Bergen	\$52,385,750	\$45,350,890
Englewood Cliffs Boro	Bergen	\$9,198,720	\$5,305,110
Fair Lawn Boro	Bergen	\$69,785,592	\$62,053,249
Franklin Lakes Boro	Bergen	\$21,604,860	\$17,209,180
Glen Rock Boro	Bergen	\$37,214,003	\$31,292,425
Hasbrouck Heights Boro	Bergen	\$21,499,404	\$20,823,219
Haworth Boro	Bergen	\$6,815,611	\$6,343,557
Ho Ho Kus Boro	Bergen	\$10,518,472	\$10,451,403
Mahwah Twp	Bergen	\$49,321,665	\$43,697,935
Midland Park Boro	Bergen	\$16,146,458	\$14,357,334
Montvale Boro	Bergen	\$12,741,627	\$12,196,177
Moonachie Boro	Bergen	\$6,270,437	\$5,022,823
Northern Highlands Reg	Bergen	\$17,609,695	\$14,091,181
Northern Valley Regional	Bergen	\$40,849,950	\$35,916,981
Northvale Boro	Bergen	\$7,351,699	\$7,221,251
Norwood Boro	Bergen	\$8,143,519	\$7,752,006
Oakland Boro	Bergen	\$23,367,410	\$20,059,148
Old Tappan Boro	Bergen	\$11,329,046	\$10,986,941

Paramus Boro	Bergen	\$63,477,069	\$56,281,119
Park Ridge Boro	Bergen	\$20,744,292	\$17,401,030
Pascack Valley Regional	Bergen	\$37,381,934	\$27,207,225
Ramapo-Indian Hill Reg	Bergen	\$42,046,929	\$32,813,543
Ramsey Boro	Bergen	\$42,876,464	\$37,803,438
Ridgewood Village	Bergen	\$74,620,134	\$68,725,481
River Dell Regional	Bergen	\$22,894,835	\$20,789,917
River Vale Twp	Bergen	\$16,781,220	\$16,576,298
Rochelle Park Twp	Bergen	\$9,294,421	\$7,463,006
Rockleigh	Bergen	\$410,980	\$240,966
Rutherford Boro	Bergen	\$34,556,227	\$31,121,296
Saddle Brook Twp	Bergen	\$23,382,081	\$23,075,509
Saddle River Boro	Bergen	\$6,599,231	\$4,988,595
South Hackensack Twp	Bergen	\$5,836,031	\$3,532,212
Teaneck Twp	Bergen	\$78,932,355	\$58,914,378
Tenafly Boro	Bergen	\$49,260,206	\$44,643,927
Teterboro	Bergen	\$101,956	\$94,485
Upper Saddle River Boro	Bergen	\$18,447,899	\$16,450,087
Waldwick Boro	Bergen	\$23,228,871	\$19,774,042
Westwood Regional	Bergen	\$40,931,802	\$34,081,887
Woodcliff Lake Boro	Bergen	\$11,815,294	\$9,992,939
Wyckoff Twp	Bergen	\$28,976,140	\$26,810,261
Bass River Twp	Burlington	\$1,958,495	\$1,416,484
Beverly City	Burlington	\$5,923,400	\$3,774,038
Bordentown Regional	Burlington	\$29,640,731	\$29,614,543
Burlington City	Burlington	\$24,713,787	\$21,105,299
Chesterfield Twp	Burlington	\$5,107,639	\$4,863,254
Cinnaminson Twp	Burlington	\$33,645,972	\$29,436,136
Delanco Twp	Burlington	\$6,840,650	\$6,771,963
Edgewater Park Twp	Burlington	\$12,987,736	\$12,867,619
Evesham Twp	Burlington	\$62,106,055	\$53,220,836
Hainesport Twp	Burlington	\$7,709,082	\$7,683,019
Lenape Regional	Burlington	\$114,599,941	\$99,479,580
Mansfield Twp	Burlington	\$7,950,214	\$7,599,397
Maple Shade Twp	Burlington	\$26,615,550	\$25,289,938
Medford Twp	Burlington	\$38,796,806	\$33,388,917
Moorestown Twp	Burlington	\$56,374,251	\$51,518,184
Mount Holly Twp	Burlington	\$16,917,579	\$12,187,925
Mount Laurel Twp	Burlington	\$52,892,144	\$48,405,107
New Hanover Twp	Burlington	\$3,736,750	\$2,981,808
North Hanover Twp	Burlington	\$12,691,281	\$12,290,103
Northern Burlington Reg	Burlington	\$25,819,352	\$23,078,679
Palmyra Boro	Burlington	\$11,109,391	\$10,833,459
Pemberton Twp	Burlington	\$89,860,950	\$61,986,660
Riverton	Burlington	\$4,410,218	\$3,691,981
Shamong Twp	Burlington	\$11,245,335	\$10,170,630
Southampton Twp	Burlington	\$10,551,985	\$9,081,671

Springfield Twp	Burlington	\$3,946,664	\$3,340,636
Tabernacle Twp	Burlington	\$11,490,836	\$9,613,296
Washington Twp	Burlington	\$1,898,333	\$1,147,047
Westampton	Burlington	\$10,572,649	\$10,234,206
Willingboro Twp	Burlington	\$65,617,452	\$60,936,200
Woodland Twp	Burlington	\$2,208,136	\$1,863,275
Audubon Boro	Camden	\$14,891,837	\$13,759,076
Audubon Park Boro	Camden	\$1,614,546	\$1,608,353
Barrington Boro	Camden	\$11,795,746	\$9,925,350
Berlin Twp	Camden	\$12,042,742	\$10,692,284
Camden City	Camden	\$276,652,917	\$245,215,861
Cherry Hill Twp	Camden	\$153,717,767	\$134,665,004
Chesilhurst	Camden	\$3,224,915	\$2,334,019
Collingswood Boro	Camden	\$23,041,883	\$20,230,319
Eastern Camden County Reg	Camden	\$28,675,359	\$27,362,650
Gibbsboro Boro	Camden	\$3,814,515	\$2,718,142
Gloucester City	Camden	\$32,546,794	\$27,507,358
Haddon Heights Boro	Camden	\$12,080,001	\$9,668,664
Haddon Twp	Camden	\$26,937,180	\$23,521,543
Haddonfield Boro	Camden	\$29,431,508	\$26,543,809
Hi Nella	Camden	\$1,413,460	\$1,220,954
Lawnside Boro	Camden	\$7,353,400	\$6,803,634
Magnolia Boro	Camden	\$5,750,257	\$5,531,029
Merchantville Boro	Camden	\$5,547,464	\$5,146,168
Mount Ephraim Boro	Camden	\$8,013,061	\$7,394,515
Oaklyn Boro	Camden	\$6,253,576	\$5,950,762
Runnemede Boro	Camden	\$10,118,215	\$9,476,520
Somerdale Boro	Camden	\$5,565,166	\$5,427,431
Stratford Boro	Camden	\$9,372,864	\$8,802,958
Tavistock	Camden	\$12,400	\$10,949
Voorhees Twp	Camden	\$42,507,604	\$35,918,113
Winslow Twp	Camden	\$79,046,022	\$77,783,330
Avalon Boro	Cape May	\$2,971,690	\$875,012
Cape May City	Cape May	\$1,969,816	\$1,566,942
Cape May Point	Cape May	\$49,674	\$42,620
Dennis Twp	Cape May	\$13,359,172	\$10,766,200
Lower Cape May Regional	Cape May	\$24,483,024	\$22,940,617
Lower Twp	Cape May	\$22,884,066	\$20,523,912
Middle Twp	Cape May	\$32,839,367	\$30,675,489
North Wildwood City	Cape May	\$7,024,978	\$3,869,557
Ocean City	Cape May	\$20,767,335	\$12,808,157
Sea Isle City	Cape May	\$3,628,725	\$1,583,494
Stone Harbor Boro	Cape May	\$2,034,552	\$784,305
Upper Twp	Cape May	\$30,251,535	\$25,738,803
West Cape May Boro	Cape May	\$994,148	\$290,043
West Wildwood	Cape May	\$1,118,908	\$562,590
Wildwood City	Cape May	\$14,797,579	\$10,784,133

Wildwood Crest Boro	Cape May	\$6,142,675	\$3,385,940
Woodbine Boro	Cape May	\$3,959,759	\$3,614,347
Deerfield Twp	Cumberland	\$4,174,331	\$4,126,049
Downe Twp	Cumberland	\$2,884,718	\$2,410,981
Greenwich Twp	Cumberland	\$1,189,552	\$772,721
Maurice River Twp	Cumberland	\$6,388,032	\$6,273,693
Millville City	Cumberland	\$74,280,267	\$71,403,648
Shiloh Boro	Cumberland	\$517,586	\$478,356
Stow Creek Twp	Cumberland	\$1,615,524	\$1,495,288
Upper Deerfield Twp	Cumberland	\$11,564,663	\$10,359,083
Vineland City	Cumberland	\$151,720,732	\$135,670,129
Caldwell-West Caldwell	Essex	\$34,719,244	\$32,916,605
Cedar Grove Twp	Essex	\$21,303,000	\$20,289,666
East Orange	Essex	\$194,123,953	\$171,030,096
Essex Fells Boro	Essex	\$3,544,717	\$2,749,586
Fairfield Twp	Essex	\$9,131,935	\$8,593,271
Glen Ridge Boro	Essex	\$23,101,101	\$22,611,021
Irvington Township	Essex	\$127,524,801	\$122,497,083
Livingston Twp	Essex	\$83,998,448	\$73,663,558
Millburn Twp	Essex	\$68,644,215	\$59,950,013
Montclair Town	Essex	\$96,592,623	\$90,840,391
Newark City	Essex	\$785,111,953	\$754,500,693
North Caldwell Boro	Essex	\$9,229,915	\$7,623,670
South Orange-Maplewood	Essex	\$92,741,988	\$81,403,823
West Essex Regional	Essex	\$27,114,910	\$21,895,852
West Orange Town	Essex	\$110,044,718	\$91,095,170
Elk Twp	Gloucester	\$4,306,880	\$3,876,124
Gateway Regional	Gloucester	\$14,442,751	\$12,249,273
Glassboro	Gloucester	\$30,426,459	\$28,741,702
Greenwich Twp	Gloucester	\$9,944,423	\$7,630,843
Logan Twp	Gloucester	\$16,184,121	\$13,970,527
National Park Boro	Gloucester	\$3,552,230	\$3,253,513
Pitman Boro	Gloucester	\$20,002,962	\$17,218,202
Delsea Regional H.S Dist.	Gloucester	\$23,033,086	\$22,465,400
Washington Twp	Gloucester	\$113,765,232	\$101,359,775
Westville Boro	Gloucester	\$4,107,930	\$3,796,460
Woodbury Heights Boro	Gloucester	\$2,736,324	\$2,455,277
Hoboken City	Hudson	\$42,953,269	\$36,158,596
Secaucus Town	Hudson	\$29,903,698	\$27,597,070
Alexandria Twp	Hunterdon	\$8,246,191	\$7,195,225
Bethlehem Twp	Hunterdon	\$8,131,956	\$6,864,089
Califon Boro	Hunterdon	\$2,010,416	\$1,683,452
Clinton Town	Hunterdon	\$4,171,418	\$4,084,218
Clinton Twp	Hunterdon	\$22,462,441	\$19,724,795
Delaware Twp	Hunterdon	\$7,020,256	\$5,519,051
Delaware Valley Regional	Hunterdon	\$15,140,557	\$13,739,299
East Amwell Twp	Hunterdon	\$6,288,954	\$5,765,346

Flemington-Raritan Reg	Hunterdon	\$45,476,003	\$41,457,189
Franklin Twp	Hunterdon	\$5,025,373	\$3,883,548
Frenchtown Boro	Hunterdon	\$2,058,678	\$1,619,625
Glen Gardner Boro	Hunterdon	\$2,405,909	\$2,178,871
Hampton Boro	Hunterdon	\$2,649,556	\$1,988,677
High Bridge Boro	Hunterdon	\$6,152,838	\$4,538,179
Holland Twp	Hunterdon	\$8,980,286	\$8,275,544
Hunterdon Central Reg	Hunterdon	\$52,448,848	\$42,343,401
Kingwood Twp	Hunterdon	\$6,048,507	\$5,267,997
Lambertville City	Hunterdon	\$2,856,427	\$1,848,320
Lebanon Boro	Hunterdon	\$2,178,777	\$1,258,321
Lebanon Twp	Hunterdon	\$11,889,184	\$9,240,391
Milford Boro	Hunterdon	\$1,855,533	\$1,322,245
N Hunt/Voorhees Regional	Hunterdon	\$48,741,580	\$41,561,662
Readington Twp	Hunterdon	\$28,517,690	\$25,230,421
South Hunterdon Regional	Hunterdon	\$8,071,983	\$4,682,006
Stockton Boro	Hunterdon	\$583,350	\$379,866
Tewksbury Twp	Hunterdon	\$11,383,558	\$9,182,528
Union Twp	Hunterdon	\$8,158,295	\$6,715,975
West Amwell Twp	Hunterdon	\$3,595,730	\$3,267,835
East Windsor Regional	Mercer	\$69,210,070	\$64,040,507
Hopewell Valley Regional	Mercer	\$61,142,651	\$48,598,009
Lawrence Twp	Mercer	\$59,611,466	\$51,143,868
Princeton Regional	Mercer	\$58,899,518	\$39,785,037
Trenton City	Mercer	\$235,631,372	\$216,446,829
W Windsor-Plainsboro Reg	Mercer	\$129,387,547	\$121,011,194
Cranbury Twp	Middlesex	\$15,276,771	\$11,120,651
East Brunswick Twp	Middlesex	\$123,020,886	\$111,893,716
Highland Park Boro	Middlesex	\$22,110,330	\$20,597,725
Metuchen Boro	Middlesex	\$27,946,753	\$25,706,603
Milltown Boro	Middlesex	\$12,331,105	\$11,764,932
Monroe Twp	Middlesex	\$70,585,024	\$63,409,910
South Plainfield Boro	Middlesex	\$48,243,020	\$47,194,752
Allenhurst	Monmouth	\$279,728	\$13,201
Asbury Park City	Monmouth	\$61,755,626	\$41,927,915
Atlantic Highlands Boro	Monmouth	\$4,123,105	\$3,235,932
Avon Boro	Monmouth	\$3,082,153	\$2,043,422
Belmar Boro	Monmouth	\$7,860,471	\$7,051,449
Bradley Beach Boro	Monmouth	\$6,081,567	\$4,586,055
Colts Neck Twp	Monmouth	\$19,652,150	\$15,935,899
Deal Boro	Monmouth	\$1,837,529	\$388,003
Eatontown Boro	Monmouth	\$16,838,553	\$14,544,324
Farmingdale Boro	Monmouth	\$2,252,426	\$1,651,773
Freehold Twp	Monmouth	\$56,892,146	\$56,117,961
Hazlet Twp	Monmouth	\$42,127,780	\$40,645,412
Henry Hudson Regional	Monmouth	\$7,752,269	\$6,306,174
Highlands Boro	Monmouth	\$3,509,363	\$2,112,638

Holmdel Twp	Monmouth	\$46,453,419	\$40,650,782
Howell Twp	Monmouth	\$89,579,310	\$81,832,520
Interlaken	Monmouth	\$512,506	\$232,621
Keansburg Boro	Monmouth	\$31,894,821	\$29,542,926
Little Silver Boro	Monmouth	\$10,407,387	\$8,953,693
Long Branch City	Monmouth	\$69,398,233	\$66,265,222
Manasquan Boro	Monmouth	\$11,946,139	\$11,820,532
Matawan-Aberdeen Regional	Monmouth	\$54,709,632	\$48,921,483
Middletown Twp	Monmouth	\$129,167,327	\$125,737,624
Millstone Twp	Monmouth	\$28,948,116	\$27,850,668
Monmouth Beach Boro	Monmouth	\$3,884,504	\$3,727,091
Monmouth Regional	Monmouth	\$22,337,719	\$16,502,888
Neptune Twp	Monmouth	\$60,889,452	\$59,704,241
Ocean Twp	Monmouth	\$58,236,414	\$53,128,923
Red Bank Regional	Monmouth	\$17,984,549	\$11,969,243
Roosevelt Boro	Monmouth	\$1,939,228	\$1,430,340
Rumson Boro	Monmouth	\$11,899,644	\$11,281,575
Rumson-Fair Haven Reg	Monmouth	\$14,045,276	\$13,599,118
Sea Bright Boro	Monmouth	\$987,072	\$933,967
Sea Girt Boro	Monmouth	\$3,929,341	\$2,592,276
Shore Regional	Monmouth	\$13,184,002	\$9,863,792
Shrewsbury Boro	Monmouth	\$6,308,150	\$5,718,005
South Belmar	Monmouth	\$3,146,697	\$2,760,150
Spring Lake Boro	Monmouth	\$6,792,693	\$3,754,294
Spring Lake Heights Boro	Monmouth	\$6,635,836	\$6,525,128
Tinton Falls	Monmouth	\$20,621,248	\$18,494,837
Wall Twp	Monmouth	\$54,260,591	\$53,178,268
West Long Branch Boro	Monmouth	\$9,033,061	\$7,800,257
Boonton Town	Morris	\$15,517,067	\$13,965,580
Boonton Twp	Morris	\$10,557,085	\$10,422,697
Butler Boro	Morris	\$13,439,950	\$12,672,904
Sch Dist Of The Chathams	Morris	\$46,733,725	\$46,447,075
Denville Twp	Morris	\$25,213,862	\$24,106,608
East Hanover Twp	Morris	\$16,502,545	\$13,930,402
Florham Park Boro	Morris	\$14,327,223	\$13,140,248
Hanover Park Regional	Morris	\$23,655,905	\$21,705,607
Hanover Twp	Morris	\$20,147,617	\$20,062,868
Harding Township	Morris	\$8,123,798	\$5,354,717
Lincoln Park Boro	Morris	\$16,428,203	\$15,307,823
Madison Boro	Morris	\$29,560,386	\$28,264,984
Mendham Boro	Morris	\$8,182,167	\$8,076,985
Mendham Twp	Morris	\$12,984,845	\$11,061,844
Mine Hill Twp	Morris	\$7,188,135	\$6,889,139
Morris Hills Regional	Morris	\$49,047,666	\$40,598,306
Morris Plains Boro	Morris	\$12,465,893	\$10,730,553
Morris School District	Morris	\$81,812,793	\$64,881,226
Mount Arlington Boro	Morris	\$9,250,110	\$7,667,160

Mount Olive Twp	Morris	\$66,222,002	\$64,686,891
Mountain Lakes Boro	Morris	\$17,747,056	\$14,241,707
Parsippany-Troy Hills Twp	Morris	\$110,385,161	\$100,162,843
Pequannock Twp	Morris	\$31,035,926	\$30,977,010
Riverdale Boro	Morris	\$5,910,504	\$5,088,935
Rockaway Twp	Morris	\$42,191,028	\$33,678,297
Roxbury Twp	Morris	\$56,146,479	\$55,072,665
Washington Twp	Morris	\$36,622,754	\$34,474,541
West Morris Regional	Morris	\$39,546,408	\$38,027,763
Barneget Twp	Ocean	\$43,914,113	\$40,863,868
Bay Head Boro	Ocean	\$2,388,999	\$1,151,863
Beach Haven Boro	Ocean	\$1,317,969	\$559,639
Berkeley Twp	Ocean	\$25,822,030	\$23,198,400
Eagleswood Twp	Ocean	\$2,168,272	\$1,420,671
Island Heights Boro	Ocean	\$1,684,955	\$1,261,123
Lavallette Boro	Ocean	\$3,132,653	\$2,288,474
Long Beach Island	Ocean	\$5,818,073	\$2,558,195
Manchester Twp	Ocean	\$37,914,413	\$37,102,010
Mantoloking	Ocean	\$93,939	\$59,619
Ocean Gate Boro	Ocean	\$2,419,701	\$1,508,495
Ocean Twp	Ocean	\$15,530,617	\$12,124,768
Pinelands Regional	Ocean	\$26,854,434	\$24,811,964
Point Pleasant Beach Boro	Ocean	\$9,709,565	\$8,009,337
Seaside Heights Boro	Ocean	\$3,122,149	\$2,822,825
Seaside Park Boro	Ocean	\$1,499,582	\$734,287
Southern Regional	Ocean	\$39,608,082	\$32,454,892
Stafford Twp	Ocean	\$30,848,731	\$28,549,678
Tuckerton Boro	Ocean	\$3,458,441	\$3,120,090
Bloomington Boro	Passaic	\$14,748,158	\$11,778,330
Lakeland Regional	Passaic	\$19,538,368	\$16,735,457
Little Falls Twp	Passaic	\$10,790,612	\$10,385,683
Passaic Valley Regional	Passaic	\$19,316,735	\$18,690,469
Prompton Lakes Boro	Passaic	\$24,311,939	\$21,402,692
Ringwood Boro	Passaic	\$17,225,487	\$15,635,339
Wanaque Boro	Passaic	\$13,060,476	\$12,147,180
Wayne Twp	Passaic	\$116,108,494	\$106,489,222
West Milford Twp	Passaic	\$58,542,397	\$51,856,717
Elmer Boro	Salem	\$2,540,241	\$2,305,809
Elsinboro Twp	Salem	\$1,752,180	\$1,600,959
Lower Alloways Creek	Salem	\$4,055,357	\$3,070,549
Mannington Twp	Salem	\$2,688,774	\$2,161,155
Oldmans Twp	Salem	\$4,159,635	\$3,501,351
Pennsville	Salem	\$25,533,358	\$23,456,648
Salem City	Salem	\$18,499,079	\$17,183,317
Upper Pittsgrove Twp	Salem	\$6,017,002	\$5,896,169
Bedminster Twp	Somerset	\$14,004,197	\$10,677,469
Branchburg Twp	Somerset	\$38,132,983	\$33,327,455

Franklin Twp	Somerset	\$112,839,869	\$112,660,692
Somerset Hills Regional	Somerset	\$26,583,694	\$24,533,446
South Bound Brook	Somerset	\$8,162,915	\$7,914,086
Warren Twp	Somerset	\$34,221,063	\$27,521,422
Watchung Boro	Somerset	\$9,448,349	\$8,734,641
Watchung Hills Regional	Somerset	\$25,293,267	\$24,584,070
Andover Reg	Sussex	\$12,684,037	\$10,291,467
Branchville Boro	Sussex	\$1,219,691	\$802,719
Byram Twp	Sussex	\$11,795,599	\$11,656,839
Frankford Twp	Sussex	\$8,230,586	\$5,865,889
Franklin Boro	Sussex	\$7,164,478	\$5,284,824
Fredon Twp	Sussex	\$4,453,334	\$3,906,576
Green Twp	Sussex	\$8,496,653	\$7,745,438
Hamburg Boro	Sussex	\$4,977,649	\$3,168,863
Hampton Twp	Sussex	\$5,854,407	\$4,554,622
Hardyston Twp	Sussex	\$9,433,342	\$7,848,558
High Point Regional	Sussex	\$20,293,173	\$16,072,829
Hopatcong	Sussex	\$31,721,087	\$26,974,092
Kittatinny Regional	Sussex	\$17,000,676	\$13,644,065
Lafayette Twp	Sussex	\$3,922,312	\$3,027,945
Lenape Valley Regional	Sussex	\$12,278,574	\$10,560,377
Montague Twp	Sussex	\$7,300,791	\$4,976,577
Newton Town	Sussex	\$15,441,956	\$13,749,151
Ogdensburg Boro	Sussex	\$4,011,121	\$3,171,271
Sandyston-Walpack Twp	Sussex	\$2,135,490	\$1,869,501
Sparta Twp	Sussex	\$46,576,700	\$43,305,418
Stanhope Boro	Sussex	\$4,650,120	\$4,280,506
Stillwater Twp	Sussex	\$5,211,336	\$4,252,338
Sussex-Wantage Regional	Sussex	\$21,282,036	\$17,022,195
Vernon Twp	Sussex	\$62,353,699	\$50,518,687
Wallkill Valley Regional	Sussex	\$12,619,620	\$10,846,075
Berkeley Heights Twp	Union	\$34,696,800	\$31,490,448
Clark Twp	Union	\$27,756,444	\$26,806,329
New Providence Boro	Union	\$29,064,868	\$27,034,019
Scotch Plains-Fanwood Reg	Union	\$69,245,171	\$66,656,982
Springfield Twp	Union	\$30,159,792	\$25,098,522
Summit City	Union	\$54,243,036	\$49,154,016
Winfield Twp	Union	\$3,004,890	\$2,060,968
Allamuchy Twp	Warren	\$6,219,618	\$5,570,821
Alpha Boro	Warren	\$4,485,790	\$4,205,879
Belvidere Town	Warren	\$6,179,527	\$6,027,100
Franklin Twp	Warren	\$4,218,908	\$3,180,900
Frelinghuysen Twp	Warren	\$2,336,599	\$2,236,145
Great Meadows Regional	Warren	\$17,124,829	\$16,186,158
Hackettstown	Warren	\$18,528,560	\$16,400,520
Hardwick Twp	Warren	\$1,797,124	\$1,520,003
Harmony Twp	Warren	\$5,544,407	\$4,815,286

Hope Twp	Warren	\$4,011,892	\$3,378,931
Knowlton Twp	Warren	\$3,749,219	\$3,406,461
Oxford Twp	Warren	\$5,510,143	\$4,941,148
Phillipsburg Town	Warren	\$43,318,476	\$37,089,007
Pohatcong Twp	Warren	\$6,247,336	\$5,896,322
Warren Hills Regional	Warren	\$27,354,993	\$24,714,856
Washington Boro	Warren	\$6,230,741	\$5,514,056
Washington Twp	Warren	\$7,515,065	\$6,910,014
White Twp	Warren	\$7,714,025	\$7,095,986
Cumberland Co Vocational	Cumberland	\$5,627,031	\$5,228,384
Hudson County Vocational	Hudson	\$42,422,224	\$41,012,354
Mercer County Vocational	Mercer	\$9,402,581	\$6,985,178
Middlesex Co Vocational	Middlesex	\$37,378,570	\$35,902,913
Ocean County Vocational	Ocean	\$21,685,787	\$18,099,712
Somerset Co Vocational	Somerset	\$14,071,935	\$7,730,011
Sussex County Vocational	Sussex	\$11,416,280	\$9,206,022

All data is drawn from the NJDOE 2008-2009 District State Aid Profiles

STATE AID (K-12) SUMMARY	
FY08	
TOTAL 07-08*	\$2,462,615
FY09	
EQUALIZATION AID	\$0
SPEC ED CAT**	\$1,626,518
EXORD***	\$517,673
TRANSP	\$346,531
SECURITY	\$218,154
ADJUSTMENT AID	\$0
EDUC. ADEQUACY AID	\$0
CHOICE AID	\$0
ADULT EDUC. AID	\$0
TOTAL 08-09	\$2,708,876
STATE AID DIFFERENCE:	\$ 246,261
% STATE AID GROWTH:	10.00%

ENROLLMENT SUMMARY****		
ENROLL 2006	ENROLL 2007	PROJ ENROLL 2008
2,610	3,039	3,000.5
% ENROLL GROWTH (7 YRS): 16.5%		
FREE and REDUCED PUPILS (2008): 60		
COMBINATION PUPILS (2008): 7		
LIMITED ENGLISH PUPILS (2008): 0		
% FREE and REDUCED (2008): 2.232961 %		
ENROLL GROWTH(7 Yrs)		12%
(relative to state average)		

WEALTH SUMMARY	
EQUALIZED VAL 2007 =	\$3,821,936,347
AGGREGATE INC 2005 =	\$732,273,648
WEALTH GROWTH (7 Yrs - relative to state average)	
PROPERTY:	-11%
INCOME:	-11%
WEALTH PER PUPIL	
PROPERTY	INCOME
District= \$1,273,766	\$244,051
Average= \$977,893	\$190,499
Local Fair Share:	\$34,360,001
2007-08 Tax:	\$40,527,656

*Represents K-12 2007-08 state aid except includes extraordinary aid paid in FY07. Includes all aid except debt service aid, ECPA preschool funding, and EOA preschool funding.
 ** Special education categorical on 12/12/2007 simulations on the DOE's website includes both special education categorical aid and extraordinary aid summed together.
 *** Projection based on 2006-07 applications and will be adjusted based on the actual applications submitted and approved in 2009.
 **** Actual enrollment counts half day kindergarten as one full pupil. Projected enrollment counts half day kindergarten as one half pupil.

ADEQUACY BUDGET CALCULATION

ADEQUACY BUDGET = (BASE COST + AT-RISK COST + LEP COST + COMB COST) X GCA + (SPEC ED CENS + SPEECH)
 = (\$30,774,135 + \$290,378 + \$0 + \$40,418) X 1.0312 + (\$3,302,203 + \$63,485) = \$35,441,092

COMPONENTS OF ADEQUACY BUDGET

BASE COST = \$9,649 X [EM ENR + (MS ENR X 1.04) + (HS ENR X 1.17)]
 = \$9,649 X [1,288.5 + (786 X 1.04) + (926 X 1.17)] = \$30,774,135

AT-RISK COST = \$9,649 X [EM AR ENR + (MS AR ENR X 1.04) + (HS AR ENR X 1.17)] X AR WEIGHT
 = \$9,649 X [21 + (20 X 1.04) + (19 X 1.17)] X 0.470000 = \$290,378 *****

LEP COST = \$9,649 X [EM LEP ENR + (MS LEP ENR X 1.04) + (HS LEP ENR X 1.17)] X 0.5
 = \$9,649 X [0 + (0 X 1.04) + (0 X 1.17)] X 0.5 = \$0

COMB COST = \$9,649 X [EM COM ENR + (MS COM ENR X 1.04) + (HS COM ENR X 1.17)] X (AR WT + 0.125)
 = \$9,649 X [6 + (1 X 1.04) + (0 X 1.17)] X (0.470000 + 0.125) = \$40,418 *****

SPEC ED CENS + SPEECH = (TOTAL ENR X 14.69% X \$10,897.75 X GCA) + (TOTAL ENR X 1.897% X \$1,081.61 X GCA)
 = (3,000.5 X 14.69% X \$10,897.75 X .666667 X 1.0312) + (3,000.5 X 1.897% X \$1,081.61 X 1.0312) = \$3,365,688 *****
 Note: Total Enrollment X 1.897% X \$1,081.61 is the speech component.

ADEQUACY BUDGET PLUS CATEGORICALS

ADEQUACY BUDGET PLUS CATEGORICALS = ADEQUACY BUDGET + SECURITY AID + SPEC ED CATEGORICAL + EXTRAORDINARY AID + TRANSPORTATION
 = \$35,441,092 + \$218,154 + \$1,626,518 + \$517,673 + \$346,531 = \$38,149,969

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STATE AID CALCULATION PRIOR TO CAPS

LOCAL FAIR SHARE = (EQ VAL X PROP VAL RATE X 50%) + (AGGREGATE INCOME X INCOME RATE X 50%)
 = (\$3,821,936.347 X 0.0092690802 X .5) + (\$732,273,648 X 0.04546684 X .5) = \$34,360,001

EQUALIZATION AID = (ADEQUACY BUDGET - LOCAL FAIR SHARE)

= \$35,441,092 - \$34,360,001 = \$ 1,081,091

Note: If calculation is less than 0 then equalization aid set to 0.

SPECIAL ED CAT AID = TOTAL ENR X 14.69% X \$10,897.75 X .333333 X GCA

= 3,000.5 X 1.1469 X \$10,897.75 X .333333 X 1.0312 = \$1,651,101 *****

EXTRAORDINARY AID*** = EXTRAORDINARY ELIGIBLE COSTS FROM 2006-07 APPLICATIONS THAT EXCEED

\$40,000 IN DISTRICT AND \$55,000 OUT OF DISTRICT X 2007-08 CPI (1.0289) X 2008-09 CPI (1.0289) X 75%

= \$517,673

SECURITY AID

IF AT RISK PERCENTAGE EXCEEDS 40 PERCENT

= [(TOTAL ENR X \$70) + (AR ENR X \$406)] X GCA

= [(3,000.5 X \$70) + (67 X \$406)] X 1.0312

IF AT RISK PERCENTAGE AT OR BELOW 40 PERCENT

= [(TOTAL ENR X \$70) + (AT RISK TOTAL X AT RISK PERCENTAGE x \$1,015)] X GCA

= [(3,000.5 X \$70) + (67 X 0.022330 X \$1,015)] X 1.0312

Your security aid is \$218,154.*****

TRANSPORTATION AID = \$346,531

EDUCATION ADEQUACY AID = \$0

CHOICE AID = \$0

ADULT EDUC. AID = \$0

ADJUSTMENT AID = If \$3,814,550 is less than \$2,462,615 X 1.02, then adjustment aid = (\$2,462,615 x 1.02) - \$3,814,550. This ensures a minimum state aid increase of 2%.

The \$3,814,550 is equalization aid, security aid, special ed categorical aid, extraordinary aid, and transportation aid. The \$2,462,615 is 2007-08 aid. For a 2% district with choice aid, then subtract the choice aid from the previous calculation to obtain the adjustment aid.

= \$0

TOTAL AID 08-09 BEFORE CAPS = ADJUSTMENT AID + EQUALIZATION AID + SECURITY + SPECIAL ED CAT AID + EXTRAORDINARY AID + TRANSPORTATION + EAA

= \$0 + \$1,081,091 + \$218,154 + \$1,651,101 + \$517,673 + \$346,531 + \$0 = \$3,814,550 *****

STATE AID CAPS

State aid increases are capped at 20% for districts spending below their adequacy budget plus categorical aid (comparison exclusive of transportation aid). Otherwise state aid increases are capped at 10%. If a district receives adjustment aid, the caps are not applicable.

Cap determination: 2007-08 spending as defined = \$42,876,464

2008-09 adequacy budget as defined = \$37,803,438

2007-08 AID

\$2,462,615

2008-09 AID UNCAPPED

\$3,814,550

TOTAL 2008-09 AID CAPPED

\$2,708,876

% AID INCREASE

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FINAL STATE AID = TOTAL 2008-09 CAPPED AID + CHOICE AID + ADULT EDUC. AID = \$2,708,876 + \$0 + \$0 = \$2,708,876

% AID INCREASE = 10.00

*** Projection based on 2006-07 aid applications and will be adjusted based on the actual applications submitted and approved in 2009.

***** Differences due to rounding.

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