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March 6, 2009

VIA FEDERAL EXPRESS

The Honorable Peter E. Doyne, A.J.S.C. Superior Court of New Jersey Bergen County Justice Center 10 Main Street Suite 425 Hackensack, NJ 07601-7699

Re: Abbott v. Burke

Docket No. M969/1372-07

Dear Judge Doyne:

As Your Honor's records should reflect, this office represents *amicus curiae*, Camden City School District, in the above-captioned matter. Please allow this letter brief to serve as further clarification and explanation regarding the reality of the Municipal Rehabilitation and Economic Recovery Act ("MRERA") and its impact upon the Camden City School District. Put simply, as a result of the implementation of the MRERA upon the City of Camden, any appropriation made to the Camden City School District is part of the municipal portion of the general tax rate and, pursuant to the mandates set forth by the MRERA, said portion cannot be increased during the rehabilitation term. As a result, it is respectfully asserted that, contrary to the testimony provided by the State's witnesses during the remand proceeding, the City of Camden is statutorily prohibited from seeking any additional contribution from its local tax base, be it for the municipal budget or the school budget of the Camden City School District.

Reference is made to Your Honor's comments at the commencement of the remand proceeding, wherein Your Honor requested that the State's counsel, "address with your various witnesses specifically the situation in Camden, given the provisions of MRERA, the Municipal Rehabilitation and Economic Recovery Act which bars the Camden city school district from seeking financial assistance from its municipal tax base." *See*, Exhibit A, Remand Proceeding Transcript, N.T. Vol 1:6:5-10. As a result, the State's very first witness, Commissioner Lucille Davy, was asked to provide her, "understanding...as to the MRERA's effect on the ability of the CHL440437.1/CAM149-234248

The Honorable Peter E. Doyne, A.J.S.C. March 6, 2009 Page 2

district [Camden] to increase its school levy." See, Exhibit A, N.T. Vol 2:3:24-25. Commissioner Davy's response opined that the MRERA "has no effect on the increase of the school levy. It applies to the municipal levy...I believe it says that the COO is not permitted to raise the municipal levy which is basically the local government portion of the tax rate, but the school rate is separate from that. And I do not believe or understand that the statute limits the district from raising the school levy." See, Exhibit A, N.T. Vol 2:4:5-12. Respectfully, Commissioner Davy is incorrect in her assessment of the MRERA as it applies to the City of Camden, and consequently, the Camden City School District.

Section 27 of the Act is captioned "Tax rate increase prohibited during rehabilitation term." N.J.S.A. 52:27BBB-27. The actual wording of the Statute notes that "[d]uring the rehabilitation term, the chief operating officer shall not increase the municipal portion of the general tax rate over the rate established for the year during which the rehabilitation took effect." N.J.S.A. 52:27BBB-27(a). The key words in this portion are "municipal portion." Funds provided to the Camden City School District from the City of Camden are labeled the "local share" and are included in the municipal tax rate. See, N.J.S.A. 18A:22-34, "Appropriations; how assessed, levied and raised." See also, N.J.S.A. 18A:22-37, "Determination by municipal governing body after items rejected." These sections of 18A make it clear that the "local share" is an appropriation from the City of Camden. Therefore, the Camden City School District bills the City of Camden for payments of the local share and the City of Camden lists it as an appropriation in its budget. Thus, the appropriation to the Camden City School District is part of the "municipal portion" and pursuant to the MRERA cannot be increased during the rehabilitation term. Additionally, the Legislative Intent itself under Section 2.1d. of the MRERA supports the fact that the tax rate cannot be raised to benefit either the municipality or the school district, specifically:

> "d. Given the magnitude of the State's investment in a qualified municipality, it is incumbent upon the State to take the appropriate steps necessary to ensure effective governance at the school district level in addition to effective governance at the municipal level. Not only will limited school district oversight ensure the coordinated expenditures of public funds, it will ensure that the proposed local tax levy to support the district's schools will not further burden the municipal tax base. Additionally, this oversight will assist the district in improving the quality of education provided to students in the municipality. Enhancing educational quality will, in turn, assist housing revitalization by attracting new families to the community and preventing flight of current residents. It will also serve to attract new businesses and potential employers because the community can offer better-prepared graduates to the workforce." See, Exhibit B, N.J.S.A. 52:27BBB-2.1, (emphasis added).

The Legislative Intent has undoubtedly revealed the objective of the MRERA that property taxes cannot be raised, evidenced by the statement that such action "will ensure that the

The Honorable Peter E. Doyne, A.J.S.C. March 6, 2009 Page 3

proposed local tax level to support the district's schools will not <u>further burden</u> the municipal tax base. (emphasis added). Additionally, it is clear that the Legislative Intent prohibited such an increase in property taxes so that viable business enterprises and market rate housing could be attracted to the City of Camden. Obviously, an increase in taxes (either for the municipal budget or the school budget) would severely inhibit these ongoing efforts.

Commissioner Davy incorrectly asserted that the "municipal portion" refers only to the budget of the local municipality. *See*, Exhibit A, N.T. Vol 2:4:5-12. Such an assertion fails to account for the present reality in the City of Camden, where the tax base is nowhere near sufficient to generate new tax revenues. It is a well-known fact that one hundred percent of the new housing constructed in Camden City in the past 25 years does not pay regular property taxes. Instead, these units are constructed under "payment in lieu of tax" agreements since the units cannot generate market rate rents to pay the regular property taxes. Because these units are not subject to regular property taxes, they make no contributions to the funding of the City of Camden's (and consequently, the Camden City School District's) "local share." Fundamentally, there are not sufficient ratables upon which taxes for local government can be increased.

Regardless, even if one were to interpret the MRERA, and its impact upon the City of Camden, in the way alluded to by Commissioner Davy, it is impossible to apply her general assumptions to the present situation. As recently as January 30, 2007, Former Chief Operating Officer Melvin Primas, during a Joint Public Hearing before the Senate Community and Urban Affairs Committee and the Assembly Housing and Local Government Committee regarding the MRERA, pointed out that the City of Camden's, "municipal operating budget is approximately \$140 million. We generate \$17 to \$20 million in local property taxes. If we were to collect 100 percent of all the taxes that were due to Camden, we'd collect about \$25 million towards an operating budget of 140 [million]." See, Exhibit C, Transcript of January 30, 2007 Joint Public Hearing before the Senate Community and Urban Affairs Committee and the Assembly Housing and Local Government Committee at page 8. Mr. Primas also noted that, "the MRER Act had really a couple of purposes: One, to provide an increased level of municipal services, to try to upgrade the quality of the services that we are providing to the residents. But at the same time, to create an economic base so that, at some point in the future, we would be able to generate sufficient tax dollars so that we would be comparable to other municipalities in this state." Id., (emphasis added). In fact, Mr. Primas acknowledged that the financial situation in the City of Camden is so dire that "we don't collect enough taxes in all of Camden to pay for the health benefits for the employees. Our health benefits costs for the City of Camden are approximately \$25 million – for its employees and retirees. And yet again, the tax base only produce about \$20 million." Id. at 9. As noted earlier, the legislative intent of the MRERA was to avoid any further financial burden upon the local taxpayers. How then, in applying Commissioner Davy's interpretation of the MRERA to a municipality that does not even collect sufficient tax dollars to pay its employees' health benefits, can one reasonably argue that the City of Camden has any right to ignore the clear intent of the MRERA and even attempt to pry more money out of its taxpayers for the Camden City School District? The answer is quite clear, as simply stated by Mr. Primas, "and so, at the local level, we are stuck and have no place to look but to State government." Id. at 10.

The Honorable Peter E. Doyne, A.J.S.C. March 6, 2009 Page 4

Through several different methods, the State of New Jersey has itself determined that the City of Camden cannot afford to increase its tax rate to collect additional taxes. Most recently, Joseph Doria, Commissioner of the New Jersey Department of Community Affairs, during a local community forum to discuss the MRERA, pointed out that local residents receive a certain "perk" under the MRERA because, "taxes haven't gone up, in accordance with a provision of the law, while state taxpayers have subsidized Camden's schools and government." See, Exhibit D, Matt Katz, Camden Mayor Says She Won't Seek Reelection, Philadelphia Inquirer, February 24, 2009. As the Court is well aware, although Your Honor is not bound by a State agency's legal interpretation of a statute, deference must be given to it, considering the fact that the agency responsible for enforcing the statue must concern itself with the practical day-to-day administrative details of enforcement." R.C.G. Construction Company, Inc. v. Borough of Keyport, 346 N.J. Super 58, 67 (App. Div. 2001). In this case, it is clear that the intent of the MRERA and its application upon the taxpayers of the City of Camden is to ensure that they are not further burdened by a raise in taxes, be it for the municipal budget or the school budget. Therefore, any formula proposed by the State which fails to allow the Camden City School District the right appeal to the Department of Education for the funding necessary to provide its students with a thorough and efficient education is unconstitutional both on its face and as applied to the Camden City School District.

Thank you for Your Honor's time and consideration throughout the remand proceeding.

Respectfully submitted,

Rafael C. Haciski For WolfBlock LLP

RCH/pc

cc:

David G. Sciarra, Esquire Kevin Jespersen, DAG Stephen W. Townsend, Esquire (2 copies) Counsel for Amici Curiae (via email only) Dr. Bessie LeFra Young Sara Davis, Board President

02092009ABBOTTascii1.TXT

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1	SUPERIOR COURT OF NEW JERSEY ON REMAND FROM THE NEW JERSEY					
2	SUPREME COURT DOCKET NO. M-969/1372					
3	APP. DIV. NO. A-					
4	RAYMOND ARTHUR ABBOTT, et al.,)					
5) Plaintiffs,)STENOGRAPHIC TRANSCRIPT					
6) OF					
7	VS. PROCEEDINGS) VOLUME I					
8	FRED G. BURKE, et al.,					
9	Defendants.)					
10	Place: Bergen County Justice Center 10 Main Street					
11	Hackensack, New Jersey 07601 Date: February 9, 2009 - a.m. session					
12	BEFORE:					
13	THE HONORABLE PETER E. DOYNE, A.J.S.C. (Non-Jury)					
14						
15	TRANSCRIPT ORDERED BY:					
16	DAVID G. SCIARRA, ESQ. (Education Law Center) and KEVIN R. JESPERSEN, ESQ. (Deputy Attorney General)					
17	APPEARANCES:					
18	DAVID G. SCIARRA ESQ. (Education Law Center)					
19	RICHARD E. SHAPIRO, ESQ. (Richard E. Shapiro, LLC) Counsel for the Amici Districts					
20	KEVIN R. JESPERSEN, ESQ., Deputy Attorney General					
21	SHANNON RYAN, ESQ., Deputy Attorney General ANNE MARIE KELLY, ESQ., Deputy Attorney General					
22	(Division of Law) Counsel for the Defendants					
23	MARY MC KAY, C.C.R., C.R.R.					
24	OFFICIAL COURT REPORTER Bergen County Justice Center					
25	10 Main Street Hackensack, New Jersey 07601					

UNCERTIFIED ELECTRONIC TRANSCRIPT

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INDEX

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- 18 And although the court was gracious enough to give me
- 19 60 days to author an opinion, it is my hope to get it
- 20 to the court sometime in early April 2009. I will meet
- 21 with counsel as we proceed so that we can review our
- 22 progress and determine whether we have to modify the
- 23 trial schedule. We will begin nine sharp. We will
- 24 continue to five p.m. And you will have a morning and
- 25 afternoon break somewhere between ten and 15 minutes.

UNCERTIFIED ELECTRONIC TRANSCRIPT

6

February 9, 2009

Okay. If you've waived opening, then let me

2 provide some preliminary thoughts and possibly guidance

3 to counsel. The first two are directly directed to the

4 state.

22

5 I would appreciate it if you would address

6 with your various witnesses specifically the situation

7 in Camden, given the provisions of MRERA, the Municipal

- 8 Rehabilitation and Economic Recovery Act which bars the
- 9 Camden city school district from seeking financial
- 10 assistance from its municipal tax base. This will be
- 11 instructive to the court as Camden is also one of the
- 12 largest districts by enrollment and has one of the
- 13 highest percentages of at-risk students.

14 Secondarily, and recognizing the State's

15 position, SFRA accounts for all contingencies and

16 promotes transparency, equity and predictability, I

17 would appreciate if the state would address why the

18 court should not determine SFRA is unconstitutional as

19 applied, unless there is a provision allowing the

20 Abbott Districts, or what the state might prefer to be

21 the former Abbott Districts, to apply for supplemental

funding through the administrative process of the DOE

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                               SUPERIOR COURT OF NEW JERSEY
                               ON REMAND FROM THE NEW JERSEY
 2
                                   SUPREME COURT
                               DOCKET NO. M-969/1372
 3
                               APP. DIV. #A-
 4
        RAYMOND A. ABBOTT, ET AL,
 5
                                        STENOGRAPHIC TRANSCRIPT
                    Plaintiffs,
                                                    OF
 6
                    -VS-
                                            HEARING PROCEEDINGS
 7
                                                 Volume 2
        FRED G. BURKE, ET AL,
 8
                    Defendants.
 9
                              Bergen County Justice Center
10
                      PLACE:
                               10 Main Street
11
                               Hackensack, New Jersey 07601
                      DATE:
                               February 9, 2009, p.m. session
12
       BEFORE:
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13
                                (non-jury)
14
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15
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       -and- KEVIN JESPERSEN, ESQ., Deputy Attorney General
16
      APPEARANCES:
17
             DAVID G. SCIARRA, ESQ., (EDUCATION LAW CENTER)
18
                        -and-
             RICHARD E. SHAPIRO, ESQ., (RICHARD E. SHAPIRO, LLC)
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             Attorney for the Amici Districts.
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             KEVIN R. JESPERSEN, ESQ., Deputy Attorney General
             SHANNON M. RYAN, ESQ., Deputy Attorney General ANNE MARIE KELLY, ESQ., Deputy Attorney General (DIVISION OF LAW)
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                              Somerville, New Jersey
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                                 INDEX
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2
                       DIRECT
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      FOR THE DEFENDANT STATE OF NEW JERSEY
4
      LUCILLE E. DAVY
5
        By Mr. Jespersen
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	Feb 9 pm_11.TXT					
13	MR. JESPERSEN: Thank you, your Honor.					
14	LUCILLE E. DAVY, A WITNESS FOR THE					
15	DEFENDANT, PREVIOUSLY SWORN, RESUMES.					
16	CONTINUED DIRECT EXAMINATION BY MR. JESPERSEN:					
17	Q. Commissioner, I want to focus on MREAR for					
18	a moment. What is your understanding under MRE					
19	MR. JESPERSEN: I assume, of course, you					
20	are familiar with the acronym.					
21	THE COURT: At least to the extent that it					
22	was briefed, I'm so familiar with it.					
23	MR. JESPERSEN: Okay.					
24	Q. What is your understanding, Commissioner,					
25	as to the MRERA's effect on the ability of the district					
	Davy - direct					
1	to increase its school levy?					
1 2	to increase its school levy? A. My understanding it has no effect on the increase					
	•					
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2	A. My understanding it has no effect on the increase of the school levy. It applies to the municipal levy.					
2 3 4	A. My understanding it has no effect on the increase of the school levy. It applies to the municipal levy. Q. Explain what you mean by that, it applies					
2 3 4 5	A. My understanding it has no effect on the increase of the school levy. It applies to the municipal levy. Q. Explain what you mean by that, it applies to the municipal levy but has no effect on the school					
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2 3 4 5 6 7	A. My understanding it has no effect on the increase of the school levy. It applies to the municipal levy. Q. Explain what you mean by that, it applies to the municipal levy but has no effect on the school levy. A. I believe it says that the COO is not permitted					
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2 3 4 5 6 7 8 9 10 11 12	A. My understanding it has no effect on the increase of the school levy. It applies to the municipal levy. Q. Explain what you mean by that, it applies to the municipal levy but has no effect on the school levy. A. I believe it says that the COO is not permitted to raise the municipal levy which is basically the local government portion of the tax rate, but the school rate is separate from that. And I do not believe or understand that the statute limits the district from raising the school levy. THE COURT: That is my understanding, too,					

4

17 taxes under the SFRA Act.

THE WITNESS: Well, I think to that I would 18 say that the share is calculated, the local share is Page 319

- n. When faced with analogous situations, other states have employed extraordinary measures to provide leadership and oversight for struggling cities and the necessary tools to spur an economic revival within those cities; and
- o. In light of the dire needs faced by such municipalities and the lack of progress in addressing those needs either governmentally or through private sector initiative, and given the successful interventions on the part of other states in analogous circumstances, it is incumbent upon the State to take exceptional measures, on an interim basis, to rectify certain governance issues faced by such municipalities and to strategically invest those sums of money necessary in order to assure the long-term financial viability of these municipalities.

L.2002, c. 43, § 2, eff. July 22, 2002, retroactive to June 30, 2002. Amended by L.2002, c. 108, § 2, eff. Dec. 4, 2002, retroactive to June 30, 2002.

Historical and Statutory Notes

2002 Legislation

L.2002, c. 43, § 75, eff. July 22, 2002, provides: "This act shall take effect immediately, but in any case shall be retroactive to June 30, 2002."

L.2002, c. 108, § 17, approved Dec. 4, 2002, provides:

"This act shall take effect immediately and shall be retroactive to June 30, 2002."

Research References

Treatises and Practice Aids

35 N.J. Prac. Series § 19.12, Local Housing or Redevelopment Authorities.

52:27BBB-2.1. Legislative intent; scope and applicability of act

The Legislature finds and declares that:

- a. The court decision striking certain provisions of P.L.2002, c. 431 requires the Legislature to clarify its intent in approving that act;
- b. The court's interpretation of P.L.2002, c. 43 is contrary to the intent of the Legislature and as a result, amendatory legislation removing any question regarding the intent, scope and applicability of that act is appropriate;
- c. It is also important to clarify and expand upon a legislative intent of focusing redevelopment efforts in qualified municipalities by ensuring that the expenditure of public dollars for development and redevelopment is coordinated with the expenditure of public dollars supporting schools and educational efforts in such municipalities; and
- d. Given the magnitude of the State's investment in a qualified municipality, it is incumbent upon the State to take the appropriate steps necessary to ensure effective governance at the school district level in addition to effective governance at the municipal level. Not only will limited school district oversight ensure the coordinated expenditures of public funds, it will ensure that the proposed local tax levy to support the district's schools will not further burden the municipal tax base. Additionally, this oversight will assist the district in improving the quality of education provided to students in the municipality. Enhancing educational quality will, in turn, assist housing revitalization by attracting new families to the community and preventing flight of current residents. It will also serve to attract new businesses and potential employers because the community can offer better-prepared graduates to the workforce.

L.2002, c. 108, § 1, eff. Dec. 4, 2002, retroactive to June 30, 2002.

1 N.J.S.A. 52:27BBB-1 et seq.

SENATE ECONOMIC GROWTH, AGRICULTURE AND TOURISM STATEMENT

Senate, No. 1878-L.2002, c. 108

The Senate Economic Growth, Agriculture and Tourism Committee reports favorably Senate Bill No. 1878.

This bill amends and clarifies the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c. 43, ("the act") in order to ensure an accurate

Last additions in text indicated by underline; deletions by strikeouts



Joint Public Hearing

before

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE AND ASSEMBLY HOUSING AND LOCAL GOVERNMENT COMMITTEE

"Testimony, public comments, and discussion about the report issued pursuant to the 'Municipal Rehabilitation and Economic Recovery Act'"

LOCATION:

Committee Room 4

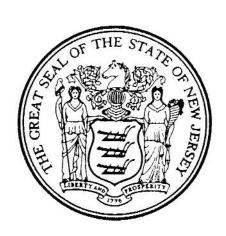
State House Annex Trenton, New Jersey DATE:

January 30, 2007

10:00 a.m.

MEMBERS OF JOINT COMMITTEES PRESENT:

Scnator Ronald L. Rice, Co-Chair Assemblyman Jerry Green, Co-Chair Senator Fred H. Madden Jr. Assemblywoman Nilsa Cruz-Perez Assemblyman Craig A. Stanley Assemblywoman Alison Littell McHose



ALSO PRESENT:

Robert C. Rothberg Joyce W. Murray Office of Legislative Services Committee Aides

Eugene Lepore Senate Majority Kate McDonnell Assembly Majority

Nicole DeCostello Senate Republican Thea M. Sheridan Assembly Republican

Hearing Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey



basic municipal services to the most impoverished and the most dense population of poverty in this nation with no resources.

Let me give you a couple of the statistics: Our municipal operating budget is approximately \$140 million. We generate about \$17 to \$20 million in local property taxes. If we were to collect 100 percent of all the taxes that were due to Camden, we'd collect about \$25 million towards an operating budget of 140. And that is why many, many years ago, during the administration of Tom Kean, that they first created the Distressed Cities Program. I can tell you, in meetings with the other urban mayors and the administration at that time, they looked at Camden and saw the gap in terms of the revenue that we had the ability to generate and what was needed, and saw that one did not match the other, and that it would take many, many years in order to generate enough local dollars to support the municipal government operations.

And certainly, all that went into your thinking when the MRERA was created. And the MRER Act had really a couple of purposes: One, to provide an increased level of municipal services, to try to upgrade the quality of the services that we are providing to the residents. But at the same time, to create an economic base so that, at some point in the future, we would be able to generate sufficient tax dollars so that we would be comparable to other municipalities in this state. Looking at that is a daunting task. And none of us, at least at the local level, believe that that is something that can be achieved in a four- or five-year period.

I recognize that the MRERA talks about a five-year commitment, and then a 10-year compliance time. And one of the recommendations that we have come forward with was to extend the Chief

Operating Officer's position for an additional five years, because I believe that we have begun to make significant progress towards economic development, towards increasing the rateable base. But at the same time, you've got to know the challenges of dealing with a place that, again, is concentrated in poverty. And so the challenges that we have are -- I guess they're exacerbated with the challenges of poverty.

We've been regarded in the past as the murder capital of the country. We are not number one this year, because we have worked hard to try to improve that. But to be anywhere on the list is not something that we would want. But again, if we're going to be honest, when you look at those places that are on those lists and look at the income levels of the residents of those communities and those neighborhoods, it's no secret that in the poorest communities, and those that have been devastated the most, crime is a significant problem. And so while over 75 percent of our municipal operating budget goes towards public safety, we are still challenged.

As I was talking to you about the municipal budget and how much we can generate locally, what I failed to tell you is that we don't collect enough taxes in all of Camden to pay for the health benefits for the employees. Our health benefits costs for the City of Camden are approximately \$25 million -- for its employees and its retirees. And yet again, the tax base only produces about \$20 million. And so when we ask ourselves the question, "How do we change that?" in my view it has to be through a major redevelopment program. And if one is talking about redeveloping an entire city, one has to look at a horizon, in my view, that stretches out 25 to 30 years.





Posted on Tue, Feb. 24, 2009

Camden mayor says she won't seek reelection

By Matt Katz

Inquirer Staff Writer

On a night when longtime Camden City Mayor Gwendolyn A. Faison announced that she would not seek another term, the city got a lesson in a powerful, controversial state law that has marked the mayor's tenure.

The 2002 law, the Municipal Rehabilitation and Economic Recovery Act, provided \$175 million to the city, but it took away almost all the powers of elected officials.

"Now, when you talk about democracy in the city of Camden, you have to put the word democracy in quotation marks," said activist Frank Fulbrook, a panelist at a forum last night convened by the mayor about the law.

The supporters of the law on the panel, all elected or appointed officials, showed pictures of new community centers and residential developments created with money from the law, and they offered statistics showing apparent economic improvement.

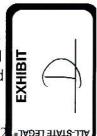
"That is progress," said Theodore Z. Davis, the state-appointed chief operating officer of Camden.

The packed crowd, including 50 firefighters protesting Davis' recent funding cuts for the Fire Department, largely disagreed. The firefighters held signs reading: "Smoke and MRERA . . . Davis - \$222,000 salary" and "Fire Department Cutbacks Kill."

Faison, 84, opened the forum at Malandra Hall by telling her supporters that she would not run for reelection in November. She endorsed Dana Redd, 40, a city councilwoman and state senator, who is so far the only announced Democratic candidate for mayor.

Redd also sat on the panel, and spoke positively about the law.

"Even though I have loved you, I have loved working with you - I hope I'm not kicked to the curb - I will not seek another term," Faison said. "Since we have a young senator that I feel going to help carry the city along, no matter how we feel, I'm going to ask you to get behind



her."

Faison, a Democrat, served two nonconsecutive City Council terms in the 1980s and 1990s before becoming mayor in 2000 to replace Milton Milan, who was convicted of corruption. She was elected in 2001 and again in 2005.

For much of her time in office, Faison has worked within the constraints of the MRERA law. Although she initially supported the law, she has been frustrated because the chief operating officer holds power normally afforded to the mayor.

Most of the \$175 million in the law has run out, but a chief operating officer will retain power until 2012 or 2017.

One panelist, Kelly Francis, president of the Camden County NAACP, called this "disenfranchisement."

"It has been a total disaster over the seven years that it has been in effect," Francis said. "We are in the worst fiscal condition in the history of the City of Camden."

Specifically, Francis noted that the city's deficit had gone from \$9.7 million to \$62.7 million.

Joseph Doria, commissioner of the state Department of Community Affairs, noted that Camden residents had gotten a perk afforded to no one else in the state: Taxes haven't gone up, in accordance with a provision of the law, while state taxpayers have subsidized Camden's schools and government.

Doria also said that \$300 million of additional money to Camden had been leveraged because of the initial \$175 million investment, and that 1,200 units of affordable housing had been built.

While critics said the city has become less safe and less prosperous, supporters cited the expansion of Rutgers-Camden Law School; the new Cathedral Kitchen, which feeds the poor; and rehabilitated homes in neighborhoods throughout the city.

The Department of Community Affairs also showed statistics on a slide show indicating economic progress.

Some of that data, however, had been retracted weeks ago by the state Economic Recovery Board, which is in charge of disbursing Camden's funds. The increase in jobs is not nearly as significant as the chart shown indicated.

There were further inaccuracies. Davis said that to see progress, "all you have to do is get in your car and go to Baldwin's Run."

Baldwin's Run, a suburban-style residential development, was built before the \$175 million.

Still, Doria concluded his remarks by saying that "Camden under the MRERA act has received more than it would have [otherwise] received."

As for the loss of elected power - including a provision that only three of Camden's nine school board members are elected - he called that "quid pro quo."

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