State of New Jersey
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF LAW
25 MARKET STREET
P.O. BOX 112
TRENTON, N.J. 08625-0112

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

MATTHEW J. PLATKIN
Attorney General

MICHAEL C. WALTERS
Director

January 14, 2026

Via E-Mail (ControversiesDisputesFilings@doe.nj.gov)
Kevin Dehmer, Commissioner of Education
c/o Jennifer Simons, Director
Office of Controversies and Disputes
State of New Jersey, Department of Education
P.O. Box 500
Trenton, NJ 08625-0500

Re: In the Matter of the Lakewood School District Board of Education, Ocean County

Dear Ms. Simons:

This office represents the New Jersey Department of Education, Commissioner of Education in regards to the above-captioned matter. Enclosed for filing please find a copy of the Commissioner's Order to Show Cause why an administrative order placing the Lakewood Township School District under full State intervention should not be executed, exhibits attached to the order to show cause, proposed administrative order for full State intervention, full State intervention plan, and certification of service.

If you have any questions, please contact me at the number listed below. Thank you for your time and attention to this matter.

Respectfully submitted,

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY

By: /s/Ryan J. Silver
Ryan J. Silver
Deputy Attorney General

/enclosures
Cc: Laura A. Winters (via e-mail)
Kevin Campbell (via e-mail)
Moshe Bender (via e-mail)

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY
Richard J. Hughes Justice Complex
25 Market Street, P.O. Box 112
Trenton, New Jersey 08625-0112
Attorney for the New Jersey Department of Education,
Commissioner of Education

	:	STATE OF NEW JERSEY
	:	COMMISSIONER OF EDUCATION
IN THE MATTER OF THE	:	
LAKEWOOD SCHOOL	:	Agency Docket No.
DISTRICT BOARD OF	:	
EDUCATION, OCEAN COUNTY	:	**ADMINISTRATIVE ACTION**
	:	
	:	**CERTIFICATION OF SERVICE**

I, Ryan J. Silver, of full age, hereby certify that on January 14, 2026, a copy of the New Jersey Department of Education, Commissioner of Education's Order to Show Cause why an administrative order placing the Lakewood Township School District under full State intervention should not be executed, exhibits attached to the order to show cause, proposed administrative order for full State intervention, and full State intervention plan were electronically filed with the New Jersey Department of Education, Office of Controversies and Disputes, and with the Lakewood Township School District via electronic mail as follows:

Kevin Dehmer, Commissioner of Education
c/o Jennifer Simons, Director
Office of Controversies and Disputes
State of New Jersey, Department of Education
P.O. Box 500
Trenton, NJ 08625-0500
ControversiesDisputesFilings@doe.nj.gov

Laura A. Winters
Chief School Administrator
Lakewood Township School District
200 Ramsey Avenue
Lakewood, NJ 08701
lwinters@lakewoodpinders.org

Kevin Campbell
Business Administrator
Lakewood Township School District
200 Ramsey Avenue
Lakewood, NJ 08701
kcampbell@lakewoodpiners.org

Moshe Bender
Board President
Lakewood Township School District
200 Ramsey Avenue
Lakewood, NJ 08701
mbender@lakewoodpiners.org

I further certify that on the same date, I caused a paper copy of the above referenced documents to be served via regular and certified mail on the Lakewood Township School District at the following address(es):

Laura A. Winters
Chief School Administrator
Lakewood Township School District
200 Ramsey Avenue
Lakewood, NJ 08701

Kevin Campbell
Business Administrator
Lakewood Township School District
200 Ramsey Avenue
Lakewood, NJ 08701

Moshe Bender
Board President
Lakewood Township School District
200 Ramsey Avenue
Lakewood, NJ 08701

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

/s/Ryan J. Silver
Ryan J. Silver
Deputy Attorney General

Date: January 14, 2026

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY
Richard J. Hughes Justice Complex
25 Market Street, P.O. Box 112
Trenton, New Jersey 08625-0112
Attorney for The New Jersey Department of Education,
Commissioner of Education

By: Francesco Ferrantelli (Attorney ID: 071302013)
Deputy Attorney General
(609) 376-3100
Francesco.Ferrantelli@law.njoag.gov

IN THE MATTER OF THE LAKEWOOD SCHOOL DISTRICT BOARD OF EDUCATION, OCEAN COUNTY	:	STATE OF NEW JERSEY COMMISSIONER OF EDUCATION Agency Docket No. **ADMINISTRATIVE ORDER FOR FULL STATE INTERVENTION**

This matter, having been initiated by the Commissioner of Education through the filing of an Order to Show Cause seeking an Order placing the Lakewood Township School District under full State intervention pursuant to N.J.S.A. 18A:4-23, N.J.S.A. 18A:4-24, N.J.S.A. 18A:7A-15, N.J.S.A. 18A:7A-15.1, N.J.S.A. 18A:7A-34, N.J.A.C. 6A:30-6.1, N.J.A.C. 6A:30-6.6, and N.J. Const. art. VIII, § 4, ¶ 1, on notice to all parties, and the matter having been heard before the Office of Administrative Law in accordance with the procedures set forth in N.J.A.C. 1:1-1 et seq. and N.J.A.C. 6A:30-6.6, and the Commissioner having recommended that the State Board of Education (State Board) issue an Order placing the District under full State intervention, and the State Board having considered the initial decision from the Office of Administrative

law, the recommendation of the Commissioner, and all relevant papers submitted by the parties,

IT IS on this _____ day of _____, 2026, ORDERED as follows:

1. The Lakewood Township School District is hereby placed under full State Intervention in accordance with N.J.S.A. 18A:7A-15, N.J.S.A. 18A:7A-15.1, N.J.S.A. 18A:7A-34, N.J.A.C. 6A:30-6.1, and N.J.A.C. 6A:30-6.6;
2. The Commissioner of Education and the Lakewood Township Board of Education shall implement the full intervention plan, which is annexed hereto as Exhibit A and incorporated herein by reference; and
3. This decision shall be considered a final agency decision and may be appealed to the New Jersey Superior Court, Appellate Division, within forty-five days in accordance with N.J.A.C. 6A:30-6.6 and N.J. Court Rule 2:4-1.

IT IS SO ORDERED

_____
Kathy Goldenberg, President
New Jersey State Board of Education

EXHIBIT A

STATE INTERVENTION PLAN FOR THE LAKEWOOD TOWNSHIP SCHOOL DISTRICT

This intervention plan for full State intervention is served on the Lakewood Township school district pursuant to N.J.A.C. 6A:30-6.6 and -6.7.

I. State District Superintendent

Pursuant to N.J.S.A. 18A:7A-35 and N.J.A.C. 6A:30-6.7(a)(1), upon full State intervention, the Commissioner of Education (Commissioner) will recommend to the State Board of Education the appointment of a new State District Superintendent. The State District Superintendent will be appointed for an initial term that will not exceed three years, and the costs of his or her salary shall be fixed by the Commissioner and be borne by the Lakewood Township School District.

The State Superintendent shall exercise all rights and authority as set forth in N.J.S.A. 18A:7A-35, -39, -42, -44, and N.J.A.C. 6A:30-6.8, and any other applicable law. In accordance with N.J.S.A. 18A:7A-42(a)(2), the State district superintendent, subject to the approval of the Commissioner, shall appoint and set the salaries of such State assistant superintendents as the superintendent shall deem necessary and assign to them their duties and responsibilities. No State assistant superintendent shall acquire tenure, notwithstanding any other provision of law.

II. Highly Skilled Professionals

Pursuant to N.J.S.A. 18A:7A-14, -15(c), and N.J.A.C. 6A:30-6.7(a)(2), the Commissioner plans to appoint highly skilled professionals (HSPs) in the areas of Governance and Legal Compliance, Special Education, Transportation and Operations, Fiscal Management, and Nonpublic Student Services. The duties and responsibilities of each HSP are set forth below:

A. **Governance and Legal Compliance**: The HSP for Governance and Legal Compliance will, at a minimum, oversee the operations of the Lakewood Board of Education, including its policies and procedures to develop and implement District policies. He or she will also ensure the development and implementation

of the improvement plan developed by the District, attend all meetings of the Lakewood Board of Education, including any discussions in closed session, and obligate District funds for matters relating to the overall management and function of the District. He or she will also conduct a comprehensive audit of the District's personnel practices, including its policies and procedures to recruit, retain, induct, support, and evaluate staff, and grant tenure. Finally, the HSP for Governance and Legal Compliance will develop a strategy to minimize the District's legal exposure and ensure District compliance with all policies, procedures, as well as State and federal law.

B. **Special Education:** The Commissioner also plans to appoint an HSP to provide direct oversight of the District's special education office and special education services provided by the District. The HSP for Special Education will oversee the implementation and management of special education programs, ensuring they align with state and federal regulations and guidelines; monitor the development, implementation, and progress of Individualized Education Programs (IEPs), ensuring they meet the needs of students with disabilities; coordinate and oversee special education assessments, evaluations, and eligibility determinations; review all recommendations for out of district placements in accordance with the student's needs as set forth in the IEP; ensure compliance with state and federal special education laws, including N.J.A.C. 6A:14, the Individuals with Disabilities Education Act (IDEA), and Section 504 of the Rehabilitation Act of 1973 (Section 504); and work with administrators to ensure special education curriculum and instruction are aligned with New Jersey Student Learning Standards.

C. **Transportation and Operations:** The Commissioner also plans to appoint an HSP to provide direct oversight of the District's transportation office and transportation services provided by the **D**istrict. The HSP for Transportation and Operations will oversee the coordination of transportation services, ensuring compliance with regulations and student safety; ensuring transportation services meet all requirements for both public and nonpublic school students, including special education needs; oversee the optimization of bus routes to ensure timely and cost-effective transportation, including for nonpublic school students eligible for transportation; work closely

with nonpublic schools to gather necessary information and arrange transportation, ensuring eligibility and compliance; ensure transportation accommodations are made for students with disabilities, including those attending nonpublic schools; and manage contracts with private transportation providers to ensure proper billing and funding procedures, including state reimbursements.

D. **Fiscal Management:** The Commissioner also plans to appoint an HSP to provide direct oversight of the District's budget development and implementation. The HSP for Fiscal Management will assess the efficiency and necessity of appropriations and resources contained in the district budget; direct the operation and fiscal management of school district facilities; ensure the development and implementation of an acceptable plan to address the fiscal deficiencies of the school district; and oversee all district staffing. The HSP for Fiscal Management will attend all meetings of the Lakewood Board of Education, including any discussions held in closed session.

E. **Nonpublic Student Services:** The Commissioner also plans to appoint an HSP to provide direct oversight of the District's services to nonpublic school students. The HSP for Nonpublic Student Services will coordinate the services provided to students in nonpublic schools in accordance with State and federal law and regulations, including services for students eligible for special education services in accordance with the IDEA, services required in accordance with Chapter 192/193, nursing services, textbooks, technology, and security, as well as requirements under the federal Elementary and Secondary Education Act (ESEA) for the participation of nonpublic school students and staff in ESEA programs. The HSP for Nonpublic Student Services will also coordinate with the HSPs for Transportation and Operations and the HSP for Special Education to increase efficiencies in providing mandated services to nonpublic school students in a manner that is equitable and cost effective.

The costs of the HSPs will be divided equally between the State and the Lakewood Township School District.

In the event disputes regarding any of the above-referenced HSPs and district personnel arise, the State District

Superintendent shall make a final determination, in consultation with the Commissioner.

III. Other District Leadership Positions

There has been an absence of effective leadership and management in the Lakewood Township School District that has precluded the delivery of consistently high-quality educational and support services throughout the district. In accordance with N.J.S.A. 18A:7A-44, upon creation of the school district under full State intervention, the position of the chief school administrator will be abolished; the State District Superintendent will have supervisory authority of the district. Pursuant to N.J.S.A. 18A:7A-44(b), the State District Superintendent may prepare a reorganization of the district's central administrative and supervisory staff within 180 days of the establishment of the school district under full State intervention, which may result in the abolishment of all executive administrator positions for curriculum, business, and finance.

In accordance with N.J.S.A. 18A:7A-42(a)(3), the services of the district auditor and any attorneys presently contracted to provide professional services to the Board shall be immediately terminated upon creation of the school district under full State intervention.

IV. Capital Project Control Board

The Commissioner does not recommend the establishment of a Capital Project Control Board in the Lakewood Township School District upon the creation of the District under full State intervention. Any proposed capital projects in the district will proceed in accordance with those procedures and legal requirements applicable to regularly operating districts, subject to review and approval of the State District Superintendent.

V. Board of Education

In accordance with N.J.S.A. 18A:7A-47 and N.J.A.C. 6A:30-6.8, at the time the State Board issues an order creating the school district under full State Intervention, the current district board of education shall continue in place but shall only serve in an advisory capacity and shall have only those rights, powers and privileges of an advisory board. The advisory district board of

education shall meet at least once per month at dates and times determined by the State district Superintendent. Pursuant to N.J.A.C. 6A:30-6.8(c), to the extent any vacancy(ies) exist on the advisory district board of education at the time of full State intervention, such vacancy(ies) shall be filled in the same manner as the seat(s) were filled prior to full State intervention.

In addition, with State Board approval, the Commissioner intends to seek appointment of up to three additional members to the Lakewood Township Board of Education pursuant to N.J.A.C. 6A:30-6.5, -6.7, and -6.8. The Commissioner-appointed district Board of Education members shall be appointed for a term of two years. The Commissioner shall obtain State Board approval for any extension of the two-year term. Any vacancy in the Commissioner-appointed membership shall be filled in the same manner as the original appointment. The Board's membership shall remain increased by these three additional seats until the State withdraws from intervention in the governance component of school district effectiveness.

The appointed district board members shall report to the Commissioner on the advisory district board of education's activities and shall provide assistance to the advisory district board of education on matters deemed appropriate by the Commissioner, including, but not limited to, the applicable laws and rules governing specific advisory district board of education action.

Pursuant to N.J.A.C. 6A:30-6.8(f), the appointed district board of education members shall be non-voting members of the advisory district board of education, and shall have all other rights, obligations, powers, and privileges of advisory district board of education members. Six months following the District being placed in full State intervention, the Commissioner shall determine whether the three appointed members will become voting members of the advisory board of education. If the Commissioner determines the appointed district board of education members shall become voting members, the advisory district board of education may appeal that determination to the New Jersey Superior Court, Appellant Division, in accordance with N.J.A.C. 6A:30-6.8(f)(2).

VI. Improvement Plan

The Commissioner hereby orders the Lakewood Township School District to develop, in cooperation with the Department, an improvement plan in accordance with N.J.S.A. 18A:7A-31.3 to address the areas of deficiency and limited capacity identified through the Comprehensive Review, as outlined in the Order to Show Cause attached to this document. The improvement plan shall be submitted to the Commissioner for approval within six (6) months following the establishment of the school district under full State intervention. The improvement plan, as approved by the Commissioner, will be incorporated into this intervention plan.

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY
Richard J. Hughes Justice Complex
25 Market Street, P.O. Box 112
Trenton, New Jersey 08625-0112
Attorney for the New Jersey Department of Education,
Commissioner of Education

By: Francesco Ferrantelli (Attorney ID: 071302013)
Deputy Attorney General
(609) 376-3100
Francesco.Ferrantelli@law.njoag.gov

	: STATE OF NEW JERSEY
	: COMMISSIONER OF EDUCATION
IN THE MATTER OF THE	:
LAKEWOOD SCHOOL	: Agency Docket No.
DISTRICT BOARD OF	:
EDUCATION, OCEAN COUNTY	:
	: **ORDER TO SHOW CAUSE**
	:

PLEASE TAKE NOTICE that, pursuant to N.J.S.A. 18A:4-23, N.J.S.A. 18A:7A-15, N.J.A.C. 6A:3-3.1, N.J.A.C. 6A:30-6.6, and N.J. Const. art. VIII, § 4, ¶ 1, Kevin Dehmer, the Commissioner of the New Jersey Department of Education, orders the Lakewood Township School District Board of Education ("Lakewood BOE") to show cause why an administrative order placing the Lakewood Township School District (the "District") under full State intervention should not be executed, based on the existence of the following circumstances:

INTRODUCTION

1. Lakewood BOE is failing its students. As the Superior Court of New Jersey, Appellate Division found in Alcantara v. Allen-McMillan (Alcantara I), 475 N.J. Super. 58 (App. Div. 2023),

the quality of education in Lakewood is deficient and students are being deprived of a constitutionally mandated thorough and efficient education, N.J. Const. art. VIII, § 4, ¶ 1 ("T&E"). 475 N.J. Super. at 70. The Department's comprehensive review of the District in the key areas of governance, curriculum and instruction, special education, financial practices, and transportation revealed pervasive, endemic educational and operational failures within the District which are the root cause of the District's failure to provide students with T&E. The District's failure to provide T&E because of these deep rooted failures was affirmed by the Appellate Division in Alcantara v. Allen-McMillan (Alcantara II), 482 N.J. Super. 424 (App. Div. 2025). Id. at 436-37.

2. The inefficiencies that plague the District and Lakewood BOE are not new issues, however. Lakewood BOE has been on notice of these issues since at least 2009, and the Legislature's Office of the State Auditor ("OSA"), the U.S. Department of Education, Office of Special Education Programs ("OSEP"), and the Office of Fiscal Accountability and Compliance ("OFAC") in the Department, have all found significant deficiencies, which the District and Lakewood BOE continue to fail to address.

3. Notably, Lakewood BOE has failed to implement effective

policies and provide its personnel and teaching faculty with the necessary resources to adequately educate the public school children of Lakewood. Instead, Lakewood BOE has, for years, continued to ignore repeated warnings from the Department and mismanage resources to the clear detriment of its students.

4. Because of these glaring and ongoing failures to properly educate Lakewood's public school students, the Department must initiate full State intervention of the failing Lakewood Public School District pursuant to N.J.S.A. 18A:4-24, N.J.S.A. 18A:7A-15, and N.J.A.C. 6A:30-6.6 to raise the level of educational services to constitutionally-compliant levels. Indeed, for years, the Department has employed a number of tools to provide financial, logistical, administrative, and educational support to Lakewood BOE and the District—— including, but not limited to, the installation of State monitors and advances of tens of millions of dollars in State aid to assist the District in meeting its immediate obligations[1]——but Lakewood BOE has failed to abate the severe

[1] The Commissioner may recommend advance payments against future aid in order to assist districts in meeting their obligation to provide T&E. N.J.S.A. 18A:7A-56. From FY15 to FY24, Lakewood received $215,124,570 in advance payments on top of its regular State aid. In February 2025, Lakewood was granted advance State aid of $65,000,000, and on June 18, 2025, the Commissioner directed the State Treasurer to advance an additional $15,000,000 for the 2024-2025 school year.

deficiencies of constitutional dimension identified by the Appellate Division, and which still persist today.

5. Therefore, because the Appellate Division affirmatively concluded that the District failed to provide T&E during the 2014-2015 through 2018-2019 school years, and because the most recent school performance reports and the 2024 comprehensive review establish that the District is still failing to provide T&E, the New Jersey Constitution compels the Commissioner to initiate full State intervention. N.J. Const. art. VIII, § 4, ¶ 1. See also N.J.S.A. 18A:7A-15 ("In addition to procedures established pursuant to [N.J.S.A. 18A:7A-14(e)], the [C]ommissioner may order the local board to show cause why an administrative order placing the district under full State intervention should not be implemented.").

THE STATE'S PRIOR MONITORING OF THE LAKEWOOD SCHOOL DISTRICT

6. In 2009, the Department conducted a needs assessment of the District to "assess[] the adequacy of the educational inputs and programming currently being provided" and to "identify the unique educational needs of the students . . . ." In its assessment, the Department noted that while public school enrollment was stable, the District's non-public enrollment was increasing at a rapid pace. The assessment also identified transportation and special education costs as large strains on the District's budget, but found that the

Lakewood BOE "could do significantly more with the funds currently available to it." See Exhibit A; Exhibit C at DOE138.

7. Specifically, the Department recommended that Lakewood BOE reconsider its courtesy busing policy, which resulted in the District spending $4,000,000 in the 2008-2009 school year to bus private school students who did not live remote from the schools they attended. And because a significant portion of Lakewood's budget was spent on out-of-district special education placements, which included transportation for those students, the Department recommended that Lakewood develop ways to educate more special education students in-district in order to curtail growing expenses. See Exhibit A at DOE9-DOE11. Lakewood BOE has not sufficiently addressed either issue.

8. In 2014, Lakewood BOE was subject to a State audit by OSA. The audit, which examined the period of July 1, 2011, to December 31, 2013, was intended to "determine whether financial transactions were related to the school district's programs, were reasonable, and were recorded properly in the accounting systems." After reviewing the District's operations, OSA found that "financial transactions . . . were not always reasonable or properly recorded in the accounting system." And, OSA found transportation and special education

expenses remained significant sources of concern. See Exhibit B at DOE15-DOE16.

9. In light of these findings, OSA provided a number of recommendations to the Lakewood BOE to rein in those costs, including eliminating separate start and end times for non-public schools, developing bus routes based on school location rather than maintaining separate routes for each school, tiering bus routes for bidding purposes, and improving the District's approval and document retention practices for special education students. See Exhibit B. Again, Lakewood BOE did not timely address those issues.

10. In 2010, the District had a budget surplus of $5,000,000. However, from 2011 to 2014, Lakewood BOE chose not to raise its local tax levy to the statutorily permitted cap, see L. 2007, c. 62 and L. 2010, c. 44, and, as a result, failed to tax up to its local fair share——that is, the District's ability to contribute to its overall adequacy budget through its local contribution——and thus did not raise additional funds that could have been used to provide T&E. See Exhibit C at DOE 85; DOE161-DOE162.

11. Lakewood BOE also chose not to exercise its authority under N.J.S.A. 18A:22-40 and N.J.S.A. 18A:7F-39 to present voters with a referendum to increase the school tax levy by more than two percent in any year except 2016. Although the

referendum in 2016 was ultimately rejected by the voters, Lakewood did not make any effort to bring the issue before the voters in any other year. By failing to do so, Lakewood did not make all reasonable efforts to maximize local revenue that would free up funds available to provide T&E. See id. at DOE137; DOE162-DOE163

12. Largely because of the unaddressed expenses related to special education and transportation noted by both the Department and OSA, as well as Lakewood BOE's failure to increase revenues, it had a budget deficit of approximately $6,000,000 in 2013-2014. See id. at DOE130-DOE131.

13. Because the District had run a deficit, the Department appointed a State monitor to the District in 2014. See N.J.S.A. 18A:7A-55. The monitor required Lakewood BOE to increase its tax levy up to the maximum amount in that year, but because it had not increased the levy to the maximum amount in prior years, it was still not generating the level of revenue it could have, had such proactive steps been taken earlier. See Exhibit C at DOE130-DOE131; DOE161-DOE162.

THE 2014 PETITION ALLEGING THE DISTRICT'S STUDENTS WERE BEING DEPRIVED A THOROUGH AND EFFICIENT EDUCATION

14. On July 7, 2014, a collection of concerned Lakewood parents filed a petition of appeal with the Commissioner of Education,

alleging that district students were not receiving T&E.[2] Alcantara, et al. v. Hespe, et al, OAL No. EDU 11069-14, initial decision, (Mar. 1, 2021). A true and accurate copy of the initial decision is attached hereto as Exhibit C.

15. That petition sought a determination that: (1) the School Funding Reform Act of 2008 (SFRA), N.J.S.A. 18A:7F-43 to -71, as applied to the District does not provide sufficient funding to enable the District to provide a thorough and efficient education (T&E) as mandated in our State Constitution, N.J. Const. art. VIII, § 4, ¶ 1; (2) reliance upon discretionary State aid payments pursuant to N.J.S.A. 18A:7A-56 does not provide T&E funding that is certain and predictable; (3) the constitutional imperative regarding T&E requires sufficient funding that is not discretionary; and (4) the Commissioner recommend that this matter be remedied by the Legislature. See Exhibit C at DOE70.

[2] While a number of factors must be examined in determining whether students receive T&E, the baseline for T&E is determined by the New Jersey Student Learning Standards (NJSLS), which are established by the State Board of Education. N.J.S.A. 18A:7F-46; N.J.A.C. 6A:8-1.1 to -5.3. The NJSLS are designed "[t]o prepare students for college and career, success in life, and work in an economy driven by information, knowledge, and innovation . . . ." N.J.A.C. 6A:8-1.1. The standards comprise nine academic content areas: career readiness, life literacies and key skills; comprehensive health and physical education; computer science and design thinking; English language arts; mathematics; science; social studies; visual and performing arts; and world languages. N.J.A.C. 6A:8-1.1(a)(1) and -1.3.

16. Following an administrative hearing that occurred over multiple days in 2019, Administrative Law Judge (ALJ) Susan M. Scarola issued an initial decision on March 1, 2021, finding that the District's public school students are not receiving T&E. See Exhibit C at DOE156-DOE160. The ALJ also found that this constitutional deprivation was not the result of the SFRA, but rather stemmed from concerted actions and fiscal mismanagement by the Lakewood BOE. See id. at DOE160-DOE169.

17. In reaching this decision, the ALJ exhaustively reviewed multiple performance indicators, including standardized test scores, absenteeism rates, dropout rates, and graduation rates, for the 2014-2015, 2015-2016, 2016-2017, 2017-2018, and 2018-2019 school years, and concluded that Lakewood's public school students did not receive T&E in any of those years. Specifically, the ALJ found that Lakewood's scores and other metrics showed that the District was performing well below the State average. The ALJ's complete findings of facts and conclusions of law are incorporated herein by reference; notably, the ALJ found the following severe deficiencies and inadequacies in Lakewood's students' performance and educational opportunity. See Exhibit C.

18. As set forth below, the District's standardized test scores and other educational benchmarks were well-below the State

average in all school years between 2014-2015 and 2018-2019. See id. at DOE132-DOE134.

Year	State Assessments	% of Students meeting or exceeding expectations
2014-2015	English	23%
	Math	5%
2015-2016	English	23%
	Math	7%
2016-2017	English	25%
	Math	18%
2017-2018	English	28%
	Math	20%
2018-2019	English	33%
	Math	21%

For example, for the 2014-2015 school year, only twenty-three percent of Lakewood high school students met or exceeded expectations on the Partnership for Assessment of Readiness for College and Careers (PARCC) assessment for English, placing them in the twenty-third percentile in the State, and only five percent of students met or exceeded expectations on the PARCC math assessment. Id. at DOE132. For the 2015-2016 school year, twenty-three percent of Lakewood high school students met or exceeded expectations on the PARCC English assessments, again placing them in the twenty-third percentile in the State, and only seven percent of the students met or exceeded expectations on math assessments, or the thirteenth percentile in the State. Id. at DOE133.

19. In regards to SAT scores, only six percent of Lakewood

students scored above 1550 out of 2400 on the SAT, placing Lakewood High School in the thirteenth percentile of all districts for the 2014-2015 school year. Ibid. For the 2015-2016 school year, twenty-three percent of Lakewood students met the college readiness benchmarks on the reading and writing portion of the SAT, compared with seventy-one percent Statewide, and only eleven percent met the benchmarks on the math portion, compared with fifty-three percent Statewide. Ibid.

20. The District's advanced placement (AP) and dual enrollment (college courses taken by high school students) rates were also well below State averages. Id. at DOE134, DOE158. In 2017-2018, for example, only seventeen percent of students enrolled in AP classes, compared to thirty-five percent Statewide. Ibid. And the District had zero percent dual enrollment compared to thirteen percent Statewide for the same school year. Id. at DOE134. In 2018-2019, only twenty-one percent of Lakewood students enrolled in AP classes compared to thirty-five percent Statewide, and the District continued to have zero percent dual enrollment compared to nineteen percent Statewide. Ibid.

21. The District also suffered from chronic absenteeism. Id. at DOE158. In 2016-2017, for example, thirteen percent of Lakewood students were absent for ten percent or more of days

enrolled, compared to a Statewide absenteeism rate of 10.3%. Id. at DOE134.[3] In 2017-2018, chronic absenteeism in the District increased to sixteen percent, compared to a Statewide average of 10.9%. Ibid.[4]

22. The District's graduation rates were also well-below the State average in this period. Id. at DOE133-DOE134.

	2014-2015	2015-2016	2016-2017	2017-2018
District's Graduation Rate	74%	75%	75%	82%
Statewide Average Graduation Rate	78%	81%	90%	90%

For example, for 2016-2017 and 2017-2018, the Statewide graduation rate was ninety percent, whereas the District's graduation rate was seventy-five percent and eighty-two percent, respectively, or eight to fifteen percentage points below the Statewide graduation rate. Ibid.

23. The District's dropout rates were equally troubling. For the

[3] The information regarding Statewide percentiles was derived from Lakewood's 2016-2017 School Performance Report. A complete and accurate copy of the 2016-2017 State Performance Report can be accessed at https://www.nj.gov/education/sprreports/201617/State-Detail/St.pdf (last visited January 12, 2026).

[4] The information regarding Statewide percentiles was derived from Lakewood's 2017-2018 School Performance Report. A complete and accurate copy of the 2017-2018 State Performance Report can be accessed at https://www.nj.gov/education/sprreports/201718/State-Detail/St.pdf (last visited January 12, 2026).

2014-2015 school year, the District's dropout rate was nearly four percent, or double the Statewide target of two percent. Id. at DOE133. For the 2015-2016 school year, the dropout rate was nearly three percent, while the Statewide target was one percent. Ibid.

24. The District's college enrollment rates were also well below the State average, as demonstrated in the following table. Id. at DOE133-DOE134, DOE158.

Enrollment in 2-year or 4-year postsecondary institution	2014-2015	2015-2016	2016-2017	2017-2018
Districtwide	44%	37%	44%	41%
Statewide	78%	77%	76%	78%

For example, only 44% of Lakewood students enrolled in two- and four-year postsecondary programs compared to a Statewide average of seventy-six percent in the 2016-2017 school year. Id. at DOE134, DOE158. And in the 2017-2018 school year, only forty-one percent of Lakewood students were enrolled in two- and four-year postsecondary programs compared to seventy-eight percent of students statewide. Ibid.

25. For these reasons, and the data contained in the administrative record, the ALJ concluded that "Lakewood's students are not receiving a thorough and efficient education as required by the New Jersey Constitution. The statistics

sadly indicate that Lakewood's students are not prepared for college, career, or life due to a constitutionally inadequate education." Id. at DOE160.

26. As to the cause of this constitutional deprivation, the ALJ found that it was not the fault of the SFRA, as the petitioners had alleged, but rather the result of the Lakewood BOE's severe fiscal mismanagement and Lakewood's lack of effort to pass referenda for additional funding. Id. at DOE161.

27. The ALJ noted that Lakewood chose not to raise the tax levy to the cap for several years, and found that the District in fact, "decided to keep the levy stagnant" from 2011 to 2014 as the non-public student population was "rapidly increasing." Id. at DOE161-DOE162. The ALJ found that this was "additional revenue that could have gone to support Lakewood's obligation to provide and fund T&E to its" students. Id. at DOE162.

28. The ALJ also pointed to other reasons, separate from the SFRA, which demonstrate Lakewood's failure to provide T&E to its students. Id. at DOE162, DOE164. Specifically, the ALJ found that the District's financial difficulties were attributable, in large part, to the extraordinary cost the District chooses to bear to pay for transportation for private school students and for tuition for special education students it places in

out-of-district private schools. Id. at DOE165. For instance, for the 2017-2018 school year, transportation and special education costs consumed more than half of the District's budget, or $78,000,000 out of a total budget of $144,000,000. Id. at DOE130. In comparison, the ALJ found that in neighboring districts such as Toms River, Brick, Jackson, and Freehold, the average transportation and special education tuition costs make up only four to seven percent of their budgets. Ibid.

29. The ALJ also noted the District's practice of spending tens of millions of dollars in tuition each year to send a few hundred special education students to private, out-of-district schools. Id. at DOE166. For example, in 2018-2019, Lakewood sent 343 special education pupils to out-of-district private school placements at a total cost of $33,000,000 in tuition – an average of nearly $100,000 in tuition per student. Ibid.

30. Determining that Lakewood did not demonstrate it had done everything it could to reduce its ever-growing transportation costs, nor that it had attempted to curb costs associated with educating special education students by educating them in-district, the ALJ concluded that "Lakewood has either been unwilling or unable, on its own, to take all necessary steps to deliver T&E" and for this reason, "Lakewood needs more

help." Id. at DOE168.

31. On July 16, 2021, then-Acting Commissioner Angelica Allen-McMillan issued a final decision rejecting the ALJ's initial decision in part, and adopting it in part. Alcantara, et al. v. Hespe, et al, 149-21, final decision (July 16, 2021).[5] Although Acting Commissioner Allen-McMillan did not agree with the ALJ concerning the lack of T&E in Lakewood, she recognized the concerning educational deficits revealed during the course of the OAL hearing, and ordered the Department to "conduct a comprehensive review of the District's organization, structure and policies to assess its compliance with the quality performance indicators in accordance with [N.J.S.A.] 18A:7A-11 to determine how the District can improve its educational program." Id. at p. 7. Petitioners appealed.

THE APPELLATE DIVISION'S MARCH 6, 2023 DECISION CONCLUDING LAKEWOOD'S PUBLIC SCHOOL STUDENTS WERE NOT RECEIVING A THOROUGH AND EFFICIENT EDUCATION

32. In a published decision issued on March 6, 2023, the Appellate Division agreed with the ALJ's finding that Lakewood's public school students did not receive T&E during the years in question. Alcantara I, 475 N.J. Super. at 67-70.

[5] A complete and accurate copy of the Commissioner's July 16, 2021 final agency decision can be accessed at https://www.nj.gov/education/legal/commissioner/2021/149-21.pdf (last visited January 12, 2026).

33. In finding Lakewood students were not being provided T&E, the Appellate Division explained that the measure of T&E is generally the NJSLS, as well as performance on standardized testing. Id. at 65. The court also explained that the Department must be afforded deference in interpreting the statutory scheme ensuring T&E as the agency charged with its enforcement. Id. at 65-66.[6]

34. Relying on the full record developed in the administrative proceeding, the Appellate Division noted first that for the school years analyzed, the State's average high school graduation rate was approximately ninety percent. Id. at 69. In the year the District had its best graduation rate however, the rate was only eighty-two percent. Ibid. "In other words, in the best year on record at Lakewood, nearly one in five students did not graduate, whereas statewide the rate is one in ten." Ibid.

35. The court also found that outcomes for those Lakewood students who do graduate also fall short of Statewide averages. For

[6] The court noted that districts are also evaluated pursuant to the New Jersey Quality Single Accountability Continuum (NJQSAC), N.J.S.A. 18A:7A-10. Alcantara I, 475 N.J. Super. at 68. In finding that Lakewood students were not being provided T&E, the ALJ in her initial decision considered Lakewood's poor NJQSAC score for the 2016-2017 school year. See Exhibit C at DOE135. The court did not rely on those metrics in reaching its decision that students were not being provided T&E, however. Instead, the court reviewed the totality of the record and the severe issues plaguing Lakewood.

the years in question, the statewide average for enrollment in post-secondary education programs was approximately seventy-three percent. Ibid. Lakewood, by contrast, had an enrollment rate of only thirty-six percent, or about half the State average. Ibid.

36. The court noted that students' scores on standardized tests "paint[ed] an even more concerning picture." Ibid. Specifically, the statewide averages for most of the eighteen subjects covered on standardized tests was approximately fifty percent. Ibid. But Lakewood students scored, on average, nearly ten percentage points below the State average, and in some subjects as much as thirty percentage points below. Ibid. For example, while the statewide average proficiency rate for geometry in 2018 was thirty percent, Lakewood's rate was just 3.4%. Id. at 69 n.6.

37. And the academic performance gap between Lakewood's students and the statewide averages was continuing to grow. As the court found, Lakewood's scores in four of the eighteen tested subjects declined over the four years examined. Id. at 70. As such, the court held that "the overwhelming statistics show[] [Lakewood] to be consistent and significantly underperforming in essentially every academic metric . . . ." Ibid.

38. For these reasons, and the information contained in the

administrative record, the court found that "the quality of education in Lakewood . . . is deficient" and that students were being deprived T&E. Ibid.

THE COMPREHENSIVE REVIEW OF THE DISTRICT

39. After the Appellate Division's finding that Lakewood students were not being provided T&E, the Department determined that an expedited comprehensive review of the District was needed to identify and investigate the root causes of the deficiencies highlighted by the Appellate Division. That review ultimately uncovered deep-seated issues in the district.

40. On May 12, 2023, Commissioner Allen-McMillan issued a letter directing the Department to expedite its comprehensive review of the District. The letter also indicated that the comprehensive review would focus on several key areas, including educational policy, special education, administration and governance, transportation, and accounting.

41. On August 22, 2023, Commissioner Allen-McMillan announced that the Department had retained the services of Dr. Kimberley Harrington Markus, a former Commissioner of the Department; Public Consulting Group (PCG), a public sector consulting firm with an extensive background in education; and Jeremiah Ford, an expert in New Jersey public school transportation,

to undertake the analysis. PCG, in turn, assembled a multidisciplinary team of educational specialists and a financial auditing firm to conduct the review.

42. On March 1, 2024, the consultants issued a report entitled "Comprehensive Review of the Lakewood Public School District[.]"[7] A true and accurate copy of the Comprehensive Review is attached hereto as Exhibit D.

43. The Comprehensive Review found that for the 2019-2020, 2020-2021, and 2021-2022 school years, the District failed to meet Statewide targets in the following performance indicators: graduation rate, dropout rate, participation in Statewide assessment and proficiency, school age children placed in the least restrictive environment, preschool students placed in the least restrictive environment, timely initial evaluations, and early childhood transition. See Exhibit D at DOE191. At the same time, the report detailed numerous operational and managerial concerns in the areas of governance, curriculum and instruction, special education, finance, and transportation. See id. at DOE184-DOE207.

[7] On February 23, 2024, Assistant Commissioner of Education Cary Booker — who was delegated the Alcantara matter pursuant to N.J.S.A. 18A:4-34 after Kevin Dehmer was appointed Acting Commissioner on February 12, 2024 — issued a letter announcing that the comprehensive review would be completed and a report would be released no later than March 1, 2024. The letter also set forth a briefing schedule for the District's counsel and petitioners in the Alcantara matter to respond to the report.

44. The Comprehensive Review confirmed that severe educational and administrative deficiencies are still pervasive in the district, depriving Lakewood's public school students of a constitutionally sufficient education. The results of the Comprehensive Review indicate that Lakewood continues to suffer from numerous deficiencies, despite fluctuations in other metrics. For example, Lakewood's scores on the New Jersey Quality Single Accountability Continuum (NJQSAC), a self-evaluation process that each school district undergoes once every three years and serves as the first line of monitoring for districts, have fluctuated. The Comprehensive Review identified numerous deficiencies that had not been revealed during the NJQSAC reviews but that require close monitoring.

45. The Comprehensive Review revealed that those deficiencies have little to do with the level of funding the District receives. Instead, the Comprehensive Review revealed that years of institutional dysfunction and mismanagement had corroded every facet of the delivery of educational services in the District, as follows.

A. Governance.

46. The Lakewood BOE and the District as a whole exhibit a lack of leadership and failures in governance.

47. The Lakewood BOE's public board meeting practices do not align

with the standard practices typically exercised by boards of education and outlined by the New Jersey School Boards Association. See id. at DOE226. In particular, Board meetings lack action items and are conducted without discussion of any agenda items or committee reports. Id. at DOE234. Lakewood BOE also does not read, review, discuss, or question District policies. Id. at DOE236. Even during meetings where there were a significant number of new policies placed on the agenda, Lakewood BOE held no discussions. Ibid.

48. Unlike other comparable districts, Lakewood BOE does not discuss financial issues or present detailed budgetary information during meetings. Id. at DOE226, DOE236. Lakewood BOE also has no strategic plan in place and has "minimal" involvement with the budget. Ibid.

49. Board meetings were also not led by the Board President, whose responsibility should be to ensure adherence to proper procedure. Id. at DOE233, DOE240. Rather, the Board President had previously abdicated his role and responsibilities to the Board's attorney. Id. at DOE240. The Comprehensive Review noted that the level of control exercised by Lakewood BOE's former attorney was unusual, as he took a "far more active role than the typical board attorney in District business." Id. at DOE226, DOE243-DOE244. On top of that, the Report found that for the years reviewed, the District's "legal

expenses per pupil [were] significantly higher than" comparable districts. Id. at DOE244.

50. Further, the Lakewood BOE has issued policies that have directly and negatively impacted student achievement. First, in most districts, students entering kindergarten must turn five-years old by October 1 of that given school year. Lakewood BOE Policy 5112: Entrance Age, however, permits students who will not turn five-years old until December 31 to register for kindergarten. Id. at DOE237-DOE239. As a result, the District's kindergarten classes may include a mix of students aged four to six-years old for nearly half of the school year. Ibid. As the Comprehensive Review found, this is problematic because a number of studies have shown that in "the early stages of school age child[] development, there is a significant difference in terms of maturity, behavior, and cognitive abilities between children . . . ." Id. at DOE238. Thus, cognitive development for District students enrolled in the same class can be "substantially different" and may present as gaps in literacy development and math for younger students in the class, which will only "continue as the student moves into upper grades." Ibid.

51. Policy 5112 also negatively affects student achievement and identification for special education placement. As a study by the National Bureau of Economics found, students "who start

school at an older age do better than their younger classmates and have better odds of attending college." Ibid. There is also evidence, the Comprehensive Report explained, that students who start school earlier are more likely to be "placed in special education or diagnosed with Attention Deficit/Hyperactivity Disorder (ADHD)," as "the youngest students in a kindergarten cohort are 40% more likely to be placed in special education than are the oldest students." Ibid.

52. Additionally, Lakewood BOE Policy 2330: Homework, and Policy 7523: School District Provided Technology Devices to Pupils, are disruptive to student achievement. Id. at DOE239. Specifically, under Policy 7523, technology devices made available to students are not considered "mandatory to a successful completion of a pupil's classroom curriculum." Ibid. Similarly, Policy 2330 states that students do not require a computer to complete assignments. Ibid. However, most instruction in the District utilizes a SMART Board, district-provided PowerPoints, and Chromebooks with Google Classroom installed. Ibid. Many students do not have traditional textbooks, and both in-class assignments and homework are assigned and submitted through Google Classroom. Ibid. Thus, access to "a computer is needed to complete assignments." Ibid. But many students do not have access to

a personal computer, and Lakewood BOE does not allow students to take home district-purchased devices. Ibid. As a result, students are either forced to complete assignments using cell phones, "which may not be conducive to producing quality work," or they just do not complete them at all, which directly affects their grades and retention of the lessons. Ibid.

53. Based on observations and discussions with District staff, the Comprehensive Review found there was "a district-wide culture of low expectations for students across the" district. Id. at DOE184. District staff attributed students' "low academic performance, poor attendance, lack of motivation, and [] overall poor attitude" on their "poverty or lack of English proficiency." Id. at DOE184, DOE245. Specifically, District staff reported that "[t]he low academic ability of students makes it challenging to have higher-level conversations and ask thought producing questions"; "[m]any students are late to school, miss school, and are dealing with family, cultural, financial, and living conditions issues that they bring to school or interfere with their learning;" "[m]any students have an apathetic attitude towards school because many of them are exhausted from working jobs until very late"; and "[t]he cultural diversity makes it difficult to teach to the students' needs. The students are all on different levels depending on where they came from." Id. at DOE246. Lakewood

BOE has failed to take any steps to address this lack of academic optimism, which can negatively affect students' academic achievement.

54. Further, there is diminished staff wellness and morale. Teachers are "overloaded" and many believe that the work "can be defeating and deflating." Ibid. And teachers explained that "frequent changes and new rules from the District . . . create confusion and inconsistency, contributing to the overall sense of overwhelm." Ibid.

55. Lakewood BOE has also failed to ensure that students and parents are able to effectively communicate with the District. According to district data, 77.2% of students report Spanish as their home language, "making the need for translation services in the District high." Id. at DOE248. Despite this, only 15% of the documents on the District's website are in Spanish, and most documents are PDFs written in English that do not function with Google Translate. Id. at DOE247-DOE248. In terms of staff, only 5% of District staff speak Spanish. For these reasons, "[t]ranslation services were referenced frequently as a challenging area for the District" and can disrupt student learning and parental engagement. Ibid.

B. Curriculum and Instruction.

56. Lakewood BOE's inefficient and ineffective policies have a direct, negative impact on the quality of curriculum and

instruction District students receive.

57. Lakewood BOE develops a significant amount of its curriculum in-house, without oversight from an Assistant Superintendent in charge of curriculum. Id. at DOE181, DOE265. As a result, there is a "lack of evidence, research-based, current resources to support the curriculum." Id. at DOE188. And the locally-developed curricular resources are "not research backed or supported," and do not fully align with State standards. Id. at DOE189. They also contain "mistakes" that teachers "constantly . . . find and report." Id. at DOE265.

58. Curricular resources purchased by Lakewood BOE are outdated, with some materials at least eleven years old. See id. at DOE258.

59. Lakewood BOE also requires teachers to stick to District-created scripts and strict pacing guides at every grade level and within each content area, which require teachers to stay within ten days of the pacing guide expectations. Id. at DOE189, DOE260. Teachers are therefore required to "move on to keep up with the pacing guides" even if "their students are struggling." Id. at DOE265. This is especially true for English Language Learner students (ELL) because even though "some scripts and instructional frameworks may have suggestions for differentiating for their ELL students, there is no time to incorporate those ideas as [teachers] have to

rush through their lessons to ensure they are on track." Ibid.

60. Also, because teachers are subject to significant oversight to ensure they are adhering to the scripts and pacing guides, including numerous walkthroughs by supervisors and administrators, classroom instruction is disrupted which likely leads to diminished student gains. Id. at DOE265.

61. Notably, a survey of educators in the District revealed the deleterious effect these policies have had on the quality of education in the District. Specifically, educators complained that: Lakewood BOE "doesn't use high quality curriculum to meet the needs of students;" "[c]urriculum created 'in-house' lacks the materials and resources to reach all students;" "[t]he curriculum provided for math is awful, and not aligned properly with the [S]tate standards;" "[t]he curriculum is not appropriate for the population of students" taught and "creates a barrier for students to succeed and learn;" the District switches programs too often; the District is overly focused on strict adherence to pacing guidelines which "doesn't allow teachers time to teach what is needed to get the students to meet" educational standards; and the District's "curriculum in both math and [English language arts] ELA is riddled with mistakes that affect student growth." Id. at DOE264-DOE265.

62. Lakewood BOE is also required, as are all districts, to

implement systems for planning and delivering intervention and referral services, including multidisciplinary team approaches such as New Jersey's Multi-Tiered Systems of Support (MTSS) Framework pursuant to N.J.A.C. 6A:16-8.1. While Lakewood BOE has nominally adopted MTSS, most teachers reported they did not know what MTSS was or said their school did not use it. Id. at DOE269.

63. Even when implemented, the support systems are not implemented effectively due to Lakewood BOE's strict structure and pacing of its local curriculum. Specifically, teachers struggle to meet student needs because often almost the entire classroom requires Tier 2 intervention (supplemental support and intervention), but there is no time to provide the needed support while also adhering to the strict pacing guidelines. Id. at DOE189, DOE269.

64. Lakewood BOE has also elected to end Tier 3 intervention (individual support) in third grade. Id. at DOE189. But, "[t]his is especially problematic given the local policy extending [the] kindergarten cutoff date," resulting in many third grade students still being "developmentally young" and "continuing to struggle with reading." Ibid. Without the necessary tiered supports and structured intervention time, "the [developmental] gap will continue to expand for students." Ibid.

C. Special Education.

65. Lakewood BOE's inefficient and ineffective policies leave students, especially special education students, behind.

66. Lakewood BOE expends considerable funds on out-of-district placements for special education students rather than developing more cost-effective in-district programs. Id. at DOE291. For example, in 2021-2022, 171 students aged 3-4 and 535 students aged 5-21 were placed in Approved Private Schools for the Disabled. Id. at DOE307. Of these students, the majority were diagnosed with speech or language impairment as a primary disability. Id. at DOE307, DOE309. The District did not (or could not) provide a reason for why more of these students are not educated in-district. Ibid.

67. The District has an unusually high proportion of students identified with disabilities. In 2021-2022, for example, the percentage of students aged 5-21 with an individualized education plan (IEP) was 28.8%, which was nearly 10 percentage points higher than the State average and twice the national average. Id. at DOE224-DOE225, DOE296-DOE298. Additionally, the rate of students diagnosed with an intellectual disability is also nearly twice the national rate. Id. at DOE297. There are also "not[able]" incidence rate differentials across different demographics — in 2022, for example, 84% of students in the District identified as Hispanic and 9.8% identified as

White; while notably, of students with IEPs, 67% were Hispanic and 25.9% were White. Id. at DOE298.

68. As the Comprehensive Review found, there were significant concerns, including concerns raised by parents, that "children have not been properly evaluated" for special needs. Id. at DOE314.

69. For 2020, 2021, and 2022, the District failed to meet State targets for educating special education students in the least restrictive environment. Id. at DOE191.

70. Because of Lakewood BOE's strict adherence to scripts and pacing guidelines, teachers are unable to effectively meet the needs of students with IEPS. Further, students are often involved in "disengaged learning," using "[r]ote fill-in-the-blank prompts" with "limited checking for understanding or mastery." Id. at DOE322. As such, the pacing guidelines, the Comprehensive Report found, were an "impediment in nearly all" classrooms. Id. at DOE324.

71. A number of deficiencies were also identified with District IEPs, including, but not limited to: a failure to include necessary rating scales to evaluate students; a lack of parental input; and "inconsistent" or wholly omitted goals and progress reports. Id. at DOE193-194.

72. Lastly, Lakewood BOE has not implemented programming for Emotional Regulation Impairment, Visual Impairment, or

Intellectual disabilities. Id. at DOE193, DOE317. The lack of programming thus causes students to receive an out of district placement. Ibid.

D. Transportation.

73. The Comprehensive Review showed that Lakewood BOE has severely mismanaged its transportation responsibilities, resulting in inflated costs.

74. As of October 2023, "the district financially supported transportation for 4,727 public school students . . . and over 36,231 nonpublic school students." Id. at DOE357. Because of the sheer number of nonpublic students in the District, its transportation obligations "dwarf[]" that of comparable districts. Id. at DOE358.

75. Lakewood BOE does not operate its own bus yard; instead, it uses the public bidding process to procure contracts for all bus routes. Ibid. The Lakewood Student Transportation Authority (LSTA), established by L. 2016, c. 22, is a consortium that was designed by the District to support Lakewood BOE and the District in meeting its transportation needs with respect to non-public students. Id. at DOE359-DOE360. A 2020 study found that the LSTA saves the District over $11,000,000 as compared to the District bidding and managing all routes. Ibid. But these savings were not passed on to the District. Ibid. Instead, any savings were used to

provide courtesy busing——that is, non-mandated transportation for students who did not live remote from their school(s)—— for both public and large numbers of private school students "in accordance with the local government's preferences." Id. at DOE360. In fact, a significant portion of the District's transportation funding goes to courtesy busing. Id. at DOE356-DOE358. In fiscal year (FY) 2024, Lakewood BOE provided transportation to 40,958 students. Ibid. Of these students, 11,410, or 27.8%, were students for whom Lakewood BOE provided non-mandatory courtesy busing at the District's expense. Ibid.

76. In some cases, buses were being used for multiple routes, but the routes are bid as stand-alone routes. Id. at DOE363-DOE364. The Comprehensive Review concluded that the District could save on transportation costs by soliciting bids on pre-packed groups of routes based on historical busing patterns, and could double or triple tier routes to decrease expenses. Ibid.

77. The Comprehensive Review also found potential mismanagement and lack of internal controls of the District's transportation operations. Id. at DOE365-DOE366. It found insufficient separation between Lakewood as a contracting agency and the LSTA as a vendor. Ibid. For example, at least one high-salaried employee may have been employed by both the District

and the LSTA, creating "potential for procurement issues, diminished incentive to return saved funds to Lakewood, and potential for conflicts in contract oversight of the LSTA as a vendor." Id. at DOE365-DOE366. Furthermore, many non-public students do not have an identification number in the District Report of Transported Resident Students (DRTRS), which is the State transportation system, creating the risk that students might be counted and funded in multiple counties. Id. at DOE368.

E. Financial Practices.

78. Lakewood's severe mismanagement in each of the key areas in governance, special education, and transportation has drained valuable resources away from being used to provide T&E. In addition, the Comprehensive Review found that Lakewood BOE is plagued by fiscal mismanagement and a lack of proper internal controls.

79. A forensic analysis of Lakewood BOE's financial data analytics and internal controls conducted as part of the Comprehensive Review revealed "significant deficiencies . . . on the vendor management controls in the procure to pay cycle as internal controls related to vendor selection, review, and retention are not operating effectively." Id. at DOE347.

80. The analysis also found "significant deficiencies . . . on the payroll processing cycle, as internal controls related to

review and completion of the payroll register and payroll processing checklist, respectively, are not operating effectively." Ibid.

81. The analysis also found "significant deficiencies" in internal controls related to new hire training and "deficiencies noted on the financial close cycle" related to "review of cash flow statements." Ibid.

82. Because of these systemic issues, the Comprehensive Review "unequivocally" found that "the students at the Lakewood Public School District are being underserved, not receiving the thorough and efficient education they are entitled to." Id. at DOE207. As to the root causes, the Comprehensive Review concluded that "[t]he pervasive inefficiencies, deficiencies, and the apparent shortfall in oversight and strategic systemic action by the District," rather than the SFRA, have caused the District's failure to provide T&E. Ibid.

THE ASSISTANT COMMISSIONER'S APRIL 1, 2024 FINAL AGENCY DECISION

83. On April 1, 2024, Assistant Commissioner Booker issued a final agency decision, reviewing the initial decision and the comprehensive review. Alcantara, et. al v. Allen-McMillan, et al., 149-23, final decision, (April 1, 2024).[8] The

[8] A complete and accurate copy of the Assistant Commissioner's April 1, 2024 final agency decision can be accessed at

Assistant Commissioner concluded that, in light of Lakewood BOE's tax-related choices that decreased revenue, the significant deficiencies in its spending practices, and the failure to control its transportation and special education costs, Lakewood BOE's failure to provide T&E to its students does not derive, in significant part, from the provisions of the SFRA. Id. at 20-21.

84. Rather, the Assistant Commissioner concluded that Lakewood BOE's "own choices and management issues have resulted in the unavailability of funds that could and should have been used to provide T&E to its students." Id. at pp. 11-22.

85. Specifically, the Assistant Commissioner found that Lakewood BOE has "chosen not to require its tax base to further support its schools," in accordance with N.J.S.A. 18A:22-40 and N.J.S.A. 18A:7F-39, "and suffers from local mismanagement regarding its transportation and special education costs." Id. at p. 12.

86. The Assistant Commissioner further found that Lakewood BOE's ongoing and pervasive fiscal mismanagement has led to inefficient use of funds that otherwise could have been used to ensure students were receiving T&E. Id. at pp. 14-15. For example, the Assistant Commissioner found that Lakewood

https://www.nj.gov/education/legal/commissioner/2024/149-24.pdf (last visited January 12, 2026).

BOE failed to keep track of expenditures, including failing to have any purchase orders in place for students sent to out-of-district placements. Id. at p. 14. Lakewood BOE also did not keep proper documentation for special education students and had "significant data discrepanc[ies] and reporting issues related to special education." Id. at p. 15. Further, the Assistant Commissioner noted that transportation and special education services were recognized areas of concern since 2009, yet Lakewood BOE never took significant steps to address those concerns. Id. at pp. 16-17.

87. These were not new issues. As outlined above and identified by the Assistant Commissioner, Lakewood BOE was on notice of its serious problems since at least 2009 when the Department conducted a needs assessment and recommended Lakewood BOE take steps to rein in its growing transportation and special education costs. And these recommendations were again made by OSA following its 2014 Audit. Id. at 16. Despite these repeated warnings, Lakewood BOE failed to take reasonable steps to control these expenses, draining valuable resources that otherwise could have been used to provide T&E. Ibid.

88. For these reasons, and in light of the information contained in the administrative record and Comprehensive Review, the Assistant Commissioner determined that these issues, rather

than any purported infirmities in the SFRA, are the significant contributing factors to Lakewood BOE's failure to provide T&E. Id. at p. 21.

LAKEWOOD BOE'S MISMANAGEMENT AND FAILURES CONTINUE TO DEPRIVE STUDENTS OF CONSTITUIONALLY MANDATED T&E.

89. While the Alcantara I court's and Assistant Commissioner's findings that Lakewood was not providing its students T&E were predicated on data from the 2014-2015 through 2018-2019 school years, the District's more recent School Performance Reports demonstrate that the District's failure to provide T&E persists. Specifically, the reports show that Lakewood's students continue to lag far behind statewide averages, as follows.

90. Lakewood students continue to underperform on State assessments for ELA and math compared to students statewide:[9]

[9] The data regarding the District and Statewide percentiles in this section was derived from Lakewood's 2018-2019 and 2023-2024 School Performance Reports. A complete and accurate copy of Lakewood's 2018-2019 School Performance Report can be accessed at https://www.nj.gov/education/sprreports/201819/District-Detail/29-2520.pdf (last visited January 12, 2026). A complete and accurate copy of Lakewood's 2023-2024 School Performance Report can be accessed at https://www.nj.gov/education/sprreports/202324/District-Detail/29-2520.pdf (last visited January 12, 2026).

	Lakewood 2018-2019	Statewide 2018-2019	Lakewood 2023-2024	Statewide 2023-2024
ELA Assessment - % of students meeting/exceeding expectations	32.7%	57.9%	40.0%	52.2%
Math Assessment - % of students meeting/exceeding expectations	21.0%	44.5%	25.1%	40.2%

In 2018-2019, approximately 33% of Lakewood students met or exceeded expectations on State English assessments compared to 57.9% statewide, and only 21% of Lakewood students met or exceeded expectations on State math assessments compared to 44.5% of students statewide. See Exhibit C at DOE134. While the District's proficiency on statewide assessments for ELA and math has slightly improved since then, Lakewood students' performance continues to lag far behind students statewide. For example, in 2023-2024, only 40% of Lakewood students met or exceeded expectations on statewide assessments for ELA, whereas 52.2% of students in the State met or exceeded expectations – a 12.2 percentage point difference. Moreover, Lakewood students' performance on math assessments has only increased by approximately 4 percentage points since 2018-

2019 from 21% to 25.1%, and continues to fall far below the State's proficiency rates.

91. Participation in AP or International Baccalaureate (IB) courses and dual enrollment courses in the District also remains well below the rate of enrollment statewide, as reflected in the table below:

	Lakewood 2018-2019	**Statewide 2018-2019**	**Lakewood 2023-2024**	**Statewide 2023-2024**
Students enrolled in one or more AP or IB course	20.7%	35.2%	10.7%	35.9%
Students enrolled in one or more dual enrollment course	0.0%	19.0%	14.4%	26.9%

In 2018-2019, 20.7% of Lakewood students enrolled in AP or IB classes compared to 35.2% of students Statewide, and the District had no enrollment in dual enrollment courses while 10% of students participated in dual enrollment courses Statewide. See Exhibit C at DOE134. Since then, Lakewood students' enrollment in AP/IB coursework has decreased from 21% to 10.7%, whereas the Statewide average increased to

35.9%. And while participation in dual enrollment courses has since increased, the District's enrollment numbers still remain lower than the Statewide average. For example, the District's 2023-2024 School Performance Report reflects that only 14.4% of Lakewood students were enrolled in dual enrollment courses whereas 26.9% of students were enrolled in these courses Statewide – a 12.5 percentage point difference.

92. Lakewood students have also not seen sufficient improvement in SAT scores. In 2023-2024, 41% of Lakewood students met college readiness benchmarks on the reading and writing portion, compared to 65% of students Statewide. And in math, only 20% of Lakewood students met the benchmarks, compared to 46% of students Statewide.

93. The District's graduation rates also remain well-below the Statewide graduation rates:

	Lakewood Class of 2019 (2018-2019)	**Statewide Class of 2019 (2018-2019)**	**Lakewood Class of 2023 (2022-2023)**	**Statewide Class of 2023 (2022-2023)**	**Lakewood Class of 2024 (2023-2024)**	**Statewide Class of 2024 (2023-2024)**
Graduation Rate - 4 year	81.0%	90.6%	82.7%	91.1%	82.4%	91.3%
Graduation Rate - 5 year	85.2%	92.5%	83.3%	92.6%	N/A	N/A

In the 2018-2019 school year, for example, the District had

a four-year graduation rate of just 81% compared to a Statewide four-year graduation rate of 90.6%. See Exhibit C at DOE158. For the 2023-2024 school year, the District had a four-year graduation rate of 82.4%, compared to a Statewide rate of 91.3%. Thus, the low graduation rates which the Alcantara I court found to demonstrate a lack of T&E in the District persist to this day. See Alcantara I, 475 N.J. Super at 69.

94. The District's dropout rates continue to be above the State dropout rates:

School Year	District Rate	State Rate
2018-2019	2.6%	1.2%
2019-2020	2.7%	1.0%
2021-2022	2.4%	1.2%
2022-2023	3.9%	1.2%
2023-2024	1.5%	1.0%

In the 2014-2015 school year, the record showed a lack of T&E due in part to the District's dropout rate of 4%, double the Statewide target of 2%. See Exhibit C at DOE133. For the following year, the District's dropout rate was nearly 3%, while the Statewide rate was 1%. Ibid. The table above reflects data from the District's 2023-2024 School Performance Report and demonstrates that the District's dropout rates have continued to exceed statewide rates. For example, the District's dropout rate in 2021-2022 was double the State dropout rate, and in 2022-2023, the District's

dropout rates was 3.9%, compared to 1.2% statewide. Moreover, while Lakewood's dropout rates improved from the 2022-2023 to 2023-2024 school years, they still exceeded the statewide rates.

95. The District also continues to suffer from chronic absenteeism:

Performance Measure	2021-2022	2022-2023	2023-2024
Chronic Absenteeism Rate	25.1%	18.7%	15.6%
Statewide Chronic Absenteeism Rate	18.1%	16.6%	14.9%

In 2016-2017 and 2017-2018, when it was found that Lakewood was not providing T&E, chronic absenteeism in the District was between 13% and 16%, exceeding the Statewide average. See Exhibit C at DOE134. The District's 2023-2024 School Performance Report reflects that its rate of students chronically absent during the school year has remained within the earlier years' range or has increased and continues to exceed the statewide chronic absenteeism rate. Notably, in the 2021-2022 school year, the District had a chronic absenteeism rate of 25.1% compared to a Statewide rate of 18.1%. For the most recent school year for which data is available, the 2023-2024 school year, the District had a chronic absenteeism rate of 15.6% compared to a Statewide rate of 14.9%. Thus, the District continues to struggle with chronic absenteeism.

96. The District also continues to fail its ELL students. In the 2018-2019 school year, for example, only 31.5% of Lakewood's ELL students made the expected growth to proficiency, compared to 43.7% of ELL students Statewide. For the 2023-2024 school year, just 25.1% of Lakewood's ELL students made the expected growth to proficiency, compared to 40.2% Statewide.

97. Even among students who do graduate, Lakewood students continue to enroll in postsecondary education at much lower rates. From 2014 to 2018, only 37% to 44% percent of the District's students were enrolled in 2-year or 4-year postsecondary institutions, compared to 76% to 78% students statewide. See Exhibit C at DOE133-DOE134. Enrollment rates of Lakewood students in postsecondary institutions have not improved since then. For example, the District's 2022-2023 School Performance Report indicates that for the class of 2023, 35.8% to 36.9% of Lakewood students were enrolled in any postsecondary institution, compared to 69.8% to 72% of students statewide.[10] Of the Lakewood students who went on to attend postsecondary institutions, only 26.4% were enrolled in four-year schools, compared to 74.8% of students statewide.

98. As postsecondary enrollment stagnated, Lakewood students'

[10] A complete and accurate copy of Lakewood's 2022-2023 School Performance Report can be accessed at https://www.nj.gov/education/sprreports/202223/District-Detail/29-2520.pdf (last visited January 12, 2026).

participation in career and technical education (CTE) programs has decreased. For example, the District's 2018-2019 School Performance Report reflects that 41.1% of students completed one course in an approved CTE program and 29.3% of students completed two or more courses in a single approved CTE program and/or completed the entire CTE program. In contrast, the District's 2023-2024 School Performance Report——the most recent school performance data available——reflects that only 23.4% of students completed one course in an approved CTE program and 24.3% of students completed two or more courses in a single approved CTE program and/or completed the entire CTE program.

99. Thus, Lakewood continues to fall far below expectations and Statewide averages in nearly every metric reviewed by the ALJ and Appellate Division when finding that the District was failing to provide students T&E.

THE STATE AUDITOR'S REVIEW AND AUGUST 6, 2024 REPORT ON THE DISTRICT

100. On August 6, 2024, OSA issued a report on its audit of the District for the period of July 1, 2018 to September 30, 2023. The audit report is attached hereto as Exhibit E and demonstrates Lakewood's chronic mismanagement and failures.

101. OSA identified the District's noncompliance with various statutes and the Administrative Code, lack of internal

controls, and also noted a potential conflict of interest. See Exhibit E at DOE414. OSA's report included the following findings.

102. Significant staff absences and school closures have led to students missing thousands of special education lessons. For example, 1,050 students in the District were scheduled to receive special education and related services from September 13, 2021 through November 22, 2022. Id. at DOE418. OSA reviewed the attendance reports for 55 of those students, and found that they had missed 1,148 special education and related service sessions because of school closures and staff absences. Id. at DOE419. In particular, 9% of the 5,593 total sessions scheduled were missed due to staff absences and 12% were missed due to school closing. Ibid. A high percentage of missed sessions could hinder a student's ability to meet levels of academic achievement, functional performance, and objectives stated in their Individualized Education Plan. Ibid.

103. Pursuant to N.J.S.A. 18A:6-7.1, a school under the supervision of the Department of Education that cares for or is involved in the education of children under the age of eighteen shall not employ for pay or contract for the paid services of any staff member serving in a position involving regular contact with children without having their criminal

history record on file. Id. at DOE426. Furthermore, the Department's Office of Student Protection (OSP) maintains a list of approved applicants who have completed criminal background checks for positions in public schools. Ibid. For school years 2018 through 2023, the OSA found that the District employed four individuals who did not have a criminal record check and were not on OSP's list of approved applicants. Ibid. One of the identified individuals had been convicted of a third-degree crime prior to employment. Ibid. The District's "failure to ensure that each employee serving in a position involving regular contact with children has received a criminal background check and is on OSP's list of approved applicants' prior to employment could pose a significant threat to children." Id. at DOE427.

104. OSA also identified potential conflicts of interest in contracting. The District has a contract with a vendor to provide transportation services to nonpublic students. Id. at DOE417. The vendor's full-time director was also a part-time employee of the District whose responsibilities included preparing bid specifications for transportation services and receiving all nonpublic school transportation applications from which payment to the vendor was derived. Ibid. This individual received total compensation of approximately $1,100,000 from the District from 2020 through 2022. Id. at

DOE418. One employee holding these two roles may constitute a conflict of interest. Ibid.; N.J.S.A. 18A:12-24.

105. Lakewood BOE allowed increases in certain multiyear contracts outside of a renewal period that resulted in improper payments of $1,100,000. Id. at DOE422-DOE423. The report identified four multiyear contracts with contractual periods from September 1, 2020, through June 30, 2023, where two vendors requested and were paid annual price increases prior to the renewal period because Lakewood's BOE management overrode internal controls. Id. at DOE422.

106. Pursuant to N.J.A.C. 12:56-7.1, any individual employed in a bona fide executive, administrative, or professional role shall be exempt from overtime requirements. Id. at DOE424. Yet the OSC report noted that during FY2019 through FY2023, the District paid $410,816 in overtime to eight executive secretaries exempt from receiving overtime. Id. at DOE423. Moreover, in FY2020, the "top earner was an executive secretary who received $102,075" and worked 2,042 hours of overtime in that year, or an average of 5.6 extra hours per day. Ibid.

107. Pursuant to N.J.A.C. 6A:23A-6.5, all school districts must evaluate business processes annually and allocate available resources to establish a strong control environment, and school business administrators (SBA) must identify processes

in violation of sound segregation of duties. Id. at DOE424. And N.J.A.C. 6A:23A-6.5(b)(2) further requires that the functions of purchasing and accounts payable be segregated and completed by different employees in all school districts. N.J.A.C. 6A:23A-6.5(b)(2). Yet the District has not employed a full-time SBA since September 2017. See Exhibit E at DOE424. The report analyzed purchase order reports for FY2019 through FY2023, and identified transactions where a single individual in the accounts payable department created and paid purchase orders. Id. at DOE425. The District's "failure to ensure complete segregation of duties over the purchasing and accounts payable functions increases the risk of fraud, waste, or abuse." Ibid.

108. Pursuant to N.J.S.A. 18A:17-9, the chief school administrator or board designee other than the board secretary shall prepare the monthly reconciliation of bank account statements and, in conjunction with the board secretary, take any steps necessary to bring the cash record balance and reconciled bank balance into agreement prior to the completion of the board secretary's monthly report. Ibid. The OSC report reviewed 144 bank reconciliations from July 1, 2018, through June 23, 2023, and identified 13 instances where cash recorded balances were not reconciled to bank recorded balances prior to the completion of Lakewood BOE's board secretary's monthly

reports, and one of those instances involved a missing bank reconciliation. See id. at DOE425-DOE426. Lakewood BOE's failure to take necessary steps to bring cash and bank balances into agreement "could result in unresolved errors and other financial discrepancies that may indicate fraud, waste, or abuse." Id. at DOE426.

109. Pursuant to N.J.A.C. 6A:22-3, a student is eligible to attend a school district if he or she is domiciled within the school district, and a district board of education shall accept certain documentation from persons attempting to demonstrate a student's eligibility for enrollment in the school district. Id. at DOE427. District policy requires all students registered in an approved private school for students with disabilities (APSSD) or who receive district-funded education as part of a settlement agreement to provide annual proof of eligibility and confirmation of residency within the district. See Ibid. Because of a lack of internal controls, the District did not consistently verify residency on an annual basis for 76 students enrolled in APSSDs or receiving settlements. Ibid. The District's failure to verify student residency could result in improper payments as the District could be paying for ineligible students who are not Lakewood residents. Id. at DOE428.

110. Pursuant to N.J.A.C. 6A:27-2 and nonpublic transportation

procedures issued by the Department, eligible students shall receive transportation aid based upon the date the district receives a Nonpublic School Transportation Application (B6T) for each student. Ibid. The report found that in FY2023, the District received 24,886 B6Ts, and identified instances where the B6Ts were not date-stamped by the District and not timely received by the District. Ibid. The failure to timely receive the applications could result in the District paying for transportation for ineligible students. Ibid.

111. The District employed one-full time employee who maintained their principal residence out-of-state for 1.8 years without an exemption and in violation of N.J.S.A. 52:14-7. Id. at DOE429.

112. For fiscal years 2019 through 2022, Lakewood BOE's general counsel, Michael Inzelbuch, Esq., received $2,400,000 in compensation that was not based on hours worked. See id. at DOE408, DOE419-DOE420. In particular, his invoices did not include hours worked, and as a result, Lakewood BOE could have paid for more hours than the general counsel actually worked. Id. at DOE420. In addition, on 22 days, the general counsel billed Lakewood BOE for more than 12 hours of work, totaling $150,417; indeed, on one single day, he billed Lakewood BOE for 21 hours of work, totaling $10,054. Ibid. The total spending for legal services by Lakewood BOE exceeded

the statewide average by 456 percent, and was on average $1,100,000 per year. Id. at DOE420-DOE421.

THE UNITED STATES DEPARTMENT OF EDUCATION'S DECEMBER 5, 2024 FINDINGS REGARDING LAKEWOOD'S SIGNIFICANT DISPROPORTIONALITY

113. Under Part B of the Individuals with Disabilities Education Act (IDEA), states are required to monitor local education agencies (LEAs) to determine whether significant disproportionality based on race and ethnicity is occurring with respect to the identification, placement, and discipline of children with disabilities. 20 U.S.C. § 1418(d); 34 C.F.R. § 300.646; 34 C.F.R. § 300.647.

114. Significant disproportionality describes a pattern where students of a particular race or ethnicity are significantly more likely than students in other racial/ethnic groups to be identified as a student with a disability; identified with a particular disability category; placed in a particular educational setting; or experience suspension or expulsion as a disciplinary measure. See 34 C.F.R. § 300.646.

115. On December 5, 2024, the U.S. Department of Education, Office of Special Education Programs (OSEP), issued a letter to the New Jersey Department of Education responding to its inquiry regarding Lakewood's allocation of IDEA funds given its large nonpublic student population and that it had been identified as having significant disproportionality. See Exhibit F. In

its letter, OSEP raised concerns regarding the District's failure to comply with the IDEA's free appropriate public education (FAPE) standard for students with disabilities. Id. at DOE447. Specifically, OSEP referenced the August 6, 2024, OLS audit report's finding related to FAPE regarding the missed special education and related services for the District's students with disabilities. Id. at DOE447-DOE448.

116. Given these concerns, OSEP directed the Department to ensure that the District corrects the IDEA-related noncompliance identified in the OLS report. Ibid.

THE OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE'S FEBRUARY 25, 2025 REPORT

117. Following concerns raised by the OSA's report regarding the District's legal costs and compliance with state regulations, the Department's Office of Fiscal Accountability and Compliance (OFAC), which is now a part of the Office of Legal Affairs, Accountability, and Compliance, conducted a review of the legal services contract between the Lakewood BOE and its general counsel. OFAC issued an investigative report on February 25, 2025 noting numerous violations by the District of the State's accountability regulations. See Exhibit G.

118. OFAC's review found that the Board's prior counsel, Michael Inzelbuch, Esq., had contracts for the 2017-2018 through 2024-2025 school years to provide legal services which

contained nearly identical terms. Id. at DOE450-DOE451. The contracts provided for an annual retainer of $600,000 to be paid in equal monthly installments of $50,000, plus costs. Ibid. The contract also permitted counsel to charge $475 per hour for any litigation services, which were payable monthly after proper presentation of detailed logs documenting those services. Ibid. As a result of these contracts, the District's spending on legal services far exceeded the statewide average by 456 percent. Id. at DOE452.

119. The Department's accountability regulations require boards of education to establish policies to minimize the cost of professional services, including legal services. OFAC's investigative report made the following findings with regard to the District's legal services contract.

120. The District violated N.J.A.C. 6A:23A-5.2(a)(4) by failing to ensure that payments are based on services rendered and supported by detailed documentation. Id. at DOE457.

    a. The $50,000 monthly retainer functioned as an advance payment in violation of N.J.A.C. 6A:23-5.2(a)(4) since it was not based on the actual hours worked or itemized services performed, but was approved by the Lakewood BOE in advance of the submission of an invoice. Id. at DOE454.

121. The District violated N.J.A.C. 6A:23A-5.2(a)(3) by failing to

establish cost-control measures. Id. at DOE457.

a. School districts with legal costs that exceed 130 percent of the Statewide average per pupil amount should establish procedures to curtail those costs, or provide evidence that the procedures would not result in cost reductions. N.J.A.C. 6A:23A-5.2(a)(3). Districts receive notice that legal costs exceed the Statewide average during a mid-year budget review and the annual budget review.

b. Cost-control procedures include limiting the number of authorized contact persons for legal counsel; establishing criteria to avoid unnecessary legal counsel; requiring requests for legal advice to be in writing and a process to determine whether the request warrants legal advice; and maintaining a contact log to ensure billing accuracy. Ibid. Here, the District knew or should have known that their legal costs significantly exceeded the Statewide average, and the District failed to provide evidence that it complied with cost-control measures. Id. at DOE455.

122. The District violated N.J.A.C. 6A:23A-5.2(a)(5) and N.J.A.C. 6A:23A-9.3(c)(11) by failing to provide evidence that it used a deliberative and efficient manner for procuring legal services, either through a request for proposals (RFP) or

other comparable process. Id. at DOE457.

a. The Lakewood BOE had not issued a public RFP for legal services since 2018, and the contracted hourly rate of $475 far exceeded the rate paid by other comparable districts. Id. at DOE456-DOE457.

123. The Board appealed OFAC's report to the Department of Education, Office of Controversies and Disputes (C&D) on March 13, 2025. On December 11, 2025, the Board withdrew its appeal.

124. Overall, the determinations by OSA, OSEP, and OFAC further demonstrate Lakewood BOE's and the District's consistent pattern of noncompliance with state laws and regulations and the District's lack of internal controls and raise serious concerns regarding its management of the school district.

STATE MONITOR'S FEBRUARY 25, 2025 DENIAL OF LEGAL SERVICES CONTRACTS

125. On October 4, 2024, the Department appointed Louise B. Davis to serve as the state monitor for the District for an initial term of October 7, 2024, through October 6, 2025. See Exhibit H.[11] Davis has taken a number of actions to curtail Lakewood's legal services spending.

126. On February 25, 2025, Davis denied the Board's December 11,

[11] Davis was reappointed on September 29, 2025 for a term of October 7, 2025, through October 6, 2026.

2024 and January 8, 2025 actions to renew Inzelbuch's legal services contract for the 2025-2026 school year. See Exhibit I.

127. In making her determination, Davis explained that she had reviewed the fiscal year 2025-2026 budget build process and supporting documentation presented, as well as OFAC's findings that the Board's prior outside counsel contracts and related actions were not compliant with State regulations. Ibid.

128. Davis determined that the exorbitant legal fees called for in the contract were irresponsible given the continued funding concerns in the District, which have been exacerbated by the terms of the Board's legal services contracts. Ibid.

129. Notwithstanding these findings, on March 12, 2025, Lakewood BOE adopted a resolution to appoint Lowenstein Sandler LLP, to "provide legal advice and litigation representation at the hourly rate of $1,075" in connection with OFAC's February 25, 2025 report and Davis' February 25, 2025 denial of Inzelbuch's legal services contract. See Exhibit J.

130. On March 13, 2025, the same day that the Board appealed OFAC's report, the Board also appealed the Monitor's denial to C&D regarding her decision to deny Inzelbuch's contract renewal.

131. On May 12, 2025, Davis denied the Board's March 12, 2025 action to appoint Lowenstein Sandler LLP at the proposed

hourly rate of $1,075. Ibid.

132. In making her determination, Davis noted that she is required to assess whether the Board's actions are fiscally responsible, and "this includes reviewing whether the price is fair and reasonable, and whether a procurement process was appropriately structured to achieve a competitive rate." Ibid. Davis found no evidence that either standard had been met. Ibid.

133. On June 11, 2025, Davis denied a second action by the Board to appoint Lowenstein Sandler LLP to provide legal services at the hourly rate of $1,075 for substantially the same reasons as before. Ibid.

134. While Lakewood BOE's appeal of Davis' February 25, 2025 denial was pending, Lakewood BOE issued several deficient RFPs for new Board counsel and attempted to re-appoint Inzelbuch even though he was not the least expensive or highest rated candidate, and without meaningful participation by the RFP committee in the interview process in contravention of N.J.A.C. 6A:23A-5.2. See Exhibit L.

135. On September 30, 2025, Davis sent a letter to Lakewood BOE advising that their continued failure to follow proper procurement procedures suggested that the Board "did not allow for a full and free competition between vendors and that the selection was predetermined, undermining the

integrity of the entire procurement process." Ibid. As a result of this failure, Davis directed Lakewood BOE to advertise for a full-time, in-house legal counsel position. Ibid.

136. On October 29, 2025, Davis approved the Board's resolution to hire a full time, in-house counsel pursuant to N.J.S.A. 18A:7A-55(b)(2) and (4).

137. On December 11, 2025, the Board withdrew its appeal of Davis' February 25, 2025 denial of Inzelbuch's legal services contract.

SCHOOL YEAR 2025-2026 BUDGET

138. The FY 2026 State Budget provided certain school districts the opportunity to apply to the Commissioner to increase expenditures, including an allocation of Tax Levy Incentive Aid (TLIA) to satisfy the thoroughness and efficiency standards established pursuant to N.J.S.A. 18A:7F-46. Specifically, a school district was eligible to apply to the Commissioner if the district: 1) had an FY 2025 general fund tax levy that was less than its FY 2026 local fair share, as calculated pursuant to N.J.S.A. 18A:7F-52; and 2) was spending below adequacy as determined pursuant to N.J.S.A. 18A:7F-70.

139. On March 28, 2025, the Department issued guidance to districts on applying for the TLIA. See Exhibit M. The Department

advised that an application will only be approved if the district demonstrates that it will exercise all statutory taxing authority that does not require voter approval and, after doing so, will continue to spend below adequacy. Ibid.

140. The TLIA allocation could not exceed the lesser of $1 million or five percent of any tax levy raised that is above the otherwise statutorily authorized amount for the 2025-26 school year. Ibid. Eligible districts were required to submit applications by April 14, 2025. Ibid.

141. As it did for all eligible districts, DOE provided Lakewood a notice of TLIA eligibility via letter, which was emailed to the district on March 28, 2025. See Exhibit N. Lakewood failed to apply for TLIA despite its eligibility.

142. Had Lakewood applied, it could have received $364,932 in aid, as well as $7,298,637 in additional levy revenue.

THE DEPARTMENT'S APPOINTMENT OF ASSISTANT STATE MONITORS TO THE LAKEWOOD SCHOOL DISTRICT

143. On April 4, 2025, the Department notified the Lakewood Public School District of its intent to appoint additional staff to address the operational deficiencies identified in the Comprehensive Review. See Exhibit O.

144. Because transportation and special education costs account for more than half of the District's budget, the Department advised the District of its intent to appoint assistant state

monitors, pursuant to N.J.S.A. 18A:7A-55, "to make recommendations for improving policies and practices in these areas, with particular focus on increasing efficiencies with regard to the provision of transportation and special education services." Id. at DOE476.

145. In addition, the Department informed the District of its intent to appoint an assistant state monitor "to improve and increase local capacity in the area of governance" as identified by the Comprehensive Review. Id. at DOE476-DOE477.

146. As a result, on June 18, 2025, the Department appointed Kelly Lindenfelser and Patricia A. Blood to serve as the assistant state monitors for the District from July 1, 2025 through June 30, 2026. See Exhibits P and Q. The Department appointed Lindenfelser as the Special Education Assistant State Monitor, and Blood as the Governance/Personnel Assistant State Monitor. See Exhibit L.

147. On July 9, 2025, the Department appointed Ingrid Reitano to serve as the Transportation Assistant State Monitor for the District from August 1, 2025 through July 31, 2026. See Exhibits L and R.

148. The monitors continue to work to address issues the District is facing.

THE APPELLATE DIVISION'S SEPTEMBER 8, 2025 DECISION CONCLUDING THAT THE SRFA IS CONSTITUTIONAL AS APPLIED TO LAKEWOOD AND FINDING THAT LAKEWOOD'S PUBLIC SCHOOL STUDENTS SUFFER FROM AN ONGOING CONSTITUTIONAL DEPRIVATION

149. In a published decision issued on September 8, 2025, the Appellate Division affirmed the Department's April 1, 2024 final agency decision that the SFRA is constitutional as applied to Lakewood. Alcantara II, 482 N.J. Super. at 428.

150. In reaching its decision, the Appellate Division found that "[Lakewood's] choices, the record shows, have drained resources away from Lakewood's public school students, and are consistently at odds with cost-saving recommendations made by [DOE.]" Id. at 435-36.

151. The Appellate Division also found that it is undisputed that Lakewood public school students "suffer from an ongoing constitutional deprivation." Id. at 437. The court noted that "[t]he consistent pattern of neglect and misfeasance by various elected and appointed Lakewood school leaders with respect to critical governance, finance, curriculum, transportation and special education recommendations made by [DOE] over the years lends an aura of deliberate indifference to these proceedings." Ibid.

152. The Appellate Division further noted that "the record shows [DOE] understand[s] the need to continue to search for remedies which will restore public school children's

opportunity to obtain a through and efficient education in Lakewood." Id. at 438. The DOE and the Commissioner, "have a clear understanding of the tools at their disposal to ensure the District meets its obligation to protect, not continue to harm, the constitutional rights of . . . Lakewood public school children." Ibid.

THE DEPARTMENT REQUIRES THE DISTRICT TO CREATE A CORRECTIVE ACTION PLAN ADDRESSING THE FINDINGS AND RECOMMENDATIONS IN THE COMPREHENSIVE REVIEW

153. Pursuant to the Appellate Division's directive that the parties must "navigate a timely path forward to guarantee and safeguard the right of all Lakewood schoolchildren to a thorough and efficient education," the Department issued a letter to the District on November 14, 2025, requiring the District to submit a remedial plan documenting the steps that the District has been and/or will be taking to remediate the issues identified in the Comprehensive Review. A true and accurate copy of the November 14, 2025 correspondence is attached hereto as Exhibit S.

154. Specifically, the Department directed the District to submit a plan within thirty (30) days of the date of the letter describing how the District has or will address the recommendations set forth in the Comprehensive Review in the areas of governance, curriculum and instruction, special education, finance, and transportation. See Exhibit S at

DOE482.

155. With respect to governance, the District was required to detail efforts to improve communications with internal and external stakeholders, develop a strategic plan, establish the roles, processes, and procedures for board meetings and member participation, and develop a process for onboarding and exiting staff members. Ibid.

156. With respect to curriculum and instruction, the Department required the District, among other things, to detail efforts to adjust the entrance age for kindergarten students to align with State policy; update the administrative reporting structure to create efficiency and reduce the number of direct reports to the superintendent and create necessary leadership positions in Curriculum and Instruction and Pupil Services; ensure curriculum development is a team approach and that scripts and pacing guides are consistent across the District; perform a resource audit to ensure materials being used in the classroom are evidence-based and research-aligned and update materials as necessary; ensure all district-developed curriculum is aligned to the current NJSLS; and reassess the use of classroom walkthroughs to improve teacher and student performance. Id. at DOE482-DOE483.

157. With respect to special education, the Department required the District, among other things, to detail efforts to

establish a clear plan for addressing the findings of significant disproportionality and disproportionate representation of racial/ethnic groups in special education; investigate and evaluate the costs associated with creating programming in-District, as compared to the costs being spent on out-of-district placements; and develop consistent policies and procedures for residency checks, as well as a system for tracking and reporting students. Id. at DOE483-DOE484.

158. With respect to finance, the Department required the District, among other things, to detail efforts to examine staffing inefficiencies and address them accordingly to reduce costs; review expenditures for the Board attorney to ensure that position is paid only for approved legal work and not for additional, non-contracted services; post all budget documents and reports in a single, publicly accessible place on the District website; and maintain evidence of the monthly reviews of the cash flow statements with the State Monitor. Id. at DOE484.

159. With respect to transportation, the Department required the District, among other things, to detail efforts to ensure sufficient separation between the District and the management of the Lakewood Student Transportation Authority (LSTA); conduct a bus route analysis to identify inefficiencies and

potential cost savings and bid tiered-routes as packages rather than individually; improve data quality and reporting systems in transportation management; explore the status of funding sources, accounting practices, and other issues related to transportation to highlight inefficiencies and to determine potential areas for shifts in practice; and maximize the potential school tax rates each year. Id. at DOE484-485.

LAKEWOOD'S INSUFFICIENT RESPONSE TO THE COMPREHENSIVE REVIEW AND APPELLATE DIVISION'S DECISIONS

160. On December 15, 2025, the District submitted a response to the Department's request for a remedial plan. The District's response is attached hereto as Exhibit T. However, the "Corrective Action Plan" was prepared by District staff and was not approved by Lakewood BOE.

161. Although the District, in its response, claims it has remediated some areas identified in the Comprehensive Review——such as revising the policy regarding kindergarten entrance age, advertising for legal services, and improving the procedures during board meetings——all of these changes were at the direction of the State monitors, not school leadership, and their implementation has been severely delayed by the District and Lakewood BOE. For example, the District's revision to its kindergarten entrance age policy will not go

into effect until the 2026-2027 school year, almost two years since the Comprehensive Review recommended this policy be updated to align with State policy in order to improve student outcomes.

162. Outside of any changes made at the direction of the State monitors, the District has failed to take necessary steps to ensure that students receive T&E and to ameliorate the many issues that plague the district. The District's unwillingness or inability to effectuate meaningful change is demonstrated by its insufficient response to the Department's request for a remedial plan. Instead of taking accountability for the undisputed findings that Lakewood students are not being provided with T&E, the District continues to challenge the Comprehensive Review rather than address any of the operational inefficiencies that exist within the district.

163. As evidence of the District's inability to remediate the situation, the District's response fails to address various significant areas identified in the Comprehensive Review. In particular, the District has still not developed a strategic plan with the input of all stakeholders. While the District submitted a "3-Year Strategic Plan", dated November 10, 2025, the document only references goals and fails to include any actual action plan for achieving those goals, and there is no evidence that it was developed with input from the community

or other stakeholders.

164. The District's responses to the Department's request also demonstrate that it continues to be riddled with issues of administrative inefficiency. For example, the District has failed to establish necessary leadership positions in Curriculum and Instruction and Pupil Services. Rather, responsibilities are shared between multiple personnel, creating inefficiency, a lack of clearly delineated responsibilities, and increased costs.

165. There are also significant concerns regarding the District's curriculum. Pacing guides within grades remain inconsistent, and concerns regarding whether materials being used in the classroom are evidence-based, research-aligned, and comport with the NJSLS continue to exist. For example, while Lakewood purportedly conducted a resource audit of its ELA curriculum materials, it has provided no evidence that the same was done for math or science. In fact, the materials provided by the District as part of its response suggests that teachers at the elementary school level may not be fully implementing NJSLS-compliant curriculum in all content areas such as science, which the District views as an "extra" content area.

166. Additionally, the District's sample lesson plans and teacher guides are not aligned to best practices, which diminish student learning and achievement.

167. And while the Department has always encouraged classroom walkthroughs, the District has not provided any evidence that it has reevaluated its use of walkthroughs in light of the findings in the Comprehensive Review so that they do not interfere with classroom instruction.

168. Critically, the District has not taken appropriate steps to develop and review plans for special education students who can be successfully educated in-district rather than in out-of-district placements. Currently, there is a significant disproportionality of White students placed in out-of-district placements. And many of the District's out-of-district placements are for students with speech and language impairments which typically can be addressed in-district. Total tuition expenses for out-of-district placements has more than doubled from $33 million to over $80 million, yet the District has failed to acknowledge the financial impact this is having on in-district programs, analyze the scope of the problem, or make plans to bring students back into the District.

169. The District also continues to rely on high-cost consultants for special education services rather than taking advantage of State-offered low cost training opportunities for in-district staff.

170. The District also failed to provide evidence of steps taken

to establish clear policies and procedures for parental involvement in the IEP development and review process.

171. With respect to its fiscal operations, the District has not made any attempt to engage in a budget process focused on reducing expenditures or improving efficiencies. The District has not held internal committee meetings or formed board committees to strategically build a budget.

172. Finally, inefficient costs for both mandated and non-mandated transportation divert funds that could otherwise be spent to improve curriculum and instruction for in-district students. Because of the District's expansive transportation costs, the District's transportation monitor recommended that bus routes be completely restructured and rebid using a fewer number of vehicles. The District has failed to sufficiently act on this recommendation, instead advising that for the 2026-2027 school year, it will send out two bids for tiered and single routes to see which are cheaper. Thus, the District's slow walking response to recommendations to improve inefficiencies in the area of transportation again demonstrates District leadership's inability or unwillingness to address the operational inefficiencies that exist and which contributed to a finding that Lakewood is failing to provide T&E to its students.

173. Despite all of the above deficiencies, the District's

December 15, 2025 letter asserted that it was committed to delivering T&E. The District's insufficient response, continued lack of student achievement, and apparent insistence that it is providing T&E——despite an uncontested finding by the court in Alcantara I and Alcantara II that it is not——raises serious questions and concerns as to whether the District intends to address the many issues in the district and its continued failure to ensure students receive T&E.

FULL STATE INTERVENTION IN THE DISTRICT IS NECESSARY

174. Because the Appellate Division has found that Lakewood is not providing T&E to its students, the data demonstrates that students continue to lag far behind their peers in student achievement and outcomes, and the Lakewood BOE has shown through its repeated failure to address the many issues that plague the District that it is unwilling or incapable of rectifying the ongoing constitutional violation, State intervention is necessary.

175. The New Jersey State Constitution, New Jersey Supreme Court precedent, and State law all reflect that the Commissioner has broad supervisory authority over the State's public school system, and that he has the power to intervene when a district fails to deliver a constitutionally-sufficient level

of education.

176. Our State Constitution requires the Legislature to "provide for the maintenance and support of a thorough and efficient system of free public schools for the instruction of all the children in the State between the ages of five and eighteen years." N.J. Const. art. VIII, § 4, ¶ 1. Thus, our Supreme Court has declared that "[t]he responsibility for substantive education is squarely and completely committed to the State[.]" Abbott v. Burke (Abbott III), 136 N.J. 444, 455 (1994).

177. In turn, the Legislature has entrusted the Department of Education, its Commissioner, and the State Board of Education with general supervision and control of public education, and vested the Department and Board with broad supervisory powers over local school districts to further the obligation to ensure that T&E is provided. N.J.S.A. 18A:4-1 and -10.

178. For example, the Commissioner must supervise all of the State's public schools and enforce all of the rules promulgated by the State Board. N.J.S.A. 18A:4-23.

179. As part of this authority, the Commissioner has the "'affirmative obligation to see to it that the statutory objectives are met' and that local school boards and governing bodies fulfill their delegated duties." In re Upper Freehold Reg'l Sch. Dist., 86 N.J. 265, 273 (1981) (citing Robinson v.

Cahill, 62 N.J. 473, 509 n.9 (1973)).

180. The Commissioner is also tasked with the supervision of county superintendents and superintendents of schools as to "the performance of their duties, the conduct of the schools and the construction and furnishing of schoolhouses[.]" N.J.S.A. 18A:4-29.

181. And he retains jurisdiction over any controversy or dispute arising under the State's school laws or regulations. N.J.S.A. 18A:6-9.

182. Importantly, "[t]he Commissioner of Education . . . has the statutory duty to inquire into the thoroughness and efficiency of the operation of public schools." Freehold, 86 N.J. at 273 (citing N.J.S.A. 18A:4-22 and -24); see also Jenkins v. Morris Sch. Dist., 58 N.J. 483, 494 (1971) (citing N.J.S.A. 18A:4-23, -24, -29, and N.J.S.A. 18A:6-9). And he "shall report to the State [B]oard the results of such inquiries and such other information with regard thereto as the State [B]oard may require or as he shall deem proper[.]" N.J.S.A. 18A:4-24.

183. In performing his duties, the Commissioner must determine whether a school board's actions violate the law, and if so, "the proper discharge of his duty requires corrective action." Kopera v. Bd. of Educ. of the Town of W. Orange, 60 N.J. Super. 288, 296 (App. Div. 1960) (citing Masiello Jr. v.

State Bd. of Exm'rs, 25 N.J. 590, 607 (1958)). The Supreme Court of New Jersey has held that the Commissioner has broad remedial powers in the administration of public education law. Balsley v. N. Hunterdon Reg'l Sch. Dist. Bd. of Educ., 117 N.J. 434, 442-43 (1990). Inclusive of this authority is the ability to order districts who appear to be in violation of the school laws to show cause why remedial action, including but not limited to, full State intervention, should not be taken. N.J.S.A. 18A:7A-15; N.J.A.C. 6A:30-6.6; N.J.A.C. 6A:3-3.1. And "it is the State's duty to step in where it believes it reasonably must." Contini v. Bd. of Educ. of Newark, 96 N.J.A.R.2d(EDU) 196, *11 (Apr. 13, 1995).

184. Under the Public School Education Act of 1975, L. 1975, c. 212, as amended, where it has been "determin[ed] that [a] school district is not providing a thorough and efficient system of education, the State board may place the district under full State intervention," which includes, but is not limited to, the appointment of highly skilled professionals, district personnel, and a State district superintendent to "provide direct oversight" of the district. N.J.S.A. 18A:7A-15.

185. "[T]he essential precondition to the State Board's creation of a State-operated school district is a finding that the school district is not providing [T&E.]" Contini v. Bd. of

Educ. of Newark, 286 N.J. Super. 106, 122 (App. Div. 1995) (internal quotation marks omitted). The determination of whether to place a district under full State intervention is based on "whether such remedial action will provide the best opportunity to correct the deficiencies in [the] local school system." Id. at 126. And it includes an examination of several considerations, including "the capabilities and attitudes of the local board's members and administrators and the progress [the] local board has made and appears likely to make in correcting the deficiencies in its systems." Ibid.

186. The Commissioner's determination to place a District under full State intervention "involves substantial questions of policy or discretion," id. at 126 (citing High Horizons Dev. Co. v. State of N.J., Dep't of Transp., 120 N.J. 40, 50 (1990)), and is therefore reviewed to determine whether the Department's "conclusion that a State-operated school district should be created" is "reasonable." Id. at 129.

187. Here, it is undisputed that Lakewood BOE is failing to provide its students T&E. Alcantara I, 475 N.J. Super. at 67-70; Alcantara II, 482 N.J. Super. at 428. That finding alone compels the Department to take immediate action, but the need for intervention goes far beyond the District's severe underperformance.

188. Lakewood BOE is plagued by severe deficiencies and rampant

mismanagement, as detailed in the March 1, 2021 initial decision; the March 1, 2023 Appellate Division decision (Alcantara I); the March 1, 2024 Comprehensive Review of the District; the April 1, 2024 final agency decision; the August 6, 2024 OSA audit report; and the September 8, 2025 Appellate Division decision (Alcantara II).

189. And despite Lakewood students continuing to "suffer from an ongoing constitutional deprivation," Alcantara II, 482 N.J. Super. at 437, the District and Lakewood BOE have failed to take any meaningful action. Instead, Lakewood BOE and the District have displayed a "consistent pattern of neglect and misfeasance," ignoring the dire situation in the District and the many recommendations by the Department to remedy the inefficiencies and mismanagement. Ibid.

190. This "inability or outright refusal[] to take corrective action to remedy [the] pervasive financial and operational deficits," id. at 436, as well as to adequately address the ongoing constitutional deprivation in the District, demonstrates that intervention is necessary and reasonable.

191. Alternative methods have proven to be an insufficient remedy in the face of Lakewood BOE's deep-seated and endemic governmental failings. Although the current State Monitor has been placed to aid the District since October 7, 2024, Lakewood BOE's severe fiscal mismanagement and pervasive

failures at all levels of governance have continued, as described above. While the State Monitor has certain statutory powers, N.J.S.A. 18A:7A-55, those powers do not enable the monitor to enact substantial, effective, and enduring policy changes in the District that would solve the District's financial and governmental mismanagement, and improve the quality of education delivered to Lakewood's public school students. Furthermore, as the Comprehensive Review found, the Lakewood BOE effectively operates in secret, failing to discuss any policies or the budget during board meetings. As such, the State Monitor has not been fully apprised of Lakewood BOE's many failings, as detailed above, and has, therefore, been hamstrung in her efforts to address fiscal mismanagement.

192. And while the State provided the District advance aid every year between 2014 and 2025, with the exception of 2022, to address budget deficits, Lakewood BOE continued to fail to provide T&E to its students in those years, which further demonstrates that the lack of T&E for Lakewood's public school students is not a State funding issue, but rather the result of Lakewood BOE's own choices and mismanagement. See Alcantara II, 482 N.J. Super. at 435-36.

193. For more than a decade, the Department has provided Lakewood BOE numerous viable recommendations to rein in its ballooning

transportation and special education costs and the inefficient and detrimental practices that have caused them, as described above. Despite these repeated warnings, Lakewood BOE has taken few, if any, steps to bring these costs under control.

194. The District continues to fail to provide T&E to its students. As detailed above, the circumstances that gave rise to the finding of a deprivation of Lakewood's students' constitutional rights remain ever-present. Those findings reveal that Lakewood BOE's own choices, ineffective and detrimental policies, fiscal mismanagement, and deep-rooted governance failures directly contribute to the denial of T&E. That these issues are pervasive and longstanding, and that the District has proven to be uncooperative with the Department's ongoing efforts to aid in remediation, demonstrate that State intervention is necessary to effect change.

195. For all of these reasons, it is clear that "the capabilities and attitudes" of Lakewood BOE are unlikely to change, and that it has failed to take any steps to correct the "deficiencies in its systems." Contini, 286 N.J. Super. at 126. This inability or unwillingness to take necessary action compels the Commissioner to act pursuant to this State's constitutional mandates.

196. And because Lakewood BOE continues to fail to ensure its students receive T&E, and for the reasons set forth above, immediate action by the Commissioner and the State Board of Education is necessary, appropriate, and reasonable to ensure that Lakewood students will be provided T&E without further delay.

197. As such, to satisfy his constitutional obligation and to protect the Constitutional rights of Lakewood's public school students, the Commissioner has an obligation to act and, for the reasons set forth above, has determined that full State intervention pursuant to N.J.S.A. 18A:7A-15(a) is reasonable and warranted.

NOW THEREFORE, due to the presence of the foregoing circumstances, and consistent with the Commissioner's authority in N.J.S.A. 18A:4-23, N.J.S.A. 18A:7A-15, N.J.A.C. 6A:3-3.1, N.J.A.C. 6A:30-6.6, and N.J. Const. art. VIII, § 4, ¶ 1, it is on this 14th day of January, 2026;

ORDERED that the Lakewood School District Board of Education appear and show cause why the Commissioner of Education should not recommend that the State Board of Education issue an administrative order placing the Lakewood School District under full State intervention, consistent with the full intervention plan developed by the Department and filed and served with this Order pursuant to N.J.S.A. 18A:7A-15, N.J.A.C. 6A:30-6.6, and N.J.A.C. 6A:30-6.7, so

that the State may ensure the provision of a thorough and efficient education to Lakewood's public school students; and it is

FURTHER ORDERED that the Lakewood BOE respond to this order to show cause within twenty days; and it is

FURTHER ORDERED that upon receipt of the Lakewood BOE's response, the matter shall be transmitted to the Office of Administrative Law for a plenary hearing to be held on an expedited basis and in the manner prescribed by N.J.S.A. 18A:6-9 to -25, and consistent with the procedures set forth at N.J.S.A. 18A:7A-15.



Kevin Dehmer
Commissioner of Education

Date of Mailing: January 14, 2026

EXHIBIT A

Lakewood Needs Assessment

This needs assessment for the Lakewood School District is based on the New Jersey Department of Education's (Department) monitoring of the district that took place in January - May 2007 pursuant to the New Jersey Quality Single Accountability Continuum (NJQSAC) system, N.J.S.A. 18A:7A-3 et seq., with a subsequent follow-up review conducted by the Executive County Superintendent in February 2009, a School District Assessment Survey completed by the district in July 2008, and a site visit performed by a team of Department personnel[1] on October 17, 2008. A summary of the Department's observations, conclusions and recommendations is set forth below.

Background

Lakewood, located in Ocean County, educates children in preschool through grade 12. The district has a total of six buildings: four K-6 elementary schools, a middle school for grades 7-8, and a high school for grades 9-12. The total K-12 enrollment of the district, pursuant to the 2008 Application for State School Aid (ASSA) is 5,422.5 and 76.89% of the students in the district are considered to be "at-risk" (defined as being at or below 185% of the federal poverty guidelines). Total K-12 district enrollment has increased by 4.92% since 2000. According to the district, for the 2007-2008 school year, there are approximately 18,700 students in the nonpublic schools – approximately three times the number of public school students. The district is not classified in a District Factor Group.[2] A detailed description of the enrollment, district wealth measures and state aid calculations for the 2008-09 and 2009-10 school years are contained in the attached District State Aid Profiles.

QSAC Monitoring

In January-May 2007, the Department monitored Lakewood pursuant to NJQSAC. Under NJQSAC, districts are evaluated, using an assessment tool known as the "District Performance Review" (DPR), in the five key areas of school district performance: Instruction and Program, Fiscal Management, Operations, Personnel and Governance. Districts that satisfy 80% of the indicators in any area are considered to be high performing in that area. Lakewood scored over 80% in the areas of Operations (100%) and Personnel (81%). Lakewood satisfied 60% of the indicators in Instruction and Program, 51% in Fiscal Management and 66% in Governance. In August 2007, the Commissioner issued the full QSAC report to the district and directed the district to develop an improvement plan in the areas of Instruction and Program, Fiscal management and Governance. Subsequently, in February 2009, the Executive County Superintendent in Ocean conducted a review of Lakewood. Based on the results of that review and the findings of this needs assessment, the Commissioner is issuing an updated placement of

[1] The DOE site visit team consisted of Willa Spicer, Deputy Commissioner, Gerald Vernotica, Assistant Commissioner, Donna Arons, Special Assistant to the Commissioner, Joan Saylor, Director, Bruce Greenfield Ocean Executive County Superintendent and Michael Foster, Ocean Executive County Business Administrator.

[2] School districts in which more than half of the school-aged population is enrolled in nonpublic schools were not classified in the DFG designations based on the 2000 decennial census. For purposes of determining whether the district is required to provide universal or targeted preschool pursuant to the School Funding Reform Act (SFRA), Lakewood is not considered to be a DFG A, B, or CD and is, therefore, a targeted district.

the district on the QSAC continuum as described herein. The NJQSAC review decision is attached.

With respect to Instruction and Program, the initial NJQSAC monitoring revealed that Lakewood had a curriculum that is aligned with the most recent version of the New Jersey Core Content Curriculum Standards (NJCCCS) and it was being fully implemented at all grade levels. However, the district's curriculum was not being articulated horizontally and vertically (QSAC DPR I&P indicator B5). Lakewood satisfied all of the indicators in Section C of the I&P DPR that measures whether the district employs instructional strategies and processes that support the achievement of the NJCCCS. Specifically, during the monitoring, Lakewood demonstrated that it implemented a supervisory process that ensures that all areas of the curriculum are taught in every district classroom and that teachers received meaningful feedback, that it required and verified that lesson plans are aligned with the curriculum and reviewed monthly by supervisors, that supervisory practices focused on classroom instruction and that teachers and supervisors analyzed student work to determine if instruction is aligned with the curriculum (indicator C1). Finally, the district did not satisfy indicators which relate to the district's success in meeting the annual measurable achievement objective for the percentage of students attaining English proficiency (D1d), and the district's implementation of a Special Education Improvement Plan (D2a and 2b).

In the area of Fiscal Management, the initial NJQSAC monitoring in 2007 revealed that Lakewood did not satisfy a number of indicators dealing with financial and budgetary controls. Specifically, monthly board reports were not completed in a timely and accurate manner, (indicator B1); requirements for fixed assets were not met (B3e); budget status reports were not reviewed, position control rosters were not maintained, transfers were not made prior to obligation of funds, requirements regarding purchase orders were not met, fixed assets were not appropriately handled (B4); and the School Register Summary was not timely or accurate (B8f). In addition, Lakewood failed to satisfy important indicators with respect to its annual audit for the prior year (2005-2006). The monitoring revealed that the district did not receive an unqualified opinion on the annual audit with no repeat audit findings of a substantive nature or material weaknesses in the findings (C2) and that the district ended the year with line-item over-expenditures (C3). In the area of restricted revenues, the monitoring revealed deficiencies in Lakewood's expenditure of federal and state grant funds (D1).

Finally, in the area of Governance, the initial monitoring found that Lakewood satisfied 66% of the indicators. Specifically, Lakewood did not satisfy indicator A2, which requires that the board comply with all requirements concerning curriculum and instruction and professional development, or A4, which requires that the board direct the superintendent to take appropriate action concerning professional development and curriculum. The monitors also found that the school board did not annually review and update policies, procedures and by-laws, as required by indicators D1-D4. Finally, the district was not in compliance with indicator F6, which requires that the school board annually undertake a self-evaluation process which reflects that highest priority is given to student achievement, nor with F7, which requires that the self-evaluation process include a professional development improvement plan for members of the board.

Pursuant to N.J.S.A.18A:7A-14, Lakewood developed an improvement plan to address each area of non-compliance. Subsequently, the Department conducted a review of the district's progress in the areas where performance deficiencies had been found: Instruction and Program, Fiscal Management and Governance. This review included an evaluation by the Executive County Superintendent as well as the observations and conclusions reached by the Department team conducting the instant needs assessment of the district. Based on this review, Department staff recommended, and the Commissioner adopted, changes to Lakewood's NJQSAC scores and placement on the performance continuum as described herein.

In the area of Instruction and Program, the score increased from 60% to 74%. Among other things, the district demonstrated that its curriculum is now horizontally and vertically articulated (B5), that the district has met the annual measurable achievement objective for the percentage of students attaining English proficiency (D1d), the district's Special Education Improvement Plan is approved by the Office of Special Education Programs and the district implements all required activities in the plan in a satisfactory manner (D2a and 2b). The Department notes that this demonstrates that NJQSAC, as part of the overall remedial statutory scheme, can result in improvements in instruction.

With regard to Fiscal Management, the reviewers determined that Lakewood complied with the indicators relating to financial and budgetary controls (Section B) and that it has improved with respect to its management and oversight of federal grants (D1a and D1b). However, regarding its annual audit, reviewers found that the 2007-2008 CAFR had repeat audit findings of a substantive nature and material weaknesses in the findings (C2b and C2c). In addition, based on the site visit and review of other pertinent data, Department staff determined that Lakewood did not satisfy indicators A1a-A1d which require that the district's budgeting process and its allocation of resources are aligned with the district's instructional priorities and student needs, indicator A2a, which requires that budget objectives and budgeted costs address the priority problems that have been identified as impacting student subgroup performance as measured under the federal NCLB, and indicator A2b, which requires that budget objectives and budgeted costs address CAPA reports, special education and other programmatic reports, and assessed needs, as applicable. Based on the review, the district's score in Fiscal Management increased from 51% to 74%.

Finally, in the area of Governance, the reviewers found that the district satisfied the requirements of indicators A2 and A4 in that the board complies with the requirements of N.J.A.C. 6A:8 and the board directs the superintendent to take appropriate action concerning professional development, purchase of materials and curriculum development. However, the Department staff found that the district does not satisfy indicator A1, which requires that the school board have a clearly articulated district mission statement incorporating the expectation that all students achieve the NJCCCS at all grade levels. The reviewers reached this conclusion based on the observation that while the district may have, on paper, an appropriate mission statement that emphasizes student achievement, the district undermines that goal by its actions in redirecting resources away from instructional programs and into other, nonessential areas, such as courtesy busing. Similarly, the district does not satisfy indicators H1, H3, and H4, which relate to whether the school board adopts a budget that sets student achievement as its highest priority and allocates sufficient resources to address instructional and operational needs. The

review found that the district does now satisfy the indicators in Section D, relating to the board's annual review and update of policies, procedures and by-laws, but it remains non-compliant with indicators F6 and F7, which deal with its self-evaluation process. Based on these changes, the district's score in Governance remains the same at 66%.

Pursuant to N.J.S.A. 18A:7A-14, the district is required continue to implement its improvement plan, with Department assistance, in the areas of identified deficiencies.

District Assessment Survey

In July 2008, Lakewood completed a comprehensive assessment survey designed by the Department to assist the district in identifying areas of unmet need. Lakewood described its needs as primarily stemming from several areas: the demographics of its student population including a large number of students with insufficient language skills and minimal background experiences; large class sizes; and the substantial amount of resources dedicated to courtesy busing and special education needs. The district also noted, based on its analysis of student achievement data that teacher turnover and high student mobility contribute to the district's difficulties in improving student achievement.

As indicated above, 76.9% of Lakewood's student population is considered at-risk, meaning that they are at or below 185% of the federal poverty guidelines. According to the district, this large percentage of economically disadvantaged students and students with limited English proficiency has presented a number of challenges. In order to address these needs, the district is increasing the number of ESL classrooms, providing differentiated and small group instruction for all students and using leveled instructional materials in the classroom. It also uses instructional coaches in language arts and mathematics at all grade levels. However, despite these efforts, the district indicated that it still needed additional classroom space, more bilingual and ESL teachers and teacher incentives to receive credit for advanced degrees. The Department notes that the special needs of at-risk and Limited English Proficient students were specifically addressed during the process of developing the School Funding Reform Act (SFRA) and, therefore, are incorporated into the SFRA's determination of additional weights for such students in determining funding for the district.

Another proven method of assisting low-income and limited English proficient students is by providing them with a quality preschool education, and for that reason, the SFRA mandated a large expansion of State-funded preschool programs. Lakewood reported in its survey response that it currently runs a half-day preschool program for 3-year-olds and half- and full-day programs for 4-year-olds. Lakewood is a targeted (not universal) district pursuant to SFRA. In order to implement the expansion required by the SFRA to take place over five years, the district plans to add more classroom space, employ a master teacher and more preschool teachers, use the Creative Curriculum and provide professional development.

Lakewood stated in the survey that it has a curriculum that is fully aligned with the NJCCCS and that the district's textbooks, instructional materials and technology are aligned to the curriculum. It stated that all of its teachers are Highly Qualified as required by the *No Child Left Behind Act of 2001*. Furthermore, the district reported that it had fully implemented a visual

arts curriculum and a music curriculum in all grade levels and school buildings. However, the district indicated that not all of its schools have rooms dedicated to visual art, performing art and music. The district reported that it has a library and/or media center in each school with age appropriate books and other reading materials. It also stated that it has fully implemented a world language curriculum in every grade and that world languages are taught in person.

The district offers gifted and talented services in grades 3-12, and stated that it would like to expand that program. It offers Advanced Placement (AP) courses in a variety of subjects, and stated that no students are precluded from taking AP courses because of space or staff. Lakewood stated that it has an alternative education program, and indicated that there were no unmet needs with respect to that program.

According to the survey, the district's special education classification rate is 14.4%,[3] which is equivalent to the state average classification rate of 14.69% upon which the SFRA's census-based special education funding is calculated. The district also reported that approximately 3% of those students are placed out-of-district, however, this does not appear consistent with other data provided to the Department. The district does not have a backlog in conducting required activities for students referred to the child study team or students with IEPs and all IEPs for students with disabilities are implemented as written.

With respect to facilities, Lakewood stated that it currently has adequate space to deliver the NJCCCS and has adequate labs. Several elementary schools have a combined cafeteria/auditorium. The district cited no health and safety issues in the district's buildings. Lakewood uses some trailers for preschool and regular education classrooms and indicated that it needed a new building to house an expanding preschool program.

Regarding technology, the district indicated that it lacks equipment, connectivity and technical support necessary to provide e-learning opportunities for all students, due to lack of financial resources. The district is exploring the possibility of a lease purchase agreement that would make computers available in every classroom. Connectivity and technical support are only available in computer rooms.

In addition to the staffing shortages already cited, Lakewood stated in its survey response that it has identified the following staffing needs: grants manager to maintain program and fiscal integrity of the grants program and to attract funding to the district, technology coordinator to provide integrated technology and training for staff, a vice principal at the high school who can lead curriculum and instructional initiatives and security personnel who are trained in gang awareness, to provide adequate coverage throughout the district.

Site Visit

On October 17, 2008, members of a team of Department personnel traveled to the Lakewood School District and met with the district's superintendent, and various other

[3] There appears to be a typographical error in the survey, as it states a special education rate of "4.4%," which is belied by the numbers of special education students listed in the survey, which computes to a classification rate of 14.4%.

administrators. During the course of the meeting, the team from the district discussed Lakewood's goals and its strategies to achieve those goals, as well as the challenges still facing the district.

The district received a total of $26,697,096 in state aid for FY 2008-09. This amounted to a 20.5% increase in state aid under the SFRA, or an additional $4,547,166. With this increase in aid the district increased funding for its out-of-district students, which includes transportation and out-of-district tuition. In addition, the district reported that it had increased costs for related services for its nonpublic students which it contends were incurred due to the sustained growth of its nonpublic student population. Although the public school enrollment is stable, the nonpublic population increases by close to 1,000 students each year, according to the district. The Department notes that the district also received substantial aid from the State for nonpublic students.

The district dedicates a relatively large portion of its budget to transportation. Much of the transportation costs for non-public students are due to courtesy busing. The district is aware that the high cost of transportation, due to increased numbers of nonpublic students, staggered start times and its courtesy busing policy, is a significant financial drain.

Another large budget expenditure for Lakewood is for out-of-district special education placements, which includes transportation for those students. The district reported that it is working on a number of strategies to reduce out-of-district placements. In 2008-2009, it brought more students with related services needs and behavioral disabilities in-district. Lakewood has 30 self-contained classrooms in the district, which is a decrease in number as the district strives for more inclusion of children with disabilities in the regular education classrooms using additional teaching staff. The district has also retained the services of two consultants to provide professional development to teachers on Intervention and Referral Services. In addition, the district is working with county and community groups to provide behavioral health and other support services to the children in the district.

Regarding the district's regular education system, Lakewood has analyzed its students' performance on the State assessments and is focusing its efforts and resources on those areas of needed improvement. In the 2008 State assessments, fourth graders had a proficiency rate of 71% in language arts, with no improvement from the previous year, and a math proficiency rate of 76%, a decline from the previous year of 81% proficient. The proficiency rate in language arts of eighth graders improved from 38% in 2007 to 50% in 2008, while math proficiency remained the same at around 33%. The math proficiency rate for eleventh graders increased from 39% in 2007 to 48% in 2008 while language arts proficiency remained nearly constant at around 60%. As of 2008, both the Lakewood High School and the Lakewood Middle School were in year 6 of "Schools in Need of Improvement" (SINI) status[4], Clifton Avenue Grade School was in year 2 of SINI, Clarke Elementary School was in "hold" status of year 4 SINI and Spruce Street Elementary School was in hold status of year 2 SINI.

[4] The Lakewood High School is not a Title I school, so it is not subject to remedial measures under federal law for its failure to make Adequate Yearly Progress (AYP).

Lakewood employs a number of strategies in an effort to improve student performance. Class sizes in the district generally range from 18 to 21 in grades K-6 and from 17 to 19 in grades 7-12. The Department notes that the staffing ratios identified as part of the development of the SFRA are 18:1 in elementary school and 20:1 in middle and high school.

The district has also made strides in improving curriculum and instruction. Every school building has both reading and math literacy coaches. The Department notes that instructional coaches are among the resources that were included in developing the adequacy budget under the SFRA. The district is also using *Learnia*, which is a formative assessment system provided at no cost by the Department, that provides educators with periodic information throughout the school year on the progress of students toward acquiring the skills and knowledge that will be assessed on the NJ ASK state assessment.

Because of the number of years that the middle school has been in SINI status, Lakewood was required to develop a restructuring plan for the school in 2007-2008 and to implement that plan in 2008-2009. The district chose to implement a major restructuring of the school's governance that involved appointing a new principal and two assistant principals who assumed oversight of student performance and progress. In addition, the school is implementing a revised schedule that includes 80 minute instructional blocks for language arts and mathematics. The middle school is also implementing the Paul Lawrence program for mathematics. In addition to the regular Title I funding received by the district for its struggling students, Lakewood also receives Title I SIA Part A funds ($120,914 in 2007-2008 and $130,549 in 2008-2009) for use in its Title I SINI schools. Moreover, in 2008-2009, the district also received $100,000 in Title I Part G funds to be used exclusively for the middle school to support school improvement efforts. The district used the funds to partner with Rutgers University to provide coaching and leadership training to staff. The district also held a summer four week intensive literacy and math enrichment camp for students.

The district also has a plan to increase student achievement and graduation at the high school. The district is implementing a comprehensive secondary restructuring plan. Beginning with the 2009-10 school year, the high school will begin a career academy structure, with the implementation of a media and arts technology academy. Three additional academies will be added: business and entrepreneurship, health occupations and criminal justice. Students will select an academy at the end of their freshman year. Guidance and career services will be provided to all students to ensure a seamless transition from high school to college.

As discussed above, another successful strategy for improving student performance is to provide a high quality preschool program as required by the SFRA. Lakewood is classified as a targeted district for preschool with 582 at-risk children eligible for the program in 2009-2010. The district plans to serve 15 3-year-olds and 135 4-year-olds. Most of the children are served in private provider settings. Lakewood is making plans to expand preschool as required, but believes that finding classroom space will be a challenge.

According to the district, due to fiscal constraints, the district reduced staff and did not replace a Title I teacher and assistant superintendent for human resources in school years 2007-08 and 2008-09. The district reduced the number of custodians in 2007-08, replaced a few in

2008-09 and has not increased the number of custodians, currently at 41.5, for 2009-10. Lakewood received a federal readiness and emergency management grant in the amount of $228,000, which enabled the district to hire a security director. The Department notes that the SFRA provides categorical funding to support security personnel. District administrators also reaffirmed the need for additional staff and increased professional development. The district indicated that it would need approximately $600,000 to upgrade its technology infrastructure and replace hardware. The district is attempting to establish an educational foundation to help fund technology and other needs.

Facilities

The district stated that it needs additional elementary school classrooms in order to adequately accommodate all of its students. In particular, the Oak Street School and Clarke School are overcrowded, and according to the Department's Office of School Facilities, the district would be eligible for more than 200,000 square feet of new construction. Lakewood is currently using a total of 16 temporary classroom units (TCUs): two at Oak Street School for the bilingual program and 14 at the Clarke School. The district's long range facilities plan does not include any plans for addressing these needs.

In July 2008, funding for school construction projects were made available through amendments to the Educational Facilities Construction and Financing Act, P.L. 2008, c. 39 (EFCFA). The grants were awarded in fixed annual allocations based on a prioritization process that considers critical need in accordance with project categories outlined in the law. Lakewood has not applied in either the first or second rounds for State grant funding under this opportunity. At the site visit, it indicated that its construction plans are in the conceptual phase, but that once finalized, the district intends to apply for funding through EFCFA.

School Funding Reform Act

The Lakewood School District received a 20.5% ($4,547,166) increase in State aid pursuant to the SFRA in FY08-09, and will receive no increase in State aid in FY 09-10. Under the formula, the district's "adequacy budget" is calculated by multiplying the district's K-12 enrollment by the base amount of $9,649[5]. The district's enrollment of middle school (grades 6-8) and high school (grades 9-12) students are then multiplied by an additional weight of 1.04 and 1.17, respectively. The district's adequacy budget also includes an additional weight of .57 for each at-risk child, which amounted to a total of $18,878,565 in FY 08-09 and $20,907,592 in FY 09-10. There are additional weights for children with limited English proficiency and for at-risk children with limited English proficiency. The district's State equalization aid is then calculated by determining the difference between its adequacy budget and the district's local fair share. For FY08-09, the district's local fair share was $58,845,080, which is based on its aggregate property wealth and aggregate income – for comparison, per pupil property wealth of $1,349,764 and per pupil income of $164,227. For FY09-10, the district's local fair share is $61,956,724, with a per pupil property wealth of $1,521,290 and a per pupil income of $194,962. In both years, the

[5] This amount increased to $9,971 for FY 2010.

district's tax levy exceeded its local fair share.[6] In FY08-09, the district's adequacy budget exceeded its prior year spending. For FY09-10, the district's prior year spending exceeded its adequacy budget.

The funding formula under SFRA also provides for categorical security aid as well as aid for transportation and special education. Pursuant to N.J.S.A. 18A:7F-46, every three years the Commissioner will re-evaluate and recommend to the Governor and Legislature any appropriate changes to the funding elements of the SFRA (such as the State average classification rate of general special education students and the additional weights for at-risk and limited English proficient students). For the intervening years, the cost factors in the SFRA are updated according to the Consumer Price Index.

The SFRA also dramatically increases access to preschool education, requiring districts to offer preschool programs to eligible students within five years. Although a targeted district, given the very high percentage of at-risk public school students, once preschool is fully implemented in Lakewood it will result in a large majority of kindergarten students entering school better prepared for learning, having benefited from preschool.

In addition to these State funds, Lakewood will be receiving federal funds to support students with special needs (at-risk and special education) through the Title I and IDEA, as well as additional funds through those programs pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA).

Conclusions and Recommendations

The Department agrees with the district's assessment that it faces a number of challenges given its relatively high at-risk population. The problems are exacerbated by Lakewood's decision to direct a large proportion of resources to providing courtesy busing to its public and nonpublic students.

The Department notes that it is impossible to make a true assessment of Lakewood's financial needs without analyzing the district's choice to expend a large amount of funds on non-mandated courtesy busing for both its public and nonpublic students. Courtesy busing is busing of children that live less than two miles from the elementary school or less than two and one-half miles from the middle or high schools. N.J.S.A. 18A:39-1 et seq. It is important to note that even if a district provides courtesy busing to its public students, it is not required to provide courtesy busing to its nonpublic students. According to the Department's records, in 2008-2009, the district expended over $5 million on courtesy busing, with almost $4 million of that dedicated to courtesy busing for nonpublic students. This is not a new issue. In the decision by the Commissioner of Education in *Bacon et. al v. New Jersey Department of Education* on February 10, 2003 and the State Board decision of January 4, 2006, the Department found that expenditures for non-remote busing were not an effective use of funds by Lakewood. The Department reaffirms now that it is unacceptable for the district to allege critical unmet needs for its public school students while it spends such a substantial sum of money to provide a non-

[6] The district's 07-08 tax levy was $64,722,523 compared with its 08-09 local fair share of $58,845,080 and its 08-09 tax levy was $69,597,133 compared with its local fair share of $61,956,724.

mandated courtesy service to its nonpublic students. Lakewood must revise its priorities so that its resources are better directed to the needs of the students it is responsible for educating.

Regarding its instructional programs, Lakewood is aware of needed improvements, particularly regarding bilingual education, and middle school reading. During the course of the 2008-2009 school year, the district provided "Sheltered Instruction Observation Protocol" (SIOP) to 19 teachers to improve instruction for English Language Learners. In addition, Title I funds were used to expand the district's ESL summer programs by enrolling additional children in bilingual kindergarten. With respect to middle school language arts, the district has implemented an extended literacy block of ninety minutes which is focused on balanced literacy and "reader's workshop." It is also making use of benchmark assessments and data to drive instruction, differentiated instruction, offering students leveled reading materials, incorporating curriculum mapping, focusing on content standards, and making use of common planning time to plan lessons and instructional strategies. The district will be receiving a substantial increase in funding this year through ARRA, targeted to serve students that are struggling academically. It is imperative that Lakewood invest these funds carefully to obtain maximum long-term gains in student proficiency.

During the site visit, district administrators discussed their plans and progress in including special education students in the general education classrooms and using differentiated instruction. As noted, Lakewood has a very high out-of-district placement rate, and the district is using various strategies to educate more children in-district. The Department can assist in this endeavor, as the Office of Special Education Programs (OSEP) offers professional development opportunities in differentiated instruction for the special education population through its Learning Resource Center (LRC) in the Southern Region. The Commissioner directs OSEP to coordinate such training with Lakewood. In addition, the Department also offers training to districts on developing and improving Intervention and Referral Services. The Commissioner directs the Department's Office of Educational Support Services to coordinate training on this topic. Finally, the Department has made arrangements with the Mid-Atlantic Regional Educational Lab (REL) to work with Lakewood and other districts to meet their needs for staff development in the various content areas as well as with special needs children who require particular attention and strategies in order to succeed. The leadership of the REL will contact the district shortly, if it has not already done so, to make arrangements to provide this assistance.

As noted above, the NJQSAC review demonstrated that Lakewood has a great deal of room for improvement, most notably in the areas of Fiscal Management and Governance. The Commissioner directs the Ocean County office to provide technical assistance to the district, particularly in the budget development process, to ensure that the instructional needs of the district's students are given highest priority.

With respect to its facilities, the district projects the need for new elementary classrooms in order to meet the needs of its expanding student population and to eliminate the TCUs. In addition, Lakewood stated that there is a need for a building to house the district's expanding preschool program. As previously noted, the district did not apply for the first or second rounds of ROD grant money; Lakewood should finalize its construction plans and submit an application during the next round of ROD funding.

In sum, the Lakewood School District, while facing significant challenges, could do significantly more with the funds currently available to it. The district must find ways to ensure that its resources are directed to meet the instructional needs of its students. In particular, the district's long-standing policy of providing courtesy busing must be given serious reconsideration. In addition, the district should continue to develop strategies to educate more of its special education students in-district. There are many areas in which Lakewood needs to improve in terms of student performance, but the district also has significant resources to address those needs. The Department will assist the district, as described above, to ensure that the educational needs of the district's students take precedence.

EXHIBIT B

New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor

Township of Lakewood School District

July 1, 2011 to December 31, 2013

Stephen M. Eells
State Auditor

LEGISLATIVE SERVICES COMMISSION

SENATE

CHRISTOPHER J. CONNORS
NIA H. GILL
ROBERT M. GORDON
THOMAS H. KEAN, JR.
JOSEPH M. KYRILLOS, JR.
JOSEPH PENNACCHIO
STEPHEN M. SWEENEY
LORETTA WEINBERG

GENERAL ASSEMBLY

JON M. BRAMNICK
ANTHONY M. BUCCO
JOHN J. BURZICHELLI
THOMAS P. GIBLIN
LOUIS D. GREENWALD
ALISON LITTELL MCHOSE
VINCENT PRIETO
SCOTT T. RUMANA

New Jersey State Legislature

OFFICE OF LEGISLATIVE SERVICES
OFFICE OF THE STATE AUDITOR
125 SOUTH WARREN STREET
PO BOX 067
TRENTON NJ 08625-0067

ALBERT PORRONI
Executive Director
(609) 847-3901

OFFICE OF THE STATE AUDITOR
(609) 847-3470
FAX (609) 633-0834

STEPHEN M. EELLS
State Auditor

GREGORY PICA
Assistant State Auditor

JOHN J. TERMYNA
Assistant State Auditor

The Honorable Chris Christie
Governor of New Jersey

The Honorable Stephen M. Sweeney
President of the Senate

The Honorable Vincent Prieto
Speaker of the General Assembly

Mr. Albert Porroni
Executive Director
Office of Legislative Services

Enclosed is our report on the audit of the Township of Lakewood School District for the period of July 1, 2011 to December 31, 2013. If you would like a personal briefing, please call me at (609) 847-3470.

Stephen M. Eells
State Auditor
August 26, 2014

Table of Contents

Scope 1

Objectives 1

Methodology 1

Conclusions 2

Findings and Recommendations

- Projected Deficit 3
- State and Federal Grant Programs 4
- Legal Costs 13
- Purchasing Procedures 14
- Lease Agreements 14
- Information Technology 15
- Special Education Tuition 16
- Payroll and Personnel 17

Observations

- Transportation 22
- IDEA Program 23

Auditee Response 25

Scope

We have completed an audit of the Township of Lakewood School District for the period July 1, 2011 to December 31, 2013. We focused primarily on the purchasing and payroll functions of the district. We also reviewed the Chapter 192, Chapter 193, Title I, and Individuals with Disabilities Education Act (IDEA) programs administered by the district. Our audit included financial activities accounted for in the district's general fund and special revenue fund. The general fund is the district's primary operating fund and the special revenue fund accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes.

Total expenditures were $142.4 million and $156.4 million in fiscal years 2012 and 2013, respectively. The state and federal government fund approximately 49 percent of district expenditures. The district provides regular, special education, and vocational services to approximately 5,200 pre-kindergarten through twelfth-grade students in its public schools. In addition, as of March 2013, the Township of Lakewood had 77 registered nonpublic schools with approximately 21,500 students. On April 25, 2014, the Commissioner of Education appointed a state monitor for oversight of district fiscal operations.

Objectives

The objectives of our audit were to determine whether financial transactions were related to the school district's programs, were reasonable, and were recorded properly in the accounting systems. In addition, since during our fieldwork a general fund deficit was projected for the fiscal year ending June 30, 2014, an objective was to determine the primary factors that contributed to the deficit. We also tested for resolution of the significant conditions noted in our prior report.

This audit was conducted pursuant to the State Auditor's responsibilities as set forth in Article VII, Section I, Paragraph 6 of the State Constitution and Title 52 of the New Jersey Statutes.

Methodology

Our audit was conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In preparation for our testing, we studied legislation, the administrative code, federal regulations, and policies of the school district. Provisions we considered significant were documented and compliance with those requirements was verified by interview, observation, and through our testing of financial transactions. We also read school district budgets and board minutes, reviewed financial trends, and interviewed school district personnel to obtain an

understanding of the programs and the internal controls. In addition, we reviewed annual audit reports issued by public school accountants.

A nonstatistical sampling approach was used. Our samples of financial transactions were designed to provide conclusions about the validity of transactions, as well as internal control and compliance attributes. Sample populations were sorted and transactions were judgmentally selected for testing.

To ascertain the status of findings included in our prior report, we identified corrective action, if any, taken by the school district and walked through the system to determine if the corrective action was effective.

Conclusions

We found that financial transactions included in our testing were related to the school district's programs; however, they were not always reasonable or properly recorded in the accounting systems. We found a lack of continuity in leadership in key administrative positions which interfered with the ability to establish and enforce internal controls. We found differences between board approval and expenditures recorded in the accounting system, state and federal grant programs lacking internal controls and proper oversight, numerous weaknesses related to the payroll and personnel functions, and other issues requiring corrective action. We also identified factors contributing to the projected general fund deficit as of June 30, 2014. The district has not fully resolved the significant issues noted in our prior report regarding segregation of duties, extra compensation monitoring, and employee contracts. These issues have been updated in our current report.

We observed that transportation costs of the district could be reduced with the implementation of certain initiatives. We also observed that other approved nonpublic school IDEA programs or services could potentially benefit a greater population of nonpublic school students with disabilities.

We have referred certain issues to the Division of Criminal Justice.

Projected Deficit

Long-term goals should be developed to address the costs associated with the rapid growth in the district.

The district's independent financial statement auditors have completed and issued a report dated January 15, 2014 that identifies a projected budgetary general fund deficit of $5 million as of June 30, 2014. Increases in student transportation costs for public and nonpublic school students and special education tuition account for $2.6 million of this projected deficit.

Control Environment

The district has not been able to maintain continuity in leadership. Since September 2008, the superintendent position has been held by three individuals. The business administrator changed eight times since February 2008 and the assistant business administrator changed four times during the period December 2012 through December 2013. The lack of stability in key administrative positions has inhibited the development of long-term goals and has interfered with the ability to establish and enforce internal controls to ensure district resources are expended in an efficient and effective manner.

Growing Population

The population growth in Lakewood is significant. Our review of the district's student enrollment data captured in the Title I application on the state's Electronic Web-Enabled Grant (EWEG) system noted nonpublic school growth averaged 1,600 students per year, while public school growth averaged just two students per year. General fund revenue generated from the local property tax levy increased an average of just 0.38 percent per year between fiscal years 2009 and 2013. However, the levy increased nine percent to $77.1 million in fiscal year 2014.

Enrollment Date	10/15/2008	10/15/2009	10/15/2010	10/15/2011	10/15/2012
School Year	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Public School Enrollment*	4,901	4,906	4,701	4,810	4,907
Nonpublic School Enrollment*	14,558	16,061	17,636	19,028	20,902
Total	19,459	20,967	22,337	23,838	25,809

*These totals account for the schools that participate in the Title I program only.

Property Tax Levy	2009	2010	2011	2012	2013
General Fund (GF)	$ 69,597,133	$ 71,593,625	$ 71,593,625	$ 70,238,004	$ 70,630,210
Debt Service Fund	$ 1,250,715	$ 1,242,075	$ 1,952,532	$ 867,074	$ 1,615,847
Total	$ 70,847,848	$ 72,835,700	$ 73,546,157	$ 71,105,078	$ 72,246,057
Expenditures (GF)	$101,352,919	$102,016,235	$ 99,942,404	$103,118,495	$ 110,945,375
Percentage (GF)	68.67%	70.18%	71.63%	68.11%	63.66%

In addition to the factors noted above, other issues noted throughout this report also contribute to the projected general fund deficit, specifically legal costs, purchasing procedures, special education tuition, extra compensation, final leave balance payments, salary allocations, leaves of absence, and salary increases. Additional general fund savings may be achieved if transportation initiatives that were proposed to the board of education are implemented and general fund IDEA appropriations for nonpublic schools are reduced.

Recommendation

We recommend the district, in coordination with state and local officials, develop long-term goals that will address the costs associated with the rapid growth in the district. In addition, the district should make efforts to maintain continuity in leadership.

State and Federal Grant Programs

The district should improve monitoring of state and federal grant programs.

Title I Program

The purpose of Title I is to ensure that all children have a fair, equal, and significant opportunity to obtain a high-quality education and reach, at a minimum, proficiency on state academic achievement standards and state academic assessments. This is to be accomplished through instruction, professional development, and parental involvement. The district is responsible for the administration of this federal program and the internal controls governing the proper distribution of its funds. Funding is allocated between public and nonpublic schools based on total enrollment and the number of low-income students. The district was awarded $8.7 million, $15.4 million, and $14.5 million in Title I, Part A funds for grant years 2011-2012, 2012-2013, and 2013-2014, respectively.

Reconciliation Procedures

The New Jersey Department of Education (NJDOE) requires the district to complete a final expenditure report annually in the state's Electronic Web-Enabled Grant (EWEG) system. This report designates both public and nonpublic grant expenditures for the award period. If expenditures are less than the award amount, carryover is generated and allocated to the subsequent year grant award amount. The district has designated specific account codes to track spending of the current year award, as well as carryover funds from the prior year spent in the current year. We were unable to reconcile the 2012-2013 EWEG final expenditure report to the district's financial system. The district only included expenditures from the accounts for the 2012-2013 award amount, and did not include expenditure activity in the carryover accounts during this period. This resulted in an under-reporting of expenditures and an inflated amount of carryover funds to the 2013-2014 grant year. We were also unable to reconcile the district's

financial system to carryover amounts reported in the final expenditure reports filed in the EWEG system for the 2011-2012 and 2012-2013 grant years. For example, the EWEG report indicated that no funds were carried over to the 2011-2012 grant year, but $730,000 was spent out of the district's 2011-2012 carryover accounts according to the district's financial system. Failure to reconcile financial activity recorded in the district's financial system and accurately complete the final expenditure report results in improper allocations of Title I funds to subsequent grant years. It also increases the risk of funds reverting to the federal government because carryovers may not be liquidated within federally required timeframes.

Title I Waiver

At the conclusion of the 2011-2012 school year, the district was granted a waiver by the NJDOE to utilize unspent Title I, Part A funds totaling $430,000 for other uses. These funds were originally designated for the public school Supplemental Educational Services (SES) program. The waiver specified that these funds would be reallocated between the public and nonpublic schools based on the proportionate number of students. This resulted in $316,000 of additional funding to be used for nonpublic school services. The district used this funding and issued a Request for Proposal (RFP) to obtain speech, language arts literacy, math, counseling, and applied behavior analysis consultants to provide these additional services in the nonpublic schools. According to the RFP, "The consultant may work up to 12 hours per week as needed." Our review disclosed that one consultant worked full-time at an hourly rate of $90 and was paid $125,000 with Title I funds for the 2012-2013 school year. We visited the nonpublic school where this consultant was to be providing services and the individual was introduced to us as the school principal, a position that cannot be paid with Title I funds. This visit was made during the time of day the district was being billed for the consulting services.

Supporting Documentation

Title I, Part A expenditures are being paid with minimal supporting documentation. We judgmentally selected 43 of 1,896 transactions occurring during fiscal years 2012 and 2013 and found 33 did not have adequate supporting documentation, including the following.

- One individual was paid $55,000 during the 2012-2013 school year as a professional development/parental involvement consultant for a nonpublic school. A district form was completed indicating that this individual would oversee Title I services and assess performance and the need for adjustments. According to the form, these services would be provided between 9:00 a.m. and 4:00 p.m. daily for the entire school year. We found no timesheets or activity logs to determine if services were provided. Furthermore, Title I guidance defines the term "professional development" as a comprehensive, sustained, and intensive approach to improve teachers' and principals' effectiveness in raising student achievement. Based on the documentation provided, this individual appeared to be serving in an administrative capacity, not providing professional development.

- In June 2011, the board approved a vendor to perform an evaluation of nonpublic Title I and Individuals with Disabilities Education Act (IDEA) services during the 2010-2011 school year. According to the board minutes, the cost of this analysis would be paid by the vendors contracted to provide Title I and IDEA services in the nonpublic schools. The district paid the vendor $21,500 on October 28, 2011. According to management, credits were issued on subsequent vendor invoices to reimburse the district for the cost of the analysis; however, we were not provided with documentation to verify these credits were issued.

- The district utilized a law firm based out of Washington, DC during the 2011-2012 school year to provide legal research and opinions on various Title I issues. Services were billed at an hourly rate of $305 and the firm was paid $46,600 during the 2011-2012 school year. We tested one $13,000 payment made in December 2011 and found inadequate supporting documentation. Included on the invoice was $1,700 for airfare for an attorney to make an onsite visit to Lakewood, as well as billable hours for various research and analysis performed by the attorneys. We were not provided with documentation regarding the conclusions drawn from the research and analysis, and there was no documentation to support the cost of attorney travel expenses. In addition, we were unable to substantiate the need for the onsite visit.

- In June 2012, the district hired two consultants, one in the area of community needs and advocacy, and the other in the area of special student services and funded programs. These consultants were paid a total of $22,900 for their services at hourly rates of $100 and $175, respectively. Supporting documentation for these services consisted of invoices referencing discussions between each other and the board attorney. The invoices also referenced a presentation at a district meeting and a report of recommendations. We were not provided with an outline of the presentation or the report of recommendations. In addition, it appears that some of the consulting involved IDEA services, yet all invoices were paid with general fund or Title I funds.

- The district paid a vendor $104,000 for a professional development conference in February 2012 which teachers from various nonpublic schools were to attend. This conference is one of a series of seminars provided by this vendor annually. We sampled two conference fee payments to this vendor totaling $20,450 for 45 individuals from two nonpublic schools. We were provided minimal documentation of what was covered at the conference and there were no sign-in sheets documenting which teachers actually attended. We were also unable to determine if all attendees were teachers of Title I students. This vendor was paid a total of $507,000 during fiscal years 2012 and 2013.

- The district paid an individual $2,500 for providing professional development at a nonpublic school. Supporting documentation for this payment was a memo indicating that five teachers would attend a three-day multisensory reading course in July and August 2011. We were not provided with course agendas and materials to document professional development content or a sign-in sheet to document teacher attendance. We were also unable to determine if the five individuals were teachers of Title I students.

Recommendation

The district should ensure that Title I, Part A expenditures recorded in the district's financial system reconcile to the Title I expenditures recorded in EWEG expenditure reports. Expenditures from the carryover accounts should be included in the EWEG final expenditure report. Carryover spending should be properly tracked and accounted for in the district's financial system. Title I expenditures should not be paid without adequate supporting documentation and all payments should be made in accordance with Title I regulations and any applicable RFPs. Although the Title I regulations do not require specific trainer qualifications, we feel the district should make an effort to ensure professional development is benefiting the intended audiences by obtaining course materials. Sign-in sheets should also be obtained to verify attendance.

IDEA Program

The Individuals with Disabilities Education Act (IDEA) is a federal law ensuring special education services to children with disabilities. IDEA governs how states and public agencies provide early intervention, special education, and related services to eligible infants, toddlers, children, and youth with disabilities. The district is allocated grant funds for both public and nonpublic school students. The nonpublic school allocation is a proportionate share based on the number of students with disabilities parentally placed in nonpublic schools. The total IDEA award amount for the 2012-2013 grant year was $6 million, of which $4.8 million was allocated for nonpublic school students. The majority of the public school IDEA allocation is utilized to offset out-of-district special education tuition expenses. Using the nonpublic school IDEA allocation, the district has developed two major programs to service eligible students. The first program, the Non-Public Supplemental Services Program (NPSSP), provides early childhood education to children with disabilities. This program was provided by a contract vendor at a cost of $1.7 million and is comprised of nine pre-school and three kindergarten classes. The second program, the Supplemental Resource Center Program (SRCP), provides math, reading, and writing in a small classroom setting for students with disabilities. This program was provided by two contract vendors at a cost of $3.1 million and is comprised of 42 classes. Our review of these programs revealed the following.

Budget and Board Approval

Although the nonpublic school IDEA allocation was $4,809,682 for the 2012-2013 grant year, the district entered into contracts totaling $4,834,700 with third-party vendors to provide services to the nonpublic schools, which was $25,000 over the amount allocated for nonpublic use. We also noted other IDEA expenditures that were paid out of the general fund and would have further added to the program funding deficit. The following excerpts from the 2012 board minutes indicate that items will be paid with IDEA funds, yet they were paid from the general fund.

- August 30, 2012 Minutes - "Approval of Lease Agreement with Bais Rivka Rochel in the amount of $167,000.00 for the property located at 685 River Avenue, Lakewood, NJ to be utilized for the Non-Public Supplemental Services Program for the 2012-2013 school year. Rent to be paid monthly beginning September 1, 2012 and ending June 30, 2013 in the amount of $16,700.00 per month. (Paid through IDIEA [sic] funds)."

- December 6, 2012 Minutes - "Approve a maximum amount $375,000.00 for Tender Touch, occupation therapy, for non-public schools (paid through IDEA funds)."

According to IDEA guidelines, state and local funds may supplement and in no case supplant the proportionate amount of federal funds required to be expended for private school children with disabilities. According to management, the board has designated certain local funds for this purpose; however, the board minutes do not specify that these are supplemental funds or list the general fund account number which may not be transparent to the public. The total additional general fund amount spent for nonpublic school IDEA expenditures during the 2012-2013 school year was at least $1 million. In addition to the NPSSP rent and Tender Touch contract, the district paid salary and benefit costs for five district employees whose schedules were allocated between public and nonpublic school students, as well as the stipend for the IDEA coordinator. As of September 2013, the district no longer utilizes public school employees to service nonpublic school students.

Supplemental Resource Center Program (SRCP) Class Size

The district is not maximizing SRCP class sizes. During the 2012-2013 school year, the district contracted with two vendors to provide SRCP classes at the nonpublic schools. The vendors are paid $60,000 per class plus the additional costs of instructional assistants. Pursuant to the contract, SRCP class locations will maintain an average enrollment of at least eight students. The contract specifies that locations that fail to maintain these minimum student averages could result in cancellation by the board. We reviewed student enrollment during January 2013 through March 2013 for 15 schools with 37 SRCP classes and found that, on average, seven schools did not maintain the minimum student enrollment. The contract also requires the vendor to provide written notification if enrollment in any class drops below eight or an average of eight students at any time after December 1st. We asked for such notices and none were provided. We estimate the district could have saved $165,000 during our three-month review period if classes with enrollment of less than eight students were canceled. Based on our analysis, four classes could have been merged into another class, and four classes could have been canceled.

Supplemental Resource Center Program (SRCP) Class Scheduling

Our review of the class schedules for the SRCP program found one instance where the same teacher was assigned to two classrooms scheduled to meet at the same time. The contract requires that each class will receive instruction from at least one certified special education teacher. According to management, the vendor utilized paraprofessionals as teachers in the two

classrooms while the certified teacher was supervising. The same individual was also listed as the supervisor of classes at other nonpublic schools. The district discussed this issue with the vendor and a credit of $60,000 was issued.

Services Plans

Chapter 193 evaluation procedures are provided for the purpose of determining eligibility for special education and related services, and for developing a services plan outlining the services that will be provided. According to IDEA guidelines, services plans are required only for those parentally placed private school students with disabilities whom the local education agency (LEA) has elected to serve and should reflect only the services that the LEA has determined it will provide to the student. Any additional accommodations being provided by the private school should not be part of the services plan. The services plan must be developed, reviewed, and revised consistent with the individualized education program (IEP) requirements. We judgmentally selected 48 students out of 274 students enrolled in the SRCP program that had services plans posted on the district's file management system to determine if Chapter 193 and IDEA services were being provided in accordance with the services plans. We compared the May 2013 vendor billing records for IDEA, Chapter 192, and Chapter 193 services to the services plans and noted the following.

- Forty-five of forty-eight student services plans required a different SRCP frequency or duration than the service provided. Forty-one of these students received other services during the SRCP class time.

- Seventeen of forty-eight student services plans required a different supplemental instruction frequency or duration than the service provided.

- Twenty of thirty-eight student services plans required a different speech frequency or duration than the service provided.

SRCP classes are designed to provide math, reading, and writing in a small classroom setting for students with disabilities and were paid at a flat rate of $60,000 per class. The same vendor is also providing and billing for Chapter 192 math and reading services during these SRCP classes. This appears to be a duplication of services. In addition, we found instances where supplemental instruction and speech therapy was provided by this vendor during the SRCP scheduled class time.

Non-Public Supplemental Services Program (NPSSP) Lease

The district is paying expenses that are outside the scope of a lease agreement. Classroom space is leased by the district during the 10-month period from September through June for the nonpublic early childhood program. The agreement was initiated in June 2005 and the terms and conditions between the parties remain unchanged. According to the agreement, the district is required to pay utility expenses during the lease period. Our testing revealed that the district

has been paying half of the electric bills for July and August which fall outside the lease period. The district paid $3,700 for usage during July and August of 2012.

Recommendation

We recommend the district implement the following.

- Accurately note on board agendas and minutes which funds are utilized for IDEA programs.
- Determine if the district can continue to fund IDEA nonpublic expenditures with the use of local funds. This is especially critical given the current fiscal state of the district.
- Maximize SRCP class sizes by merging or canceling underutilized classes and ensure all classes are staffed with an appropriately certified teacher.
- Provide services to the students in accordance with their services plans.
- Disallow Chapter 192 and Chapter 193 services during the SRCP class time. If a student qualifies for these additional services, they should be provided before, or after, the SRCP class.
- Do not make payments for costs outside the scope of the NPSSP lease agreement and consider updating the agreement.

Chapter 192 and Chapter 193 Programs

The district is responsible for the administration of the state-funded Chapter 192 and Chapter 193 programs. These programs provide services to eligible students enrolled full-time in nonpublic elementary and secondary schools in the state. Chapter 192 provides students with auxiliary services such as compensatory education, English as a second language, and home instruction. Chapter 193 provides students with remedial services such as evaluation and determination of eligibility for special education and related services, supplementary instruction, and speech-language services. The district contracts with vendors to provide Chapter 192 and Chapter 193 services at the nonpublic schools. Payments to these vendors are made based on state-approved annual per pupil rates. The district spent a total of $13.9 million and $14.8 million of Chapter 192 and Chapter 193 funding during fiscal years 2012 and 2013, respectively. Regulations permit the district to utilize up to six percent of these funds for the administration of the program. Pursuant to the uniform chart of accounts, the district maintains several accounts in recording the activity of Chapter 192 and Chapter 193 services. Our review of these programs noted the following.

Compensatory Education

Compensatory education services are available to eligible students in language arts literacy (reading and/or writing) and mathematics. The district contracted with vendors to provide these services to eligible nonpublic school students. In addition to these contract vendors, we found 13 consultants paid from the account dedicated for compensatory education that did not provide compensatory education. Payments to these consultants totaled $325,000 and $201,000 during fiscal years 2012 and 2013, respectively. We judgmentally selected 12 payments to 10 of these consultants who were paid at an hourly rate with no evidence of a competitive procurement process or cap on total compensation. Examples of their job titles included Educational Consultant and Behavioral/Social Skills Consultant, which appeared to be unrelated to compensatory education. Supporting documentation provided for these services was inadequate and vague. Payments were made to some of these consultants for meetings with students, parents, and principals at certain nonpublic schools; however, none of them appeared to be providing language arts literacy or mathematics instruction.

Speech-Language

Eligible students receive speech-language services by an appropriately certified specialist that include language, articulation, voice, and fluency. In addition to the Chapter 192 and Chapter 193 contract vendors, the district paid five vendors to provide speech services at an hourly rate that exceeded the state-approved rate. These vendors were paid a total of $63,000 and $91,000 during fiscal years 2012 and 2013, respectively. We judgmentally selected three payments to three of these hourly vendors, which were comprised of speech services totaling $10,300, and found that they were overpaid by more than $7,200 since these vendors were not paid based on the state-approved rate.

Home Instruction

Home instruction is provided to eligible students who are enrolled full-time in a nonpublic school and are unable to attend school for at least ten consecutive school days or 15 cumulative school days during the year due to certain health conditions. The district paid a total of $190,000 for fiscal year 2012 and 2013 home instruction services, of which $170,000 was paid to a contract vendor. Payments totaling $20,000 were made to three other individuals at an hourly rate that exceeded the state-approved rate. In addition, subsequent to December 2012, one of these individuals provided home instruction at the same time that they were scheduled to provide other Chapter 192 services as an employee of one of the contract vendors. Home instruction forms were completed and signed by the student's guardian for a timeframe that overlapped the timeframe that this individual was signed in as a teacher at a Chapter 192 class. This individual was paid $8,640 for home instruction between January 2013 and June 2013.

School Visits

In May 2013, we judgmentally selected five nonpublic schools to visit and obtain an understanding of Chapter 192 and Chapter 193, IDEA, and Title I services being provided. Subsequent to our visits, we revisited one of these nonpublic schools to observe Chapter 192 and Chapter 193 services being administered to determine if services were being provided as scheduled. We visited SRCP, Chapter 192 math, and Chapter 192 reading classrooms. Students appeared to be receiving services in each of these classrooms. However, we did not determine if the students were the same students that were noted on the vendor's schedules. In one instance, we asked to observe a specific speech class. When we arrived, there was a teacher but the scheduled students were not present. The administrator tried to locate the students while we visited another class. Upon returning to the speech class, two students were present but they were not the students scheduled for that time slot on the vendor's schedule. These students were scheduled for later in the day. After leaving to visit another class, the two students from the speech class passed us in the hall to return to their actual scheduled class at that time.

We attempted to schedule a visit to one of the other nonpublic schools we initially visited to observe Chapter 192 and Chapter 193 services being administered, but there was a misunderstanding regarding the confirmation of our visit. After speaking with the school principal, we were told that visiting the school an hour later than we were scheduled would not be beneficial, as all services were ending and no classes were being held. Upon review of the vendor's class schedules, there should have been 34 classes in session at the time we would have made the visit. Furthermore, the attendance records showed that several students were marked present in these classes at the time of the proposed visit.

Subsequent to our visits, using allowable Chapter 192 and Chapter 193 administrative funding, the district hired three individuals to aid in the administration of the program and to monitor services being provided in the nonpublic schools. According to management, these individuals make visits to the nonpublic schools and determine if services are being provided to the students as scheduled.

Recommendation

We recommend the district implement the following.

- Discontinue the practice of paying consultants that are not providing compensatory education services with Chapter 192 funds.
- Pay vendors providing Chapter 192 and Chapter 193 services at the state-approved rates.
- Periodically contact parents/guardians of students receiving home instruction to confirm that services are being provided.

- Continue to make visits to the nonpublic schools to ensure services are being provided in accordance with the vendor class schedules.

Legal Costs

The district should develop a plan to reduce legal costs.

In accordance with N.J.A.C. 6A:23A-5.2, districts with legal costs that exceed 130 percent of the statewide average cost per pupil are required to implement certain procedures to reduce these costs. The district meets this criteria and has not yet adopted these procedures.

In April 2012, the Lakewood Board of Education appointed a law firm as legal counsel by board resolution at a rate of $200 per hour. The resolution was made without public bidding as allowed by law since it is for professional services. During fiscal year 2013, the district paid this firm a total of $1.1 million for legal services. In June 2013, the district issued a Request for Proposal (RFP) for legal services for the 2013-2014 school year and received responses from ten law firms. The original firm responded with an average hourly rate of $161. Our review of their May and June 2013 bills found that this firm had reduced its rate to $155 per hour. The district could have potentially saved $204,000 in legal expenses during fiscal year 2013 if an RFP for these services had been issued. We used the firm's average rate from the June 2013 RFP to estimate these savings.

In addition, only $15,000 of the $125,000 in legal expenses for nonpublic schools was charged to the special revenue fund. Title I, Chapter 192, and Chapter 193 programs provide for administrative costs which could be used for nonpublic school legal fees. It should also be noted that, according to the invoices we reviewed, $128,000 or 11 percent of the legal expenses were related to legal issues between the district and a former board attorney.

Recommendation

In accordance with N.J.A.C. 6A:23A, the district must follow certain procedures to lower its legal costs. The board should continue to utilize competitive bidding procedures to procure all future legal services. In addition, legal bills should be reviewed and allowable nonpublic legal expenses should be charged to the applicable special revenue fund grant accounts to alleviate the burden on the general fund.

Purchasing Procedures

Purchase orders should be issued and board approval should be obtained prior to the receipt of goods or rendering of services.

State regulations and district policy require a purchase order be issued prior to the receipt of goods or the services being rendered. We noted numerous instances where the district failed to meet this requirement. Purchase orders for 52 of 105 judgmentally selected expenditure transactions were not entered prior to the receipt of goods or services being rendered. Often, purchase orders were generated after an invoice was received from the vendor. We also noted 20 instances where services were rendered prior to board approval. This procurement practice results in the business office not having full knowledge of the obligations of the district which could potentially result in overspending the budget. It also resulted in expenditures not being recorded in the correct fiscal year. For example, the district entered into a $4.4 million contract with a vendor to provide IDEA services for nonpublic school students during the 2012-2013 school year. The district created 13 different purchase orders to pay this vendor for services specified in the contract. Each month, the district generated a new purchase order subsequent to receiving the vendor's invoices. In addition, a purchase order was issued to this vendor in the amount of $186,905 in fiscal year 2014 to pay for services rendered during fiscal year 2013.

Recommendation

The district should issue purchase orders and obtain board approval prior to goods or services being provided.

»»→←«

Lease Agreements

The district should discontinue rental payments for classroom space in nonpublic schools where Chapter 192 and Chapter 193 services are provided.

The district has entered into a facilities contract with one of the vendors that provides Chapter 192 and Chapter 193 services to students in the nonpublic schools. This agreement between the district and the vendor is for the use of vendor-owned modular and mobile classroom units that are located at the nonpublic schools, as well as classroom space within the nonpublic schools. The contract specifies that the district will provide the vendor with the funds necessary to pay the nonpublic schools for classroom space. The vendor is then required to pay the nonpublic schools within ten business days of receipt of these funds. During fiscal year 2013, the district paid a total of $292,500 to the vendor for the use of classroom space within the nonpublic schools. An additional $147,500 was paid to another vendor utilized by the district for the rental of nonpublic school classroom space.

The contract includes language that specifies, "the Board has provided documentation from an attorney for the New Jersey Department of Education that seems to allow a payment from a District vendor to a nonpublic school, so long as the statutory cost limitations are not exceeded." This documentation is a series of emails between a former board attorney and an employee of the Department of Education. However, a letter dated April 1, 2011 from the Department of Education to the former board attorney states that the cost of rent to provide Chapter 192 services in a nonpublic school during the school day is not an allowable cost. We found these nonpublic school rental payments have continued subsequent to the date of the letter.

Recommendation

The district should modify the facilities contracts and discontinue rental payments for nonpublic school classroom space where Chapter 192 and Chapter 193 services are provided.

»»➤««

Information Technology

The district should strengthen internal controls over information technology.

The district utilizes Systems 3000 Visual Fund Accounting, Visual Personnel, and Visual Payroll applications to maintain and process its financial information. A review of the controls in place over these applications noted weaknesses in the areas of system access and business continuity.

System Access

System access was not disabled upon employee separation. Prudent access control practices dictate that user accounts for separated individuals should be disabled or removed in a timely manner. Our review found eight payroll, seven personnel, and six fund accounting user accounts that were still enabled for separated employees. When we brought this issue to management's attention, system access was immediately disabled.

There were also instances where employee system access levels are not properly segregated. For example, payroll employees also have access to human resource functions. Access to incompatible functions enhances the risk of inappropriate transactions; however, our testing revealed no fraudulent transactions. In addition, ten employees had administrative roles of which seven had the ability to modify user authorities. These roles should be limited to a designated system administrator.

The district also does not utilize user access request forms when granting or modifying employee access to the systems. These request forms would provide supervisory authorization and would identify system access privileges based on employee job responsibilities. We also

found that the current system password requirements increase the risk of inappropriate access. System password settings should be modified to ensure passwords are required to be changed periodically and user names and passwords are not the same. In addition, failed login attempts should be limited.

Business Continuity

The district does not have a written disaster recovery plan. A comprehensive business continuity plan should address all potential disruptions to district operations. Industry best practices require periodic testing of the business continuity plan to ensure adequate controls are in place and functioning to minimize the loss of data if a disruption were to occur. System back-ups are stored on designated users' local machines and thumb drives that are kept at the same location. Back-ups are not sent to an off-site location.

Recommendation

We recommend the district delete or disable inactive user accounts upon employee separation, segregate duties for incompatible functions, limit administrative roles and designate a system administrator, develop access request forms, and modify system password settings. In addition, the district should develop a business continuity plan and procedures to store back-up data at an off-site location. The business continuity plan and back-up data should be periodically tested.

Special Education Tuition

Proper approval, tuition documentation, and attendance records should be obtained for students placed in unapproved nonpublic schools.

During fiscal years 2012 and 2013, the district paid tuition costs totaling $33 million for out-of-district placements. Tuition is typically paid to approved private schools to provide public school students with special education programs that the district could not otherwise provide. These schools and their tuition have been approved by the New Jersey Department of Education (NJDOE). Students with disabilities may also be placed in accredited nonpublic schools which are not specifically approved for the education of students with disabilities with the consent of the Commissioner of Education, by an order of a court of competent jurisdiction, or by order of an administrative law judge as a result of a due process hearing. We judgmentally selected 31 of the 324 students that were sent out-of-district during the 2012-2013 school year of which 16 were attending unapproved nonpublic schools. Issues noted during our review follow.

- We were not provided with any court orders or forms signed by the Commissioner of Education documenting the approval of the 16 unapproved nonpublic school placements. Nor were we provided with documentation substantiating the accreditation of the nonpublic schools where these students were placed.

- We were unable to determine how the tuition costs for these unapproved nonpublic schools were calculated. Tuition for these placements ranged from $9,800 to $55,000 per year and totaled $363,700.

- Eighteen placements had insufficient attendance documentation for the school year. Attendance should be submitted with monthly billings to provide assurance the student is attending school. Instances were noted where there were missing monthly attendance sheets or the attendance sheet was not clear on the days present or absent.

Recommendation

We recommend the district obtain the proper approval for students placed in unapproved nonpublic schools. The district should obtain documentation to substantiate the tuition for unapproved nonpublic schools. Attendance records should be obtained, reviewed, and maintained by district officials to ensure student attendance.

»»-«

Payroll and Personnel

Extra Compensation Monitoring

Extra compensation payments should be properly monitored.

Extra compensation is approved at board meetings for various reasons including substitute teacher wages, non-contractual stipends, extracurricular activities, overtime, home instruction, mentoring, and payments for unused sick time. Extra compensation totaled $4.8 million for calendar year 2012. We excluded certain extra compensation payments from this test including post-retirement accrued leave time payments as they were tested separately. Once approved for extra compensation and the work assignment is completed, the employee will fill out a payroll voucher and submit it to the payroll unit for payment. We judgmentally selected 39 employees with 236 extra compensation vouchers totaling $167,500 during calendar years 2011 and 2012 and identified the following issues.

- Ninety-one vouchers were improperly paid. These improper payments totaled $62,500 and were made to 15 of the 39 employees tested. For example, three employees received overtime payments totaling $53,000. According to their employee contracts, they were ineligible to receive overtime payments. They were classified as executive secretaries that are not eligible for overtime payments in accordance with federal and state wage and hour laws.

- Ninety-two vouchers lacked proper supporting documentation to substantiate the payment. We found one employee that was paid $15,000 out of the extra pay code instead of a salary code. This employee retired from the district and returned to work part-time in the business

office. Payroll vouchers were not completed to document the hours worked and there was no contract to substantiate the work arrangement. We also found the salary for this employee to be excessive when prorated and compared to their salary prior to retirement.

- One hundred twenty-seven of the vouchers reviewed were approved using signature stamps. Vouchers often lacked detailed information including the actual hours worked, and supervisory signatures and dates. We noted one voucher totaling $1,560 that was paid for overtime during calendar year 2011. This payment was approved using a superintendent's signature stamp and was not dated by the individual who stamped the document. There were no actual signatures documenting supervisory review. This voucher was submitted by the former payroll manager.

- Fifty-four vouchers were for services that lacked prior approval by the board of education.

- Thirty vouchers were paid more than 30 days after work was documented to be completed, increasing the risk of errors being undetected. Eight of these vouchers were paid more than 50 days after work was completed. There was no time limit set by management for the submission of vouchers.

During our audit, the extra compensation voucher was revised and requires more detailed information in order to be approved for payment. According to management, incomplete payroll vouchers will no longer be processed and voucher issues are immediately discussed with the employees and supervisors.

Recommendation

We recommend all payroll vouchers contain direct supervisory approval and prior approval from the board of education. The payroll unit should continue to verify that vouchers are submitted with proper supporting documentation including approvals and hours worked. The district should avoid the use of signature stamps.

Criminal History Background Checks

The district should ensure that each prospective employee completes the required criminal history background check process.

The district failed to ensure the proper background check process was completed for several employees. N.J.S.A. 18A:6-7.1 requires that all prospective employees of a school district, under the supervision of the New Jersey Department of Education (NJDOE), whose job duties include regular contact with pupils, must submit to a criminal history background check as a condition of employment. The district is responsible to ensure that each employee has completed the required process prior to employment.

We obtained from the NJDOE the list of individuals cleared to work for the Lakewood School District. This list was matched to individuals on the district's April 2013 position control roster and substitutes paid by the district during calendar year 2012. We found the district failed to ensure the proper background check process was completed for 97 employees, which included administrators, teachers, and substitutes. Many of these individuals may have been cleared by another employing district. However, if an arrest for a subsequent disqualifying offense occurred, the district would not have been notified. As a result of our review, the district has completed the process to qualify 77 of the individuals for employment. The district took no action on the 13 individuals who are no longer employed and seven individuals who were substitute teachers. The district has contracted with a vendor to supply substitutes when needed, and this vendor would be responsible for the completion of proper background checks. We verified with the NJDOE Criminal History Review Unit that these individuals did not commit a disqualifying offense.

Recommendation

We recommend the district ensure that each potential employee complete the required criminal history background check process prior to employment.

Final Leave Balance Payments

Final leave balances should be verified prior to payment.

Improper leave balance payments were made by the district. We judgmentally selected a sample of unused sick and unused personal leave balance payments made to 22 retiring individuals in calendar years 2011 and 2012 to determine if these payments are being made in accordance with the negotiated agreements and employee contracts. In addition, we selected five individuals that were included on the March 2013 and July 2013 board minutes to be approved for payment, to verify the accuracy of the payment calculations. Payments and anticipated payments for these employees totaled $640,000. This sample included employees covered under the Lakewood Education Association (LEA) and Lakewood Administrators' Association (LAA) agreements, and non-union employees. Leave balance testing was comprised of a review of leave records maintained in employee personnel files. These documents consisted of old manual leave records and computer-generated reports. Our testing noted the following.

- Payments were improperly calculated and paid to 17 retirees. Leave records could not be located for three individuals. Underpayments totaled $12,100 while overpayments totaled $44,800. In addition, calculation errors totaling $14,300 were noted for three of the five individuals included on the March 2013 and July 2013 board minutes. Payments to four individuals were not made in accordance with the LEA agreement, LAA agreement, or non-union employee contracts. For example, one individual was paid for 50 percent of their leave time balance when they were only eligible for 40 percent resulting in an overpayment of $9,800. Another employee submitted a voucher for payment which was board-approved at the 50 percent rate when they were only entitled to 40 percent, resulting in a potential

overpayment of $12,700. We brought this to management's attention and the amount had been corrected prior to payment.

- All 25 payment vouchers tested were missing signatures and dates required for approval and completion. Many of these vouchers were approved using a superintendent's signature stamp and were not dated by the individual who stamped the document. In these instances, there were no actual signatures documenting supervisory review.

- Nine employees utilized more personal days than allowed in one year. Employees receive four or five personal days each year depending on their job title and date of hire. Personal days accrue for retirement purposes only. These additional days were not deducted from the accrued personal leave balances.

Many of these leave balance errors were caused by human error on old manual leave records and balances that were not carried over correctly when the district migrated to different financial systems. Payments for unused sick and unused personal leave are now capped at $15,000 for LAA employees hired after June 2009. Payments for LAA employees hired prior to July 1, 2009 are capped at their value as of June 30, 2013, or $15,000, whichever is greater. No additional accumulated time will be paid; however, days will continue to accumulate for use. This stipulation may limit the risk of future overpayments.

Recommendation

We recommend the district review and verify the final leave balances when an employee is retiring to ensure accurate payment calculations. All calculations should be checked for mathematical accuracy. Payments should be made in accordance with the district's negotiated agreements or employee contracts.

Salary Allocations

Employee salaries should be charged to the proper grant accounts.

The district receives state and federal grant awards from which they are allowed to utilize a percentage of the funds for administration. Grant activity is accounted for in the district's special revenue fund. We judgmentally selected nine employees paid $245,000 during calendar year 2013, whose primary job responsibility was the administration of state and/or federal grants, to determine salaries were properly charged to the applicable grant accounts. We found that salary expenses totaling $66,000 for six of these employees were not charged to the proper accounts. In all but one case, the district's general fund salary account was charged for these expenses. The district should use all administrative funds available and properly allocate grant employees' salaries to the proper accounts.

Recommendation

The district should charge employee salaries to the proper grant accounts when allowable.

Employee Contracts and Salary Increases

The district should generate contracts for all employees and carefully consider significant salary increases.

Several non-teaching employees did not have current contracts on file. We found eight employees that did not have a contract for the 2011-2012 or 2012-2013 school years. These employees included the payroll manager and executive secretaries. Based on our discussions with management, many of the business office employees do not have current contracts. Employee contracts should be generated each year for all employees in order to document what compensation and benefits an employee may receive. The district is in the process of generating contracts for these employees.

In addition, several non-union employees received large salary increases between fiscal years 2008 and 2013. These employees were all executive secretaries with the exception of the payroll manager. The salary and title for one of these executive secretaries was changed to Grants Coordinator in December 2012. The chart below illustrates that annual increases for these employees were as much as 38 percent. In contrast, the largest step-to-step increase for 12-month administrative secretaries covered under the Lakewood Education Association (LEA) negotiated agreement was seven percent during the same time period. Two of the employees included in the chart below did not have current contracts on file.

	Annual Salary					
Title	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Grants Coordinator	$95,000	$69,000	$60,000	$60,000	$45,887	$44,100
Executive Secretary	$60,000	$60,000	$49,682	$49,682	$44,069	$42,297
Payroll Manager	$75,000	$61,000	$61,000	$61,000	$59,000	$46,455
Executive Secretary	$60,000	$60,000	$60,000	$60,000	$44,037	$42,338
Executive Secretary	$72,000	$60,000	$60,000	$60,000	$44,413	$42,696
Executive Secretary	$61,500	$60,000	$60,000	$60,000	$47,505	$45,642

Recommendation

The district should generate contracts for all employees to specifically outline benefits each employee is entitled to receive and justify extraordinary salary increases.

Leaves of Absence

Leaves of Absence should be properly tracked and monitored.

Employee health benefits coverage will typically continue for the first three months of leave; however, the employee is responsible for paying their required health benefit contributions. Coverage may continue for an additional nine months provided the employee pays the full cost of health benefits. We judgmentally selected a sample of 20 employees that took a leave of absence in calendar years 2011, 2012, or 2013 to determine if the leave was proper and that required health benefit contributions were received. Our review revealed 12 employees that were not paying required health benefit contributions or the full cost of the premium depending on the length of leave. We estimate that these unpaid contributions totaled $95,400 for these employees. In addition, health benefits coverage continued for some individuals after it should have been discontinued. Testing was not performed on three individuals whose personnel files could not be located by the district. The district is also not tracking leave classifications taken by employees which could result in employees not being eligible for subsequent leave periods. The district is currently developing a methodology to track leave classifications and required contributions for future leaves of absence.

Recommendation

We recommend better communication and coordination between the health benefits and human resources units. The district should ensure that all leaves of absence are properly tracked and required health benefit contributions are received from the employees timely.

Observations

Transportation

Cost savings may be achieved if transportation initiatives that were proposed to the board of education are implemented.

In accordance with New Jersey Administrative Code, the district provides transportation to public and nonpublic school students who reside beyond two and one-half miles from their assigned high school (grades 9 through 12) and beyond two miles from their assigned elementary school (grades preschool through 8). The district, at their own expense, has also elected to provide non-mandated (courtesy) busing to public and nonpublic school students who would otherwise walk along the numerous hazardous routes identified in the township. During the 2012-2013 school year, 24,061 students were transported, of which 10,495 were provided courtesy busing. Because of significant student population growth within the municipality, transportation costs had increased to $19.6 million for the 2012-2013 school year. In an effort to provide an efficient student transportation system, initiatives have been proposed to the board at

various monthly meetings that would result in significant savings to the district. A tiered busing system has been developed and implemented for students attending the public schools. The following nonpublic school initiatives have not been adopted.

- The majority of the nonpublic school bus routes in the district are segregated by gender. Since most of these schools have a 9:00 a.m. start time, the demand causes increased pricing by the vendors. Separately tiering the bell times for the girls and boys nonpublic schools could save the district up to $6.7 million. For example, starting school at 8:30 a.m. for girls and 9:15 a.m. for boys would enable the busing contractors to bid on tiered routes which would reduce the overall number of buses needed and create more competitive route pricing.

- Currently, there are separate buses for each nonpublic school. Savings of approximately $750,000 could be achieved if routes were developed by school locations, not specific schools. This would result in shorter bus routes and fewer buses.

- Currently, nonpublic schools could have two starting times and as many as five ending times which creates inefficiencies and the need for one-way routes. Providing transportation to nonpublic schools based on a single opening and closing bell schedule for each school building could save the district up to $1.2 million. This initiative has been presented to the board's transportation committee.

It should be noted that tiering the bus routes could reduce the savings of other proposed initiatives.

IDEA Program

The district should determine if other approved IDEA programs or services could potentially benefit a greater population of nonpublic school students with disabilities.

The Individuals with Disabilities Education Act (IDEA) is a federal law ensuring special education services to children with disabilities. IDEA governs how states and public agencies provide early intervention, special education, and related services to eligible infants, toddlers, children, and youth with disabilities. The district is allocated grant funds for both public and nonpublic school students. The district receives the most nonpublic IDEA Basic funding in the state. During the 2011-2012 grant year, the district received $4 million, approximately 18 percent of the total nonpublic IDEA Basic funding in the state. In comparison, the second highest district received $700,000. The district has developed two main programs to service the student population. We noted certain inefficiencies in our IDEA finding included in this report for one of these programs that provides instruction for students with disabilities at a cost of $60,000 per class. According to Lakewood's IDEA application for the 2011-2012 grant year, there were 3,547 eligible parentally placed private school students with disabilities, of which only 426 (12 percent) would receive services through IDEA Basic funds. Because of this, we compared the 2011-2012 IDEA applications for the top six districts that receive nonpublic

IDEA Basic funding and calculated per student amounts and percentages. These districts are summarized in the chart below.

	Lakewood	Passaic City	Jersey City	Elizabeth	Paramus	Hamilton
Eligible Students with Disabilities	3,547	461	249	298	406	341
Proportionate Share	$3,984,679	$ 793,446	$ 780,493	$ 669,559	$ 505,822	$ 454,314
Students Who Will Receive Services	426	461	249	298	406	286
Amount Per Eligible Student	$ 1,123	$ 1,721	$ 3,135	$ 2,247	$ 1,246	$ 1,332
Amount Per Student Served	$ 9,354	$ 1,721	$ 3,135	$ 2,247	$ 1,246	$ 1,589
Percentage of Students Served	12%	100%	100%	100%	100%	84%

The district should determine if the continuation of the programs are the most effective use of these funds. Providing other IDEA approved programs or services could potentially benefit a greater population of nonpublic school students with disabilities.

LAURA A. WINTERS
Superintendent of Schools

THOMAS A. D'AMBOLA
Business Administrator/
Board Secretary

LAKEWOOD BOARD OF EDUCATION

BOARD OF EDUCATION
PRESIDENT
ISAAC ZLATKIN

VICE PRESIDENT
TRACEY TIFT

BOARD ATTORNEY
SCHENCK, PRICE,
SMITH, KING, LLP

BOARD MEMBERS
YISRAEL FRIEDMAN
ALEX JANKLOWICZ
LEE MUND
CHAIM ROSENBLATT
JOEL SCHWARTZ
JONATHAN SILVER

August 20, 2014

New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor
125 South Warren Street
Trenton, New Jersey 08625-0067

Dear Mr. Pica,

Please find attached in your Legislative Report, comments from the Lakewood School District.

If you have any questions, please feel free to contact me at 732-905-3633.

Thank you in advance.

Respectfully,

Laura A. Winters

Laura A. Winters
Superintendent of Schools

200 RAMSEY AVENUE, LAKEWOOD, NJ 08701-2895 • (732) 364-2400 • FAX (732) 905-3687
BUSINESS OFFICE FAX (732) 364-2955 • HUMAN RESOURCES FAX (732) 905-0009
BOARD OFFICE FAX (732) 364-1657

New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor

Township of Lakewood School District

July 1, 2011 to December 31, 2013

Stephen M. Eells
State Auditor

Confidential Draft August 1, 2014

Table of Contents

Scope 1

Objectives 1

Methodology 1

Conclusions 2

Findings and Recommendations

- Projected Deficit 3
- State and Federal Grant Programs 4
- Legal Costs 13
- Purchasing Procedures 14
- Lease Agreements 14
- Information Technology 15
- Special Education Tuition 16
- Payroll and Personnel 17

Observations

- Transportation 22
- IDEA Program 23

Auditee Response .....

Scope

We have completed an audit of the Township of Lakewood School District for the period July 1, 2011 to December 31, 2013. We focused primarily on the purchasing and payroll functions of the district. We also reviewed the Chapter 192, Chapter 193, Title I, and Individuals with Disabilities Education Act (IDEA) programs administered by the district. Our audit included financial activities accounted for in the district's general fund and special revenue fund. The general fund is the district's primary operating fund and the special revenue fund accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes.

Total expenditures were $142.4 million and $156.4 million in fiscal years 2012 and 2013, respectively. The state and federal government fund approximately 49 percent of district expenditures. The district provides regular, special education, and vocational services to approximately 5,200 pre-kindergarten through twelfth-grade students in its public schools. In addition, as of March 2013, the Township of Lakewood had 77 registered nonpublic schools with approximately 21,500 students. On April 25, 2014, the Commissioner of Education appointed a state monitor for oversight of district fiscal operations.

Objectives

The objectives of our audit were to determine whether financial transactions were related to the school district's programs, were reasonable, and were recorded properly in the accounting systems. In addition, since during our fieldwork a general fund deficit was projected for the fiscal year ending June 30, 2014, an objective was to determine the primary factors that contributed to the deficit. We also tested for resolution of the significant conditions noted in our prior report.

This audit was conducted pursuant to the State Auditor's responsibilities as set forth in Article VII, Section I, Paragraph 6 of the State Constitution and Title 52 of the New Jersey Statutes.

Methodology

Our audit was conducted in accordance with *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In preparation for our testing, we studied legislation, the administrative code, federal regulations, and policies of the school district. Provisions we considered significant were documented and compliance with those requirements was verified by interview, observation, and through our testing of financial transactions. We also read school district budgets and board minutes, reviewed financial trends, and interviewed school district personnel to obtain an

understanding of the programs and the internal controls. In addition, we reviewed annual audit reports issued by public school accountants.

A nonstatistical sampling approach was used. Our samples of financial transactions were designed to provide conclusions about the validity of transactions, as well as internal control and compliance attributes. Sample populations were sorted and transactions were judgmentally selected for testing.

To ascertain the status of findings included in our prior report, we identified corrective action, if any, taken by the school district and walked through the system to determine if the corrective action was effective.

*Conclusions**

We found that financial transactions included in our testing were related to the school district's programs; however, they were not always reasonable or properly recorded in the accounting systems. We found a lack of continuity in leadership in key administrative positions which interfered with the ability to establish and enforce internal controls. We found differences between board approval and expenditures recorded in the accounting system, state and federal grant programs lacking internal controls and proper oversight, numerous weaknesses related to the payroll and personnel functions, and other issues requiring corrective action. We also identified factors contributing to the projected general fund deficit as of June 30, 2014. The district has not fully resolved the significant issuer noted in our prior report regarding segregation of duties, extra compensation monitoring, and employee contracts. These issues have been updated in our current report.

We observed that transportation costs of the district could be reduced with the implementation of certain initiatives. We also observed that other approved nonpublic school IDEA programs or services could potentially benefit a greater population of nonpublic school students with disabilities.

We have referred certain issues to the Division of Criminal Justice.

Projected Deficit

Long-term goals should be developed to address the costs associated with the rapid growth in the district.

The district's independent financial statement auditors have completed and issued a report dated January 15, 2014 that identifies a projected budgetary general fund deficit of $5 million as of June 30, 2014. Increases in student transportation costs for public and nonpublic school students and special education tuition account for $2.6 million of this projected deficit.

Control Environment

The district has not been able to maintain continuity in leadership. Since September 2008, the superintendent position has been held by three individuals. The business administrator changed eight times since February 2008 and the assistant business administrator changed four times during the period December 2012 through December 2013. The lack of stability in key administrative positions has inhibited the development of long-term goals and has interfered with the ability to establish and enforce internal controls to ensure district resources are expended in an efficient and effective manner.

Growing Population

The population growth in Lakewood is significant. Our review of the district's student enrollment data captured in the Title I application on the state's Electronic Web-Enabled Grant (EWEG) system noted nonpublic school growth averaged 1,600 students per year, while public school growth averaged just two students per year. General fund revenue generated from the local property tax levy increased an average of just 0.38 percent per year between fiscal years 2009 and 2013. However, the levy increased nine percent to $77.1 million in fiscal year 2014.

Enrollment Date	10/15/2008	10/15/2009	10/15/2010	10/15/2011	10/15/2012
School Year	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Public School Enrollment*	4,901	4,906	4,701	4,810	4,907
Nonpublic School Enrollment*	14,558	16,061	17,636	19,028	20,902
Total	19,459	20,967	22,337	23,838	25,809

These totals account for the schools that participate in the Title I program only.

Property Tax Levy	2009	2010	2011	2012	2013
General Fund (GF)	$ 69,597,133	$71,593,625	$71,593,625	$ 70,238,004	$ 70.630,210
Debt Service Fund	$ 1,250,715	$ 1,242,075	$ 1,952,532	$ 867,074	$ 1,615,847
Total	$ 70,847,848	$ 72,835,700	$73,546,157	$71,105,078	$ 72,246.057

Expenditures (GF) $110,945,375	$101,352,919	$102,016,235	$99,942,404	$103,118,495	
Percentage (GF)	68.67%	70.18%	71.63%	68.11%	63.66%

In addition to the factors noted above, other issues noted throughout this report also contribute to the projected general fund deficit, specifically legal costs, purchasing procedures, special education tuition, extra compensation, final leave balance payments, salary allocations, leaves of absence, and salary increases. Additional general fund savings may be achieved if transportation initiatives that were proposed to the board of education are implemented and general fund IDEA appropriations for nonpublic schools are reduced.

Recommendation

We recommend the district, in coordination with state and local officials, develop long-term goals that will address the costs associated with the rapid growth in the district. In addition, the district should make efforts to maintain continuity in leadership.

Lakewood School District Response

The Lakewood School District Administration is currently working with a state appointed monitor on creating long term goals that will address the costs associated with the rapid growth in the district. In 2012, maintaining continuity in district leadership was a Board of Education priority, as the Superintendent received a 5 year contract.

nnw \%k

State and Federal Grant Programs

The district should improve monitoring of state and federal grant programs.

Title I Program

The purpose of Title I is to ensure that all children have a fair, equal, and significant opportunity to obtain a high-quality education and reach, at a minimum, proficiency on state academic achievement standards and state academic assessments. This is to be accomplished through instruction, professional development, and parental involvement. The district is responsible for the administration of this federal program and the internal controls governing the proper distribution of its funds. Funding is allocated between public and nonpublic schools based on total enrollment and the number of low-income students. The district was awarded $8.7 million, $15.4 million, and $14.5 million in Title I, Part A funds for grant years 2011-2012, 2012-2013, and 2013-2014, respectively.

Reconciliation Procedures

The New Jersey Department of Education (NJDOE) requires the district to complete a final expenditure report annually in the state's Electronic Web-Enabled Grant (EWEG) system. This report designates both public and nonpublic grant expenditures for the award period. If expenditures are less than the award amount, carryover is generated and allocated to the subsequent year grant award amount. The district has designated specific account codes to track spending of the current year award, as well as carryover funds from the prior year spent in the current year. We were unable to reconcile the 2012-2013 EWEG final expenditure report to the district's financial system. The district only included expenditures from the accounts for the 2012-2013 award amount, and did not include expenditure activity in the carryover accounts DOE0860

during this period. This resulted in an under-reporting of expenditures and an inflated amount of carryover funds to the 2013-2014 grant year. We were also unable to reconcile the district's financial system to carryover amounts reported in the final expenditure reports filed in the EWEG system for the 2011-2012 and 2012-2013 grant years. For example, the EWEG report indicated that no funds were carried over to the 2011-2012 grant year, but $730,000 was spent out of the district's 2011-2012 carryover accounts according to the district's financial system. Failure to reconcile financial activity recorded in the district's financial system and accurately complete the final expenditure report results in improper allocations of Title I funds to subsequent grant years. It also increases the risk of funds reverting to the federal government because carryovers may not be liquidated within federally required timeframes.

Title I Waiver

At the conclusion of the 2011-2012 school year, the district was granted a waiver by the NJDOE to utilize unspent Title I, Part A funds totaling $430,000 for other uses. These funds were originally designated for the public school Supplemental Educational Services (SES) program. The waiver specified that these funds would be reallocated between the public and nonpublic schools based on the proportionate number of students. This resulted in $316,000 of additional funding to be used for nonpublic school services. The district used this funding and issued a Request for Proposal (RFP) to obtain speech, language arts literacy, math, counseling, and applied behavior analysis consultants to provide these additional services in the nonpublic schools. According to the RFP, "The consultant may work up to 12 hours per week as needed." Our review disclosed that one consultant worked full-time at an hourly rate of $90 and was paid $125,000 with Title I funds for the 2012-2013 school year. We visited the nonpublic school where this consultant was to be providing services and the individual was introduced to us as the school principal, a position that cannot be paid with Title I funds. This visit was made during the time of day the district was being billed for the consulting services.

Supporting Documentation

Title I, Part A expenditures are being paid with minimal supporting documentation. We judgmentally selected 43 of 1,896 transactions occurring during fiscal years 2012 and 2013 and found 33 did not have adequate supporting documentation, including the following.

- One individual was paid $55,000 during the 2012-2013 school year as a professional development/parental involvement consultant for a nonpublic school. A district form was completed indicating that this individual would oversee Title I services and assess performance and the need for adjustments. According to the form, these services would be provided between 9:00 a.m. and 4:00 p.m. daily for the entire school year. We found no timesheets or activity logs to determine if services were provided. Furthermore, Title I guidance defines the term "professional development" as a comprehensive, sustained, and intensive approach to improve teachers' and principals' effectiveness in raising student achievement. Based on the documentation provided, this individual appeared to be serving in an administrative capacity, not providing professional development.

- In June 2011, the board approved a vendor to perform an evaluation of nonpublic Title I and Individuals with Disabilities Education Act (IDEA) services during the 2010-2011 school year. According to the board minutes, the cost of this analysis would be paid by the vendors contracted to provide Title I and IDEA services in the nonpublic schools. The district paid the vendor $21,500 on October 28, 2011. According to management, credits were issued on subsequent vendor invoices to reimburse the district for the cost of the analysis; however, we were not provided with documentation to verify these credits were issued.

- The district utilized a law firm based out of Washington, DC during the 2011-2012 school year to provide legal research and opinions on various Title I issues. Services were billed at an hourly rate of $305 and the firm was paid $46,600 during the 2011-2012 school year. We tested one $13,000 payment made in December 2011 and found inadequate supporting documentation. Included on the invoice was $1,700 for airfare for an attorney to make an onsite visit to Lakewood, as well as billable hours for various research and analysis performed by the attorneys. We were not provided with documentation regarding the conclusions drawn from the research and analysis, and there was no documentation to support the cost of attorney travel expenses. In addition, we were unable to substantiate the need for the onsite visit.

- In June 2012, the district hired two consultants, one in the area of community needs and advocacy, and the other in the area of special student services and funded programs. These consultants were paid a total of $22,900 for their services at hourly rates of $100 and $175, respectively. Supporting documentation for these services consisted of invoices referencing discussions between each other and the board attorney. The invoices also referenced a presentation at a district meeting and a report of recommendations. We were not provided with an outline of the presentation or the report of recommendations. In addition, it appears that some of the consulting involved IDEA services, yet all invoices were paid with general fund or Title I funds.

- The district paid a vendor $104,000 for a professional development conference in February 2012 which teachers from various nonpublic schools were to attend. This conference is one of a series of seminars provided by this vendor annually. We sampled two conference fee payments to this vendor totaling $20,450 for 45 individuals from two nonpublic schools. We were provided minimal documentation of what was covered at the conference and there were no sign-in sheets documenting which teachers actually attended. We were also unable to determine if all attendees were teachers of Title I students. This vendor was paid a total of $507,000 during fiscal years 2012 and 2013.

- The district paid an individual $2,500 for providing professional development at a nonpublic school. Supporting documentation for this payment was a memo indicating that five teachers would attend a three-day multisensory reading course in July and August 2011. We were not provided with course agendas and materials to document professional development content or a sign-in sheet to document teacher attendance. We were also unable to determine if the five individuals were teachers of Title I students.

Recommendation

The district should ensure that Title I, Part A expenditures recorded in the district's financial system reconcile to the Title I expenditures recorded in EWEG expenditure reports. Expenditures from the carryover accounts should be included in the EWEG final expenditure report. Carryover spending should be properly tracked and accounted for in the district's financial system. Title I expenditures should not be paid without adequate supporting documentation and all payments should be made in accordance with Title I regulations and any applicable RFPs. Although the Title I regulations do not require specific trainer qualifications, we feel the district should make an effort to ensure professional development is benefiting the intended audiences by obtaining course materials. Sign-in sheets should also be obtained to verify attendance.

Lakewood School District Response

Title 1 expenditures are only paid after supporting documentation has been received by the district and verified by the Supervisor of Title 1, Grant Office Certified Public Account and Purchasing Agent.

Expenditures from carryover accounts are included in the final expenditure report.

IDEA Program

The Individuals with Disabilities Education Act (IDEA) is a federal law ensuring special education services to children with disabilities. IDEA governs how states and public agencies provide early intervention, special education, and related services to eligible infants, toddlers, children, and youth with disabilities. The district is allocated grant funds for both public and nonpublic school students. The nonpublic school allocation is a proportionate share based on the number of students with disabilities parentally placed in nonpublic schools. The total IDEA award amount for the 2012-2013 grant year was $6 million, of which $4.8 million was allocated for nonpublic school students. The majority of the public school IDEA allocation is utilized to offset out-of-district special education tuition expenses. Using the nonpublic school IDEA allocation, the district has developed two major programs to service eligible students. The first program, the Non-Public Supplemental Services Program (NPSSP), provides early childhood education to children with disabilities. This program was provided by a contract vendor at a cost of $1.7 million and is comprised of nine pre-school and three kindergarten classes. The second program, the Supplemental Resource Center Program (SRCP), provides math, reading, and writing in a small classroom setting for students with disabilities. This program was provided by two contract vendors at a cost of $3.1 million and is comprised of 42 classes. Our review of these programs revealed the following.

Budget and Board Approval

Although the nonpublic school IDEA allocation was $4,809,682 for the 2012-2013 grant year, the district entered into contracts totaling $4,834,700 with third-party vendors to provide services to the nonpublic schools, which was $25,000 over the amount allocated for nonpublic use. We also noted other IDEA expenditures that were paid out of the general fund and would have further added to the program funding deficit. The following excerpts from the 2012 board minutes indicate that items will be paid with IDEA funds, yet they were paid from the general

fund.

August 30, 2012 Minutes - "Approval of Lease Agreement with Bais Rivka Rochel in the amount of $167,000.00 for the property located at 685 River Avenue, Lakewood, NJ to be utilized for the Non-Public Supplemental Services Program for the 2012-2013 school year. Rent to be paid monthly beginning September 1, 2012 and ending June 30, 2013 in the amount of $16,700.00 per month. (Paid through IDIEA [sic] funds)."

- December 6, 2012 Minutes - "Approve a maximum amount $375,000.00 for Tender Touch, occupation therapy, for non-public schools (paid through IDEA funds)."

According to IDEA guidelines, state and local funds may supplement and in no case supplant the proportionate amount of federal funds required to be expended for private school children with disabilities. According to management, the board has designated certain local funds for this purpose; however, the board minutes do not specify that these are supplemental funds or list the general fund account number which may not be transparent to the public. The total additional general fund amount spent for nonpublic school IDEA expenditures during the 2012-2013 school year was at least $1 million. In addition to the NPSSP rent and Tender Touch contract, the district paid salary and benefit costs for five district employees whose schedules were allocated between public and nonpublic school students, as well as the stipend for the IDEA coordinator. As of September 2013, the district no longer utilizes public school employees to service nonpublic school students.

Supplemental Resource Center Program (SRCP) Class Size

The district is not maximizing SRCP class sizes. During the 2012-2013 school year, the district contracted with two vendors to provide SRCP classes at the nonpublic schools. The vendors are paid $60,000 per class plus the additional costs of instructional assistants. Pursuant to the contract, SRCP class locations will maintain an average enrollment of at least eight students. The contract specifies that locations that fail to maintain these minimum student averages could result in cancellation by the board. We reviewed student enrollment during January 2013 through March 2013 for 15 schools with 37 SRCP classes and found that, on average, seven schools did not maintain the minimum student enrollment. The contract also requires the vendor to provide written notification if enrollment in any class drops below eight or an average of eight students at any time after December 1st. We asked for such notices and none were provided. We estimate the district could have saved $165,000 during our three-month review period if classes with enrollment of less than eight students were canceled. Based on our analysis, four classes could have been merged into another class, and four classes could have been canceled.

Supplemental Resource Center Program (SRCP) Class Scheduling

Our review of the class schedules for the SRCP program found one instance where the same teacher was assigned to two classrooms scheduled to meet at the same time. The contract requires that each class will receive instruction from at least one certified special education teacher. According to management, the vendor utilized paraprofessionals as teachers in the two

classrooms while the certified teacher was supervising. The same individual was also listed as the supervisor of classes at other nonpublic schools. The district discussed this issue with the vendor and a credit of $60,000 was issued.

Services Plans

Chapter 193 evaluation procedures are provided for the purpose of determining eligibility for special education and related services, and for developing a services plan outlining the services that will be provided. According to IDEA guidelines, services plans are required only for those parentally placed private school students with disabilities whom the local education agency (LEA) has elected to serve and should reflect only the services that the LEA has determined it will provide to the student. Any additional accommodations being provided by the private school should not be part of the services plan. The services plan must be developed, reviewed, and revised consistent with the individualized education program (IEP) requirements. We judgmentally selected 48 students out of 274 students enrolled in the SRCP program that had services plans posted on the district's file management system to determine if Chapter 193 and IDEA services were being provided in accordance with the services plans. We compared the May 2013 vendor billing records for IDEA, Chapter 192, and Chapter 193 services to the services plans and noted the following.

- Forty-five of forty-eight student services plans required a different SRCP frequency or duration than the service provided. Forty-one of these students received other services during the SRCP class time.

- Seventeen of forty-eight student services plans required a different supplemental instruction frequency or duration than the service provided.

- Twenty of thirty-eight student services plans required a different speech frequency or duration than the service provided.

SRCP classes are designed to provide math, reading, and writing in a small classroom setting for students with disabilities and were paid at a flat rate of $60,000 per class. The same vendor is also providing and billing for Chapter 192 math and reading services during these SRCP classes. This appears to be a duplication of services. In addition, we found instances where supplemental instruction and speech therapy was provided by this vendor during the SRCP scheduled class time.

Non-Public Supplemental Services Program (NPSSP) Lease

The district is paying expenses that are outside the scope of a lease agreement. Classroom space is leased by the district during the 10-month period from September through June for the nonpublic early childhood program. The agreement was initiated in June 2005 and the terms and conditions between the parties remain unchanged. According to the agreement, the district is required to pay utility expenses during the lease period. Our testing revealed that the district

has been paying half of the electric bills for July and August which fall outside the lease period. The district paid $3,700 for usage during July and August of 2012.

Recommendation

We recommend the district implement the following.

- Accurately note on board agendas and minutes which funds are utilized for IDEA programs.
- Determine if the district can continue to fund IDEA nonpublic expenditures with the use of local funds. This is especially critical given the current fiscal state of the district.
- Maximize SRCP class sizes by merging or canceling underutilized classes and ensure all classes are staffed with an appropriately certified teacher.
- Provide services to the students in accordance with their services plans.
- Disallow Chapter 192 and Chapter 193 services during the SRCP class time. If a student qualifies for these additional services, they should be provided before, or after, the SRCP class.
- Do not make payments for costs outside the scope of the NPSSP lease agreement and consider updating the agreement.

Lakewood School District Response

The Lakewood School District no longer utilizes IDEA funds for the use of SRCP classes.

All expenditures for the Lakewood School District are accurately noted on all board agendas and minutes.

The Business Administrator is making every attempt to update the lease agreement for the NPSSP program. The specifications for services for the 2015-2016 school year will include all expenses.

Chapter 192 and Chapter 193 Programs

The district is responsible for the administration of the state-funded Chapter 192 and Chapter 193 programs. These programs provide services to eligible students enrolled full-time in nonpublic elementary and secondary schools in the state. Chapter 192 provides students with auxiliary services such as compensatory education, English as a second language, and home instruction. Chapter 193 provides students with remedial services such as evaluation and determination of eligibility for special education and related services, supplementary instruction, and speech-language services. The district contracts with vendors to provide Chapter 192 and Chapter 193 services at the nonpublic schools. Payments to these vendors are made based on state-approved annual per pupil rates. The district spent a total of $13.9 million and $14.8 million of Chapter 192 and Chapter 193 funding during fiscal years 2012 and 2013, respectively. Regulations permit the district to utilize up to six percent of these funds for the

administration of the program. Pursuant to the uniform chart of accounts, the district maintains several accounts in recording the activity of Chapter 192 and Chapter 193 services. Our review of these programs noted the following.

Compensatory Education

Compensatory education services are available to eligible students in language arts literacy (reading and/or writing) and mathematics. The district contracted with vendors to provide these services to eligible nonpublic school students. In addition to these contract vendors, we found 13 consultants paid from the account dedicated for compensatory education that did not provide compensatory education. Payments to these consultants totaled $325,000 and $201,000 during fiscal years 2012 and 2013, respectively. We judgmentally selected 12 payments to 10 of these consultants who were paid at an hourly rate with no evidence of a competitive procurement process or cap on total compensation. Examples of their job titles included Educational Consultant and Behavioral/Social Skills Consultant, which appeared to be unrelated to compensatory education. Supporting documentation provided for these services was inadequate and vague. Payments were made to some of these consultants for meetings with students, parents, and principals at certain nonpublic schools; however, none of them appeared to be providing language arts literacy or mathematics instruction.

Speech-Language

Eligible students receive speech-language services by an appropriately certified specialist that include language, articulation, voice, and fluency. In addition to the Chapter 192 and Chapter 193 contract vendors, the district paid five vendors to provide speech services at an hourly rate that exceeded the state-approved rate. These vendors were paid a total of $63,000 and $91,000 during fiscal years 2012 and 2013, respectively. We judgmentally selected three payments to three of these hourly vendors, which were comprised of speech services totaling $10,300, and found that they were overpaid by more than $7,200 since these vendors were not paid based on the state-approved rate.

Home Instruction

Home instruction is provided to eligible students who are enrolled full-time in a nonpublic school and are unable to attend school for at least ten consecutive school days or 15 cumulative school days during the year due to certain health conditions. The district paid a total of $190,000 for fiscal year 2012 and 2013 home instruction services, of which $170,000 was paid to a contract vendor. Payments totaling $20,000 were made to three other individuals at an hourly rate that exceeded the state-approved rate. In addition, subsequent to December 2012, one of these individuals provided home instruction at the same time that they were scheduled to provide other Chapter 192 services as an employee of one of the contract vendors. Home instruction forms were completed and signed by the student's guardian for a timeframe that overlapped the timeframe that this individual was signed in as a teacher at a Chapter 192 class. This individual was paid $8,640 for home instruction between January 2013 and June 2013.

School Visits

In May 2013, we judgmentally selected five nonpublic schools to visit and obtain an understanding of Chapter 192 and Chapter 193, IDEA, and Title I services being provided. Subsequent to our visits, we revisited one of these nonpublic schools to observe Chapter 192 and Chapter 193 services being administered to determine if services were being provided as scheduled. We visited SRCP, Chapter 192 math, and Chapter 192 reading classrooms. Students appeared to be receiving services in each of these classrooms. However, we did not determine if the students were the same students that were noted on the vendor's schedules. In one instance, we asked to observe a specific speech class. When we arrived, there was a teacher but the scheduled students were not present. The administrator tried to locate the students while we visited another class. Upon returning to the speech class, two students were present but they were not the students scheduled for that time slot on the vendor's schedule. These students were scheduled for later in the day. After leaving to visit another class, the two students from the speech class passed us in the hall to return to their actual scheduled class at that time.

We attempted to schedule a visit to one of the other nonpublic schools we initially visited to observe Chapter 192 and Chapter 193 services being administered, but there was a misunderstanding regarding the confirmation of our visit. After speaking with the school principal, we were told that visiting the school an hour later than we were scheduled would not be beneficial, as all services were ending and no classes were being held. Upon review of the vendor's class schedules, there should have been 34 classes in session at the time we would have made the visit. Furthermore, the attendance records showed that several students were marked present in these classes at the time of the proposed visit.

Subsequent to our visits, using allowable Chapter 192 and Chapter 193 administrative funding, the district hired three individuals to aid in the administration of the program and to monitor services being provided in the nonpublic schools. According to management, these individuals make visits to the nonpublic schools and determine if services are being provided to the students as scheduled.

Recommendation

We recommend the district implement the following.

- Discontinue the practice of paying consultants that are not providing compensatory education services with Chapter 192 funds.
- Pay vendors providing Chapter 192 and Chapter 193 services at the state-approved rates.
- Periodically contact parents/guardians of students receiving home instruction to confirm that services are being provided.

- Continue to make visits to the nonpublic schools to ensure services are being provided in accordance with the vendor class schedules.

Lakewood School District Response

All vendors that provide Chapter 192 and Chapter 193 services to nonpublic schools in the Lakewood School District are paid the state- approved rates.

Lakewood School District Grant Facilitators will periodically contact parents/guardians to confirm that home instruction services are being provided.

The Lakewood School District does not pay consultants with Chapter 192 funds.

Legal Costs

The district should develop a plan to reduce legal costs.

In accordance with N.J.A.C. 6A:23A-5.2, districts with legal costs that exceed 130 percent of the statewide average cost per pupil are required to implement certain procedures to reduce these costs. The district meets this criteria and has not yet adopted these procedures.

In April 2012, the Lakewood Board of Education appointed a law firm as legal counsel by board resolution at a rate of $200 per hour. The resolution was made without public bidding as allowed by law since it is for professional services. During fiscal year 2013, the district paid this firm a total of $1.1 million for legal services. In June 2013, the district issued a Request for Proposal (RFP) for legal services for the 2013-2014 school year and received responses from ten law firms. The original firm responded with an average hourly rate of $161. Our review of their May and June 2013 bills found that this firm had reduced its rate to $155 per hour. The district could have potentially saved $204,000 in legal expenses during fiscal year 2013 if an RFP for these services had been issued. We used the firm's average rate from the June 2013 RFP to estimate these savings.

In addition, only $15,000 of the $125,000 in legal expenses for nonpublic schools was charged to the special revenue fund. Title I, Chapter 192, and Chapter 193 programs provide for administrative costs which could be used for nonpublic school legal fees. It should also be noted that, according to the invoices we reviewed, $128,000 or 11 percent of the legal expenses were related to legal issues between the district and a former board attorney.

Recommendation

In accordance with N.J.A.C. 6A:23A, the district must follow certain procedures to lower its legal costs. The board should continue to utilize competitive bidding procedures to procure all future legal services. In addition, legal bills should be reviewed and allowable nonpublic legal expenses should be charged to the applicable special revenue fund grant accounts to alleviate the burden on the general fund.

Lakewood School District Response

The Lakewood School District will utilize competitive bidding procedures to obtain the lowest responsible bid for attorneys every November.

Legal bills are reviewed for accuracy and attorney logs are maintained by district employees and reviewed on a monthly basis.

Legal expenses are charged to the appropriate accounts.

Purchasing Procedures

Purchase orders should be issued and board approval should be obtained prior to the receipt of goods or rendering of services.

State regulations and district policy require a purchase order be issued prior to the receipt of goods or the services being rendered. We noted numerous instances where the district failed to meet this requirement. Purchase orders for 52 of 105 judgmentally selected expenditure transactions were not entered prior to the receipt of goods or services being rendered. Often, purchase orders were generated after an invoice was received from the vendor. We also noted 20 instances where services were rendered prior to board approval. This procurement practice results in the business office not having full knowledge of the obligations of the district which could potentially result in overspending the budget. It also resulted in expenditures not being recorded in the correct fiscal year. For example, the district entered into a $4.4 million contract with a vendor to provide IDEA services for nonpublic school students during the 2012-2013 school year. The district created 13 different purchase orders to pay this vendor for services specified in the contract. Each month, the district generated a new purchase order subsequent to receiving the vendor's invoices. In addition, a purchase order was issued to this vendor in the amount of $186,905 in fiscal year 2014 to pay for services rendered during fiscal year 2013.

Recommendation

The district should issue purchase orders and obtain board approval prior to goods or services being provided.

Lakewood School District Response

The Lakewood School District has implemented new internal controls, which includes level two approval by a Purchasing Agent and level three approval by the Business Administrator.

my △/j

Lease Agreements

The district should discontinue rental payments for classroom space in nonpublic schools where Chapter 192 and Chapter 193 services are provided.

The district has entered into a facilities contract with one of the vendors that provides Chapter 192 and Chapter 193 services to students in the nonpublic schools. This agreement between the district and the vendor is for the use of vendor-owned modular and mobile classroom units that are located at the nonpublic schools, as well as classroom space within the nonpublic schools. The contract specifies that the district will provide the vendor with the funds necessary to pay

the nonpublic schools for classroom space. The vendor is then required to pay the nonpublic schools within ten business days of receipt of these funds. During fiscal year 2013, the district paid a total of $292,500 to the vendor for the use of classroom space within the nonpublic schools. An additional $147,500 was paid to another vendor utilized by the district for the rental of nonpublic school classroom space.

The contract includes language that specifies, "the Board has provided documentation from an attorney for the New Jersey Department of Education that seems to allow a payment from a District vendor to a nonpublic school, so long as the statutory cost limitations are not exceeded." This documentation is a series of emails between a former board attorney and an employee of the Department of Education. However, a letter dated April 1, 2011 from the Department of Education to the former board attorney states that the cost of rent to provide Chapter 192 services in a nonpublic school during the school day is not an allowable cost. We found these nonpublic school rental payments have continued subsequent to the date of the letter.

Recommendation

The district should modify the facilities contracts and discontinue rental payments for nonpublic school classroom space where Chapter 192 and Chapter 193 services are provided.

Lakewood School District Response

The Lakewood School District will have its current attorney review the Chapter 192 and Chapter 193 guidelines regarding rental payments for nonpublic school classroom space prior to entering into a facilities contract for the upcoming school year.

Information Technology

The district should strengthen internal controls over information technology.

The district utilizes Systems 3000 Visual Fund Accounting, Visual Personnel, and Visual Payroll applications to maintain and process its financial information. A review of the controls in place over these applications noted weaknesses in the areas of system access and business continuity.

System Access

System access was not disabled upon employee separation. Prudent access control practices dictate that user accounts for separated individuals should be disabled or removed in a timely manner. Our review found eight payroll, seven personnel, and six fund accounting user accounts that were still enabled for separated employees. When we brought this issue to management's attention, system access was immediately disabled.

There were also instances where employee system access levels are not properly segregated. For example, payroll employees also have access to human resource functions. Access to incompatible functions enhances the risk of inappropriate transactions; however, our testing revealed no fraudulent transactions. In addition, ten employees had administrative roles of

which seven had the ability to modify user authorities. These roles should be limited to a designated system administrator.
The district also does not utilize user access request forms when granting or modifying employee access to the systems. These request forms would provide supervisory authorization and would identify system access privileges based on employee job responsibilities. We also found that the current system password requirements increase the risk of inappropriate access. System password settings should be modified to ensure passwords are required to be changed periodically and user names and passwords are not the same. In addition, failed login attempts should be limited.

Business Continuity

The district does not have a written disaster recovery plan. A comprehensive business continuity plan should address all potential disruptions to district operations. Industry best practices require periodic testing of the business continuity plan to ensure adequate controls are in place and functioning to minimize the loss of data if a disruption were to occur. System back-ups are stored on designated users' local machines and thumb drives that are kept at the same location. Back-ups are not sent to an off-site location.

Recommendation

We recommend the district delete or disable inactive user accounts upon employee separation, segregate duties for incompatible functions, limit administrative roles and designate a system administrator, develop access request forms, and modify system password settings. In addition, the district should develop a business continuity plan and procedures to store back-up data at an off-site location. The business continuity plan and back-up data should be periodically tested.

Lakewood School District Response

The Lakewood School District has created an Administrative system for all technology accounts. All user accounts are deleted or disabled upon employee separation.

Back-ups for financial files are performed nightly.

A written disaster recovery plan is currently in the process of being created.

Special Education Tuition

Proper approval, tuition documentation, and attendance records should be obtained for students placed in unapproved nonpublic schools.

During fiscal years 2012 and 2013, the district paid tuition costs totaling $33 million for out-of-district placements. Tuition is typically paid to approved private schools to provide public school students with special education programs that the district could not otherwise provide. These schools and their tuition have been approved by the New Jersey Department of Education (NJDOE). Students with disabilities may also be placed in accredited nonpublic schools which are not specifically approved for the education of students with disabilities with the consent of the Commissioner of Education, by an order of a court of competent jurisdiction, or by order of an administrative law judge as a result of a due process hearing. We judgmentally selected 31 of the 324 students that were sent out-of-district during the 2012-2013 school year of

which 16 were attending unapproved nonpublic schools. Issues noted during our review follow.

- We were not provided with any court orders or forms signed by the Commissioner of Education documenting the approval of the 16 unapproved nonpublic school placements. Nor were we provided with documentation substantiating the accreditation of the nonpublic schools where these students were placed. We were unable to determine how the tuition costs for these unapproved nonpublic schools were calculated. Tuition for these placements ranged from $9,800 to $55,000 per year and totaled $363,700.

- Eighteen placements had insufficient attendance documentation for the school year. Attendance should be submitted with monthly billings to provide assurance the student is attending school. Instances were noted where there were missing monthly attendance sheets or the attendance sheet was not clear on the days present or absent.

Recommendation

We recommend the district obtain the proper approval for students placed in unapproved nonpublic schools. The district should obtain documentation to substantiate the tuition for unapproved nonpublic schools. Attendance records should be obtained, reviewed, and maintained by district officials to ensure student attendance.

Lakewood School District Response

The Lakewood School District will obtain proper approval for any student placed in an unapproved, unaccredited private school program. Many of the students found to be in unapproved, private school placements were initially placed by the district prior to the 2012 and 2013 school years. As a result, the district entered into parental agreements with parents regarding these placements. As of the 2013-2014 calendar school year, attendance documentation is being collected and recorded in the district's attendance data base program. In addition, tuition rates and contracts are also being stored electronically to correct missing documentation issues. In April 2014, the district developed a corrective action plan with the NJDOE to address issues regarding student placement in private programs. The district has requested tuition program rate calculations from private programs for any remaining students currently in attendance for the 2014-2015 school year. As a result of these findings no additional students will be placed in private programs without the approval of the Commissioner of Education

Payroll and Personnel

Extra Compensation Monitoring

Extra compensation payments should be properly monitored.

Extra compensation is approved at board meetings for various reasons including substitute teacher wages, non-contractual stipends, extracurricular activities, overtime, home instruction, mentoring, and payments for unused sick time. Extra compensation totaled $4.8 million for calendar year 2012. We excluded certain extra compensation payments from this test including post-retirement accrued leave time payments as they were tested separately. Once approved for extra compensation and the work assignment is completed, the employee will fill out a payroll

voucher and submit it to the payroll unit for payment. We judgmentally selected 39 employees with 236 extra compensation vouchers totaling $167,500 during calendar years 2011 and 2012 and identified the following issues.

- Ninety-one vouchers were improperly paid. These improper payments totaled $62,500 and were made to 15 of the 39 employees tested. For example, three employees received overtime payments totaling $53,000. According to their employee contracts, they were ineligible to receive overtime payments. They were classified as executive secretaries that are not eligible for overtime payments in accordance with federal and state wage and hour laws.

- Ninety-two vouchers lacked proper supporting documentation to substantiate the payment. We found one employee that was paid $15,000 out of the extra pay code instead of a salary code. This employee retired from the district and returned to work part-time in the business office. Payroll vouchers were not completed to document the hours worked and there was no contract to substantiate the work arrangement. We also found the salary for this employee to be excessive when prorated and compared to their salary prior to retirement.

- One hundred twenty-seven of the vouchers reviewed were approved using signature stamps. Vouchers often lacked detailed information including the actual hours worked, and supervisory signatures and dates. We noted one voucher totaling $1,560 that was paid for overtime during calendar year 2011. This payment was approved using a superintendent's signature stamp and was not dated by the individual who stamped the document. There were no actual signatures documenting supervisory review. This voucher was submitted by the former payroll manager.

- Fifty-four vouchers were for services that lacked prior approval by the board of education.

- Thirty vouchers were paid more than 30 days after work was documented to be completed, increasing the risk of errors being undetected. Eight of these vouchers were paid more than 50 days after work was completed. There was no time limit set by management for the submission of vouchers.

During our audit, the extra compensation voucher was revised and requires more detailed information in order to be approved for payment. According to management, incomplete payroll vouchers will no longer be processed and voucher issues are immediately discussed with the employees and supervisors.

Recommendation

We recommend all payroll vouchers contain direct supervisory approval and prior approval from the board of education. The payroll unit should continue to verify that vouchers are submitted with proper supporting documentation including approvals and hours worked. The district should avoid the use of signature stamps.

Lakewood School District Response

Lakewood School District employees must receive approval from the board of education prior to submitting vouchers to payroll.

Lakewood School District employees may not use signature stamps on payroll vouchers.

Criminal History Background Checks

The district should ensure that each prospective employee completes the required criminal history background check process.

The district failed to ensure the proper background check process was completed for several employees. NJ.S.A. 18A:6-7.1 requires that all prospective employees of a school district, under the supervision of the New Jersey Department of Education (NJDOE), whose job duties include regular contact with pupils, must submit to a criminal history background check as a condition of employment. The district is responsible to ensure that each employee has completed the required process prior to employment.

We obtained from the NJDOE the list of individuals cleared to work for the Lakewood School District. This list was matched to individuals on the district's April 2013 position control roster and substitutes paid by the district during calendar year 2012. We found the district failed to ensure the proper background check process was completed for 97 employees, which included administrators, teachers, and substitutes. Many of these individuals may have been cleared by another employing district. However, if an arrest for a subsequent disqualifying offense occurred, the district would not have been notified. As a result of our review, the district has completed the process to qualify 77 of the individuals for employment. The district took no action on the 13 individuals who are no longer employed and seven individuals who were substitute teachers. The district has contracted with a vendor to supply substitutes when needed, and this vendor would be responsible for the completion of proper background checks. We verified with the NJDOE Criminal History Review Unit that these individuals did not commit a disqualifying offense.

Recommendation

We recommend the district ensure that each potential employee complete the required criminal history background check process prior to employment.

Lakewood School District Response

The Lakewood School District requires that all employees have a criminal history background check prior to employment.

All files will be check to ensure that all background checks have been completed.

Final Leave Balance Payments

Final leave balances should be verified prior to payment.

Improper leave balance payments were made by the district. We judgmentally selected a sample of unused sick and unused personal leave balance payments made to 22 retiring individuals in calendar years 2011 and 2012 to determine if these payments are being made in accordance with the negotiated agreements and employee contracts. In addition, we selected five individuals that were included on the March 2013 and July 2013 board minutes to be approved for payment, to verify the accuracy of the payment calculations. Payments and anticipated payments for these

employees totaled $640,000. This sample included employees covered under the Lakewood Education Association (LEA) and Lakewood Administrators' Association (LAA) agreements, and non-union employees. Leave balance testing was comprised of a review of leave records maintained in employee personnel files. These documents consisted of old manual leave records and computer-generated reports. Our testing noted the following.

- Payments were improperly calculated and paid to 17 retirees. Leave records could not be located for three individuals. Underpayments totaled $12,100 while overpayments totaled $44,800. In addition, calculation errors totaling $14,300 were noted for three of the five individuals included on the March 2013 and July 2013 board minutes. Payments to four individuals were not made in accordance with the LEA agreement, LAA agreement, or non-union employee contracts. For example, one individual was paid for 50 percent of their leave time balance when they were only eligible for 40 percent resulting in an overpayment of $9,800. Another employee submitted a voucher for payment which was board-approved at the 50 percent rate when they were only entitled to 40 percent, resulting in a potential overpayment of $12,700. We brought this to management's attention and the amount had been corrected prior to payment.

- All 25 payment vouchers tested were missing signatures and dates required for approval and completion. Many of these vouchers were approved using a superintendent's signature stamp and were not dated by the individual who stamped the document. In these instances, there were no actual signatures documenting supervisory review.

- Nine employees utilized more personal days than allowed in one year. Employees receive four or five personal days each year depending on their job title and date of hire. Personal days accrue for retirement purposes only. These additional days were not deducted from the accrued personal leave balances.

Many of these leave balance errors were caused by human error on old manual leave records and balances that were not carried over correctly when the district migrated to different financial systems. Payments for unused sick and unused personal leave are now capped at $15,000 for LAA employees hired after June 2009. Payments for LAA employees hired prior to July 1, 2009 are capped at their value as of June 30, 2013, or $15,000, whichever is greater. No additional accumulated time will be paid; however, days will continue to accumulate for use. This stipulation may limit the risk of future overpayments.

Recommendation

We recommend the district review and verify the final leave balances when an employee is retiring to ensure accurate payment calculations. All calculations should be checked for mathematical accuracy. Payments should be made in accordance with the district's negotiated agreements or employee contracts.

Lakewood School District Response

The Lakewood School District personnel and payroll departments will work with the Business Administrator to ensure accuracy of all payment calculations. All calculations will be checked for accuracy prior to payment approval.

Salary Allocations

Employee salaries should be charged to the proper grant accounts.

The district receives state and federal grant awards from which they are allowed to utilize a percentage of the funds for administration. Grant activity is accounted for in the district's special revenue fund. We judgmentally selected nine employees paid $245,000 during calendar year 2013, whose primary job responsibility was the administration of state and/or federal grants, to determine salaries were properly charged to the applicable grant accounts. We found that salary expenses totaling $66,000 for six of these employees were not charged to the proper accounts. In all but one case, the district's general fund salary account was charged for these expenses. The district should use all administrative funds available and properly allocate grant employees' salaries to the proper accounts.

Recommendation

The district should charge employee salaries to the proper grant accounts when allowable.

Lakewood School District Response

The Lakewood School District charges all employees to the grant in which their job description and time and activity report allows by grant funding.

Employee Contracts and Salary Increases

The district should generate contracts for all employees and carefully consider significant salary increases.

Several non-teaching employees did not have current contracts on file. We found eight employees that did not have a contract for the 2011-2012 or 2012-2013 school years. These employees included the payroll manager and executive secretaries. Based on our discussions with management, many of the business office employees do not have current contracts. Employee contracts should be generated each year for all employees in order to document what compensation and benefits an employee may receive. The district is in the process of generating contracts for these employees.

In addition, several non-union employees received large salary increases between fiscal years 2008 and 2013. These employees were all executive secretaries with the exception of the payroll manager. The salary and title for one of these executive secretaries was changed to Grants Coordinator in December 2012. The chart below illustrates that annual increases for these employees were as much as 38 percent. In contrast, the largest step-to-step increase for 12-month administrative secretaries covered under the Lakewood Education Association (LEA) negotiated agreement was seven percent during the same time period. Two of the employees included in the chart below did not have current contracts on file.

	Annual Salary

Title	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Grants Coordinator	$95,000	$69,000	$60,000	$60,000	$45,887	$44,100
Executive Secretary	$60,000	$60,000	$49,682	$49,682	$44,069	$42,297
Payroll Manager	$75,000	$61,000	$61,000	$61,000	$59,000	$46,455
Executive Secretary	$60,000	$60,000	$60,000	$60,000	$44,037	$42,338
Executive Secretary	$72,000	$60,000	$60,000	$60,000	$44,413	$42,696
Executive Secretary	$61,500	$60,000	$60,000	$60,000	$47,505	$45,642

Recommendation

The district should generate contracts for all employees to specifically outline benefits each employee is entitled to receive and justify extraordinary salary increases.

Lakewood School District Response

The Lakewood School District does not generate contracts that give employees extraordinary salary increases without justification in job descriptions that are aligned with proper qualifications/certifications.

Leaves of Absence

Leaves of Absence should be properly tracked and monitored.

Employee health benefits coverage will typically continue for the first three months of leave; however, the employee is responsible for paying their required health benefit contributions. Coverage may continue for an additional nine months provided the employee pays the full cost of health benefits. We judgmentally selected a sample of 20 employees that took a leave of absence in calendar years 2011, 2012, or 2013 to determine if the leave was proper and that required health benefit contributions were received. Our review revealed 12 employees that were not paying required health benefit contributions or the full cost of the premium depending on the length of leave. We estimate that these unpaid contributions totaled $95,400 for these employees. In addition, health benefits coverage continued for some individuals after it should have been discontinued. Testing was not performed on three individuals whose personnel files could not be located by the district. The district is also not tracking leave classifications taken by employees which could result in employees not being eligible for subsequent leave periods. The district is currently developing a methodology to track leave classifications and required contributions for future leaves of absence.

Recommendation

We recommend better communication and coordination between the health benefits and human resources units. The district should ensure that all leaves of absence are properly tracked and required health benefit contributions are received from the employees timely.

Lakewood School District Response

All leaves of absences are properly tracked and recorded through the Payroll and Human Resource Departments.

Observations

Transportation

Cost savings may be achieved if transportation initiatives that were proposed to the board of education are implemented.

In accordance with New Jersey Administrative Code, the district provides transportation to public and nonpublic school students who reside beyond two and one-half miles from their assigned high school (grades 9 through 12) and beyond two miles from their assigned elementary school (grades preschool through 8). The district, at their own expense, has also elected to provide non-mandated (courtesy) busing to public and nonpublic school students who would otherwise walk along the numerous hazardous routes identified in the township. During the 2012-2013 school year, 24,061 students were transported, of which 10,495 were provided courtesy busing. Because of significant student population growth within the municipality, transportation costs had increased to $19.6 million for the 2012-2013 school year. In an effort to provide an efficient student transportation system, initiatives have been proposed to the board at various monthly meetings that would result in significant savings to the district. A tiered busing system has been developed and implemented for students attending the public schools. The following nonpublic school initiatives have not been adopted.

- The majority of the nonpublic school bus routes in the district are segregated by gender. Since most of these schools have a 9:00 a.m. start time, the demand causes increased pricing by the vendors. Separately tiering the bell times for the girls and boys nonpublic schools could save the district up to $6.7 million. For example, starting school at 8:30 a.m. for girls and 9:15 a.m. for boys would enable the busing contractors to bid on tiered routes which would reduce the overall number of buses needed and create more competitive route pricing.

- Currently, there are separate buses for each nonpublic school. Savings of approximately $750,000 could be achieved if routes were developed by school locations, not specific schools. This would result in shorter bus routes and fewer buses.

- Currently, nonpublic schools could have two starting times and as many as five ending times which creates inefficiencies and the need for one-way routes. Providing transportation to nonpublic schools based on a single opening and closing bell schedule for each school building could save the district up to $1.2 million. This initiative has been presented to the board's transportation committee.

It should be noted that tiering the bus routes could reduce the savings of other proposed initiatives.

Lakewood School District Response

The Lakewood School District is piloting a staggered nonpublic school schedule for 7 of the largest nonpublic schools during the 2014-2015 school year based on the premise that all nonpublic schools will go to a staggered school schedule in the 2015-2016 school year, which is expected to greatly reduce transportation costs.

IDEA Program

The district should determine if other approved IDEA programs or services could potentially benefit a greater population of nonpublic school students with disabilities.

The Individuals with Disabilities Education Act (IDEA) is a federal law ensuring special education services to children with disabilities. IDEA governs how states and public agencies provide early intervention, special education, and related services to eligible infants, toddlers, children, and youth with disabilities. The district is allocated grant funds for both public and nonpublic school students. The district receives the most nonpublic IDEA Basic funding in the state. During the 2011-2012 grant year, the district received $4 million, approximately 18 percent of the total nonpublic IDEA Basic funding in the state. In comparison, the second highest district received $700,000. The district has developed two main programs to service the student population. We noted certain inefficiencies in our IDEA finding included in this report for one of these programs that provides instruction for students with disabilities at a cost of $60,000 per class. According to Lakewood's IDEA application for the 2011-2012 grant year, there were 3,547 eligible parentally placed private school students with disabilities, of which only 426 (12 percent) would receive services through IDEA Basic funds. Because of this, we compared the 2011-2012 IDEA applications for the top six districts that receive nonpublic IDEA Basic funding and calculated per student amounts and percentages. These districts are summarized in the chart below.

	Lakewood	Passaic City	Jersey City	Elizabeth	Paramus	Hamilton
Eligible Students with Disabilities	3,547	461	249	298	406	341
Proportionate Share	$3,984,679	$ 793,446	$ 780,493	$ 669,559	$ 505,822	$454,314
Students Who Will Receive Services	426	461	249	298	406	286
Amount Per Eligible Student	$ 1,123	$ 1,721	$ 3,135	$ 2,247	$ 1,246	$ 1,332
Amount Per Student Served	$ 9,354	$ 1,721	$ 3,135	$ 2,247	$ 1,246	$ 1,589
Percentage of Students Served	12%	100%	100%	100%	100%	84%

The district should determine if the continuation of the programs are the most effective use of these funds. Providing other IDEA approved programs or services could potentially benefit a greater population of nonpublic school students with disabilities.

Lakewood School District Response

The Lakewood School District has revised their IDEA programs to maximize the number of students being serviced with the available IDEA funds for FY 2015. This year the district is offering a new option of in class support teachers to nonpublic schools general education classrooms to provide special education support to more nonpublic students in the least restrictive environment. In addition to the Nonpublic Supplemental Service Program and Instructional Assistants to students who have a service plan stating same the district is providing support to more students in their general education program for the coming school year. The cost for in class support teachers is considerable less at $48,000 per teacher vs. the $60,000 for a supplemental resource room program which has been discontinued. To this end more teachers will be available to service more students a goal the Lakewood School District continually strives to achieve.

EXHIBIT C

State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

OAL DKT. NO. EDU 11069-14

AGENCY DKT. NO. 156-6/14

LEONOR ALCANTARA, INDIVIDUALLY AND AS GUARDIAN AD LITEM FOR E.A.; LESLIE JOHNSON, INDIVIDUALLY AND AS GUARDIAN AD LITEM FOR D.J.; JUANA PEREZ, INDIVIDUALLY AND AS GUARDIAN AD LITEM FOR Y.P.; TATIANA ESCOBAR; HENRY MORO AND IRA SCHULMAN INDIVIDUALLY AND AS GUARDIAN AD LITEM FOR A.S.,[1]

Petitioners,

v.

DAVID HESPE, COMMISSIONER OF THE NEW JERSEY DEPARTMENT OF EDUCATION[2]; THE NEW JERSEY STATE BOARD OF EDUCATION; AND THE NEW JERSEY DEPARTMENT OF EDUCATION,

Respondents.

---

[1] Counsel for petitioners advised that petitioners included a student and parents of students who attend the Lakewood Township public schools and a parent of a nonpublic school student in Lakewood Township. At some point, Moro and Johnson appear to have withdrawn from the action.

[2] In 2017, Commissioner Hespe was succeeded by Commissioner Kimberly Harrington; in 2018, she was succeeded by Commissioner Lamont Repollet; on July 1, 2020, he was succeeded by Acting Commissioner Kevin Dehmer; and finally, on October 20, 2020, he was succeeded by current Acting Commissioner Dr. Angelica Allen-McMillan.

New Jersey is an Equal Opportunity Employer

Arthur Lang,[3] Esq., and **Daniel L. Grossman**,[4] Esq., appearing for petitioners

Jennifer Hoff, **Lori Prapas**,[5] **Lauren Jensen**, **Geoffrey N. Stark**, and **Sydney Finkelstein**, Deputy Attorneys General, appearing for respondents (Gurbir S. Grewal, Attorney General of New Jersey, attorney)

Michael Inzelbuch, Esq., appearing for participant Lakewood Township Board of Education

Paul L. Tractenberg, Esq., appearing as a participant

Record Closed: November 28, 2019 Decided: March 1, 2021

BEFORE **SUSAN M. SCAROLA**, ALJ (Ret., on recall):

STATEMENT OF THE CASE

Petitioners, who included parents of children who attend Lakewood Township's public schools, filed a petition of appeal against respondents Commissioner of Education, the New Jersey Department of Education (DOE), and the New Jersey State Board of Education (collectively respondents), in which they allege that the funding formula under the School Funding Reform Act, N.J.S.A. 18A:7F-43 to -70 (SFRA), is unconstitutional as applied to Lakewood Township's (Township) public school students, such that the Lakewood Board of Education (Lakewood, BOE or district)[6] does not receive sufficient funding under the SFRA to provide its public school students with a thorough and efficient education (T&E) because the SFRA does not take into account the extraordinary costs

[3] Mr. Lang is also a teacher in the Lakewood public school district.
[4] Mr. Grossman, who was assisting Mr. Lang, was permitted to withdraw as co-counsel on January 10, 2019.
[5] Ms. Prapas participated in the hearing but, sadly, passed away before the completion of this matter.
[6] The Lakewood Township Board of Education and the Lakewood school district are referred to as Lakewood, BOE or district; the geographic entity of Lakewood Township is specifically referred to as Lakewood Township or Township.

that the district incurs to provide transportation and special education services to a large number of students who attend private schools.

Respondents contend that Lakewood's students are, in fact, receiving T&E, as measured by the New Jersey Student Learning Standards; that respondents have, over the years, taken extraordinary actions, including the appointment of State monitors in Lakewood and the provision of advance State aid payments to Lakewood to ensure that the district's students receive T&E; and that the district's financial difficulties are due to reasons other than the SFRA.

The issue is whether the children who attend public school in the district are receiving a constitutionally-required T&E and, if not, whether the reason for such deprivation is, in significant part, because the district receives insufficient funding under the SFRA to deliver T&E to its students. The school years at issue are 2014-2015 through 2018-2019.

PROCEDURAL HISTORY

The original Petition of Appeal was filed with the Commissioner on June 24, 2014.[7]

On September 2, 2014, the respondents filed a motion to dismiss in lieu of an answer. The Commissioner transmitted the matter to the Office of Administrative Law (OAL), where it was filed on September 4, 2014, as a contested case.[8] N.J.S.A. 52:14B-

[7] The petition asked the Commissioner for a declaratory ruling that all of Lakewood's students are entitled to the same services to which students similarly situated elsewhere in New Jersey are entitled, and to foreclose the possibility of a remedy that disparately impacts the children of Lakewood or that forces them to forego their rights and privileges under the current law.

[8] N.J.A.C. 1:1-2.1 defines a "contested case" as "an adversary proceeding, including any licensing proceeding, in which the legal rights, duties, obligations, privileges, benefits or other legal relations of specific parties are required by constitutional right or by statute to be determined by an agency by decisions, determinations, or orders, addressed to them or disposing of their interests, after opportunity for an agency hearing." Moreover, "[t]he required hearing must be designed to result in an adjudication concerning the rights, duties, obligations, privileges, benefits or other legal relations of specific parties over which there exist disputed questions of fact, law or disposition relating to past, current or proposed activities or interests" and "[c]ontested cases are not informational nor intended to provide a forum for the expression of public sentiment on proposed agency action or broad policy issues affecting entire industries or large, undefined classes of people." Ibid.

1 to -15; N.J.S.A. 52:14F-1 to -13. The motion was opposed by reply filing on October 22, 2014.

On January 14, 2015, Paul L. Tractenberg, Esq., filed a motion on his own behalf for leave to participate in the proceedings pursuant to N.J.A.C. 1:1-16.6 and in opposition to the motion to dismiss.[9] On March 11, 2015, the Hon. John Kennedy, ALJ, granted Professor Tractenberg's motion to participate.

Following the submission of briefs on the motion to dismiss and oral argument held on June 9, 2015, Judge Kennedy denied the motion to dismiss on July 24, 2015. He concluded that the petitioners had standing to challenge the SFRA and that the matter was appropriately brought in the OAL.

On or about February 19, 2016, the petitioners filed a motion for summary decision contending that a hearing was not necessary, as all data necessary to rule on the matter was in the public record. On April 14, 2016, the respondents filed opposition to the motion, and sought to join Lakewood BOE as a necessary party. The BOE voted to not participate in the action. On July 19, 2016, the Hon. Solomon A. Metzger, ALJ, t/a, issued an order denying the motion for summary decision. He noted that "Lakewood's demographics pose[d] singular problems for the public school budget, but that that fact alone was not sufficient on its face to establish a constitutional level of deprivation."

On October 4, 2016, the BOE filed a motion to participate, which was granted on November 21, 2016.

In May 2017, the petitioners filed a motion for emergency relief related to the district's 2017–2018 budget deficit. Respondents filed opposition on May 23, 2017.[10] That motion was withdrawn when the budget deficit was resolved through a State aid advance.

[9] Professor Tractenberg is Professor of Law Emeritus Board of Governors Distinguished Service Professor at Rutgers University. He established the Education Law Center, the Institute on Education Law and Policy, and the Center for Diversity and Equality of Education.

[10] The matter was re-assigned from ALJ Metzger to ALJ John Schuster. After he retired, the matter was reassigned to me in June 2017.

On October 9, 2018, the BOE'S motion to intervene as a party was denied prior to the commencement of the hearing.[11]

The hearing commenced on February 5, 2018, and continued on February 7, 12, 13, and 22, 2018. After petitioners rested their case on February 22, 2018, respondents indicated that they wished to file a motion to dismiss. Following the last hearing date, the parties attempted to enter into some stipulations of fact but were unsuccessful. Following a March 27, 2018, conference on the record, the outstanding evidentiary issues were addressed, and a briefing schedule was set for the respondents' motion.

Respondents filed their motion to dismiss the amended complaint on April 30, 2018. Petitioners and participants opposed the motion. Before it was decided, the petitioners moved to re-open their case to present the testimony of another witness, which was opposed by respondents. Following oral argument, the petitioners were ordered to file an amended petition to clarify the relief they were seeking; respondents were permitted to file an answer. Petitioners were permitted to re-open the record to allow the witness to testify, and the motion to dismiss was held until the amended pleadings and answer were filed and the witness was permitted to testify.

On September 4, 2018, the petitioners filed their second amended petition which respondents answered on September 18, 2018.[12]

On December 18, 2018, the petitioners rested their case.

[11] The Lakewood BOE had originally taken the position that it did not want to be included as a necessary party; however, the BOE's counsel had changed since the commencement of these proceedings. No appeal was taken from the denial of the motion to intervene as a party.

[12] The second amended petition asked the Commissioner to determine: 1) That the SFRA as applied to the Lakewood School District does not provide sufficient funding to enable the school district to deliver the core curriculum content standards and extracurricular and cocurricular activities necessary for T&E; 2) That the consequential reliance upon discretionary advance State aid payments pursuant to N.J.S.A. 18A:7A-56 to provide funding for T&E does not provide T&E funding in any given school year that is certain and predictable; 3) That the constitutional imperative regarding T&E requires sufficient funding that is not discretionary; and 4) That the Commissioner recommends that this matter be remedied by the Legislature.

On January 8, 2019, the respondents' motion to dismiss was denied, and the matter continued with hearing dates on July 9, 10, 21, and 22, 2019.

On July 29, 2019, the parties were asked, as part of their post-hearing briefs, to jointly stipulate, to the maximum extent possible, certain information relating to the district for each school year at issue in this matter (2014–2015 through 2018–2019), which should have been available to them as a matter of public record.[13]

[13] The information requested the following:

School Funding Reform Act

(1) Adequacy Budget (include calculation)
(2) Local Fair Share (include calculation)
(3) Local Tax Levy (General Fund School Levy and Total School Levy)
(4) Equalization Aid
(5) Transportation Aid (include calculation)
(6) Special Education Categorical Aid (include calculation)
(7) Total Aid

Note: Where relevant for a particular category above, include the amount in Governor's Budget Message/revised amount in Appropriations Act/amount if SFRA fully funded.

Other State and Federal Revenue Sources

(1) Title I
(2) IDEA Part B
(3) Chapter 192 (Auxiliary Services)
(4) Chapter 193 (Remedial Services)

Expenditures

(1) Total tuition costs for private school special education placements (include number of private placements)
(2) Total transportation costs (include breakdown showing amount spent on mandatory busing for public school students/mandatory busing for private school students/special education busing/courtesy busing/hazardous busing)
(3) Actual costs amount per public school pupil
(4) Total classroom instruction costs per public school pupil

Assessments and Accountability

(1) PARCC results (include state averages)
(2) Any other Statewide assessment results (include state averages)
(3) QSAC placement results in areas of instruction and program, fiscal management, governance, operations, and personnel (include state averages)
(4) Any other relevant accountability results, including CAFR's from 2014–2018.

Public School Demographics

(1) Percentage of public school pupils who are at-risk (include state average)
(2) Percentage of public school pupils who are LEP (include state average)
(3) Percentage of public school pupils who are both at-risk and LEP (include state average)
(4) Graduation rate (include state average)
(5) Dropout rate (include state average)
(6) Teacher-student ratio (include state average)
(7) Percentage of public school pupils enrolled in AP/IB courses (include state average)

On August 28, 2019, the respondents declined, stating that they would stipulate to all documents already admitted into evidence at the hearing, but would not stipulate to any additional data to be part of the record without context for its consideration.

On September 4, 2019, the petitioners provided an itemization of the information that had been requested.[14]

The record closed on November 28, 2019, after submission of post-hearing summations.[15, 16]

On December 17, 2020, participant district submitted additional documents. The DOE objected to the consideration of these documents, so they were excluded from the record.[17]

FACTUAL DISCUSSION

The following witnesses testified:

For the petitioners:

Dr. Ross Haber, Laura Winters, Robert Finger, Malka Spitz-Stein, Marcy Marshall, Dr. Danielle Farrie, David Shafter, Michael Azzara, and Melvin Wyns;

(8) Percentage of graduates enrolled in college (include state average)

[14] The information provided by petitioners was downloaded from either the DOE's website or the district's website as information provided to the State for the receipt of aid. The respondents would not stipulate to these statistics.

[15] Extensions of time were granted for the filing of this Initial Decision, first due to an extended personal medical emergency, and then in accordance with Governor Murphy's Executive Order 127, issued April 14, 2020, created by the COVID-19 emergency which provided that deadlines for filing of a recommended decision pursuant to N.J.S.A. 52:14B-10(c) in any non-emergent contested case were extended by the number of days of the Public Health Emergency declared in Executive Order No. 103 (2020), as extended, plus an additional 90 days.

[16] Following the closing of the record, participant Lakewood BOE continued to send additional documents to the OAL over objection by the respondents. Some were duplicative of exhibits in evidence; the items that were not in evidence were not considered.

[17] The documents included a settlement agreement between the Department of Education and the Township of Lakewood Board of Education dated December 11, 2020, concerning the NJQSAC score of 2020 (which were not addressed at this hearing), and a list of state aid advances from 2014 through 2021, the amounts repaid, and the amounts outstanding.

For the respondents:
Kevin Dehmer, Christopher Soleau, Catherine Anthony, Raymond Zirilli, Robert Ortney, and Glenn Forney.

--

Witnesses for petitioners:

Dr. Ross Haber, a demographic consultant with a background in education, was qualified to testify as an expert in demographics. He has a doctorate in educational administration from Teachers College, Columbia University. He has conducted 300 studies in different districts regarding enrollment projections, redistricting, facility utilization, and transportation efficiency analysis. He is not an expert in finance, and has no background in accounting, finance, or statistics. He is not a certified government financial analyst.

Dr. Haber was retained by petitioners to provide an enrollment-projection report on public and non-public schools in Lakewood Township. For his report, he relied on certain DOE data and he used the cohort survival method of projections, including United States census projections, housing construction, and births to arrive at his conclusions.[18]

Dr. Haber's report included several tables of information. Table 1 was an enrollment comparison using data from the DOE, although he was not aware that non-public schools self-report enrollment information to the DOE and are not audited. Non-public school students may include students coming in from out of the district or out of state and may be counted without their parents paying taxes to the municipality.

Using the information obtained from the Application for State School Aid (ASSA) filed by the district, Dr. Haber examined school enrollment, school facilities, and student

[18] The Cohort Survival Projection Method forecasts the future population based on the survival of the existing population and the births that will occur.

transportation. In 2011–2012, there were 25,006 school-age children, 5,229 in public school and 19,777 in non-public school.

In Haber's Table 2, he used the cohort survival method, which used the average number of students as they progress from grade to grade, and also used the migration ratio. The projections were reliable for five years. For kindergarten, he looked at live-births rates and used that data plus residential housing growth. Haber thought growth looked to be about 5,000 more students by 2021–2022.

Haber used Table 1 to predict Table 2. He said the information came from the DOE website although no sources were provided. Table 1 relied on public school ASSAs from the DOE website. He agreed that if the underlying data were not reliable, then his conclusions were not reliable. He built upon enrollment projections to predict aid, but he is not an expert in finance or State aid.

Table 2 was a comparison between public and non-public schools and was the template for Table 3, but no source was given for historical data.

Table 3 was a projection of public school students but did not include data from pre-kindergarten. Haber listed 38,841 non-public school students for 2018–2019, but his Table 4 said 33,841 non-public school students. He said this was because of a typographical error on Table 2.

New Jersey has over six hundred school districts, but no other school district has a disparity between the numbers of public school and non-public school students as Lakewood Township does. Lawrence and Hewlett, New York, also have large numbers of students attending sectarian schools, but those towns have no outnumbering of the public school students by those attending the sectarian schools.

Haber's reports project substantial change in the district. He did not report any possible sources of funding. He did not remember whether he considered that Lakewood Township had one of the lowest equalization rates. He did not consider that Lakewood

Township has one of the lowest school-tax rates. He did not consider that voters could approve paying for non-public school transportation costs.

Table 5 showed a projected expense of $38 million for transportation in 2021–2022, up from $18 million in 2015–2016. This was an estimate based on transportation eligibility, as a percentage increase in enrollment would be commensurate with an increase in transportation expenses.

For school year 2017-2018, the adequacy budget to educate the public school students in Lakewood was $117,325,784. Tuition for enrolled public school students not actually going to the public schools, such as for special education, was $37,587,808. Transportation was $38,294,730, for a combined total of $75,882,538.

Haber said Table 5 transportation expenses could be reduced if the non-public schools were built closer to homes, or if bus routes were shared. With fewer children riding on buses the cost would be less. He did not consider things that did not exist, such as a bridge over Route 9. The tuition and transportation costs in Table 5 came from the Lakewood district and the user-friendly budget. His tuition numbers were off by $3 million for 2015–2016, and he agreed that his numbers did not match up. Two-thirds of the cost of special education should be included in tuition. He agreed it was possible he was double counting tuition and services, and that he had worked with petitioners' attorney while doing his analysis.

The tuition column in tables 5 and 6 showed $28,457,996, which correlated to school year 2015–2016, but the revised column was not the actual expense. The Table 5 history and projection of tuition contained an error, perhaps in typing, and a year was missing. While the Table 5 adequacy budget that was projected was an assumption, he did not detail his method of producing adequacy amounts or the source. He held adequacy flat through 2022, but it changed year to year as the state population changed.

Table 6 concerned the adequacy amount for tuition, transportation, and other required services such as occupational therapy (OT), physical therapy (PT), speech, and other related services. He carried over the numbers.

Haber's projections were based on trends for 2018–2019, 2019–2020, and 2020–2021. He applied a percentage of the increase to a weighted number. For example, if six children in class increased to ten, that might not mean one more bus, but 54 more children might mean another bus. He applied the growth to expenditures and economies of scale. The methodology was not explained. Haber also used residential-construction approvals in his calculations but did not include that. At some point, population growth should be capped because of space.

On Table 6, it was an error where his comment said Table 4, when he meant it should be Table 6. The tuition numbers did not match up. Adequacy and transportation matched to Table 5, but the tuition did not match the actual budget. Haber assumed that part of special education was included in the adequacy budget. Table 6 showed services such as OT, PT, and speech, but speech was entirely funded. Table 6 separated the costs for services from adequacy, but Haber did not know if this was included in funding.

Table 7 was extra aid available for public school students, but he did not include extra aid in his considerations. He did not know if the State provided technology aid or security aid.

The budget included equalization aid, which was $15 million in school year 2015–2016, special-education categorical aid, extraordinary aid, categorical security of $2 million in 2015–2016, Perkins grants, and other aid of $3 million in 2016–2017. The local-tax-levy contribution was not included, but it was $90 million in 2015–2016 and was one of the lowest in the state. He did not include federal aid available to the district under federal Titles II and III, or available under Individuals with Disabilities Education Act (IDEA) aid.[19] The State provided preschool aid, Chapter 192 and 193 services, and non-

[19] Title II grants to the states provide funds for supplemental activities that strengthen the quality and effectiveness of teachers, principals, and other school leaders. The purpose of this is to provide low-income and minority students greater access to effective teachers, principals, and other school leaders. Title III funds help ensure that English Learners (ELs) attain English language proficiency and meet state academic standards.

public school textbook aid, nursing aid, vocational-technical aid and security aid.[20] Some services and tuition were included in the adequacy budget.

In Table 8, his conclusions were that enrollment was growing, and that over the next five years, the number of non-public school students would increase. At the same time, the number of students in the public schools was growing, but not as fast. Ninety percent of public school students were in need; 88% were from non-English-speaking or partial-English-speaking homes. The percentage of special-education students in the Lakewood public school district is higher than the State average. Everyone agreed that there was a relationship between finances and education. Lakewood Township ranked 555 out of 564 communities in per-capita income.

In Table 9, the tuition costs did not match, and the transportation costs did not match. The projections for school year 2020–2021 were missing. The adequacy numbers did not match other tables and budget numbers. The most accurate year was 2015–2016. He came to his conclusions by taking the average from 2015–2016 and 2016–2017, but the number was wrong. And his conclusion was based on data that did not match historical data from Table 6. The total needed in Table 4 did not match Table 7's total needed. In certain areas the data did not match up or the data was missing, or no sources were cited.

A percentage of the district's budget is a loan from the State. Transportation and special-education expenses are $60 million in the budget, leaving only $80 million when the adequacy budget says that $117 million is necessary. The SFRA law never anticipated such a disparity with transportation and special-education expenses. The district cannot properly educate public school children over next five years; their needs cannot be met in Lakewood.

[20] Chapter 192 programs provide nonpublic school students with auxiliary services such as compensatory education, English as a second language, and home instruction. Chapter 193 programs provide nonpublic school students with remedial services such as evaluation and determination of eligibility for special education and related services, supplementary instruction, and speech-language services.

The law mandated that transportation was paid to and from school only for certain non-public school students, but not all. Non-public school students were not required to get transportation unless, from kindergarten to grade eight, they lived farther than two miles from the school, and in grades nine through twelve, farther than two and a half miles from the school. Students who lived closer were not entitled to transportation. Courtesy busing for those who lived closer than those distances was not required unless the Lakewood BOE decided to provide it.

Haber did not include in his report the $16 million that Lakewood received in Chapters 192 and 193 aid in 2015–2016. Haber's report did not mention Chapter 192–193 aid that Lakewood received every year. Lakewood Township's non-public school students received Title I aid for economically disadvantaged students from the federal government.[21] Haber did not mention IDEA funding in his report.

The State provided textbook aid for non-public school students. Haber did not know if the State provided other aid, such as nursing aid or home instruction.

The user-friendly budget matched up tuition and transportation, but some of the numbers did not match for 2016–2017. He was not sure if he omitted one year from his calculations and was not sure if he had the right draft.

Haber was not familiar with the DOE definition of adequacy as used in the Formula for Success (FFS). The FFS equalization is the adequacy budget minus what the township raises (local fair share), plus categorical aid, plus other aid and Chapter 192 and 193 funding. The adequacy budget is a theoretical concept of the cost estimate necessary to provide a T&E.

Haber did not know for certain whether tuition for public school students in out-of-district placements was included in the adequacy budget for public school students and said that this might represent a possible double counting of tuition. No sources were

[21] Title I is a grant program that provides aid to low income students for educational services.

provided for the data he used for the tuition cost or transportation cost. Any projections could only be as accurate as the data used.

Haber made an assumption of enrollment increase, but not whether the adequacy budget would change. He did not consider the impact on the district if the Lakewood School Transportation Authority (LSTA)[22] program expired. He agreed that if the LSTA program were to expire, it would cost the district more money to transport students. He did not consider whether costs could be saved if Lakewood Township built a bridge over Route 9 so more students could safely walk to school and avoid a hazardous condition. Haber did not consider a raise in the school-tax levy, or whether busing children to schools closer to their homes, or whether a growing population would mean more equalization aid. If enrollment increased 10 percent, he assumed that expenditures would increase 10 percent and that the adequacy budget would go up based on enrollment, but this was not considered in his calculations.

The source of his historical transportation information was the Lakewood business office, which provided him with district summary forms. He had no idea whether they were accurate.

Haber could not predict how costs might change if the law changed. And the estimates were based on a formula that did not match up. He did not consider a bridge over Route 9 because it did not exist. Nothing showed that the private schools were located closer to where their students resided. Ninety-eight percent of students attending sectarian schools did so in certain sects and gender-specific schools.

He did not consider the factors on State aid, as he was only looking at how much it cost to educate children. He did not go to how the cost was derived. He did not consider revenue, just expenditures.

[22] The LSTA was created pursuant to N.J.S.A. 18A:39-1d, which became effective in 2016. That law "establish[ed] a three-year nonpublic school pupil transportation pilot program" under which "a board of education of an eligible district [with more than 5,000 students attending a remote nonpublic school] shall disburse to [a] consortium [of nonpublic schools] an amount equal to the aid in-lieu-of transportation amount for each nonpublic school pupil who is attending a nonpublic school which is a part of the consortium and who is required to be transported by the eligible district pursuant to N.J.S.18A:39-1."

Haber considered factors not mentioned in his report and added what was needed. He concluded that Lakewood did not have the financial means to conduct a thorough and efficient education. He did not consider a public question about raising taxes or the ability of the people of Lakewood Township to raise taxes. He looked at the per-capita income of people employed and because Lakewood Township had a low employment rate, he assumed it had less ability to raise taxes, not that it might mean a large under-age population.

Haber looked at the growth of public school and non-public school students and saw how Lakewood Township is unique with non-public school students. He looked at income, growth, and a large transient population. He rejected some factors not included in his report, such as growth of population, racial/ethnic origins, the number of free- and reduced-lunch students, and the number of special-education students.

He was not able to consider the ability of the town to expand, as he did not know the master plan and had no way to determine it. He used some census data but had no federal data. He did not consider the effect that bringing the out-of-district special-education students back to the district would have; rather, he looked at the budget as a whole, and did not break it down.

Dr. Laura Winters has been the superintendent of Lakewood public schools since 2012.

In 2018, Lakewood had 6,092 enrolled public school students: one high school with grades nine to twelve; one middle school with grades six to eight; five elementary schools—two with kindergarten and first grade, and three with grades two through five; one preschool for special-education children ages three and four, and one for general-education students age four. The middle school has from twenty-eight to thirty-two students per class when it should be twenty-four. All schools operate at full capacity. The graduation rate is 75%, up from 69%, but the state average is 90.1%. The district is 8.1% Black and 86% Latino.

The district includes many students who have limited English proficiency (LEP) and require ESL (English as a second language) instruction, which is provided for forty minutes per day in the elementary and middle schools. For school year 2015–2016, there were 1,630 ESL students; for school year 2016–2017, there were 1,426 ESL students; and for school year 2017–2018, there were 1,538 ESL students (or about 25% of the student population).

For school year 2017–2018, 100% of the students received free or reduced lunch paid for by the United States Department of Agriculture.

Winters's role in the development of the district's budget was to provide educational input and to describe the programs or facilities that are needed for the students. In 2017 the district initially proposed an expansion of four classrooms and an addition to the cafeteria, but this was eliminated at the final budget.

For school year 2018–2019, the district budget process commenced in January with a projected budget that had a $17–20 million shortfall just to maintain what they had, with nothing new added. If the projected shortfall were not covered, they would have to cut teachers for the fourth year in a row. In 2017, they sent out 140 reduction-in-force letters and lost 78 teachers either to their resigning in anticipation of layoffs, or because they had found employment elsewhere.

In 2017-2018, the budget was down $14 million. The district asked for $10 million in aid and received $8.5 million in aid from the State. The State also deferred a $1.5 loan payment that was due. This contributed to the ability to rehire some teachers and to avoid some of the budget cuts.

The Township also contributed $1.1M to have a sports program which would have been lost in the budget ($557,000 for public school sports, $600,000 for non-public school students). The Township has indicated that no funds will be forthcoming for the 2018-2019 school year. Lakewood Township, not the district, pays for courtesy busing.

For school year 2016–2017, the district paid $32,766,776 for out-of-district placements for 400 students who were registered as students in the public schools.[23] This is projected to increase to approximately $36–38 million in 2017-2018. The child study team has determined that there is insufficient space in the district for all special-education students, so many out-of-district placements are necessary.

Each year, the district generally conducts 500–600 evaluations for entry into its preschool program. There are 500 kindergarten students. The district features an academically gifted program in elementary school and a guidance counselor is present in the middle and high schools.

The biggest challenge to the budget is that the district cannot hire new teachers, and teachers are resigning because morale is low. The teachers' union prepares for reductions in force (RIF's), and the children are worried about sports. The district has too much professional turnover. The district spends about $2.7 million per year in professional development. It trains new teachers and then they leave, especially the ones without tenure, and find employment elsewhere. During the last year the district had fifty-three first-year teachers, forty-eight second-year, and thirty-six third-year. The district is always behind because it has new teachers who are not high-impact teachers or highly effective teachers. The average teacher in the district has only four to five years of experience.

The district is making progress in test scores, although they are well below where they should be. Twenty-seven percent of students are meeting expectations, and 73% are not, although 24% are approaching expectations. Lakewood is below the state average, although the students and teachers are working hard. The district keeps getting loans and issuing RIF's and it has become a cycle. The students' homes are not stable, and the schools are not stable. Lakewood has no industrial-arts programs; wood shop and auto mechanics were given up years ago. The gym is beautiful but has been there forever.

[23] Counting these students, total district enrollment is 6,492 students. Approximately 30,000 more school-age children reside within the Lakewood district but attend non-public schools.

DOE0082

Pursuant to statute, the district must certify that its budget provides a thorough and efficient education. And she certified the budget. But no one could tell her what a thorough and efficient education was: she did not know if it was counselors, libraries, or educational curriculum and instruction. As for facilities, the BOE could put the issue to the voters by special questions to seek additional funding.

As for Partnership for Assessment of Readiness for College and Careers (PARCC) testing, Lakewood is trying to raise PARCC scores. They have seen slow and steady growth with incremental progress. They have met Every Student Succeeds Act (ESSA)—the successor to No Child Left Behind—accountability in all targets but for absenteeism. ESSA facility accountability targets were met except for the middle school, which is overcrowded. Lakewood High School is considered a priority school because of its low test scores.

Graduation requirements are set in the regulations and require twenty credits in language arts, and fifteen in mathematics, algebra, and geometry. The district has all courses to meet graduation requirements for its students.

Lakewood has planned a response intervention reading program and career academics in high school (learning cohorts). The middle school has robotics, coding, horticulture, and journalism. It also has new technology classrooms and Apple TV. In foreign languages, only Spanish is taught in school, and that is what all students have chosen, but other languages could be taken online, although educationally it would be better to have a teacher in a classroom.

The library is open three days per week and a paraprofessional is in charge. The school provides remedial work and a homework club, and some advanced placement and honors classes in English, math, and Spanish.

For vocational-technical education the school has some in-house career programs and sends some students to the Ocean County Vocational Technical School (OCVTS) and career field. It is difficult to get into the OCVTS program, as it requires good grades

and has a strict attendance policy. Some students do not want to leave the district high school. Lakewood does not have the money for its own vocational-technical program.

Lakewood offers graphic design and fashion through Perkins grants; the school has a culinary and TV classroom (Title I and MAC rooms[24]), recording arts and media and data entry, plus an ROTC program. Other offerings include computer classes; library skills; art and music; chorus; band; and orchestra. Title I was cut this year and some after-school programs were cut.

Lakewood's athletic director was cut; now they have a part-time athletic director who is not an employee of the district. The New Jersey State Interscholastic Athletic Association (NJSIAA) says there should be a full-time athletic director and secretary, but both were cut from the budget.

Winters identified Lakewood's problem as not having enough highly qualified teachers, because of low salaries and high turnover.

Lakewood was always in need of Title I assistance. The high school was a priority school, but this year they received only $3 million in Title I funding, which paid for training, professional development, computers, reading, and materials.

The 2017 New Jersey Quality Single Accountability Continuum (NJQSAC) report showed that Lakewood passed in personnel and operations, and had less than 80% in instruction and programming, governance, and fiscal compliance. Instruction failed because it was based on the PARCC scores, which were low. Fiscal compliance failed because the budget has a deficit. The county reconfigured the budget and told them to apply for an equivalency waiver.

Robert Finger testified that he has been Lakewood's interim assistant business administrator since October 2017. He had previously been employed as business administrator and Board secretary in Lakewood from February 2008 to November 2010.

[24] Title I provides a grant for educational services for low income students, and MAC is a computer application that aids learning.

He worked for the DOE for fourteen years as an auditor, was county business administrator in Hudson and Essex counties, and served as tax auditor for the New York Department of Labor.

Finger left Lakewood in 2010 when there were no fiscal monitors in place and the audit showed a $5 million surplus. The fiscal monitor appointed by the State arrived in 2014.

Finger reviewed Lakewood's annual audits and budgets from 2013 to the present. Starting in 2013–2014, Lakewood was going into a deficit, which was then about $6.5 million. For 2016–2017, it was $4.3 million. For 2017–2018, Lakewood received a $8.6 million State aid advance. The hope is to spend less to bring down the deficit. He did not know if other districts received loans to meet their budgets.

As of December 31, 2017, Lakewood had more revenue than expenditures, but had the potential for another deficit. He looked at revenue and tuition and went through special-education and out-of-district costs. In some cases, students had not been accurately counted, and there were more than appeared enrolled.

The DOE relies on information received from the districts and reconciles this with the actual student count. Each year, the DOE issues bills to the districts for the estimated tuitions that the boards of education paid as tuition. Sometimes deficiencies showed up later and then the district would get re-billed. Lakewood received re-bills for 2016–2017 of almost $2 million, for which Lakewood must reimburse the state within two years.

Finger reviewed the 2017–2018 school year budget. He noted that the budget includes "undistributed expenses" which are, for the most part, expenses paid for public school students who go to special-education out-of-district placements, and for support services. When the budget was done for 2017–2018, Lakewood needed a $8.6 million advance State aid payment, plus $1.6 million from Lakewood Township toward sports and courtesy busing and related services. He did not know if Lakewood Township had a budget surplus.

For transportation, Lakewood gives the State the mandated amount for the LSTA program, and if the cost of transportation is less, the district pays $1,000 per student as aid in lieu for each student bused by the LSTA. The LSTA program will be reviewed in 2019, as he thinks it should.

For 2017–2018, Lakewood budgeted $20.2 million for the LSTA program. Enrollment in October 2017 was 6,090 on the public school rolls, plus another 361 who had been placed in private schools, 17 sent elsewhere, 173 received from elsewhere, and 6 in State facilities, for a total of approximately 6,600 students in the public school system. The general-fund operating expenses for 2017–2018 was $143,455,116; $27,600,000 was for transportation, with $20.2 million going to the LSTA. Lakewood pays for special-education services even for those who are sent out of district. The budget showed $31,963,753 for special-education expenses, but that might not have included some extraordinary services.

The budget process starts in mid-March when the proposed budget is advertised; in April-May, they have hearings; and if the budget is approved, it becomes final.

Lakewood Township has approximately 37,000 children who attend school; 6,000 are in the public schools, and the rest are not. The financial situation in the Lakewood public school district is unsustainable due to these unique demographics. It is a 6,000-to-30,000 disparity. In Teaneck it was 4,200 public to 2,200 non-public. Lakewood Township has five times the number of students in non-public schools as in public schools. This has a major effect on transportation, as the district pays $1,000 for each bused child.

Finger compared Lakewood to nearby school districts located in Freehold Borough, Jackson Township, Toms River Township, and Brick Township. Looking at these four, the cost of transportation and tuition for out-of-district students averaged about 4–7% of the budget. In Teaneck, with many students attending sectarian schools, it was 9%. Special education tuition and transportation could be 8–14% of the budget, but in Lakewood it was 38%, and the projected amount for 2018-2019 is 40%. These expenses—transportation for public school and non-public school transportation, tuition

for out-of-district placements for special-education placements—are mandated by the State.

This is unsustainable, because next year tuition is going to increase $7–8 million, plus another $3–4 million for transportation. Districts are permitted a 2% tax-rate increase, and for Lakewood 2% is about $2 million. For 2018-2019, without tax increases and more revenue, $17–23 million in additional funds would be needed without full funding of the SFRA or in extraordinary aid. This does not even include raises for district teachers or the $2.2 million the DOE has deferred for paying back previous loans, so there could be a $19–25 million shortfall. Even if the SFRA were fully funded according to the formula for public school students, the district would still be underfunded for its expenses.

Finger analyzed the cost of special education and transportation costs. About 35–36% of the budget is for special-education costs. For 2016–2017, the operating budget included $52 million for special education. The total in 2017–2018 was $52,438,739, and for 2018–2019 it was $58,622,034. Additional students are coming into Lakewood Township constantly, sometimes three per day, or fifteen to twenty per week.

The transportation aid received for school year 2017–2018 was $4,199,793. This was calculated by the State based on 2,336 public school students, 730 special-education students, and 19,174 non-public school students, for a total of 22,240 students. Mandated non-public school transportation is $1,000 per student. In 2017–2018, $28.7 million was spent on transportation. The State reimburses about $10 million per year for transportation, so the transportation budget is about $18 million.

For 2017–2018, the combined cost of transportation and special education was $49.4 million plus $28 million, for a total of $78 million out of the total budget of $144 million. More than 52% of the district’s budget goes for special education and transportation. For 2018–2019, the projected costs for special education and transportation are a total of $88 million.

Every year Lakewood Township is adding 2,500–3,000 non-public school students who are eligible for transportation. He hopes the monitors are aware of these expenses. Next year's deficit is projected at $17–23 million. The district is trimming at the edges to get the numbers down. This budget goes up about 10% per year. The anticipated 2017–2018 budget showed that tuition and transportation had gone up.

The district has a revenue problem. The State-aid funding formula works well for 99% of the state. It does not work for Lakewood because the district cannot contribute to its adequacy budget because wealth and ratables are taken into account when calculating aid. The district gets some equalization aid. Lakewood has a base of 36,000 students, where one-sixth of the students are in public school and five-sixths are not. The tax levy is not determined just by the 6,000 attending the public schools, but by Lakewood Township's population and ratables. There is a bigger pot of money in Lakewood Township. The tax levy generated $96.9 million this year based on property taxes.

Finger was not aware that Lakewood Township's school tax rate was one of the lowest in the state based on equalization value and reassessment. The Lakewood BOE set the tax rate within a 2% levy cap. Although revenue is restricted to the 2% hard cap, a legislative determination, Lakewood Township voters could exceed the cap if they wanted to pay for things such as transportation costs as long as the money was not for mandated expenses. In 2016 voters rejected a proposal to exceed the tax cap to cover courtesy busing. If busing is provided for public school students, then it must be provided for those attending non-public schools. The budget does not pay for courtesy busing.

Until now, the State has deferred payback of advance aid, but David Shafter, a State monitor, told him Lakewood will have to pay back $2.8 million in 2018–2019, and the State has been recouping it since September.

In projecting the 2018–2019 budget, Finger understood that the LSTA would still be in place, but it would be up to the Commissioner to continue it and to include it in the budget.

The count from the District Report of Transported Resident Students (DRTRS) was 19,174 students effective October 15, 2016. If there were more students, the district would receive more transportation aid.

The district received $4.2 million in transportation categorical aid and was reimbursed that year for mandatory expenses: the State reimburses $290 to get to $1,000 per student. Basically, the district pays the first $710 per student and the State picks up the next $290. If the LSTA were abolished, he did not know if the district would be able to run buses for less than $710 per student, because it would depend on who provided the buses, the bids, etc.

If Lakewood is receiving less money because the State is taking money back from the loans, cash flow will suffer. There is a line on the budget for all revenue from all sources, including DOE State-aid advances. They work with the state monitors and would be seeking $17–20 million in aid for the next school year.

Malka Spitz-Stein is the supervisor of STEM (Science, Technology, Engineering, and Math) for Lakewood and she oversees Sections 192 and 193 grants. She entered the district in 2007 and has been in Lakewood for ten years. Before that, she was a teacher in Long Branch for seven-and-a-half years. She supervises seven schools in the district as curriculum supervisor of math and science to make sure the curriculum is implemented correctly in class.

Spitz-Stein works on curriculum; writes lessons; gives professional development; and visits classrooms and gives feedback. Some districts have superintendents for grades six to twelve, but Lakewood has had no assistant superintendent in this area since it eliminated the position five or six years ago. Spitz-Stein is involved in the hiring process for science and math teachers and in the evaluation of teachers. After teaching, the focus is on the curriculum and strategies. As teachers progress, they are trained.

A tenured teacher is rated. More experienced teachers are better for students. It takes about four years to have actual professional development and to be able to

implement a program. At the five-year mark, a teacher gets to know students and understand them.

In the high-school mathematics department, four teachers out of thirteen are tenured. Sixty percent of high-school math teachers are non-tenured. Teachers who are non-tenured have less experience; they need training; they do not yet have methods to reach individual students. Teachers need to differentiate with their students.

This year there were three first-year teachers (new) due to turnover in the math department; two second-year teachers; and three teachers who are nearing four years of experience.

Spitz-Stein has concerns about holding on to teachers. If teachers are not confident that they will have a job at the end of the year, it leads to teacher instability and the school is not stable. The median teacher salary is $52,046. When teachers leave Lakewood, they are receiving salary increases of $10,000–15,000 per year.

Lakewood has had twenty new hires in math since 2011. Teachers new to the district have been certified by the DOE and could have experience in other districts. Only two teachers have received tenure since 2011, and two already had it. Lakewood complies with New Jersey tenure law: in 2015-2016, only 2 out of 396 teachers were rated not effective, and in 2014–2015, only 2 out of 304.

In the spring of 2017, only 7% of high-school students were tested as proficient in math, and students are in need of teachers to get them to learn algebra 1. In the sixth and seventh grades, there are twenty to thirty students in math and science classes.

PARCC target benchmarks showed that in math, at the sixth-grade level, 12–13% of the students were proficient; at the seventh-grade level, 14%; and at the eighth-grade level, under 20%. Twelfth grade proficiency was under 10%. The high school did not meet its target level, but the elementary school did.

Statewide PARCC results were 54% for elementary students and 23% for high-school students. In Lakewood, elementary grades three to five showed that 20–25% met their target, as compared to statewide, where in the same grades, 47% did. Judging from the PARCC results, the students are not on grade, although performance improved in school years 2015–2016 and 2016–2017. Grades three to five showed significant improvement in math.

The State sets the target; the district did not reach a target in math for middle school. Students in science and math are not on grade level. Based on scores from the State, math is showing a downward trajectory; they need to make sure that elementary students have their needs met and that these projections are addressed.

Five or six years ago Lakewood had more than twenty interventionists who would provide services (four were for math but the math ones were eliminated). It would help students to have them back. English/language arts teachers were also cut. Readiness is a computerized intervention program that was used last year and was reliable.

In technology and English, students have computers to use from elementary school. In middle school, one quarter of students are enrolled in robotics, which is paid for by Title I. Success in high-school algebra is a predictor of graduation, but students in algebra 1 are not on grade level.

Teaching in kindergarten through grade 12 is based on the State Learning Standards. She writes curriculum and lessons consistent with State standards. Teachers never receive education in these standards, so they need to learn on the job. At Stage 1 for the PARCC, standards are addressed for the children's level; at Stage 2, they are rolled out to teachers who were trained on what to say and how to get kids to use generalized knowledge; and at Stage 3, classes are observed and teachers receive feedback. Stage 3 is the most critical, as everything must be done at grade level and get implemented. At elementary school, every teacher must be observed for any needed follow-up and feedback. They want proficiency in every child, and Lakewood was performing well below standard.

Marcy Marshall testified that she is in her fifth year as principal of Lakewood High School. She entered the district in 1996, and worked as assistant principal, director of guidance, counselor, and teacher. She has two master's degrees in administration and education. The student population of the Lakewood public schools is 85% Latino, and less than 5% Caucasian; the rest are African-American. One hundred percent of the student body receives free or reduced lunch.

The high school has lost programs in the past eight years, including auto mechanics, graphic arts, and metal shop. The rooms were repurposed for other uses, and BOE offices are now located there. They now have culinary, photography, and fashion design, among other programs, funded by Perkins grants. Federal funding in 2016–2017 was $1.5M; for 2017–2018, it was $183,000. As a consequence of the financial loss, teachers' stipends and programs were cut; after-school programs were affected; twilight academy (a program from 2 p.m. to 7 p.m. with math consultants) and college visits were cut.

School starts at 7:00 a.m. for the 1,200 students in the high school (350 freshmen, 320 sophomores, 280 juniors, and 220 seniors). (Prior to the 2016–17 school year, school started at 7:15 a.m.) It is early, and it is a problem. Many students have jobs after school, and when they start school early, their attendance is affected; they have chronic attendance problems because of their jobs. The buses come at 6:15 a.m. Some students come to school late. The school has eight security guards plus metal detectors. Incidents of violence are mostly fighting. The high school building dates from the 1970's.

The State graduation rate is around 90%; the rate has slowly been rising in Lakewood from 74.8% to 75.4%. The dropout rate was about 4%, although some students drop out and then return. Ten to 12% of the students go to a four-year college and 40% go to a two-year college.

The school has successful athletic programs and about 400 student athletes. In the fall, they have volleyball, football, field hockey, and tennis; in the winter, bowling, basketball, and track; and in the spring, softball, baseball, track, and tennis. Lakewood Township, not the BOE, funded athletics this year. Before this it was in the school budget

and comparable to what is being presently offered. The school has full-time coaches who are teachers who coach after school, and a part-time trainer. The athletic director is a teacher of physical education and health who receives a stipend as the athletic director. Prior to this, the school had a full-time athletic director and trainer who were part of the budget. The athletic program is important for students, as it provides a safe place after the school day ends. Athletics gives them a sense of family and something to do.

For foreign languages, Spanish is funded by the district. When Marshall started, German was taught, and many years ago, they had French.

Marshall reviewed the New Jersey School Performance Report for school year 2016–2017, which is put out by the State in October or November. The data comes from the reporting districts and the schools and includes the graduation rate, absenteeism, and shared instructional time.

About 120 students at most went to the vocational-technical school during junior and senior years. There is a charge to Lakewood for this that is paid from the district budget.

Most teachers started right out of college, but each one is certified by the DOE and qualified by the BOE. For school year 2017–2018, the high school had eighty-four teachers, of whom approximately thirty to forty were non-tenured. (Nine were first-year teachers, ten were second-year, and fifteen to twenty were third-year.) Fourteen teachers left last year, some tenured and some not, for stability and better pay. This year seventy teachers stayed. Lakewood is one of the lowest-paid districts in the county. Monmouth County pays higher salaries. Teacher retention is a problem, as teachers want stability in their careers.

Marshall spends her summer trying to find experienced teachers, but mostly she gets new ones, which negatively affects the students, who need consistency and stability. Teachers must be rated in the evaluation system used by the State, and Lakewood is in compliance. In school year 2015–2016, only two were rated as non-effective.

The district has four curriculum supervisors: STEM, ELA (English Language Acquisition) & social studies; ELL (English Language Learner) and ESL; and special education. When she started there were more, and the areas of supervision were very content specific. When these positions were lost, the impact was apparent, as she could see the difference because she did not know specific content. She can tell good teaching, but it helps to know content. They do not always have a content specialist to do the review. The STEM supervisor will observe the non-tenured teachers.

In 2007, there were one or two assistant superintendents who helped with curriculum and instruction; now there are none.

Seventy-five percent of the student body comes from non-English-speaking families; less than 15% are non-English speakers. ESL has one teacher, and the district funds a newcomer program for twenty students.

Every other district has remediation and intervention specialists where students get extra support, but Lakewood does not have this program. They do have a class for remedial math in ninth grade. Lakewood is struggling with attendance, language, and test scores.

Lakewood has twelve to thirteen special-education teachers who teach eighty to eighty-five students with IEP's, for in-class support and resource pull-out, but they do not have teachers in all areas of specialization. There are about seven students to a teacher. They have in-class support for language arts (LA), and resource pull-out in math and LA (every grade), and for science and social studies (ninth and tenth grades). They need extra teachers. If a student is classified in LA, they need support in other classes. But funding is why they do not have them.

PARCC scores were improving. Lakewood High School applied for an equivalency review for its PARCC assessment scores in its next improvement plan and has been identified as a priority school. Other than chronic absenteeism, it has met its ESSA accountability goals.

Perkins grants are provided for vocational-technical education. Lakewood does not have an in-house vocational program, but Jackson does, and Toms River will open a career center in September. The high school offers two art classes, TV production, MAC labs, media center, photography, and recording arts.

Lakewood offers courses in all requirements for graduation: twenty English courses; fifteen math, geometry, algebra, and pre-calculus courses plus advanced placement (AP) courses (eleven students); fifteen science, chemistry, physics, AP physics 1 (twenty-five to thirty students) and AP physics 2 (nine to ten students) courses; and fifteen social studies, United States and world history, and AP United States history (fifteen to twenty students) courses. The high school also offers financial and entrepreneurial skills; online language; Spanish; AP English language and composition; AP English literature (thirty to fifty students); AP Spanish (ten to twelve students); New Careers academy program; STEM, business, 2 pathways; Oceans 1 and 2—marine studies; horticultural and greenhouse; music, film, and performance ensembles; and band, choir, and orchestra. No student is presently taking an online program offered by and paid for by the district. The BOE pays for choir and music programs, and art classes. Students have a fine-arts requirement for graduation, and the foundation class is the one that most students take.

In the AP courses, students received grades of 3's and below; none passed the AP physics course. For AP college credit, colleges require grades of 4 or 5. One student received a 4 or 5 in AP Spanish, and one did well in AP physics.

Danielle Farrie, Ph.D., has been the research director for nine years at the Education Law Center (ELC) and works to enforce the rights of public school students. She is responsible for data analysis. Dr. Farrie has a doctorate in sociology from Temple University. She did analysis for the New Jersey Supreme Court in Abbott XXI, for the 2011 fiscal year, about the impact of the budget on students, and her report was accepted by the Court. She prepared a report at the request of the petitioners. She has never been to Lakewood Township.

The ELC prepares a school funding report annually. Dr. Farrie does research and writing on school funding and has worked with Professor Baker on school funding and educational outcomes. She worked with another author on a book chapter tackling school-funding equity around the country; her chapter was "From Rodriguez to Abbott." She wrote about the SFRA and Abbott. A separate report identified disadvantaged students in markets. A 2016 report discussed school funding, from resources to educational outcomes.

Dr. Farrie holds no degree in accounting or public funding, and she is a researcher, not an educator or a business administrator. Her dissertation was on school choice and economic segregation. She previously worked in the Institute for Public Affairs which does not deal with financing. She began working on school funding when she started work at the ELC. She has no experience in developing educational policy or implementing policy. She does not do professional analysis and does not put together a school budget.

She has testified in court before and was accepted as an expert in educational funding.

Dr. Farrie is familiar with the SFRA standards, which are linked to a weighted formula. The SFRA determines the level of funding to provide students an educational curriculum. It is the base cost for regular education plus additional funding for special education, at-risk students, and poor students. The funding level is divided into the local share and the State share (called equalization aid). The adequacy budget is the local fair share and the State equalization aid. The adequacy budget is supplemented by categorical aid paid by the State to cover the costs of transportation, security, and special education.

For special education, the SFRA pays one-third of the cost through categorical aid, and two-thirds as equalization aid. The local fair share is based half on income and half on the equalization of property values in the district.

Dr. Farrie studied Lakewood's school funding through the State aid notice. The base amount per pupil is $11,042 and is the same for all students. Those at-risk students receive the base plus 57% more. There is also a geographic cost adjustment.

The SFRA uses a census-based formula; it assumes an average classification rate for special education of 14.92%, and Lakewood is funded as if it had an average classification rate. If the district has a greater percentage of special-education students, then the district is underfunded. Speech is funded separately from special education; the state average is 1.63%.

Dr. Farrie was not sure how the average classification rate was calculated. If the average were determined by the district, then Lakewood would be higher.

The State calculates how much a district needs to raise as local revenue to meet its adequacy budget. The local fair share is how much residents are willing to pay to fund the local schools. Equalization aid is adequacy budget minus local fair share.

Special education is paid at one-third categorical aid and two-thirds from the local fair share. For security aid, low-income districts receive more. Transportation is also paid as categorical aid. It is based on population and non-public school students, plus aid in lieu based on enrollment in the district and the length of bus routes.

SFRA funding was phased in as State aid for one year; it was reduced in the second year, was cut in the third year, and has been flat-funded since. Most districts have not received SFRA aid.

CAP adequacy is defined as the adequacy budget plus other categorical expenses.

Titles I, II, and III funding do not have any bearing on SFRA, and SFRA does not include federal funding or non-public funding. The SFRA was declared constitutional. However, Lakewood Township is unique, as its public school population is not reflective

of the school-age population. The majority of Lakewood Township's students attend non-public school.

For special education, a similar demographic is present. The adequacy budget is based on district enrollment and special education is funded on a percentage basis. Lakewood is different because special education and transportation are mandated costs for the district. Classified students receive services through IEP's. There are three reasons behind Lakewood's higher special-education costs: a large population of special-education students; a large number of students with the highest cost of disabilities; and higher-than-average out-of-district placements, which are more expensive.

The special-education student population differs from the general-education population. The comparison is to the school-age population with race and age, as compared to special education. White students are more likely to be classified, which suggests that some white students opt into the public school setting in order to get special-education services.

Lakewood's classification rate is above the state average, but those decisions are made by the school district. Some districts are even higher than Lakewood because the statewide 14.92% classification rate is an average. She did not remember if the district provided mandated special-education services, nor was she familiar with the State funding them through Sections 192 and 193.

The State rate is based on the average number of classified students, an average number of high-cost disabilities, and the average cost of school. Lakewood places more students in private placements, so its special-education costs are higher.

Transportation gets paid per pupil. Lakewood's transportation costs exceed what the formula provides for the district. Lakewood had a pilot program for transportation, the LSTA, but funding did not capture the total cost.

New Jersey has one of the best educational funding systems in the United States. It is a state with high funding for low-income districts. The New Jersey is fair and is second in the nation in school funding. Her report was a State report, not a local one.

The SFRA is a national model of school funding, but Lakewood is an extreme case; this has caused constant fiscal distress, with transportation and special education eating up the budget, so the money must be taken from other areas. The decline in academic performance correlates with it. The district is academically performing in the lowest 5% of all districts across the state in nearly every tested area, a significant decline in relative performance. The SFRA does not dictate how money should be spent, but some costs are mandated, such as special education and transportation. These two areas get their funds first and the rest of the budget has to support all other education expenses. Lakewood spends far less on regular education than the formula suggests is adequate. Compared to districts with 3,500 children or more, Lakewood spends about 50% less than other districts in classroom-instruction costs.

Changes are necessary in the funding structure: it must take into account that the Lakewood school population is not reflective of the number of students who live in the district and attend non-public schools. The funding is not adequate for Lakewood, especially in special-education costs. Lakewood spends about $40 million more than a district its size should spend due to special-education and transportation costs.

Based on Dr. Farrie's analysis, the State does not pay enough because it is per-pupil aid in theory, but not in practice. The district received $4.5 million in 2017 for extraordinary aid for special education, and received $4.1 million in 2016, and $3.1 million in 2015. It was 2.4% of the State's extraordinary aid in 2016, and 1.9% in 2015.

New Jersey has 1.4 million public school children. Lakewood has 6,000, representing one-half of 1% of the state population, but the district received 2.4% of State extraordinary aid for special-education students. Dr. Farrie believes special-education aid should be based on the percentage of children in special education. Students placed in out-of-district placements are enrolled in the public school system. These students are

counted for equalization aid, categorical aid, special-education aid, and extraordinary aid. When she said Lakewood was underfunded, she considered extraordinary aid.

The SFRA provides for transportation per pupil, which is mandated under the SFRA based on distance from school. The formula provides the same amount, but the district does not spend that amount. Lakewood was forced to pay for transportation for non-public school students, money that it could be spending on public school students. She was not familiar with Lakewood spending money on public school transportation. She was not familiar with the Bacon cases in particular. Lakewood had been spending too much on courtesy busing and non-public school transportation. Dr. Farrie stated that Lakewood's transportation cost exceeded the State formula, but it was contingent on local funding and that was included in the adequacy budget.

She had no idea if Lakewood could raise additional funds. The State does not restrict local fundraising, but there is a 2% annual cap on how much the municipality can raise through taxes, and so it has limited ability to raise funds. She was not familiar with whether Lakewood Township had attempted to raise funds through special questions on the ballot.

Dr. Farrie's report stopped analyzing scores in 2014; she did not dispute that PARCC scores were improving, but it would not have affected her opinion.

Dr. Farrie concluded that the SFRA cannot address Lakewood's conditions, and that changes to the SFRA formula were necessary to ensure that Lakewood Township's public school students received a thorough and efficient education. Changes were needed to the SFRA as it functions in Lakewood. Working to reduce out-of-district special-education placements would help address Lakewood's budget, although she wants students in their proper placements. Working to make the walk to school safer in the Township might save some costs of hazardous-route busing.

She believed that the Lakewood school district was an outlier, although she had not studied other districts in detail.

David Shafter is a state monitor in Lakewood. He has a bachelor's degree and a master's degree in accounting; he is a certified public accountant and a certified school business administrator. He later worked in Willingboro, New Jersey; he then became a state monitor in Beverly, New Jersey. He has also worked in Camden for two years as interim business administrator, then worked in fiscal compliance.

Shafter is employed by the DOE to go into distressed school districts to monitor them. He has worked in Lakewood since 2014 as a fiscal monitor with Michael Azzara, who arrived there first. Shafter reports to Glenn Forney in the DOE, who is responsible for all state monitors.

The State uses NJQSAC evaluations of school districts for determining performance and to see if a district is below level. Lakewood is in a deficit.

As a state monitor in Lakewood, Shafter attends board meetings, and is involved in finances, budgets, purchasing, and grants. He approved the school year 2016–2017 and 2017–2018 budgets, prepared with the assistance of an able business administrator. At the time of this hearing, the 2018–2019 budget was being worked on with the business administrator.

When Shafter was first placed in Lakewood in the fall of 2014, there were concerns with record keeping and finances. There had been poor record keeping and there were issues with purchase orders. Financial records were not accurate, and the budget was about 50% accurate. There was a lack of purchase orders for out-of-district placements. Monthly records were not closed timely and ran three to four months behind. On other purchase orders, when a line item was at its limit, items were charged elsewhere. Lines were over-encumbered, and a report would show negatives. The records could not be relied upon; the position-control roster was not reconciled with the names of staff. This presented problems for tracking expenditures.

Corrections to the budget started during the 2015–2016 school year, and this affected planning. The budget was then 90–95% accurate, as it was corrected by 2016–2017 with correct purchase orders and funds allocated for anticipated expenses. He has

not discovered any expenditures that were not legitimate. Over $1 million in extraordinary aid was found and corrected.

When he first arrived, the *Comprehensive Annual Financial Report (CAFR)* findings showed the numbers were off. Ideally, what is wanted are no findings in the CAFR. Having twenty-three to twenty-four findings in a CAFR is a high number. Since he has been the monitor, the number of CAFRs has gone down. This year it was reduced to eight, which was a definite improvement. The issues he identified have been improved.

Also, when he first arrived, some special-education students had not been counted correctly, and some students placed in-district had not been included as special education students. Some students had been eligible for additional financial aid but as no application had been made for financial assistance for them, money had been left on the table. That problem was also corrected.

Also, when he first arrived, Lakewood provided courtesy busing, but that has now stopped. Now Lakewood provides non-public school busing through the LSTA. The District pays a per-pupil amount of $1,000 per year. Prior to formation of the LSTA, the cost per pupil was $650. The cost has gone up under the LSTA for two reasons: the actual cost increased from $650 to $710 in the first year, and the number of students being transported increased.

The first budget he worked on was for school year 2015–2016 and was extremely responsible. No deficit was apparent at first, but in October/November, they realized there would be a deficit for the rest of the year concerning transportation. Bids went out and were supposed to save money, but they did not.

The referendum to fund courtesy busing had been defeated and the DOE directed Lakewood to continue it. The State advanced $4.5 million in aid for this. It would have been dangerous to stop busing for the children because of traffic and some hazardous routes, so that was the reason to cover the transportation deficit.

For the 2016–2017 budget, they realized they had a deficit, and that for the first time there would be layoffs. The budget was $5 million short, so the State loaned Lakewood $5.4 million to avoid layoffs and increases in class size. Without the loan, teachers would have been released. Courtesy busing was eliminated.

Lakewood was short of funds because of increases in the costs of programs, the 2% tax cap, and mandated costs for special-education placements. Transportation costs increased for the LSTA. Those costs had been less than the cost assigned to the LSTA and was more than tax increases could sustain. The budget was cut as much as possible, an assistant principal was let go, and anything that could be taken from the budget was done, such as leasing textbooks. Leased/purchased buses brought some transportation into the district.

Transportation for 2016–2017 was very efficient, and the budget was approved by the monitor. They started tiering (starting school at different times) and filling the buses. Lakewood High School started at 6:45 a.m. and provided breakfast before school; 7:45 was the second tier, and 8:30 was the third.

The 2017–2018 budget was never passed. It was approved by the monitor in May/June (usually submitted in March and approved by May). The budget was not approved by the Board because “it did not provide the services they wanted.”

The 2017–2018 budget had some deficit, but by March the deficit was $13.5 million. After the budget was approved, the superintendent did not recommend the budget and the first draft was not approved. (It included cuts to guidance, cutting 80–100 teachers, and cutting the library, extracurriculars, and athletics.) Class size would be in the thirties in elementary school, and in the forties in the middle school. The budget was finally adopted after negotiations with the DOE, with $11 million cut and $2 million for paybacks of previous loans waived for one year. Some cuts remained, some athletics were cut, some co-curricular activities were cut, and some other reductions were made in non-public school-related services. After the State’s loan of $8.5 million, the budget was acceptable in its bare-bones form.

The district cannot cut any more from special education or transportation, so cuts come from regular education and administration. New Jersey has been a model for class size. The average in grades K–1 is twenty-one students; in grades 2–8, twenty-two students; and in grades 9–12, twenty-three students. But in Lakewood, it is twenty-four to twenty-five in grades K–1, and twenty-eight to twenty-nine in grades 2–8. The effect is an increase in class size, and this affects education, administration, libraries, media, etc. They do not want to cut security.

Lakewood does not have a spending problem; it has a revenue problem. Shafter goes over the budget carefully; he makes sure the budget is correct; he looks at projections. He believes that on the expense side, the budget is not an issue.

Some special-education classes have been opened in Lakewood, with additional classes for special education and pre-school disabled. In 2018-2019 the pre-school-disabled class will be expanded, and it is in the budget. Instead of spending for out-of-district schools, keeping students in the district (first graders) will save money. That program started this year. Beyond first grade, the district looks for least restrictive environment. It is hard to bring students back from previous out-of-district placements. By the district starting programs for younger students, a long-term solution is provided.

Comparing Lakewood to Abbott districts, Shafter noted that he had previously worked in Trenton and Camden. Camden is urban and Lakewood is not considered urban. Camden has a large public school population and a smaller non-public school population. Camden had no problem matching expenditures to revenue—it was easy to balance its budget. One hundred percent of both Lakewood and Camden school students are entitled to free breakfast and lunch.

Lakewood has a unique situation in its student population. Usually the number of public school students in any district is greater than the number of non-public school students. For example, Camden has 13,000 public school students, but only a small percentage of students attend non-public schools. East Windsor has the same situation. But in Lakewood there are 6,000 public school students and 30,000 non-public school students.

The challenge is that when taxes were raised, they covered public schools and State aid was increased. But now, in Lakewood Township, the number of public school students stays about the same, while the non-public school student population goes up about 10% per year. This affects the budget in transportation, because Lakewood has to pay the LSTA $1,000 per student per year, which actually comes to about $710 per student after State aid is factored in. Usually taxes and State aid are sufficient for most communities to cover this expense, but in Lakewood, even with categorical aid and equalization aid, it is not enough because the equalization aid and the categorical aid are frozen. It is not enough because increased taxes do not cover the costs.

In 2016–2017, an additional 2,000 non-public school students needed transportation. The number for 2017–2108 was not then known. Out of the increased number of children living in the district, some will enroll in public school and need placement and transportation. There are over 100 non-public schools in Lakewood that are not calculated into categorical aid.

For 2017–2018, Lakewood received a $8.522 million loan. Two million dollars was for deferred repayment. One million dollars was received from the Township to pay for athletics.

The budget for 2018–2019 was then in preliminary stages and showed a potential deficit of $17 to $23 million. If nothing changed from the 2017–2018 budget, and no salary increases were included, plus $3.2 million to be paid for increased benefits, plus $5.9 for out-of-district tuition, plus $2.283 million for transportation, plus charter-school costs of $728,000, the total projected deficit was $23,290,988. The district already owes the State DOE $8.5 million, plus $4.5 million, plus $5 million, for a total of $18 million. Loans given by the State must be paid back within ten years, and a state monitor must be in the district as long as the debt is outstanding.

On February 5, 2018, a letter was sent to the acting Commissioner indicating that Lakewood did not want to fire teachers. The monitor has the power to fire teachers, and it is part of his role, if necessary. The budget must be completed by the end of March,

and the district has two options: to leave the budget unbalanced and to write to the DOE for more assistance, or to reduce the budget line by line the way they did the previous year. As for the first option, they can ask the State for more aid to balance the budget. The DOE refers the budget to the county business administrator, who reviews it. By law, the budget must be balanced. In 2017, he made suggestions. The letters for a reduction in force went out. There is time yet to resolve issues, so those letters may be sent and retracted later. He had no opinion yet of what he would do for school year 2018–2019. Each year stands on its own.

The local fair share in SFRA is broken down into two categories by weighted enrollment. The cost factor is how much it costs to educate each student. The adequacy budget is the local fair share without equalization value times a percentage of gross income. State aid is supposed to make up the difference. Adequacy has nothing to do with local fair share. All educational aid is controlled by the Legislature. Categorical aid is frozen; it is set by the Legislature's annual appropriation budget. The amount of equalization aid, the 2% tax cap, and the LSTA are all controlled by the Legislature. Lakewood Township has no ability to raise taxes and is at the 2% cap. One special question on the ballot to raise taxes failed by a huge margin.

Shafter has not spoken with Lakewood Township about contribution to the school budget. One thousand dollars is the State-aid amount in lieu paid to parents of non-public students not transported. A bid is rejected if it costs more. The $1,000 is calculated with the first $710 from the local district; the amount from $884 to 1,000 comes from the State.

Courtesy busing for students in K–8 is one-half to 2 miles and for grades 9–12 it is one-half to 2.5 miles. Courtesy busing now costs Lakewood Township $1.3–1.5 million per year, but if it were eliminated, there was no guarantee that Lakewood Township would provide the funds to the Lakewood public schools. Courtesy busing could be reduced if sidewalks were added, crossing guards were increased, and hazardous routes were reduced. In summer 2016, a Lakewood consultant met with officials to plan to increase sidewalks, and there was some discussion about this.

The budget is very tight and has no room for cutting. Lakewood needs increases in revenue, either increases in State aid to full funding or increases in taxes. Lakewood Township could use its surplus, or a formula so that some portion of those non-public school students could be counted in the adequacy budget.

If Shafter had more money, he would balance the budget: he would pay for the transportation, health insurance, and charter school expenses that are required.[25] He would fund new facilities for Lakewood, especially for the middle school, so that special education could be offered in-district which would save the district money. Class size could be reduced, and languages could be offered. More money might be needed in the beginning, but savings would be afforded over time.

Michael Azzara started working for the DOE in 1978 and is the leading New Jersey state monitor. There are about ten monitors in the State. He was appointed by the Commissioner to be the state monitor for Lakewood, where he served for four years prior to April 2018. He oversees finances in the district and reports to the Commissioner through Glenn Forney.

He has forty years of experience in education and was the director of fiscal policy in Paterson, a state-operated school district, as an assistant superintendent. Previously he worked in Jersey City, Camden, and Newark. All were state-operated school districts. He has a bachelor's degree in business, and a master's degree in education.

Lakewood has a revenue problem, not a spending problem. They have made every reduction possible to maintain education. The budget is what is needed to get the county to sign off on it, and it really cannot be cut any more. Special-education expenses cannot be cut. Security cannot be reduced. A deficit is anticipated this year.

The State set up the LSTA and paid $1,000 per student. Transportation was brought in house and it is efficient. Courtesy busing was put out for a $6.2 million referendum to pay for it, but that expense was rejected by 98% of the voters the following

[25] Lakewood has one charter school with 150 students. The budgetary impact is minimal.

January. After that, courtesy busing was eliminated by the district; it is not on the table. They used a tiering system, but the bids were so high, they could not do it for the following year. So, the Legislature created the LSTA consortium for busing.

One referendum passed in the district which was for a building roof repair and an HVAC system.

Monitors have proposed ballot questions, but the Lakewood BOE has rejected them. Consequently, they did not bother to spend money on a referendum.

Lakewood Township was not considered an Abbott district, such as Newark, Jersey City, and Paterson, but shared some characteristics, such as free lunches, etc. The Abbott District Factor Groups (DFGs) were generally classified as district factor A and B.[26] Lakewood was not included as an Abbott district because it was not considered poor. The Abbott rulings were supposed to permit poorer districts to have sufficient financial support to meet district factor I-J standards, but there was not enough money in the state budget to ever meet the I-J standard. Abbott was abandoned in the SFRA.

The problem with the budget is that the school-funding formula is frozen. The non-public school population (30,000 children) is growing, and this puts stress on the budget, particularly on the costs of special education. The SFRA uses census data and calculates that approximately 15% of enrolled students require special education, but in Lakewood the percentage is so much greater. The Orthodox children attend non-public school yeshivas, but generally, if they have a learning disability, or need special education, they are enrolled in the public school district.

Lakewood spends about $30 million for special education but is funded for only about half the classified students in the district. This puts a strain on the taxpayer, as the

[26] The DFGs represent an approximate measure of a community's relative socioeconomic status. The classification system provides a tool for examining student achievement and for comparing similarly-situated school districts in other analyses. Subsequent to the Abbott IV court ruling, the DFGs were also used to define the group of school districts on which Abbott v Burke parity remedy aid would be based. District factor groups range from A (the poorest) to J (the wealthiest) districts.

township has to support public school services. Other municipalities would not put the same strain on taxpayers.

This municipal overburden puts a strain on the tax base and the State needs to develop a budget that takes that into consideration. Thirty thousand non-public school students put a burden on the district, as that kind of population creates expenses that are not addressed by the SFRA school-funding formula.

Student enrollment drains the adequacy budget. The local fair share of $102 million would not change, but the adequacy share could improve. Lakewood needs more revenue, whether it comes from the Legislature or Lakewood Township residents, but Lakewood is capped at what it can raise, although it has a large tax base. The amount of aid appropriated is controlled by the Legislature. The levy cap is also controlled by the Legislature.

When Azzara came into the district as monitor, he was familiar with aid in lieu of transportation. But after two years, he discovered that the district was sending money directly to non-public schools by checks and not to the parents. Lakewood did not own its own school buses in 2015, just a couple of vans. They saved money for the district by purchasing buses and doing some transportation in house.

The Legislature determines school financial aid based on municipal income and property wealth, which equates to an ability to pay for the local schools. But aid is also a product of how much the State has available to it to assist the local districts. The per-capita income of Lakewood Township is low at $15,000, and less than half of the state average, but the median age of the population is also very low.

Melvin Wyns testified that he worked in the NJ DOE Division of Finance for thirty-one years. For thirteen years until his retirement from the DOE in 2001 he was director of the Office of School Financing, where he was responsible for all twenty-seven major school-aid programs in New Jersey designed to provide a thorough and efficient education. He reviewed school-aid applications, insured that payments were timely

made, and conducted audits. While he worked in the DOE, there were many major court decisions affecting school funding.

Following his retirement from the State, he went into consulting, until his final retirement in 2017. In his consulting firm, he has worked for municipalities and school districts on school-funding issues and regionalization issues. He has testified on the SFRA and regionalization and is considered an expert in Abbott XX and Abbott XXI for the Special Education Law Center.

In Abbott XX and Abbott XXI, the plaintiffs challenged the constitutionality of the SFRA, and the Supreme Court delegated those matters to a special master, Hon. Peter Doyne, J.S.C. In Abbott XXI, the third year of SFRA, the law was underfunded. Wyns testified as an expert in that case.

Wyns has continued to follow school funding since his retirement and has testified as an expert following his retirement. He had a consulting agreement with Lakewood from January through June 2018.

Wyns was accepted as an expert in school funding.

Wyns started with Lakewood in July 2003 and was a consultant to the BOE. From 2003 to 2018 he had various consulting contracts with Lakewood covering six to eight years. The tax levy was repeatedly voted down, and then the BOE would have to go to the township for funds. He was supposed to be an intermediary, but it did not work out that well. He is not now under contract with Lakewood.

After the SFRA was enacted in 2008, Wyns identified earlier problems that had not been resolved with the new law. The school-funding formula created problems for the Lakewood school district because of its unique distribution of sectarian to non-sectarian students.

Wyns reviewed the May 7, 2018, letter written to the Lakewood superintendent by Forney in which the State approved $28 million in advance State aid for the 2018–2019

school year to balance the budget. This aid provided additional revenue to Lakewood as an advance (loan) for the purpose of enabling Lakewood to provide a thorough and efficient education to its students beyond SFRA funding. The State could only do this because Lakewood has a fiscal monitor in place. The revenue request must be certified by the State BOE to the state treasurer before the money can be released.

The May 7 letter was sent on the budget-cycle deadline for Lakewood to have its budget approved for the 2018–2019 school year. Absent this revenue, Lakewood would have had a shortfall and would have had to cut staff.

Wyns reviewed the letter of October 26, 2018, which indicated that when the Appropriations Act was passed, Lakewood's funding was reduced by $1,566,821 million, creating a shortfall. Lakewood was notified that it could not raise taxes; it could either cut the budget or apply for emergency aid for districts in financial distress. The letter approved the emergency request so the budget would remain sound. A total of nearly $30 million in funding was provided to Lakewood by the State to provide a thorough and efficient education.

Wyns reviewed Commissioner David Hespe's letter dated June 23, 2016, to the state treasurer, in which Hespe asked for $4.5 million in order to a provide thorough and efficient education for 2016–2017 school year. He also noted a similar request for 2016–2017 sent to the acting state treasurer requesting $5.4 million in order to provide a thorough and efficient education for Lakewood's public school students.

He reviewed the letter dated November 9, 2017, in which former Commissioner of Education Harrington asked for $8.522 million for State aid for the 2017–2018 school year, again certifying that without it, the school could not provide a thorough and efficient education for Lakewood's students.

All these letters showed that the four advances in State aid (loans) were made to assure that the students received a through and efficient education.

Lakewood needed the loans because the SFRA is not working in Lakewood and does not provide adequate resources to Lakewood. The DOE has been able to intervene because Lakewood has a fiscal monitor and the State has intervened to provide a through and efficient education.

The statute provides that the State-aid advances of $4.5, $5, $8 and $28 million must be repaid within a ten-year period out of future State aid; thus, money will be taken away from future students to serve present ones. This is money that must be paid back; this year they paid back $3 million to the State from the money they received.

In school years 2004–2005, 2005–2006, 2006–2007, and 2007–2008, Lakewood received aid from the State for about four years through budget footnote language and received about $1 million in grants from the State. There have been special appropriations for Lakewood in previous years. Then-Commissioner Librera was convinced that Lakewood had school-funding issues. They understood the problem, and they had to convince the governor and Legislature that Lakewood had a problem. The advances were not paid out of the goodness of their heart; it was because of Lakewood Township's unique demographics.

Wyns has written papers for Lakewood relating to Lakewood's unique demographics. He wrote in 2008 about the SFRA and pointed out problems with Lakewood's demographics that continue. These problems pre-dated the SFRA and remain. The SFRA is not working in Lakewood, as is seen in the May 7 letter regarding the increased amount of aid. The situation is worsening, and worsening quickly, under the SFRA.

Lakewood Township's demographics show a rapid population increase. The public school population is below 6% of total population; typically, it is about 16%. Lakewood has a large non-public school population. Forty-one percent (41%) of the township population is below the age of eighteen; on a statewide basis, it is 22%. Lakewood Township is double the average. Lakewood Township has had a large increase in property value and income, which, because it is disproportionate to the growth in the rest of the state, negatively impacts the public schools.

The largest calculation in State aid is equalization aid, which is based on property value and income. Lakewood's equalization aid is disappearing because of its increase in property value, and Wyns predicts that it will soon be zero. This is a consequence of recent amendments to the SFRA: adjustment aid and equalization aid will be gone, and only categorical aid of special education and security aid will be left.

In his opinion, more money is needed. Next year, $43–45 million will be needed. Lakewood will need $30 million just to sustain this year's level without any enrollment changes, or additional demand because of non-public school students requiring special-education services.

The only thing the State can offer is advances; it has no ability to provide grants. It is a non-sensical cycle leading to disaster because the amount to be paid back will become most of the aid Lakewood receives.

Funding will be reduced in the new statute. Lakewood now owes about $40 million. Averaged over ten years, it is about $4 million per year. It is in the budget now at about $3 million per year. In a couple of years, $70 million will be needed to be paid back.

The loans were made because the SFRA is not doing what it is supposed to be doing, providing adequate revenues for the district to provide a through and efficient education for its students. It is possible mathematically that if this process continues, all the State aid that is supposed to be used for providing children with a thorough and efficient education will be used to pay back the loans. The SFRA cannot provide revenues for a thorough and efficient education. The SFRA is supposed to provide funding for districts to provide a thorough and efficient education. It is a question of how long the State allows this process to continue.

State aid is not going to grow. Two things occurred after May 7, 2018, that negatively impacted State aid to Lakewood: first, the Appropriations Act language for the 2018–2019 school year reduced aid by $1.5 million (which is why Lakewood received emergency aid); and second, adjustment aid was eliminated for school districts for 2018–

2019. Chapter 67 removed adjustment aid permanently, and there will be no more adjustment aid in the future. (The State-aid cap was also removed, but this would have no impact on Lakewood.)

Based on recent legislation, Lakewood's equalization aid will disappear next year or the year after and will not be offset by any State-aid advances. If the loan process continued for three years, Lakewood would owe $140 million, and most of the State aid advanced would be money owed back to the State. The larger the property value and income, the lower the school aid from the State, relative to the public school population, and not to the total number of students in the district. The relative wealth per public school student because of the growth in population and the increase in property value and income causes Lakewood's local share in the school-aid equalization-aid formula to be too large, because the district appears to be disproportionately wealthy relative to the small public school population. The demographics attached to property value, income, and special-education enrollment all must be addressed. The formulas and their components must be tweaked by the Legislature to help Lakewood.

Lakewood Township cannot just raise taxes, because of the 2% tax-levy increase cap. Lakewood has been doing this, but it cannot have a referendum except for things not required for a thorough and efficient education, as the law does not permit Lakewood Township to do this.

Lakewood requires legislative action; there is nothing the DOE can do administratively except to provide the advances. The DOE is doing everything it can do.

Wyns understood that the SFRA was designed to meet the constitutional mandate to provide a thorough and efficient education. The previous act relied on discretionary action, which was ruled unconstitutional. Funding for a thorough and efficient education is the continuing obligation of the State. It should be predictable for appropriate budget planning; it should be formulaic and not discretionary. It is unconstitutional if State-aid advances are unpredictable and subjective and not continuing until a decision is made. The intention in Abbott was to have a unitary funding formula to enable all districts to provide a thorough and efficient education, and it is not happening in Lakewood.

Witnesses for Respondent:

Kevin Dehmer has been with the DOE since 2007 and is the assistant commissioner of the Department of Education, assigned to the Division of Finance. As assistant commissioner, he has broad responsibilities, overseeing school facilities, grants, management, state monitors, and non-public and choice schools. He is acting commissioner in the event the commissioner is absent.

Since 2008, Dehmer has worked with the SFRA, a formula passed by the Legislature for school funding. The law considers enrollment as the main input to the formula. This feeds into the adequacy budget for the State and local districts, as well as into the categorical funding available for specific items. The state has 577 school districts. The adequacy budget does not count non-public school students.

The adequacy budget is calculated based on enrollment, with different factors weighing in costs for ESL students, needy students, speech-only services, and special-education services multiplied by a base amount. The local component is the local fair share: it equalizes property value and income and applies a rate which determines the dollar amount each district can pay to support the local schools. The State component is the equalization aid, which is the State's contribution to school funding. Two-thirds of special education is equalization aid, and one-third is for categorical funding, plus transportation aid and security aid (which is based on the number of students and the number of at-risk children).

On March 15, 2018, the Governor's budget message was sent out to all school districts providing a detailed outline of the calculation for the district following the funding formula and how the proposed aid was calculated. Lakewood received that notice. On July 13, 2018, notice was provided to the district to show the changes to the proposed funding amount after the Appropriations Act was modified. The adequacy budget was calculated on enrollment in public schools, and transportation for non-public school students was counted as required by the SFRA. The adequacy-budget calculation considered lack of English proficiency and low-income students (who receive free or

reduced lunch) in its weighted formula. Some districts spend over or under their adequacy budgets.

The local fair share takes into account property valuation and district income. The data comes from other State agencies like the Department of Community Affairs and the Department of Taxation. The local fair share is a calculation in the school-aid formula and considers the local tax levy. There are restrictions as to how much a district can raise. It is a 2% cap raise, but some exceptions were included in that law such as an allowance for increased enrollment and health-care costs. Districts can bank their cap. The levy cap can be exceeded, but districts must have ballot initiatives to increase the levy over the cap.

There are two types of State aid: equalization and categorical. Transportation categorical aid includes regular-education students and special-education students who do not require special services for transportation as one category. For special-education students who require an aide, a higher level of categorical funding is provided. The totals were $11,144,460 for the first category and $2,312,507 for the second.

Special-education categorical aid takes the district's total enrollment multiplied by 14.92% (statewide average classification), so using the $17,343 per-pupil amount and adjusting that for the geographical cost, it is multiplied by one-third. Since two-thirds is already included as equalization aid, it is multiplied by one-third, for a total of $5,007,392. The reason for the two-thirds, one-third split is to ensure that each district receives some aid for special-education costs. Security aid is calculated by the total number of students in the district, and also takes into account the concentration of low-income students in the district. Security aid and low-income aid totaled $2,722,718.

Special-education extraordinary aid is outside these calculations; there is a formula for this. Extraordinary aid covers a portion of special education to cover both in-district and out-of-district placements, and is reimbursement based on the cost and the prior-year expenditure. Separate spending is included for non-enrolled students, but it is not included in the SFRA.

During the 2011–2012 grant year, the district received the most nonpublic school IDEA basic funding in the state. Lakewood received $4 million, approximately 18% of total state non-public IDEA basic funding; the next district received $700,000, a fifth of what Lakewood received. A recommendation had been made in 2014 for the district to determine whether other IDEA-approved programs or services could potentially benefit a greater population of non-public school students with disabilities and be a better use of the aid received.

The approximately 31,000 non-public school students in Lakewood Township make up approximately 25% of non-public school students in New Jersey. In 2017, Lakewood received 2.33% of total State aid, even though its share of total public school enrollment was less than 0.5%. Out of 577 school districts in New Jersey, Lakewood received a total of 21% of other non-public school aid. In 2017, the State provided approximately $62 million in total aid for public and non-public school students to Lakewood Township.

Dehmer noted that Lakewood's tax-levy history showed it was consistent, but only started to increase in 2015. In the early years, Lakewood was taxing a little above fair share, and was very close starting in 2014, but from 2014 to 2018 they were below local fair share. Lakewood's school-tax rate for K–12 districts with 5,700 to 6,300 students compared to the statewide average showed that Lakewood was below the state average and was below other districts.

Lakewood has had a fiscal monitor since 2015. The monitor must remain with the district until the State-aid loan advances are repaid. Districts must meet benchmarks. Dehmer does not communicate frequently with the monitor. The monitor has authority to override the local BOE and adopt a budget with a tax increase, but it is limited to the 2% tax levy, with some exemptions.

Lakewood received State-aid advances in 2015–2016, 2016–2017, 2017–2018, and 2018–2019. Funding for Lakewood increased in 2018–2019. Loans were requested to balance the budget and to provide a thorough and efficient education, but he was not involved in that decision.

The commissioner is the authority who requests the supplemental-aid advances in funding: it is not determined by the formula or by the number of children in the district. He or she determines the amount based in part on the recommendations of his office. There are no negotiations. It is based on the recommendations of the monitor, office, and district. It is based on need, and a thorough and efficient education is the benchmark.

Some of the money received by the district is necessary for the paying back of old loans. The $28 million loan would have to be repaid, so some of it had to be used to pay back the State. The Commissioner recommended aid advances, which are generally paid back over ten years. The advances take into consideration not just the budget deficit, but also the need to repay previous aid advances.

The problem is an unbalanced budget. Local revenues must be maximized. High past non-mandatory expenditures can cause an unbalanced budget. The state monitor has been in Lakewood for five years. Dehmer reviews the budget plan set by the monitor: the monitor has plans to move the district ahead, Dehmer approves expenditures and plans to lower expenditures. Lakewood needs to do a more strenuous job of planning.

The SFRA adequacy budget is the school-funding formula that estimates what is necessary for a thorough and efficient education. It has nothing to do with Sections 192 and 193 aid. The loans are not based on a formula, they are determined based on the budget submitted by the district and items indicated to the DOE by the monitor. Dehmer does not know the exact expenditures, or tuition paid to schools outside the district. The loan is based on getting to a balanced budget and local control with the monitor, who reports to Glenn Forney.

Dehmer did not recall the months the advance aid loans were made to the district. Most districts start budget planning well in advance, as it is a statutory process. The districts are notified of the Governor's budget proposal, but do not know what it entails until the budget is signed. Lakewood needed more money in its adequacy share and has received the largest State advance. Ultimately, they are all trying to get to a balanced

budget, and, with State-aid advances, the district can provide a thorough and efficient education.

Dehmer had no day-to-day knowledge of the district. He just looks at expenses and revenue. The SFRA is funded every year according to the annual Appropriations Act but is not as fully funded as it could be.

Christopher Soleau testified that he has been employed by the Office of Legislative Services as a principal auditor since 2001. He is a field supervisor and assists in conducting investigations. He has a Bachelor of Arts degree in accounting.

As a trained auditor, he audits state agencies and programs with the goals of improving accountability, efficiency and the effectiveness of public spending. He has personally been involved with audits in Trenton, Asbury Park and Lakewood.

An audit is comprised of three phases: planning (meeting with personnel, reviewing records, reports and data); testing (reviewing documents and verifying processes and control; and reporting (compiling the audit, drafting a report, and obtaining approvals).

The site investigation in Lakewood commenced in January 2013 and ended in June 2014. The auditors found a general fund deficiency and the district was placed on an audit plan.

The audit report was issued in August 2014. It noted a few issues involving financial transactions that were not consistent with government auditing standards, a projected deficit, a lack of control environment leading to a lack of stability, and a growing population with flat property taxes which affected the budget and created a deficit. The report made recommendations for long-term goals.

The review noted that state and federal grant programs under Title I that were provided to low income students, showed that reconciliation procedures were lax. Title I

waivers lacked supporting documentation. The board had approved contracts without review, and other expenses were questionable.

Programs (under Sections 192 and 193) provided for auxiliary services, compensatory education, ESL and home instruction, and remedial and speech-language services. Lakewood received $13.9 million in fiscal year 2012, and $14.8 in fiscal year 2013. Other areas of concern in the report included: compensatory education, speech-language instruction, home instruction, school visits, legal costs, purchasing procedures, lease agreements, information technology, business continuity, special education tuition, payroll and personnel, criminal history background checks, final leave balance payments, salary allocations, employee contracts and salary increases, leaves of absence, observations, and the IDEA program.

After his report was issued, it went to the district and some of the identified problems were fixed.

Catherine Anthony is a dispute resolution specialist with the DOE. She opens mediation and due process files and is assigned special projects. Files are retained for twenty years and a data base is used to track cases from filing through outcomes.

Anthony researched agreements that Lakewood had reached on special education due process matters appealed to the OAL and found that 75 special education settlements had disenrolled those students from the district between 2013 and 2018.[27] The total cost to the district for these 75 students was $10,176,771.[28]

Raymond J. Zirilli, Jr., has been a senior transport specialist at the DOE for almost twenty years. His primary role is to gather data for paying state aid and regulating student transportation; he has other duties as well.

[27] One student was disenrolled in 2013; 26 in 2016; 37 in 2017; and 11 in 2018. Other years were not provided. This is not the total number of special education students in the district.
[28] These settlement agreements were reached between parents acting on behalf of their children and the district, approved by the monitor, and then submitted to an ALJ in accordance with N.J.S.A. 18A:46-14(h).

In 1999 an audit was performed in Lakewood to see how efficiently the district was transporting students and their particular transportation needs. For example, if the district was running separate male and female buses, they would be running buses with fewer students and thereby running more buses than necessary. More efficient districts staggered bell times, and he needed to know if Lakewood was coordinating these. These concerns were shared with the district.

Zirilli noted that Lakewood's non-public school students were receiving courtesy busing. Courtesy busing is busing provided at the discretion of the local board of education and at local taxpayers' expense; it was not paid by the state as the state just pays for mandated busing which is two miles for elementary students and 2.5 miles for high school students.

Zirilli referred to the District Report of Transported Students (DRTS) which is the data collection to process state aid for transportation. The data consists of mandated transported students with sub-categories of actually transported and aid in lieu (AIL) which is the payment provided to parents equal to a maximum statutory amount that changes with each budget year to arrange for their own transportation. Aid is paid to the parents in lieu of the district providing transportation. The amount was $1,000.

After 2015-16, New Jersey established the Lakewood School Transportation Authority (LSTA) with aid in lieu. The district paid the AIL to the LSTA to provide mandated transportation services for non-public students. By comparison, in 2009-2010, the district transported 8,914 students and provided AIL for 156; by 2016-2017, the number went to 8 transported students and 15,919 transported by the LSTA.

Robert Ortley testified that he was employed as a manager of the New Jersey State Aid Audit Unit for nineteen years until he retired after 38 years with the State. The unit reviews and evaluates a school district's compliance with the requirements of the State division of finance to ensure that school aid is properly calculated by comparing the district's data to that on file with the state. The standard methodology is to compare lists of data submitted with accounting records, purchase orders, and other documents to see if the district's calculations were accurate.

An audit was conducted in Lakewood at the request of various government officials, and the final report was submitted on May 19, 2014. The audit used information as of October 14, as the statute required the last enrollment data on or before October 15 of that audit year. The purpose of the audit was to determine the accuracy of the data based upon enrollment records and accounting records of the school district for State aid reporting purposes.

The Application for State School Aid (ASSA) is an annual report filed by every district in the state to report the number of students enrolled. Deficiencies in the audit impact the amount of state aid a district receives or has to refund to the state. The linchpin for all reporting is the official New Jersey school register which is a contemporaneous and continuous document which indicates daily attendance and absence for the school year. The official New Jersey school register reflects daily attendance for the entire school year as compiled by the Office of Fiscal Accountability and Compliance (OFAC). If there is a difference, it can impact State aid. The audit showed that Lakewood had a disparity in student enrollment of about 84 students.

Within the resident enrollment count, the number of students who have limited English proficiency and those who are eligible for free or reduced meals is significant because the base id factor of the funding formula provides extra aid for these at-risk students. In various subset categories that can provide for additional finding and impact funding, the results were also disparate. The number of students eligible for free or reduced meals showed a disparity of 207; for Limited English Proficiency a disparity of 96 students; and for transported students in regular and special education a disparity of 326.5. These audit exceptions were reported in September 2013 and the State worked with the district to reduce them. Ultimately some adjustments were made.

These students represented approximately $2,308,500 that the district could have lost had the district been fully funded under SFRA. Recommendations were made to the district to ensure that future state aid would be calculated accurately. With such a high volume of data, they met with the district to review a draft so that the district could see the volume and magnitude of the findings.

Generally, the district's time to respond to the OFAC report is 75 days. The district can accept the report, appeal the report, or appeal specific findings in the report. Lakewood formulated a corrective action plan (CAP) to ensure the accuracy of its reporting which was submitted to the agency and shared with others in the DOE in finance and field services. Lakewood was advised by letter that its CAP was approved by the state. Follow-up meetings with the administrators were held and some adjustments were made. The final State aid recovery was reduced to about two million dollars.

According to the fiscal year report ending in 2018, $2,305,605 was owed to the state due to this audit if the district had been fully funded under SFRA but it had not been. Ultimately, for that budget cycle, it was recommended that the district reimburse the state for one-fifth of that total amount to be recovered by the DOE. However, Lakewood still owed the State $17,198,843 in outstanding loans as of 2018.

Accepting the DOE's numbers as correct as far back as 2011, Lakewood Township then had 5,248 students in the public school system and was transporting 13,676 students, more than 50% of the student population.

Glenn Forney is the deputy assistant commissioner of finance for the DOE. He has significant experience in budgeting and financing for school districts of the state. He is the Commissioner's designee for recruiting and placement of state monitors. He follows the statute that permits the appointment of monitors and which defines their authority in a district. Forney reports to Dehmer.

The DOE reviews the CAFR's of each district, analyzes them and reviews the qualifying elements for placement of a monitor. The DOE identifies districts that have qualifying elements that could result in the placement of a monitor. If a district just has one or two elements, the solution is remediation or a budget manager. If a district cannot remediate, then a monitor is placed. If it is in a deficit and can pay its bills, it gets help. If a district is in a deficit and cannot pay its bills, then a monitor is placed. A monitor is someone with a fiscal or superintendent's background. The DOE has found that having

a monitor in place generally provides a better rate of success for those districts with issues.

Lakewood has had a monitor since 2014 after a district audit was conducted in 2011. At that time, Lakewood's deficit was approximately $6.4-6.5 million. Currently, eleven districts have monitors, but not all receive state aid advances. The goal is to help fix the district and then to exit. The monitor remains in place until the situation is remediated which is determined when it has a stable administration, the CAFR findings are cleaned up and the loans (advance state aid) have been paid back. Monitors are paid by the district.

Forney does all the recruiting and day-to-day operations involving the monitors with whom he communicates as often as needed. He oversees them, prepares their contracts, oversees hiring, etc. Lakewood presently has one monitor, but at one point there were three. Monitors have helped. The deficit balance is going down and the number of CAFR findings is getting better. But it will be a long hard road to fix past damage.

The growth in the number of non-public school students far out paces the number of public school students which is not seen in any other district. It is also a by-product of zoning, and the town council appoints the zoning board. The district is responsible for transportation of non-public school students, Child Find and IEP teams. State aid provides Sections 192 and 193 funding and federal aid helps with the IDEA funding.

The financial stressors on the Lakewood public school district are for transportation for non-public school students and special education.

Transportation is mandated for 21,000 non-public school students, and the DOE cannot limit the number. Students in grades K-12 who live beyond a two-mile limit and students in grades 9-12 who live beyond 2.5 miles get bused. The district cannot choose which school the non-public school students attend and must pay mandatory transportation costs. The cost for this runs about $20-22 million per year.

Lakewood gets transportation aid for mandatory busing; the formula sets the amount. It comes from State appropriations funded by taxpayer revenue.

The cost of special education is another stressor in the district. These students are registered with the public school district and as public school students, they get IEP services. These students are counted in State aid. Extraordinary aid is paid for special education students with out-of-district placements where costs exceed the threshold. The State pot is divided up and Lakewood receives this aid as well.

Lakewood Township has been growing. He reads the CAFR and statistics show its population growth. The district gets it from the DCA. Lakewood Township has new construction; its ratable balance is growing. School taxes go to the township, and first year tax payments stay with the township. The school levy is set by the school board. The township does not have to go above the levy to give money toward education. Ratables are the assessed value of property and are recorded in the county schedule of ratables and in CAFR.

Forney looks for trends and analyses. The tax rates in Lakewood Township have been decreasing; as the ratables go up, the tax rate goes down.

The SFRA determines local fair share by considering town wealth and property values. The DCA provides the data about income, wealth and property value. The district contributes to the local fair share; it is what the township can pay toward school funding. The district is not required to tax up to the local fair share but it can do it. Lakewood is not raising enough for its local fair share. The levy struck by school board is less than total fair share. The tax cap restricts it to 2% and Lakewood capped out at 2%.

Forney looked at Ocean County. Lakewood is in middle of the pack of tax rates. The tax rate is the by-product of tax levy. The tax levy in Lakewood had been stagnant, then it decreased, and it is now increasing. Lakewood Township's population is growing, not stagnating.

In 2015, the levy went up 9.2%. The monitor struck the tax levy that year and they raised taxes to the maximum amount. That tax levy increase in 2015 did not fix the problem because they had a deficit from previous years and costs were rising. The tax levy cap can be overcome to cover increased cost of medical insurance; enrollment; pension and government duties to another entity.

N.J.S.A. 18A:22-40 provides that a district such as Lakewood can raise funds for the general fund deficit and is not limited to the cost of a thorough and efficient education. Other districts have used this statute to raise more revenue. Lakewood Township put out a referendum, but it did not pass. The monitor cannot direct the township to raise taxes.

Voter approval could bring in more funds for the district to cover non-T&E items. Funding comes from the tax levy, federal aid and state aid. State aid comes through the Appropriations Act. Lakewood was frozen in the past and was getting the same amount as prior years. The Appropriations Act did the freezing and it could cause an issue, but school districts can plan for that. The State aid process starts in November and December and is based on what the district is receiving. The governor's budget is prepared in February and March and state aid letters go out March 20 when the budget is due. Once the Appropriations Act is passed, the districts get the aid.

School districts must have a balanced budget; revenue must equal expenses. In some years, Lakewood's budget was balanced with a state aid advance which is a loan. This is all part of the school funding scheme; other statutes permit districts to raise funds. The DOE does not have the funds itself; it must request them from the state treasurer. They want to make sure a district gets the right amount of aid. Forney works with the monitor, county offices, etc., to calculate the true cost for expenses and to compare those costs to the district's costs. Streams of revenue are ascertained and if there is a gap, an advance of state aid is provided. They rely on the school superintendent for educational experience. They look at any costs or efficiencies. The district provides the data and the state looks at aid.

State aid advances are not determined by formula but rather they are given at the discretion of the Commissioner and the Treasurer. The State works with the district to

determine need. The State needs correct numbers before it can determine amount of aid for the district. The funding formula recognizes the number of public school students. State aid advances started in 2015 and filled the gap between spending and what the district had available to spend. Once the state is confident that the amount requested is correct, the Commissioner requests funds from the state Treasurer.

On June 15, 2015, the treasurer approved $4.5 million requested by Hespe for Lakewood; on June 23, 2016, $5,640,183 requested by Hespe; on November 9, 2017, requested by Harrington, $8,522,678. That year they had problems getting data from Lakewood, so the State recreated what the dollar amount would be. On May 7, 2018, Forney advised Winters that Lakewood would receive $28,182,090 for that fiscal year. But Lakewood had some banked cap rate it could have used to avoid some of these advances. In 2016-17 there was still a shortfall, and the budget was as low as possible. In 2017-18, State aid was $8.5 million, and the budget was balanced with the loan. The advance State loan was paid on May 17, 2018. Any loan can only be for ten years; he has not seen that loans can be forgiven.

The deficit is the amount that the district is short after it pays its bills, including the loan payback. At the end of the year, the short fall is the deficit. Lakewood's annual deficit is dropping but aid to it is increasing. Some payments have been made to the outstanding balance. Lakewood has a general fund deficit of $3.8 million down from $12 million that would free up money in the budget. Lakewood must repay these state advances starting the following year. No interest is paid, and the advance is deducted from aid in future years. Lakewood could ask Lakewood Township for more money.

Reductions in force are something to be avoided. But revenues must equal expenditures. The district could go out in November to ask voters for extra aid; the district could reduce expenditures or raise funds if there is a deficit. He works with Shafter on the budget. Forney was not aware if Azzara said that Lakewood has a revenue problem, not a spending problem. But the budget must be balanced either with advances on state aid, or by reductions ordered by the monitor to get to the balanced budget.

Forney consulted with Shafter about the 2018-19 budget as adequate to meet the district's needs. The tax levy increased. SFRA and State aid were locked in and Lakewood needed another advance. The State must help Lakewood achieve a balanced budget every year.

The monitor can override the board as long as there is a fiscal nexus. If the board does not take action, the monitor can strike the tax levy. Taxes can be raised by the 2% tax cap.

State aid is not provided for non-thorough and efficient education items. In 2016, the state monitor ordered the school board to put to a voter referendum a tax increase for courtesy busing, a non-T&E item; however, the Lakewood Township voters defeated the proposal for payment of courtesy busing by approximately 7,000 to 100.

Seventy-three to eighty percent of the budget is salaries. Forty million dollars is for tuition. Lakewood has significant out-of-district special education costs which put a strain on the budget. Transportation costs are a major contributor to cost increases at $710 per child. The 2014 monitors noted that the cost for transportation and out-of-district special education expenses were going up and trending higher.

The SFRA was developed for school funding and was approved by the New Jersey Supreme Court. A state monitor is required to get a State aid advance. Lakewood still meets the qualifications for the presence of the monitor due to deficit, internal control issues, federal funds refund, and CAFR findings. The monitor stays in the district at the discretion of the commissioner until the condition has been remediated. Lakewood has $46 million outstanding.

The annual budget process needs to address economies and efficiencies. Lakewood's CAFR in June showed a $3.1 million deficit due to operations, $11 million in total, due to late State benefits as June payments were late. The district is made whole in June or July as State aid is paid out two times per month. The SFRA is not fully funded. The year by year approach is working. The plan with CAFR is to have the monitors fix the district and get out.

FINDINGS[29]

Much of this case is about numbers and statistics: the SFRA funding formula, Lakewood's revenues and expenditures, demographics, test scores, course offerings, graduation rates, and more. Many of these numbers and statistics are a matter of public record, are not in dispute, and have been explained and contextualized by witness testimony.

For "testimony to be believed, it must not only come from the mouth of a credible witness, but it also has to be credible in itself." In re Estate of Perrone, 5 N.J. 514, 522 (1950). A credibility determination requires an overall assessment of the witness's story "in the light of its rationality or internal consistency and the manner in which it hangs together with other evidence." Carbo v. United States, 314 F.2d 718, 749 (9th Cir. 1963). Also, "'[t]he interest, motive, bias, or prejudice of a witness may affect his credibility and justify the [trier of fact], whose province it is to pass upon the credibility of an interested witness, in disbelieving his testimony.'" State v. Salimone, 19 N.J. Super. 600, 608 (App. Div. 1952)(citation omitted).

Upon consideration of the public documents, exhibits, and witness testimony relevant to this matter, I **FIND** the following as fact:

In 2000, Lakewood Township had a total population of about 60,000 people. In 2019, the estimated population was roughly 106,000, which represents a seventy-six percent population increase over nearly two decades. This rapid population growth is largely attributed to the burgeoning Orthodox community in Lakewood Township.

A large percentage of Lakewood Township is composed of persons under the age of eighteen, or school-age children. Among the school-age children in Lakewood Township, there is a stark dichotomy between attendance at public schools and

[29] The facts have been gleaned from the rather disjointed testimony, the evidence presented by the parties, and certain publicly available information and data from DOE's website. Unfortunately, the parties could not jointly stipulate to facts.

attendance at private or sectarian schools. For the 2008-2009 school year, approximately 4,900 students attended the public schools, while 14,460 attended non-public schools, which meant that about twenty-five percent of the school-age population was then in public school. However, as of 2019, the public school population increased to about 6,000 students, while the private school population had grown to more than 30,000 students.

This means that, currently, only sixteen percent of Lakewood Township's students attend public school while eighty-four percent attend private or sectarian schools. This statistic is so deviant from the average in New Jersey as to be an outlier. The non-public school students in Lakewood Township make up approximately 25% of all non-public school students in New Jersey, and the private school population will continue to outpace the public school population at a geometric rate.

The petitioners' witnesses testified credibly about the effect the rapid growth in private school attendance has had on the district's finances. In particular, Finger, Shafter, and Azzara credibly described Lakewood's on-going budgetary issues arising from the costs borne by the district in accordance with State law for the transportation and special education of students attending private schools.

Finger credibly testified and I accept as fact that when he first left Lakewood's employ in 2010, the district had a budget surplus. Since his return in 2017, the district has needed significant financial help from both the State and the Township to balance its budget. The district's financial issues can be attributed in large part to the extraordinary cost the district bears for its legal mandate to pay for transportation for private school students and for tuition for special education students the district places in out-of-district private schools. For instance, for the 2017-2018 school year, these transportation and special education costs consumed more than half of the district's budget, or $78M out of a total budget of $144M. However, in neighboring districts such as Toms River, Brick, Jackson, and Freehold, the average transportation and special education tuition costs make up only 4-7% of their budgets.

Because Lakewood started going into a deficit in 2014, a State monitor was appointed to the district to supervise financial operations and to ensure accountability for

the expenditure of public funds. In 2013-2014, the deficit was approximately $6 million. For 2016-2017, it was approximately $4.3 million.

Shafter and Azzara, the State monitors, echoed Finger's sentiments about the correlation between Lakewood's private school expenses and its budget problems. Since their placement in Lakewood in 2014, these monitors have rectified several issues with recordkeeping and financial waste in the district. To avoid teacher layoffs, increased class sizes, and program cuts, and to balance the annual budget, the district has borrowed millions of dollars from the State in the form of advance SFRA aid.

Lakewood received $4.5M in advance aid in 2015; $5.6M in 2016; $8.5M in 2017; and, $28M in 2018, for a total of nearly $50M. As noted by several of the witnesses for both parties, advance aid is essentially a loan from the State with money from future SFRA aid. Lakewood must repay these loans out of future aid, creating an unsustainable cycle of borrowing and repayment that will be difficult for Lakewood to break. Only districts with State monitors are eligible for advance aid, and State monitors cannot be removed unless and until a district repays the advance aid it receives.

With Lakewood's budget issues as a backdrop, Winters, Spitz-Stein, and Marshall provided valuable insight into the characteristics of Lakewood's student body, teachers, and programs, and credibly described Lakewood's efforts to deliver T&E to public school students.

The socioeconomic makeup of the district's public school students is 94% Latinx and Black; 100% percent of the student body is eligible for free or reduced-price lunch based on household income. Lakewood also has a high percentage of ESL and LEP students.

The district's course offerings meet the State's requirements for graduation, with twenty English classes, and fifteen classes each in Math, Science, and Social Studies. The district also has AP classes in English and Spanish, and several classes in music, art, and computers. However, over the years the district has cut programs for industrial arts and auto mechanics, and the only foreign language study offered in-district is

Spanish. Also, the district has a special education preschool program for three- and four-year-old students, but only offers general education preschool for four-year-old students.

Winters, Spitz-Stein, and Marshall also credibly discussed relevant characteristics of Lakewood's teachers. Teacher turnover is significant in Lakewood, where the average teacher salary is below the State average. The average teacher in Lakewood has between only four and five years of experience, and Lakewood must spend significant money on teacher development and training. Marshall and Spitz-Stein bemoaned the lack of remediation/intervention specialists in the district who can provide students the extra educational support they require in their areas of struggle or deficiency.

Lakewood lags well behind other districts in terms of per pupil classroom instruction spending and classroom salaries. For example, according to the DOE's Taxpayers' Guide to Spending 2018, Lakewood spent $7,427 per pupil on classroom instruction for 2016-2017, which ranked as the second lowest amount among the ninety-eight K-12 school districts with more than 3,500 pupils.[30] And, for the same school year, Lakewood spent $6,906 per pupil on classroom salaries, which also ranked as the second lowest among comparably-sized school districts.

Winters and Spitz-Stein also testified about how standardized test scores and other educational benchmarks are improving but are still well below State averages, and their testimony is supported by publicly available information compiled and disseminated by the Department of Education.[31]

For the 2014-2015 school year, only twenty-three percent of high school students met or exceeded expectations on the PARCC assessment for English, placing them in the twenty-third percentile in the State, while only five percent of high school students met or exceeded expectations on the PARCC assessment for Math. On the New Jersey Biology Competency Test (NJBCT), only thirty-two percent of high school students were proficient, while sixty-eight percent were partially proficient.

[30] Taxpayers' Guide to Education Spending 2018, available at https://www.nj.gov/education/guide/2018/.
[31] This information is available at New Jersey School Performance Reports, https://rc.doe.state.nj.us/SearchForSchool.aspx.

On the SAT, only six percent of students scored above the benchmark of 1550, placing Lakewood High School in the thirteenth percentile in the State and well below the Statewide target of forty percent. Moreover, only twelve percent of Lakewood high school students were enrolled in at least one AP/IB course, well below the State average of thirty-six percent. And a mere twelve percent of students scored a three on an AP test or a four on an IB test, while the State average was seventy-two percent.

Finally, for 2014-2015, the graduation rate was seventy-four percent, or the sixth percentile in the State, where the Statewide target was seventy-eight percent; the dropout rate was nearly four percent, or double the Statewide target of two percent; and, only forty-four percent of students were enrolled in either a two- or four-year postsecondary school, compared with seventy-eight percent across the State.

For the 2015-2016 school year, twenty-three percent of high school students met or exceeded expectations on English assessments, or the twenty-third percentile in the State, while seven percent of high school students met or exceeded expectations on Math assessments, or the thirteenth percentile in the State. And on the Biology assessment, only twenty-two percent were proficient, compared with a forty-one percent State average.

On the SAT, twenty-three percent met the College Readiness Benchmarks on the reading and writing portion, compared with seventy-one percent Statewide, and on the math section, eleven percent met the benchmarks, compared with fifty-three percent Statewide. And only fourteen percent of students were enrolled in at least one AB or IB course, compared with thirty-nine percent across the State.

Finally, the graduation rate was seventy-five percent, or the ninth percentile in the State, where the Statewide target was eighty-one percent; the dropout rate was nearly three percent, while the Statewide target was one percent; and, only thirty-seven percent of students were enrolled in either a two- or four-year postsecondary school, compared with seventy-seven percent across the State.

In 2016-2017, only twenty-five percent of students met or exceeded expectations on state English assessments, and only eighteen percent met or exceeded expectations on state Math assessments. Lakewood also suffered from chronic absenteeism, with thirteen percent of students absent for ten percent or more of days enrolled. Finally, for 2016-2017, the four-year graduation was seventy-five percent in Lakewood, while the State average was ninety percent, and the rate of college enrollment (two- and four-year programs) in Lakewood was forty-four percent, while the State average was seventy-six percent.

In 2017-2018, some of the metrics improved slightly: twenty-eight percent of students met or exceeded expectations on state English assessments, and twenty percent met or exceeded expectations on state Math assessments. Chronic absenteeism increased slightly over the previous year, with a rate of sixteen percent. The district's graduation and college enrollment rates still fell below the State average (eighty-two percent versus ninety percent) and (forty-one percent versus seventy-eight percent). Finally, the district's AP and dual enrollment (college courses taken by high school students) rates were also well below State averages (seventeen percent AP enrollment versus a State average of thirty-five percent and zero percent dual enrollment versus a thirteen percent State average).

In 2018-2019, some of the metrics continued to improve, but they still fell well short of State averages. Thirty-three percent of students met or exceeded expectations on state English assessments, and twenty-one percent met or exceeded expectations on state Math assessments. Chronic absenteeism decreased from the previous year, with a rate of nine percent, which was below the State average of eleven percent. The district's graduation and college enrollment rates continued to fall below the State average (eighty-one percent versus ninety percent) and (forty percent versus seventy-eight percent). Finally, the district's AP and dual enrollment rates were also well below State averages (twenty-one percent AP enrollment versus a State average of thirty-five percent and zero percent dual enrollment versus a nineteen percent State average).[32]

[32] The DOE website provides a statistical analysis of all school districts in the state if comparison is necessary.

Another measure of whether a school district is providing its students with T&E, the NJQSAC, also provides evidence of the education situation in Lakewood. The NJQSAC measures a district's effectiveness in five performance areas, including instruction and program, fiscal management, governance, operations, and personnel, with a score of less than eighty-percent in any category necessitating improvement activities.[33] For example, for the 2016-2017 school year, Lakewood scored at fifty-four percent in instruction and program, which measures such things as student performance and progress on state assessments, graduation rates, and alignment of curriculum to state standards.

Several witnesses discussed the SFRA in general and as applied to Lakewood. The SFRA formula bases the calculation for state aid on the number of students in the public school system and not the total number of students or school-age children residing within the district. The core of the SFRA is the adequacy budget, which is a State calculation of the amount of money a district needs to provide its students with T&E.

A school district contributes to school funding through the local fair share, which is determined by equalizing property value and income in a district and calculating the dollar amount each district can pay to support the local schools. The State component is the equalization aid, which is the State's contribution to school funding.

The funding formula includes transportation aid and special education aid. The transportation and special education aid that Lakewood receives under the SFRA does not cover its actual transportation and special education costs. Dr. Farrie credibly noted that Lakewood spent about $40 million more than a district its size should spend due to special education and transportation costs.

The following table provides the relevant SFRA numbers for Lakewood for school years 2014-2015 through 2018-2019, rounded to the nearest million:

[33] See NJQSAC User Manual, available at https://www.nj.gov/education/qsac/manual/.

Year	Adequacy Budget	Local Fair Share	General Fund School Levy	Equalization Aid	Transpo. Aid	Spec. Ed. Categorical Aid
2014-2015	$109	$85	$85	$13 (fully funded); $15 (actually appropriated)	$9 (fully funded); $4 (actually appropriated)	$4 (fully funded); $3 (actually appropriated)
2015-2016	$119	$97	$90	$12 (fully funded); $15 (actually appropriated)	$10 (fully funded); $4 (actually appropriated)	$5 (fully funded); $3 (actually appropriated)
2016-2017	$119	$93	$94	$10 (fully funded); $15 (actually appropriated)	$12 (fully funded); $4 (actually appropriated)	$5 (fully funded); $3 (actually appropriated)
2017-2018	$110	$102	$97	$8 (fully funded); $15 (actually appropriated)	$13 (fully funded); $4 (actually appropriated)	$5 (fully funded); $3 (actually appropriated)
2018-2019	$114	$112	$101	$2 (fully funded); $15 (actually appropriated)	$13 (fully funded); $3 (actually appropriated)	$5 (fully funded); $3 (actually appropriated)

The Department of Education provided the following chart of Lakewood's tax levy and local fair share history under the SFRA:

Fiscal Year	Previous Year Tax Levy	Local Fair Share	Difference	Levy as % of Local Fair Share
2011	$71,593,625	$64,019,995	$7,573,630	112%
2012	$71,593,625	$64,019,995	$7,573,630	112%
2013	$70,238,004	$65,400,388	$4,837,616	107%
2014	$70,630,210	$71,198,357	-$568,147	99%
2015	$77,097,641	$85,419,632	-$8,321,991	90%
2016	$84,693,837	$96,735,200	-$12,041,363	88%
2017	$90,350,168	$92,974,112	-2,623,944	97%
2018	$94,088,028	$102,034,106	-$7,946,078	92%

Dehmer credibly noted that Lakewood's tax levy history showed it was consistent, but only started to increase in 2015. In the early years of the SFRA, Lakewood was taxing a little above fair share, but from 2014 to 2018 it was below local fair share. Lakewood's school tax rate for K–12 districts with 5,700 to 6,300 students compared to the statewide average showed that Lakewood was below the state average. In 2016, Lakewood put to a public vote a referendum to increase the school tax levy to raise more than $6M to help pay for transportation costs; that measure was defeated by Lakewood Township voters by a margin of 99% to 1%.[34]

As is clear from the record and testimony, the two major budgetary stressors for the Lakewood district are the cost of transportation and special education placements for children who attend private school.

The following table shows Lakewood's special education tuition expenditures for private school tuition for school years 2014-2015 through 2018-2019:

School Year	Number of Students	In State	Out of State	Total Tuition
2014-2015	207	21,056,687	65,240	21,122,137
2015-2016	260	25,083,549	125,476	25,209,025
2016-2017	299	27,891,730	281,215	28,172,945
2017-2018	296	29,305,180	593,975	29,899,155
2018-2019	343	33,232,478	72,900	33,305,378

Dr. Farrie credibly testified that the reasons for Lakewood's high special education costs are a large population of special education students, a large number of students whose disabilities carry high costs, and higher-than-average out-of-district placements, which are more expensive. She posited that fewer out-of-district special education placements could help reduce Lakewood's special education costs.

The following is a table of the district's transportation expenditures:

[34] Clearly the local voting populace has not demonstrated enthusiasm for an increased tax levy.

School Year	Public School Students	Private School Students	Aid in Lieu of Transp.	Total Transported(Non Spec Ed)	Total Cost
2014-2015	2,052	13,832	462	16,346	$23,235,597
2015-2016	2,038	15,982	286	18,316	$26,343,391
2016-2017	2,163	15,919	1,050	19,132	$25,732,995
2017-2018	2,336	8	19,166	21,510	$29,739,226
2018-2019	2,285	84	20,147	22,516	$31,155,570

Although Lakewood has stopped directly paying for courtesy busing of children who live close enough to school such that they do not qualify for publicly-funded transportation, Lakewood's transportation costs continue to rise. Testimony indicated the need for more sidewalks, crossovers of Route 9, and crossing guards to reduce the number of hazardous walking routes in Lakewood.

In or about 2009, the Department of Education issued a "Lakewood Needs Assessment" in response to a State Board of Education directive arising from litigation first brought in the late 1990s by several then-rural and property-poor school districts, known as the Bacon districts and including Lakewood. See Bacon v. Dep't of Educ., 398 N.J. Super. 600 (App.Div.2008). In that case, the State Board ruled that several of the Bacon districts (not including Lakewood) were unable to provide T&E under the statutory funding scheme in place at the time. Bacon v. Dep't of Educ., 2006 N.J. AGEN LEXIS 108 (Jan. 4, 2006). However, due to a jurisdictional lack of "authority to direct that additional resources be provided to any school district in New Jersey," but acknowledging the need for some remedy, the State Board directed the Commissioner of Education to conduct a "needs assessment" for all of the Bacon districts, including Lakewood. Id. at *96.

The purpose of the needs assessments was to "assess[] the adequacy of the educational inputs and programming currently being provided" and to "identify the unique educational needs of the students in those districts requiring additional programs to address them." Id. at *103. According to the State Board, "an assessment of the educational needs and the identification of approaches that will successfully address those needs is a prerequisite to ensuring that adequate resources, including fiscal

resources, are provided and appropriate accountability for their use is guaranteed." Id. at **97-98.

In the Lakewood Needs Assessment, the Department made several observations, conclusions, and recommendations. The Department noted a large percentage of Lakewood Township's public school students were "at-risk (defined as being at or below 185% of the federal poverty guidelines)," and that "[a]lthough public school enrollment is stable, the nonpublic population increases by close to 1,000 students each year."[35] The Department remarked that a large part of Lakewood's budget was directed toward transportation and special education costs associated with private school students.

On the issue of transportation costs, the Department stated that "[t]he district is aware that the high cost of transportation, due to increased numbers of nonpublic students, staggered start times and its courtesy busing policy [under which the district opted to spend during the 2008-2009 school year $4M on busing private school students who did not live remote from their schools], is a significant financial drain." As for special education costs, the Department found that "[a]nother large budget expenditure is for out-of-district special education placements, which includes transportation for those students."

The Department concluded that Lakewood, "while facing significant challenges, could do significantly more with the funds currently available to it" and "find ways to ensure that its resources are directed to meet the instructional needs of its students." The Department recommended that Lakewood reconsider its courtesy busing policy and "continue to develop strategies to educate more of its special education students in-district." The Department acknowledged that "[t]here are many areas which Lakewood needs to improve in terms of student performance," including proficiency on English assessments, but stated that "the district also has significant resources to address those needs." The Department recommended that one "successful strategy for improving student performance is to provide a high-quality preschool program as required by the SFRA."

[35] An underestimate of the increase in non-public school students to be sure.

Lakewood was also the subject of a State audit that revealed issues with the district's spending on transportation and special education. As Soleau credibly testified at hearing, in 2014, the Office of the State Auditor issued a report on its audit of Lakewood for the period of July 1, 2011, to December 31, 2013. The purpose of the audit was "to determine whether financial transactions were related to the school district's programs, were reasonable, and were recorded properly in the accounting systems." The auditors found that "financial transactions . . . were not always reasonable or properly recorded in the accounting system" and that the district had a projected budget deficit of $5M for FY 2014, and that "[i]ncreases in student transportation costs for public and nonpublic school students and special education tuition account for $2.6 million of this projected deficit."

On transportation costs, the auditors noted that "[b]ecause of significant student population growth within the municipality, transportation costs had increased to $19.6 million for the 2012-2013 school year," which included the cost of "provid[ing] non-mandated (courtesy) busing to public and nonpublic school students who would otherwise walk along the numerous hazardous routes identified in the township." The auditors suggested that "transportation costs of the district could be reduced with the implementation of certain initiatives," including the following:

- The majority of the nonpublic school bus routes in the district are segregated by gender. Since most of these schools have a 9:00 a.m. start time, the demand causes increased pricing by the vendors. Separately tiering the bell times for the girls and boys' nonpublic schools could save the district up to $6.7 million. For example, starting school at 8:30 a.m. for girls and 9:15 a.m. for boys would enable the busing contractors to bid on tiered routes which would reduce the overall number of buses needed and create more competitive route pricing.

- Currently, there are separate buses for each nonpublic school. Savings of approximately $750,000 could be achieved if routes were developed by school locations, not specific schools. This would result in shorter bus routes and fewer buses.

- Currently, nonpublic schools could have two starting times and as many as five ending times which creates inefficiencies and the need for one-way routes. Providing transportation to nonpublic schools based on a single opening and closing bell schedule for each school building could save the district up to $1.2 million. This initiative has been presented to the board's transportation committee.

- [And] tiering the bus routes could reduce the savings of other proposed initiatives.

And in terms of special education costs, the auditors found a lack of "proper approval, tuition documentation, and attendance records . . . for students placed in unapproved nonpublic schools."

The auditors recommended that "the district, in coordination with state and local officials, develop long-term goals that will address the costs associated with the rapid growth in the district."

In response to the auditors' findings regarding special education costs, Lakewood indicated that "no additional students will be placed in private programs without the approval of the Commissioner of Education," and in reply to the findings on transportation costs, Lakewood stated that the district was "piloting a staggered nonpublic school schedule for 7 of the largest nonpublic schools during the 2014-2015 school year based on the premise that all nonpublic schools will go to a staggered school schedule in the 2015-2016 school year, which is expected to greatly reduce transportation costs." Yet special education and transportation costs have continued to increase.

In sum, based on the foregoing testimony, exhibits, and publicly available information and data, I **FIND** that Lakewood Township has experienced a population boom that has had a profound impact on the municipality's private and public schools. The overall population growth in Lakewood Township over the past twenty years has been accompanied by an almost proportional rise in attendance at the municipality's private schools. Many of the private school students, who now number more than 30,000, are, by law, entitled to transportation to and from school at public expense. In addition to the significant transportation costs associated with private school students, the Lakewood

Public School District also spends tens of millions of dollars in tuition each year to send a few hundred special education students to private schools. SFRA aid covers only a portion of these costs.

The school district's transportation and special education costs have strained its annual budgets and have led the school district down an unsustainable path of borrowing millions upon millions of dollars in the form of advance SFRA aid. The school district's financial difficulties have negatively affected its public school students, teachers, and programs. This is evident from a narrowed breadth of course offerings, relatively low per pupil classroom instruction spending and classroom teachers' salaries, and marked teacher turnover.

The 6,000+ public school students, nearly all of whom are Latinx and come from low-income homes where English is not the primary language, have fared poorly in terms of performance on English and Math assessments, graduation and dropout rates, and college enrollment.

In the past decade or so, the school district has been given recommendations by both the DOE and the State auditor for reigning in transportation and special education costs, and the Commissioner of Education has appointed a State monitor to oversee the school district's financial operations and to operate with a balanced budget. The continuation of State aid advances as an unreliable source of funding, and the obligation to reimburse the State over time, have contributed to the situation, as the school district's financial problems persist, and unrestrained growth continues in the Township.

LEGAL DISCUSSION

The petitioners make the following arguments:

Point I.

The SFRA is unconstitutional as applied to LPSD [Lakewood Public School District] because it does not assure sufficient funds for the district's public school students to achieve a constitutionally required T&E.

A. LPSD's unique demographics make the SFRA formula an inapt and insufficient mechanism for assuring that LPSD has adequate funding for its public school students.

B. Neither the SFRA funding formula nor the adequacy budget related to the SFRA formula contemplate a demographic situation such as Lakewood's and make adequate provision for LPSD's unique demographics.

Point II.

The addition of periodic uncertain, unpredictable and discretionary funding, whether in the form of so-called state advance aid, which is effectively a state loan to LPSD, or of a year-end addition to the state budget by a legislative footnote, cannot cure SFRA's constitutional defect inconsistent with a thorough and efficient system of public schools.

A. To meet constitutional T&E requirements, funding must be formulaic, certain and not discretionary, predictable and transparent to adequately enable a school district to provide its public school students with T&E.

   i) Funding must be pursuant to a discernable plan that correlated funding to T&E

   ii) Funding must be guaranteed and not discretionary

   iii) Funding must be predictable in order for a district to plan ahead and for the district to know how much it should spend on T&E

   iv) Funding must be transparent so that the public and Legislature understand the needs of the district.

B. To meet constitutional T&E requirements, funding must be adequate to enable LPSD to provide its public school students, many of them requiring

additional funding to address their at-risk status, with a meaningful opportunity to meet the NJ Student Learning Standards.

i) The uncertain discretionary funding of LPSD is inadequate to serve the educational needs of Lakewood's disadvantaged students.

ii) LPSD student outcomes fall far short of NJSLS standards.

C. The statute under which advance state aid is provided was not intended to apply to a situation such as LPSD's annually recurring fiscal shortfall.

i) The statutory advanced State aid provision and its substance suggest that advance State aid was an adjunct to the State monitors' role and a means to deal with short-term emergent circumstances brought on by fiscal mismanagement, not a mechanism for curing long-term structural problems with the SFRA funding formula.

ii) The Commissioner's annual certification pursuant to the statute does prove, however, that LPSD's regular SFRA funding is insufficient to provide its students with a T&E education.

D. Because advance state aid is a loan that must be repaid out of future state aid, it exacerbates LPSD's fiscal situation and burdens it with increasingly great obligations.

i) The Supreme Court of a sister state found that the state's use of loans to meet a district's ordinary operating expenses violated the though and efficient clause of its constitution.

ii) This problem is compounded by the fact that, after 2018-2019, LPSD will receive as state aid only transportation and

categorical aids and not equalization aid, thus resulting in total state aid at best holding constant in future years, if not decreasing, and making repayment of LPSD's burgeoning debt to the state increasingly difficult.

iii) Advance state aid for ordinary expenses violates the efficiency standard of T&E.

iv) Advance state aid is available only to districts with state monitors in place.

Point III.

The presence in LPSD of as many as three monitors continuously since 2014 assures that the district is spending available funds appropriately.

Point IV.

Even if, arguendo, advance state aid and other forms of uncertain discretionary funding could be deemed to satisfy part of the state's obligation to assure that T&E is adequately funded, the facts in evidence demonstrate that LPSD still lacks adequate funding.

A. Funding is inadequate to prepare students for their roles as citizen and competitors in the labor market.

B. Funding is inadequate to serve the special educational needs of Lakewood students.

The respondents make the following arguments:

Point I.

The SFRA has been found to be constitutional.

Point II.

Petitioners have not shown that Lakewood is failing to provide them with a thorough and efficient education.

Point III.

The financial condition in Lakewood is the result of factors outside of the SFRA

A. The district has a history of mismanaging funds and has made choices against the interest of the public school students.

B. Local choices in the municipality contribute to the current financial conditions in Lakewood.

C. There is legislation outside of the confines of the SFRA that has affected the district.

Participant Trachtenberg argues:

Point I.

The SFRA of 2008 fails to provide the Lakewood School District with adequate funds to enable it to provide its approximately 6,000 public school students, most of them low-income Latino and Black, with the constitutionally required thorough and efficient education.

Point II.

Assuming it does not, then a constitutionally acceptable way in which the State can provide the LSD with sufficient supplemental non-SFRA funding must be determined.

Point III.

The state's arguments fail because that ignore or obfuscate the State's singular constitutional responsibility for assuring all state students, especially those who are at risk, receive a thorough and efficient education.

Participant Lakewood Township Board of Education argues:

Point I.

The Lakewood Township Board of Education public school district is not adequately funded, and the current state funding formula does not allow the Lakewood Township Board of Education to provide a thorough and efficient education to its public school students. A permanent statutory remedy is required.

—

Under the New Jersey Constitution, "[t]he Legislature shall provide for the maintenance and support of a thorough and efficient system of free public schools for the instruction of all the children in the State between the ages of five and eighteen years." N.J. Const. art. VIII, § 4, ¶ 1. Historically, the Legislature has sought to satisfy this constitutional mandate by passing various school funding statutes and by delegating certain powers and duties to the State Department of Education, the Commissioner of Education, the State Board of Education, and local school boards. Robinson v. Cahill, 69 N.J. 449, 458, 461 (1976); Bd. of Educ. v. City Council of Elizabeth, 55 N.J. 501, 505-6 (1970); Bd. of Educ. of Twp. of E. Brunswick v. Twp. Council of E. Brunswick, 48 N.J. 94 (1966).

Over the years, the Supreme Court has assessed the constitutionality of those legislative efforts through a series of opinions and orders known as the Abbott v. Burke litigation. The overarching theme of those judicial decisions is that "more severely disadvantaged pupils require more resources for their education" and that the legislative and executive branches must devise "a funding formula that . . . provide[s] all children, including disadvantaged children in poorer urban districts [commonly referred to as Abbott districts], with an equal educational opportunity as measured by the Constitution's thorough and efficient clause" and "a set of educational program standards." Abbott v. Burke, 199 N.J. 140, 144 (2009) (Abbott XX) (citing Abbott v. Burke, 119 N.J. 287, 374, 384-86 (1990) (Abbott II)); Abbott v. Burke, 136 N.J. 444 (1994) (Abbott III). According to the Court, "[a]t its core, a constitutionally adequate education [is] an education that will

prepare public school children for a meaningful role in society, one that will enable them to compete effectively in the economy and to contribute and to participate as citizens and members of their communities." Abbott v. Burke, 149 N.J. 145, 166 (1997) (Abbott IV).

The State's current funding framework to provide New Jersey's public school children with a thorough and efficient education (T&E) is the School Funding Reform Act of 2008 (SFRA), N.J.S.A. 18A:7F-43 to -70, which was originally enacted in 2008, P.L. 2007, c. 260 (eff. January 13, 2008), and most recently amended in 2018, P.L. 2018, c. 67 (eff. July 24, 2018). In the SFRA, the Legislature made several pronouncements about every public school pupil's right to a constitutional education and the means by which that right may be realized. N.J.S.A. 18A:7F-44.

The SFRA recognized that "[t]he State, in addition to any constitutional mandates, has a moral obligation to ensure that New Jersey's children, wherever they reside, are provided the skills and knowledge necessary to succeed" and that "[a]ny school funding formula should provide the resources in a manner that optimizes the likelihood that children will receive an education that will make them productive members of society." N.J.S.A. 18A:7F-44(b). The SFRA also acknowledged that "[a]lthough the Supreme Court of New Jersey has held that prior school funding statutes did not establish a system of public education that was thorough and efficient" for Abbott districts, "the Court has consistently held that the Legislature has the responsibility to substantively define what constitutes a thorough and efficient system of education responsive to that constitutional requirement." N.J.S.A. 18A:7F-44(c).

The SFRA defines its funding formula as "an equitable and predictable way to distribute State aid that addresses the deficiencies found in past formulas as identified by the Supreme Court" by "accounting for the individual characteristics of school districts and the realities of their surroundings, including the need for additional resources to address the increased disadvantages created by high concentrations of children at-risk" and "provid[ing] adequate funding that is realistically geared to the core curriculum content standards (CCCS), thus linking those standards to the actual funding needed to deliver that content." N.J.S.A. 18A:7F-44(h) and (i).

The SFRA declared that "[e]very child in New Jersey must have an opportunity for an education based on academic standards that satisfy constitutional requirements regardless of where the child resides, and public funds allocated to this purpose must be expended to support schools that are thorough and efficient in delivering those educational standards." N.J.S.A. 18A:7F-44(d). Thus, "school districts must be assured the financial support necessary to provide those constitutionally compelled educational standards" and "[a]ny school funding formula should provide State aid for every school district based on the characteristics of the student population and up-to-date measures of the individual district's ability to pay." Ibid.

The SFRA included a "formula an expanded high-quality preschool program for all children who qualify for free and reduced price meals in all districts" because "[i]t is appropriate for the formula to acknowledge that at-risk children do not always receive the same educational exposure at an early age as their peers and to provide the additional resources necessary through high-quality preschool to prepare every child to learn and succeed." N.J.S.A. 18A:7F-44(k).

The SFRA directed the State Board of Education to "review and update the core curriculum content standards every five years . . . to ensure that all children are provided the educational opportunity needed to equip them for the role of citizen and labor market competitor," and stressed that the SFRA needed to "work in conjunction with the key school accountability measures that have been enacted in recent years to promote greater oversight, transparency, and efficiency in the delivery of educational services," including the New Jersey Quality Single Accountability Continuum, N.J.S.A. 18A:7A-10, and the School District Fiscal Accountability Act, N.J.S.A. 18A:7A-54 to -60. N.J.S.A. 18A:7F-46; N.J.S.A. 18A:7F-44(o).

In Abbott XX, 199 N.J. 140, the Supreme Court held that, through the SFRA, "[t]he legislative and executive branches have enacted a funding formula that is designed to achieve [T&E] for every child, regardless of where he or she lives" because the "SFRA is designed to provide school districts in this state, including the Abbott school districts, with adequate resources to provide the necessary educational programs consistent with state standards." Id. at 175, 147. In other words, the Court determined that "[t]he State [had]

constructed a fair and equitable means designed to fund the costs of [T&E], measured against delivery of the CCCS."[36] Id. at 172.

In that case, the Court analyzed the various parts of the funding formula. As the Court explained, the "SFRA allocates state resources to school districts, while also requiring certain levels of funding at the local level" through a "weighted school funding formula." Id. at 152. The formula starts with a "base per pupil amount," which is "the cost per elementary pupil of delivering the core curriculum content standards and extracurricular and cocurricular activities necessary for [T&E]." Ibid; N.J.S.A. 18A:7F-45. The formula then accounts for increased education costs associated with higher grade levels, and impoverished, limited-English proficient, and special education students. Abbott, 199 N.J. at 152.

The SFRA funding formula includes an Adequacy Budget, which "is based on the community's wealth and ability to provide funding through local resources;" equalization aid, which "is State-provided aid to support the Adequacy Budget by funding the difference between a district's Local Fair Share (LFS) and its Adequacy Budget," and, categorical aid, which covers certain special education costs. Id. at 153-155.

The Court explained that "[a] district's LFS is the amount it is required to contribute in support of the Adequacy Budget" through taxes and "is determined by adding a district's equalized property wealth and its equalized income wealth." Id. at 155. A district is generally limited in its ability to raise taxes from year to year, N.J.S.A. 18A:7F-38, but "[a] school district may submit to the voters at the annual school election, or on such other date as is set by regulation of the commissioner, a proposal or proposals to increase the adjusted tax levy by more than the allowable amount," N.J.S.A. 18A:7F-39(c).

And with respect to special education costs, "one-third of special education is funded on the basis of Categorical Aid, 'regardless of the community's wealth,' while the other two-thirds of the special education funding is wealth equalized." Id. at 156. In addition, the SFRA provides Extraordinary Aid by which "[t]he State reimburses ninety

[36] In a prior Abbott decision, the Court held that the CCCS were "a reasonable legislative definition of a constitutional thorough and efficient education." Abbott v. Burke, 149 N.J. 145, 168 (1997) (Abbott IV).

percent of the costs over $40,000" for in-district special education programs, while "the State reimburses the districts seventy-five percent of the costs exceeding $55,000" for private, out-of-district special education placements. Id. at 157.

The SFRA also includes Transportation Aid for a district's busing costs associated with public and nonpublic school children entitled to transportation services in accordance with N.J.S.A. 18A:39-1 (providing transportation for children who live remote from school) and N.J.S.A. 18A:46-23 (providing transportation for special education students). N.J.S.A. 18A:7F-57.

In sum, the Court has described the SFRA as "a weighted formula, of many parts and layers" that "was carefully constructed to account for the myriad needs and cost considerations relevant when devising a permanent formula to perennially provide school districts with predictable amounts of sufficient resources that should permit the provision of educational services sufficient to enable pupils of all types everywhere to master the CCCS." Abbott XXI, 206 N.J. 332, 351-52. However, the Court has cautioned that the "SFRA will remain constitutional only if the State is firmly committed to ensuring that the formula provides those resources necessary for the delivery of State education standards across the State." Abbott XX, 199 N.J. at 170.

The State standards by which T&E is measured are now known as the New Jersey Student Learning Standards (NJSLS), which are designed to prepare students for college, career, and life. N.J.S.A. 18A:7F-46; N.J.A.C. 6A:8-1.1 to -5.3. The NJSLS specify expectations in nine academic areas (English; math; arts; health and PE; science; world languages; technology; 21st century life and careers). N.J.A.C. 6A:8-1.1. School districts are required to "align their curriculum and instructional methodologies to assist all students in achieving the NJSLS and to prepare all students for college and career" and "[p]rogress toward meeting the NJSLS [is] measured by the Statewide assessment system at grades three through 12[.]" N.J.A.C. 6A:8-1.2(c) and (d).

The state regulations governing the NJSLS set forth requirements that districts must meet in terms of curriculum and instruction, the statewide assessment system, and graduation. N.J.A.C. 6A:8-3.1 to –5.3. First, school districts must "ensure that curriculum

and instruction are designed and delivered in such a way that all students are able to demonstrate the knowledge and skills specified by the NJSLS and shall ensure that appropriate instructional adaptations are designed and delivered for students with disabilities, for ELLs [English Language Learners], for students enrolled in alternative education programs, and for students who are gifted and talented." N.J.A.C. 6A:8-3.1(a).

Second, school districts "shall, according to a schedule prescribed by the Commissioner, administer the applicable Statewide assessments, including the following major components: the elementary assessment component for grades three through five; the middle school assessment component for grades six through eight, [and] the high school end-of-course PARCC assessments." N.J.A.C. 6A:8-4.1(c). These assessments test a student's achievement or proficiency in the areas of English, math, and/or science. Ibid.

The Department of Education "shall review the performance of schools and school districts by using a percent of students performing at the proficient level as one measure of AMO [annual measurable objectives] and incorporating a progress criterion indicative of systemic reform," N.J.A.C. 6A:8-4.4, and school districts "shall provide appropriate instruction to improve skills and knowledge for students performing below the established levels of student proficiency in any content area either on the Statewide or local assessments," N.J.A.C. 6A:8-4.3(c).

Finally, "[f]or a State-endorsed diploma, district boards of education shall develop, adopt, and implement local graduation requirements that prepare students for success in post-secondary degree programs, careers, and civic life in the 21st century[.]" N.J.A.C. 6A:8-5.1(a).

The Department of Education also has "rules to implement the New Jersey Quality Single Accountability Continuum (NJQSAC) system, as required by N.J.S.A. 18A:7A-3 et seq., for evaluating and monitoring all school districts in the State." N.J.A.C. 6A:30-1.1. Through NJQSAC, "school districts are evaluated in five key component areas of school district effectiveness -- instruction and program, personnel, fiscal management, operations, and governance -- to determine the extent to which school districts are

providing [T&E]." Ibid. Further, "[t]he standards and criteria by which school districts are evaluated will assess actual achievement, progress toward proficiency, local capacity to operate without State intervention, and the need for State support and assistance." Ibid.

If a school district "satisfies at least 80 percent of the weighted quality performance indicators in each of the five key components of school district effectiveness," the Commissioner shall designate the district as 'high performing' and the State Board, upon the Commissioner's recommendation, may "certify, for a period of three years, the school district as providing a thorough and efficient education." N.J.A.C. 6A:30-4.1. However, "[s]chool districts that satisfy less than 80 percent of the weighted quality performance indicators in one or more of the key components of school district effectiveness shall commence improvement activities[.]" N.J.A.C. 6A:30-5.2.

Another important component of the state education system's T&E mandate are regulatory and statutory fiscal accountability, efficiency, and budgeting procedures for school districts. First, state rules "assure the financial accountability of district boards of education through enhanced State monitoring, oversight, and authority, and […] ensure [that] each district board of education adopts an annual budget that provides adequate resources to meet the State Constitution's mandate for a thorough and efficient system of free public schools for all children" and "ensure the efficient expenditure of budgeted funds in a manner consistent with a school district's approved annual budget." N.J.A.C. 6A:23-1.1.

In addition, and particularly relevant to this matter, is the School District Fiscal Accountability Act, N.J.S.A. 18A:7A-54 to-59. Under that act, "the Commissioner of Education shall have the authority to appoint a State monitor and additional staff, as necessary, to provide direct oversight of a board of education's business operations and personnel matters if: the school district receives an adverse or a disclaimer of opinion by its independent auditor in the annual audit required pursuant to N.J.S.18A:23-1" or other fiscal circumstances. N.J.S.A. 18A:7A-55(a). Once appointed, "[t]he State monitor shall provide oversight in the school district until the commissioner determines that all remedial actions required under the plan have been implemented and the necessary local capacity

and fiscal controls have been restored to school district operations." N.J.S.A. 18A:7A-55(e).

Finally, the Act makes possible the receipt of financial loans for school districts with a State fiscal monitor. Specifically, "[t]he Commissioner of Education shall recommend to the State Treasurer whether an advance State aid payment should be made to a school district for which a State monitor has been appointed." N.J.S.A. 18A:7A-56(a). The act states that "[t]he commissioner's recommendation shall be based on whether the payment is necessary to ensure the provision of a thorough and efficient education." Ibid.

If a school district receives such aid, "[t]he advance State aid payment shall be repaid by the school district through automatic reductions in the State aid provided to the school district in subsequent years" and "[t]he term of the repayment shall not exceed 10 years, but may be for a shorter term as determined by the State Treasurer." N.J.S.A. 18A:7A-56(b).

While the Court has a lengthy history of assessing the constitutionality of various school funding statutes as applied to poor, urban school districts, the Court has yet to address whether a particular school funding statute, as applied to other school districts, has failed to provide T&E. Specifically, as the Court has noted: "[w]hile substandard educational conditions – perhaps of constitutional dimension – may exist in districts other than those that have been designated as Abbott districts, this Court has never stipulated any remedy, nor even found a constitutional violation, for children in non-Abbott districts."[37] Abbott v. Burke, 206 N.J. 332, 371 (2011) (Abbott XXI).

This is precisely the issue raised by petitioners in this matter. They allege that the SFRA's funding formula is unconstitutional as applied to Lakewood, a non-Abbott district, such that Lakewood does not receive sufficient funding under the SFRA to provide its public school students with T&E because the SFRA does not take into account the

[37] Abbott districts are now referred to as "SDA districts."

extraordinary costs that Lakewood incurs to provide transportation and special education services to a large number of students attending private schools in the district.

The Court has instructed that "[w]hether a statute passes a constitutional challenge 'as-applied' to any individual school district at any particular time must be determined only in the factual context presented and in the light of circumstances as they appear." Abbott XX, 199 N.J. at 235 (citing Robinson, 69 N.J. at 455). The Court has also cautioned that "[i]t is well recognized that legislative enactments enjoy a presumption of validity," and that "[w]henever a challenge is raised to the constitutionality of a statute, there is a strong presumption that the statute is constitutional." Ibid (citations omitted).

To prevail in this case, petitioners have the burden of showing that (1) Lakewood's public school children are not receiving T&E and (2) the reason for the deprivation of their constitutional right to T&E is the SFRA. Specifically, whether the SFRA is unconstitutional as applied to Lakewood "turn[s] on proof that plaintiffs suffer educational inequities and these inequities derive, in significant part, from the funding provisions" of the SFRA. Abbott v. Burke (Abbott I), 100 N.J. 269, 296 (1985). As part of their proofs, petitioners must show that Lakewood "has done all it can do with statutorily available resources and improvement mechanisms, yet still cannot provide T&E because the statutory funding scheme generates insufficient monies for this purpose." Bacon v. Dep't of Educ., 2003 N.J. AGEN LEXIS 1195, *15 (Comm'r, Feb. 10, 2003).

Importantly, "the Court has repeatedly acknowledged and approved the administrative handling of educational controversies that arise in the context of constitutional and statutory litigation" because "ultimate constitutional issues are especially fact-sensitive and relate primarily to areas of educational specialization." Id. at 300.

As such, this matter, which implicates fact-sensitive constitutional issues in the educational context, is appropriately before the Commissioner of Education, who transmitted the controversy between petitioners and respondents to the OAL for a hearing. The OAL has been tasked with "conduct[ing] a thorough hearing" for the "development of a complete and informed record, which will reflect determinations of

appropriate administrative issues as well as the resolution of factual matters material to the ultimate constitutional issues." Id. at 303. And "in order to discharge this responsibility in a way that makes sense, the first-instance decision makers, the ALJ and the agency head, must fully address such constitutional issues raised as are necessary to the decision, and resolve them in principled fashion by their best lights, subject, of course, to judicial review. Jones v. Dep't of Cmnty. Affairs, 395 N.J. Super. 632, 636-37 (App.Div.2007) (citing Roadway Express, Inc. v. Kingsley, 37 N.J. 136, 14-42 (1962)).

I. Is Lakewood delivering T&E to its public school students?

In order to prevail on their claim that the SFRA is unconstitutional as applied to Lakewood because the SFRA provides insufficient funding for Lakewood to provide its students with T&E, petitioners must first show that Lakewood's public school students are not receiving T&E. For the following reasons, I **CONCLUDE** that petitioners have met their burden of showing that Lakewood's students are not receiving T&E.

As noted above, the State standards by which T&E is measured are the NJSLS, which are designed to prepare students for college, career, and life. School districts are required to "align their curriculum and instructional methodologies to assist all students in achieving the NJSLS and to prepare all students for college and career" and "[p]rogress toward meeting the NJSLS shall be measured by the Statewide assessment system at grades three through 12[.]" Thus, the NJSLS include requirements for curriculum and instruction, the statewide assessment system, and graduation.

Indeed, the Court has previously pronounced that whether a school district's children are receiving T&E can be measured by such educational outputs as "their test scores, their dropout rate, [and] their attendance at college[.]" Abbott II, 119 N.J. at 391. Other indicia of T&E include educational inputs such as "teacher-student ratios and the education and experience level of the professional staff, as well as facilities to accommodate appropriate class sizes, science labs, media centers and libraries, and the availability of advanced placement courses and programs for gifted students, art and music programs and quality physical education programs." Bacon v. Dep't of Educ., 2006 N.J. AGEN LEXIS 108, *62.

By most of these measures, the education received by Lakewood's students is constitutionally inadequate and they are not being sufficiently prepared for college, career, and life. First, while Lakewood's curriculum aligns with the NJSLS requirements for graduation, and the district offers courses in AP English and Spanish, and several classes in music, art, and computers, the district has cut programs for industrial arts and auto mechanics, and the only foreign language study offered in-district is Spanish. Moreover, the district offers general education preschool to four-year-olds, but not three-year-olds.

While these deficiencies alone do not suggest that Lakewood's students are not getting T&E, there are other factors indicative of a lack of T&E. Chief among those proofs are standardized test scores in the district. While there was testimony at hearing of improving test scores, the data show that Lakewood's test scores are woeful when considered in isolation and when compared to other districts.

For the 2014-2015 school year, only twenty-three percent of high school students met or exceeded expectations on the PARCC assessment for English, placing them in the twenty-third percentile in the State, while only five percent of high school students met or exceeded expectations on the PARCC assessment for Math. On the Biology assessment, only thirty-two percent of high school students were proficient, while sixty-eight percent were partially proficient.

On the SAT, only six percent of students scored above the benchmark of 1550, placing Lakewood High School in the thirteenth percentile in the State and well below the Statewide target of forty percent. And a mere twelve percent of students scored a three on an AP test or a four on an IB test, while the State average was seventy-two percent.

For the 2015-2016 school year, twenty-three percent of high school students met or exceeded expectations on English assessments, or the twenty-third percentile in the State, while seven percent of high school students met or exceeded expectations on Math assessments, or the thirteenth percentile in the State. And on the Biology assessment,

only twenty-two percent were proficient, compared with a forty-one percent State average.

On the SAT, twenty-three percent met the College Readiness Benchmarks on the reading and writing portion, compared with seventy-one percent Statewide, and on the math section, eleven percent met the benchmarks, compared with fifty-three percent Statewide.

In 2016-2017, only twenty-five percent of students met or exceeded expectations on state English assessments, and only eighteen percent met or exceeded expectations on state Math assessments. This means that three-quarters or more of Lakewood's students did not meet expectations on English and Math assessments. And in 2017-2018, the scores improved only slightly: twenty-eight percent of students met or exceeded expectations on state English assessments, and twenty percent met or exceeded expectations on state Math assessments. Finally, in 2018-2019, some of the scores continued to improve, but still fell well below State averages. Thirty-three percent of students met or exceeded expectations on state English assessments, and only twenty-one percent met or exceeded expectations on state Math assessments.

Other T&E measurements are equally troubling. The district's chronic absenteeism rates were well above or close to the State average during the 2016-2017, 2017-2018, and 2018-2019 school years. In 2014-2015 and 2015-2016, the district's dropout rates were much higher than the Statewide targets for those years.

Lakewood's graduation rate improved somewhat from close to 75% in 2014-2015, 2015-2016, and 2016-2017 to 82% in 2017-2018 and 81% for 2018-2019, yet still fell well under the State average of about 90%. Lakewood also suffers from a low rate of college enrollment: 44% versus a State average of 78% in 2014-2015; 37% versus a State average of 77% in 2015-2016; 44% against a State average of 76% in 2016-2017; 41% versus 78% in 2017-2018; and, 40% versus 78% in 2018-2019. And the district's students fared no better in terms of AP enrollment, with rates of 17% and 21% in 2017-2018 and 2018-2019, for example, as opposed to State averages of 35% during those same years.

Finally, under another measurement of whether a school district is providing T&E – NJQSAC – for the 2016-2017 school year, Lakewood scored at 54% in the category of instruction and program, which measures such things as student performance and progress on state assessments, graduation rates, and alignment of curriculum to state standards, well below the benchmark of 80%.

Thus, when viewed alone or when compared with other districts, the educational output data show that Lakewood's students are receiving an education that falls short of T&E.

In a district in which 100% of the student body is eligible for free or reduced price lunch based on household income and which has a high percentage of ESL and LEP students, Lakewood undoubtedly faces obstacles in its attempt to deliver T&E to its pupils. However, there is evidence to suggest that Lakewood is not providing certain educational inputs to help the district meet its constitutional obligation to its students.

In terms of teachers, teacher turnover is significant in Lakewood; the average teacher in Lakewood has between only four and five years of experience; Lakewood must spend significant money on teacher development and training. There is also a lack of remediation/intervention specialists in the district to give struggling students extra educational support.

Lakewood also struggles in terms of per pupil classroom instruction spending and classroom salaries. For example, Lakewood spent $7,427 per pupil on classroom instruction for 2016-2017, which ranked as the second lowest amount among the ninety-eight school K-12 districts with more than 3,500 pupils. And, for the same school year, Lakewood spent $6,906 per pupil on classroom salaries, which also ranked as the second lowest among comparably-sized school districts.

Finally, Lakewood lacks a comprehensive preschool program that includes general education preschool for three-year-old children, and instead only offers general education preschool for four-year-olds and special education preschool for three- and four-year-olds. However, as the DOE noted in its Lakewood Needs Assessment more than a

decade ago, a "successful strategy for improving student performance is to provide a high-quality preschool program as required by the SFRA."

Based on the foregoing, I **CONCLUDE** petitioners have shown by a preponderance of the credible evidence that Lakewood's students are not receiving a thorough and efficient education as required by the New Jersey Constitution. The statistics sadly indicate that Lakewood's students are not prepared for college, career, or life due to a constitutionally inadequate education. In other words, petitioners have offered sufficient "proof that [Lakewood's students] suffer educational inequities."

II. Is the SFRA unconstitutional as applied to Lakewood?

However, to succeed on their claim that the reason Lakewood cannot provide T&E is the SFRA, such that the SFRA is unconstitutional as applied to Lakewood, petitioners must also prove that the educational "inequities derive, in significant part, from the funding provisions" of the SFRA. This is a heavy burden because "it is well recognized that legislative enactments enjoy a presumption of validity" and "[w]henever a challenge is raised to the constitutionality of a statute, there is a strong presumption that the statute is constitutional." For the reasons that follow, I **CONCLUDE** that petitioners have failed to carry their burden.

Petitioners contend that the SFRA's funding formula is unconstitutional as applied to Lakewood Township's 6,000+ public school students, such that Lakewood does not receive sufficient funding under the SFRA to provide its public school students with T&E because the SFRA does not take into account the extraordinary costs that Lakewood incurs to provide transportation and special education services to a large number of nonpublic school students, who total more than 30,000.[38]

[38] N.J.S.A. 18A:39-1 requires Lakewood to provide transportation at public expense for public and nonpublic students who live remote from school; Lakewood is also "responsible for providing a system of free, appropriate special education and related services to students with disabilities age three through 21," services which must "[b]e provided at public expense, under public supervision, and with no charge to the parent." N.J.A.C. 6A:1-1.1; N.J.S.A. 18A:46-1 to -55.

In their second amended petition, petitioners submit that the large sum Lakewood spends on mandatory transportation and special education for private school students "consume[s] about 40% of the [district's] budget" and means that the money then available for public school students is "substantially less than SFRA's adequacy budget" for Lakewood. Petitioners allege that "[t]he Commissioner of Education and the State Treasurer have formally recognized [between 2015 and 2018] that SFRA funding is inadequate to provide [Lakewood] public school students with a T&E education by providing, in dramatically increasing amounts, 'advance state aid' or 'emergency loans.'"

However, petitioners maintain that continued receipt of these loans is not only unsustainable, but also unpredictable, and that due to the inexorable rise of nonpublic school students and the associated transportation and special education costs, the district needs sufficient and predictable funding through the SFRA to provide the public school students with T&E. As such, petitioners urge that "the Commissioner recommends that this matter be remedied by the Legislature."

In response, respondents contend that Lakewood's financial difficulties are not the result of the SFRA, but instead due to other reasons. These other reasons, according to respondents, include (1) Lakewood's history of fiscal mismanagement (2) community choices (3) and legislation other than the SFRA.

These reasons proffered by respondents shall be considered in turn and, together with other factors to be discussed, lead to the conclusion that the SFRA is not unconstitutional as applied to Lakewood because the lack of T&E in Lakewood is not due, in significant part, to the SFRA. Put another way, petitioners have failed to prove that, even if Lakewood had taken certain actions within its powers and discretion, the SFRA would still not provide Lakewood with adequate funding to deliver T&E.

Fiscal mismanagement by Lakewood

Respondents persuasively argue that a significant reason for additional unavailable funds for the provision of T&E is choices Lakewood made with respect to the tax levy authorized under the SFRA. Respondents note that, while there is a tax levy cap,

Lakewood chose not to raise the levy to the cap for several years. In particular, "from 2011-2014, as the non-public student population was rapidly increasing in the Township, the District decided to keep the levy stagnant." And although the state monitor, once installed in 2014, required Lakewood to increase the levy, respondents correctly assert that the decision not to increase the levy during the previous years "means that the District is now not taxing up to its local fair share" and that "not only was the District not generating money that it could have been during that time period, but that any additional revenue from increasing the levy would have compounded." This is additional revenue that could have gone to support Lakewood's obligation to provide and fund T&E to its public school students.

Community choices

Respondents also point to other reasons for Lakewood's financial struggles separate and apart from the SFRA funding formula, including "local choices" such as "zoning for private schools; expansive new construction allowing for an influx of new residents; determinations to send children to non-public schools that mandate transportation due to distance; and the community's determination not to pass referendums for additional funding pursuant to N.J.S.A. 18A:22-40 or a second question [under N.J.S.A. 18A:7F-39]."

While municipal and community decisions regarding zoning, new construction, and selection of private schools may play roles in Lakewood's extraordinary transportation and special education costs, respondents did not provide expansive evidence on these subjects, and thus no findings of fact were made regarding those issues.

However, both respondents and petitioners did present certain evidence regarding Lakewood's efforts, or lack thereof, to raise taxes as permitted under N.J.S.A. 18A:22-40 and N.J.S.A. 18A:7F-39. Under N.J.S.A. 18A:22-40, a school district may "raise additional sums of money, over and above the amount fixed and determined in the last annual school budget, by special district tax, for general fund expenses," and under N.J.S.A. 18A:7F-39, a school district "may submit to the voters at the annual school election, or on such other date as is set by regulation of the commissioner, a proposal or

proposals to increase the adjusted tax levy by more than the allowable amount authorized pursuant to [N.J.S.A. 18A:7F-38]" and, if approved by the electorate, may be used to finance non-T&E programs or services.

The only instance in which Lakewood availed itself of its powers and discretion under N.J.S.A. 18A:22-40 and N.J.S.A. 18A:7F-39 between school years 2014-2015 and 2018-2019 was in 2016, when Lakewood put to a public vote a referendum to increase the school tax levy to raise more than $6M to help pay for transportation costs. While that measure was defeated by Lakewood Township voters by a margin of 99% to 1%, N.J.S.A. 18A:22-40 and N.J.S.A. 18A:7F-39 at least present opportunities for Lakewood to ameliorate its financial difficulties.

Other legislation

In addition to N.J.S.A. 18A:22-40 and N.J.S.A. 18A:7F-39, respondents point out that there is other legislation outside of the SFRA that has affected Lakewood financially. N.J.S.A. 18A:7F-38 places a tax levy cap on school districts by preventing a school district from seeking "an increase in its adjusted tax levy that exceeds . . . tax levy growth limitation calculated as follows: the sum of the prebudget year adjusted tax levy and the adjustment for increases in enrollment multiplied by 2.0 percent, and adjustments for an increase in health care costs, increases in amounts for certain normal and accrued liability pension contributions." That restriction may be overridden through voter approval under N.J.S.A. 18A:7F-39, as discussed above.

And the annual Appropriations Act also affects the amount of money Lakewood receives through the SFRA. Under the Appropriations Clause of the New Jersey Constitution, "[n]o money shall be drawn from the State treasury but for appropriations made by law." N.J. Const. art. VIII, § 2, ¶ 2. Pursuant to this constitutional clause, "the power and authority to appropriate funds is vested in the Legislature," Burgos v. State, 222 N.J. 175, 206 (2015), and "[o]ur Constitution firmly interdicts the expenditure of state monies through separate statutes not otherwise related to or integrated with the general appropriation act governing the state budget for a given fiscal year." City of Camden v. Byrne, 82 N.J. 133, 162 (1980).

Thus, although the Governor makes budget recommendations to the Legislature, and the SFRA requires that, within two days of the Governor's budget message to the Legislature, the Commissioner "shall notify each district of the maximum amount of aid payable to the district in the succeeding school year . . . and shall notify each district of the district's adequacy budget for the succeeding school year," the amount of aid a district actually receives is dictated by the Legislature's annual Appropriations Act. N.J.S.A. 52:27B-20; N.J.S.A. 18A:7F-5(a). As a result, for the 2018-2019 school year, for example, Lakewood would have received roughly $13M in transportation aid if fully funded, but only received $3M through the Appropriations Act; and for the same year, Lakewood's special education categorical aid was supposed to be $5M, but the Legislature instead appropriated $3M in such aid.

All of the above supports the conclusion that petitioners have not shown that the SFRA is solely or significantly to blame for Lakewood's inability to provide its public school students with T&E. And there are other reasons, separate from the SFRA, that further support this conclusion.

These reasons include a lack of a comprehensive preschool program and Lakewood's transportation and special education spending, issues that were first identified and highlighted more than a decade ago in the Lakewood Needs Assessment issued by DOE. The purpose of the needs assessment was to "assess[] the adequacy of the educational inputs and programming currently being provided" and to "identify the unique educational needs of the students in those districts requiring additional programs to address them" as "a prerequisite to ensuring that adequate resources, including fiscal resources, are provided and appropriate accountability for their use is guaranteed."

Then, as now, a large portion of Lakewood's budget was devoted to transportation and special education costs. On transportation costs, the Department stated in the needs assessment that "[t]he district is aware that the high cost of transportation, due to increased numbers of nonpublic students, staggered start times and its courtesy busing policy [under which the district opted to spend during the 2008-2009 school year $4M on busing private school students who did not live remote from their schools], is a significant

financial drain." The Department recommended that Lakewood reconsider its courtesy busing policy to cut its transportation costs.

In the many years since that assessment, not much has changed. To be sure, Lakewood has taken some steps to reduce some of its transportation costs. For instance, the record shows that Lakewood stopped providing courtesy busing at its own expense in 2016, several years after the Department issued the needs assessment. Also, in response to the 2014 State audit recommendations for reducing transportation costs, Lakewood assured that it would be "piloting a staggered nonpublic school schedule for 7 of the largest nonpublic schools during the 2014-2015 school year based on the premise that all nonpublic schools will go to a staggered school schedule in the 2015-2016 school year, which is expected to greatly reduce transportation costs."[39] The Legislature also provided help to the district through the LSTA pilot program, N.J.S.A. 18A:39-1d, through which the Legislature subsidized the busing of remote nonpublic school children in Lakewood for school years 2016-2017, 2017-2018, and 2018-2019.

Despite these measures, Lakewood's transportation costs have continued to increase annually, from $23M in 2014-2015 to $31M in 2018-2019. Yet there is an absence of evidence in the record to indicate that these rising costs are totally attributable to the rising number of nonpublic school students, and that Lakewood has done everything it can to rein in its transportation costs in order to free up more funds for T&E for its public school students.

As with its transportation costs, Lakewood's special education costs have continued to consume a huge portion of the district's budget in the years since the needs assessment. Then, as now, Lakewood has a "large budget expenditure is for out-of-district special education placements, which includes transportation for those students." In the needs assessment, the Department urged Lakewood to "continue to develop strategies to educate more of its special education students in-district." However, the record in this matter is short on evidence of the steps Lakewood has actually taken to save money by educating more of its special education students in a district-run program.

[39] It is unclear from the record whether all nonpublic schools actually staggered their schedules for the 2015-2016 school year, or any other school year.

The record shows that in 2018-2019, for example, Lakewood sent 343 special education pupils to private school placements at a total cost of $33M in tuition. That is an average of nearly $100,000 in tuition per student. Petitioners presented scant evidence of the district's efforts to educate more of these children in-district, which could save Lakewood substantial sums and result in more aid. Indeed, the SFRA provides Extraordinary Aid by which "[t]he State reimburses ninety percent of the costs over $40,000" for in-district special education programs, while "the State reimburses the districts seventy-five percent of the costs exceeding $55,000" for private, out-of-district special education placements. That is a substantial difference.

Petitioners may argue that these 343 students could not possibly be educated in-district due to the nature of their disabilities. Even if true, under the SFRA:

> A school district may apply to the commissioner to receive additional special education categorical aid if the district has an unusually high rate of low-incidence disabilities, such as autism, deaf/blindness, severe cognitive impairment, and medically fragile. In applying for the aid the district shall: demonstrate the impact of the unusually high rate of low-incidence disabilities on the school district budget and the extent to which the costs to the district are not sufficiently addressed through special education aid and extraordinary special education aid; and provide details of all special education expenditures, including details on the use of federal funds to support those expenditures.
>
> [N.J.S.A. 18A:7F-55(g).]

Petitioners did not present any evidence that Lakewood was ineligible for or tried to avail itself of this statutory option for additional special education aid.

In their amended petition, petitioners themselves suggested another possible avenue for Lakewood to bolster its in-district program by asking the Commissioner to "fully finance the building of an in-district facility for students with extraordinary special education needs pursuant to N.J.S.A. 18A:7G-5(k)" in order to cut down on special

education costs associated with private placements.[40] Yet there is no evidence Lakewood has applied to the Commissioner for approval of any such project.

Finally, aside from insufficient evidence of adequate efforts by Lakewood to either raise additional revenue or reduce transportation and special education spending in order to provide T&E to its children, another way in which Lakewood could increase its chances at delivering T&E is through a comprehensive preschool program for at-risk children. As the Department suggested in its Needs Assessment one "successful strategy for improving student performance is to provide a high quality preschool program as required by the SFRA." Certainly, the Legislature recognized through the SFRA that "at-risk children do not always receive the same educational exposure at an early age as their peers" and sought to provide "additional resources necessary through high-quality preschool to prepare every child to learn and succeed." Nonetheless, Lakewood's superintendent testified at hearing that the district offers preschool to three- and four-year-old special education students, but only offers general education preschool to four-year-old, and not three-year-old, children. Petitioners have also not provided any evidence that Lakewood has attempted to or is ineligible for any State financing under N.J.S.A. 18A:7G-5 for a preschool facility to accommodate more at-risk, non-special education children.

In light of all these reasons for Lakewood's lack of additional revenue or additional savings that could buttress the district's efforts to deliver T&E, reasons separate from the SFRA funding formula as applied to Lakewood, I **CONCLUDE** that petitioners have failed to carry their heavy burden to show that the SFRA is the substantial or a significant reason Lakewood cannot provide T&E such that the SFRA is unconstitutional as applied to Lakewood.

However, the fact remains that petitioners have shown that, for the years at issue, Lakewood's children did not receive T&E, and that deprivation cannot go unremedied. For their part, respondents assert that the Commissioner has gone to great lengths to assist Lakewood in its obligation to deliver T&E, including the installation of a State

[40] This provision allows State financial support for certain school facilities projects.

monitor to help with district finances and through the many millions of dollars in advance State aid that Lakewood received between 2015 and 2018. Nonetheless, these measures have not ensured that Lakewood's students receive T&E. Moreover, Lakewood's continued receipt of advance state aid is unsustainable and only serves to exacerbate Lakewood's financial difficulties by requiring Lakewood to repay these loans with future state aid.

As discussed above, there are many steps Lakewood could potentially take to help itself in its quest to provide T&E: develop a comprehensive preschool program for at-risk children; find ways to cut transportation costs so more money may be devoted to educating public school students; improve and expand the in-district special education program to reduce expensive private school placements. Unfortunately, Lakewood has either been unwilling or unable, on its own, to take all necessary steps to deliver T&E to the public school populace. Lakewood needs more help.

That is why, as in Bacon v. Dep't of Educ., 2006 N.J. AGEN LEXIS 108, in which the State Board of Education recognized that "the mandate of the New Jersey Constitution and [the State Board and Commissioner's] statutory responsibility for the general supervision and control of public education in this state require that we exercise our authority . . . to ensure that the educational deficits shown by the record . . . are addressed" through a needs assessment, I hereby **CONCLUDE** and **RECOMMEND** to the Commissioner that she conduct another needs assessment for Lakewood similar to the one conducted under the auspices of Bacon.

The purpose and goal of a new needs assessment would be the same as the needs assessment conducted over a decade ago: "an assessment of the educational needs and the identification of approaches that will successfully address those needs is a prerequisite to ensuring that adequate resources, including fiscal resources, are provided and appropriate accountability for their use is guaranteed." Through a needs assessment, the Commissioner would be able to deploy from within the Department of Education policy experts in the areas of school transportation, special education, and preschool education who could assist Lakewood in identifying approaches and strategies that need to be implemented to ensure that Lakewood can maximize its resources in order

to deliver the thorough and efficient education to which Lakewood's public school students are constitutional entitled.[41]

ORDER

The petitioners' application to declare that Lakewood cannot provide a though and efficient education to its public school students is **GRANTED**; the petitioner's application to declare the SFRA unconstitutional as applied to Lakewood is **DENIED**. However, based on the record presented, it is hereby **RECOMMENDED** to the Commissioner that a current Needs Assessment regarding the ability of Lakewood to deliver a thorough and efficient education to its public school students be undertaken with appropriate recommendations to the district.

I hereby **FILE** this initial decision with the **COMMISSIONER OF THE DEPARTMENT OF EDUCATION** for consideration.

This recommended decision may be adopted, modified or rejected by the **COMMISSIONER OF THE DEPARTMENT OF EDUCATION,** who by law is authorized to make a final decision in this matter. If the Commissioner of the Department of Education does not adopt, modify or reject this decision within forty-five days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

[41] The petitioners seek a legislative remedy to be proposed by the Commissioner. The Needs Assessment can assist in that regard.

Within thirteen days from the date on which this recommended decision was mailed to the parties, any party may file written exceptions with the **COMMISSIONER OF THE DEPARTMENT OF EDUCATION, ATTN: BUREAU OF CONTROVERSIES AND DISPUTES, 100 Riverview Plaza, 4th Floor, PO Box 500, Trenton, New Jersey 08625-0500,** marked "Attention: Exceptions." A copy of any exceptions must be sent to the judge and to the other parties.



March 1, 2021
DATE

SUSAN M. SCAROLA, ALJ (Ret., on recall)

Date Received at Agency: March 1, 2021

Date Mailed to Parties:

SMS/CB

APPENDIX

WITNESSES

For petitioner:

Dr. Ross Haber
Laura Winters
Robert Finger
Malka Spitz-Stein
Marcy Marshall
Dr. Danielle Farrie
David Shafter
Michael Azzara
Melvin Wyns

For respondent:

Kevin Dehmer
Christopher Soleau
Catherine Anthony
Raymond J. Zirilli, Jr.
Robert Ortley
Glenn Forney

EXHIBITS

For petitioner:

Exhibit 1	Total Classroom Spending taxpayer guide to educational spending DOE website
Exhibit 1-1	All districts
Exhibit 2	FY2018 Susan Ecks Low-Income Urban and Neighboring Districts
Exhibit 2-1	FY-15 to FY-17

Exhibit 2-2	Sources
Exhibit 2-3	Sources for FY-18
Exhibit 2-4	Key
Exhibit 3	SFRA numbers for 2017-2018
Exhibit 4	Lakewood Budget 2016-2017
Exhibit 5	Lakewood Budget 2017-2018
Exhibit 6	Request for Admissions
Exhibit 6-1	Census Information
Exhibit 6-2	Compilation of Peer Schools School Report Cards 3013-14
Exhibit 6-3	HSPA and GEPA Scores
Exhibit 6-4	District graduation rate and list of peer schools (All Abbott)
Exhibit 7	Census data
Exhibit 7-1	Per capita income and rank
Exhibit 7-2	September 2017 Labor force (Lakewood p. 1276)
Exhibit 7-3	2016 Labor (Lakewood p. 1269)
Exhibit 7-4	source census data
Exhibit 8	Birth Rate Lakewood and Newark
Exhibit 9	Master Plan Demographic page 3 population 220,000 by 2030
Exhibit 10	Letter of Township Manager
Exhibit 10-1	Taxpayer Guide to Educational Spending Low-Income Urban and Neighboring Districts
Exhibit 10-2	followed by all the districts printed out
Exhibit 11	Non-T & E expenses Low-Income Urban and Neighboring Districts followed by pages from each districts' budget
Exhibit 12	Lakewood Graduation Rates followed by DOE table
Exhibit 13	Lakewood Title I allocation public/nonpublic
Exhibit 13-1	2017-18 public/nonpublic (significant shift)
Exhibit 13-2	2016-17 public/nonpublic
Exhibit 13-3	other years' public/nonpublic
Exhibit 14	2017-18 Students with disabilities and Low-income public/nonpublic
Exhibit 14-1	other years Students with disabilities and Low-income public/nonpublic
Exhibit 15	CD Mike Azzara

Exhibit 15-1	Certification of Hassenfeld
Exhibit 16	NJ Monthly Rankings
Exhibit 17	Underfunding
Exhibit 17-1	Drain on the Budget
Exhibit 18	Delete
Exhibit 19	Lakewood CDP
Exhibit 20	Haber CV
Exhibit 21	Haber Report
Exhibit 22	Robinson report
Exhibit 23	BA Report
Exhibit 24	Abbot Designation
Exhibit 25	CD of FY15 to FY18 Notice to Districts State Aid
Exhibit 26	Nonpublic Transportation Costs
Exhibit 27	Superintendent Report
Exhibit 28	NJISAI Report
Exhibit 29	State Graduation Rate
Exhibit 30	State PARCC Scores
Exhibit 31	1994 Letter Superintendent/Commissioner cc Azzara
Exhibit 32	Superintendent’s Letters
Exhibit 33	Addendum to Census data
Exhibit 34	Dr. Farrie’s Report
Exhibit 35	2015 SPRA Lakewood
Exhibit 36	2016 SFRA Lakewood
Exhibit 37	Title I LHS
Exhibit 38	NJ LHS School Performance Report
Exhibit 39	Median Age
Exhibit 40	Lakewood Revenue Gap updated FY18
Exhibit 41	Municipal Overburden
Exhibit 42	16taxes.xls
Exhibit 43	Urban and Surrounding Districts Property Taxes
Exhibit 44A	Focus and Priority Schools
Exhibit 45	Toms River Supervisors and Assistant Superintendents
Exhibit 46	Brick Supervisors and Assistant Superintendents

Exhibit 47	Jackson Supervisors and Assistant Superintendents
Exhibit 48	Toms River Personnel Agenda June 22, 2018
Exhibit 49	Jackson Agenda May 16, 2017
Exhibit 50	Brick Agenda June 1, 2018
Exhibit 51	Lakewood Agenda August 30, 2017
Exhibit 52	Supervisors pp.35-36 Lakewood Agenda August 30, 2017
Exhibit 53	page 19, June 1, 2011 Agenda abolishing auto shop
Exhibit 54	page 12, Agenda May 9, 2005 abolishing Subject Supervisors
Exhibit 55	page 1, Two assistant superintendents September 27, 2004
Exhibit 56	2006-07, Nonpublic/Public Population
Exhibit 57	Staff Letter February 18, 2018
Exhibit 58	February 5, 2018 letter to Commissioner
Exhibit 59	February 15, 2018 Letter to Commissioner
Exhibit 60	Certification of Dr. Farrie
Exhibit 61	Certification of Mr. Henshaw
Exhibit 62	OPRA February 18, 2018
Exhibit 63	Statewide PARCC scores
Exhibit 64	Individual districts PARCC spreadsheet
Exhibit 65	Lakewood, neighboring districts and DFG A districts PARCC scores
Exhibit 66	Original March 15, 2018 State Aid Printouts
Exhibit 67	2018-19 User Friendly Budget
Exhibit 68	May 7, 2018 State Aid Advance Approval Letter
Exhibit 69	July 13, 2018 Revised State Aid Printouts
Exhibit 70	Revised Aid Guidance Document
Exhibit 71	Certified Agenda-specifically pages 6 and 7
Exhibit 72	2017-18 Extraordinary Aid Approval
Exhibit 73	Emergency Aid Resolution
Exhibit 74	Three State Aid Advance Letters
Exhibit 75	Melvin Wyns CV
Exhibit 76	Melvin Wyns Expert Report
Exhibit 77	Lakewood Tables
Exhibit 78	2017 Equalization Values
Exhibit 79	2018 Equalization Values

Exhibit 80	Lakewood 2008-09 Budget Revenues
Exhibit 81	Commissioner Letter October 26, 2018

For respondent:

R-1	2018-2019 Projected State School Aid Notice
R-2	2018-2019 Projected State School Aid Notice-Revise, Aid Adjustment Pursuant to FY19 Appropriations Act
R-3	Tax Levy History FY2011-FY2018
R-4	2016-2017 User Friendly Budget
R-5	State Total and Lakewood Extraordinary Aid (Exaid) Allocations, FY2012-FY2017
R-6	Summary of Lakewood 12/13 Enrollment
R-7	Chapter 192/193 Non-Public School Aid for Lakewood vs. State, FY2009-FY2017
R-8	Other Non-Public School Aid for Lakewood, FY2015-FY2017
R-9	Total Public and Non-Public Aid from District Aid Notices (excluding facilities), FY2015-2017
R-10	Equalized Property Valuation for Lakewood, FY2007-FY2018
R-11	SSA Summary
R-12	Equalized Property Valuation for Lakewood, FY2011-FY2018
R-13	Tax Levy and Local Fair Share History, FY2011-FY2018
R-14	Equalized School Tax Rate History for K-12 Districts with Between 5,700 and 6,300 Students as of 2017
R-15	New Jersey State Legislature, Office of Legislative Services, Office of State Auditor, Township of Lakewood School District Audit Covering Time Period July 1, 2011-December 31, 2013 with Lakewood School District Response
R-16	Summary of Lakewood Public School District Special Education Settlement Agreements for Disenrolled Students
R-17	Formula for Success
R-18	Summary of Lakewood Non-Public Transportation
R-19	Easel Notes 1
R-20	Transportation Analysis, Lakewood School District FY2013-FY2017

R-21	[Not offered]
R-22	Office of Fiscal Accountability and Compliance (OFAC) Review of Application for State School Aid (ASSA) and District Report of Transported Resident Students (DRTRS) as of October 2011, dated May 19, 2014
R-23	Letter from Robert Ortley, OFAC, to Isaac Zlatkin, Board President, Lakewood Township Board of Education, regarding Corrective Action Plan for May 19, 2014 audit of ASSA and DRTRS, with attachments, dated August 29, 2014
R-24	OFAC Review of Lakewood Board of Education's Application for Extraordinary Aid (EXAID) for Special Education Costs, for FY2011-2012, dated August 15, 2014
R-25	OFAC Review of Chapter 193 Non-Public Auxiliary Services Aid, for FY2011-2012, dated February 12, 2016
R-26	June 16, 2015 Memo from David Hespe, Commissioner of Education to Andrew P. Sidamon-Bristoff, State Treasurer regarding State Aid Advance for Lakewood School District (P-74)
R-27	June 23, 2016 Memo from David Hespe, Commissioner of Education to Form M. Scudder, Acting State Treasurer regarding State Aid Advance for Lakewood School District (P-74)
R-28	November 9, 2017 Memo from Kimberly Harrington, Commissioner of Education to Ford M. Scudder, State Treasurer regarding State Aid Advance for Lakewood School District (P-74)
R-29	Letter from Glenn Forney, Deputy Assistant Commissioner, Division of Finance, to Laura A. Winters, Superintendent Lakewood Township School District, regarding Additional State Aid, dated May 7, 2018 (P-68)

EXHIBIT D

COMPREHENSIVE REVIEW OF THE LAKEWOOD PUBLIC SCHOOL DISTRICT

Dr. Kimberley Markus

March 1, 2024

Introduction

Dr. Kimberley Markus, under the direction of the New Jersey Department of Education (NJDOE), performed a comprehensive organizational review of the Lakewood Public School District (LPSD) pursuant to Acting Commissioner Angelica Allen-McMillan's May 12, 2023, executive order. The purpose of this review is to provide an updated educational record that will allow the Department to better identify the root causes that led to the educational deprivations within Lakewood Public School District identified by the Court and to determine appropriate responses.

Case History

The case history of Lakewood Public School District leading up to this request to conduct a comprehensive review of the District is complex and lengthy. In summary,

- In 2014, parents of children enrolled in Lakewood Public School District filed a petition alleging the District was not providing its public-school students a thorough and efficient education (T&E) as required by the New Jersey State's Constitution and that the School Funding Reform Act (SFRA) is unconstitutional as applied to the District. The Administrative Law Judge (ALJ) found that Lakewood's students are not receiving T&E, but that the SFRA is not unconstitutional.
- The Commissioner then rejected ALJ's finding as to T&E, concluding that its students are receiving T&E; but recognizing that there are some problems in Lakewood Public School District, she ordered a comprehensive review of the District.
- In March 2023, the Appellate Division reversed the Commissioner's decision, and found that Lakewood's students are not receiving T&E. It then ordered the Commissioner to issue a decision on the petitioners' SFRA claim. Following the remand, the Commissioner issued a letter announcing that she would be expediting the comprehensive review prior to issuing a decision on the SFRA.[1]

The New Jersey Constitution states that, "[t]he Legislature shall provide for the maintenance and support of a thorough and efficient system of free public schools for the instruction of all the children in the State between the ages of five and eighteen years."[2] Under the New Jersey Quality Single Accountability Continuum (NJQSAC), school districts are evaluated in five key component areas of school district effectiveness — instruction and program, personnel, fiscal management, operations, and governance — to determine the extent to which school districts are providing a thorough and efficient education.

Purpose

The purpose of this report is to provide the Commissioner with a comprehensive review of the Lakewood Public School District. It aims to provide a comprehensive analysis of current practices and policies across key areas—Governance, Curriculum and Instruction, Special

[1] Leonor Alcantara, et al. v. Angelica Allen-McMillan, Commissioner of the Department of Education, et al., -- Agency Dkt. No. 156-6/14; Commissioner Decision No. 149-21 -- Appellate Dkt. No. A-3693-20

Education, Finance, and Transportation—identifying challenges and pinpointing areas for improvement. By offering detailed findings and actionable recommendations, the report endeavors to guide the Lakewood Public School District toward enhanced operational efficiency, educational quality, and equitable access to services for all students. Ultimately, this document is designed to catalyze positive change, fostering an environment where every student can thrive and achieve their fullest potential, supported by robust governance, dynamic curriculum, sound financial management, and reliable transportation.

Questions being Evaluated

- What is the role of SFRA in deprivation of T&E in Lakewood Public School District?
- What other causes may be impacting the Lakewood Public School District to deliver T&E?

Summary of Areas of Focus

In the subsequent summaries, the potential factors influencing the provision of a Thorough and Efficient (T&E) education and the role that the School Funding Reform Act (SFRA) calculations may have on this educational standard have been examined. Five critical areas were assessed: Governance, Curriculum & Instruction, Special Education, Finance, and Transportation. A concise review of each category is presented, providing an overview of the prevailing conditions and administrative actions within these domains. Detailed exploration of each summarized item will be further elaborated in the Findings section of this report, painting a comprehensive picture of their impact on the T&E of the education system in the Lakewood Public School District.

Governance:

In the Governance section, the administrative and policy-making mechanisms that are instrumental in shaping the educational journey of the students within the LPSD are explored. The analysis scrutinizes the efficacy of the governing body and its adherence to established protocols, as well as its strategic decision-making capabilities. The following summary offers a glimpse into the intricate workings of the District's governance and lays the groundwork for a more expansive exploration in the subsequent sections of this report.

In the area of governance, there are two main areas of focus: 1) policy-setting and oversight practices of the Lakewood Board of Education and 2) leadership and decision-making practices. These two areas are intertwined, and when operating to their fullest, have a significant impact on student outcomes. These two areas hold one another accountable and allow for there to be multiple checks and balances when making decisions that impact all students.

- **Board Meetings**. Public Board meetings practices do not align with practices of comparable districts or follow recommendations from the New Jersey School Boards Association.
- **Board Policies.** Board meeting agendas contained policy updates and new policies; however, there was no policy discussion during any of the observed meetings. There are outdated and/or ill-informed policies that directly impact student learning.
- **Financial Transparency.** Board involvement with budget development was reported to be minimal. There were no observed board meetings that discussed financial issues or presented detailed information regarding budgets. There appears to be no urgency or accountability for the District’s financial situation by leadership.

- **Board Attorney.** The Lakewood Board of Education attorney plays a far more active role than the typical board attorney in District business. The Board Attorney stated that his role is not only Board Attorney, but he also provides the District a service like a Communications Director. Lakewood's legal expenses per pupil are significantly higher than comparison districts.
- **Culture.** A culture of low expectations for students was observed, and high levels of distrust between central office administration and school-based staff.
- **Communication.** There are communication gaps from the central office administration with both internal and external stakeholders.
- **Strategic Plan.** The organizational management of the District is not based on a coherent system focused on a District strategic plan. Without a strategic plan, the District relies on a series of annual goals that lack accountability as they do not have metrics that can determine how successful the District is in meeting their goals. Several annual goals are duplicated from previous years.
- **Reporting Structure.** The organization's reporting structure does not follow typical practice, as it is designed with many administrators reporting directly to the Superintendent. The Superintendent has 24 direct reports, including all curriculum supervisors, and there is no Assistant Superintendent.
- **Decision-making.** Large-scale district planning appears to occur behind closed doors. For example, the District changed the configuration of schools for elementary and middle schools this school year. The grade configuration consisted of moving hundreds of students and staff with little notice or explanation as to why the decision was made. There was no discussion at Board meetings or opportunity to provide public input.
- **Human Resources Practices.** The District reports struggling to hire staff to fill all their vacancies each year. Lack of competitive salaries with neighboring districts was cited as a key barrier, yet several current practices may impact staff morale. New staff are hired at a higher pay rate than veterans and 77 teacher contracts have been non-renewed in the past five years. School administrators reported frequent building reassignments, with limited communication or notice.
- **Morale.** Staff stated multiple times that the District has a morale issue. Staff reported not feeling respected and fear retaliation from the administration if they speak out in a critical way. Instances of unresponsiveness or unclear communication from the District contribute to a perception of inadequate support.

Curriculum & Instruction:

In the Curriculum and Instruction summary, the core educational programs and teaching methodologies that constitute the foundation of student learning experiences within the LPSD are examined. This segment scrutinizes how curricular design, instructional quality, and pedagogical approaches contribute to or detract from the attainment of a Thorough and Efficient (T&E) education. The ensuing narrative provides a synthesized overview of the findings, setting the stage for a detailed dissection of these elements in the body of the report, where the complexities will be unpacked and pathways for enhancement will be recommended.

Teaching and learning grounded in evidence-based practices is an essential component of student success in the classroom. Locally developed curriculum aligned to the state standards, New Jersey Student Learning Standards (NJSLS), combined with resources that are grounded in research equip educators with a guide for delivering classroom instruction to their students. It is imperative that all students are considered when developing curriculum and selecting

resources. These considerations should be evident throughout the curriculum documents and classroom instruction. Multiple areas were reviewed and analyzed as a part of this process: district curriculum, professional learning, Multi-Tiered Systems of Support, Multilingual Learners, access to college and career coursework, classroom observations, assessment practices, and student outcomes.

- **Curriculum Development.** Lakewood uses a significant amount of material that is developed internally. Development is controlled by curriculum supervisors, requires frequent revisions, and represents a large expense to the District. Without an Assistant Superintendent whose responsibility would be oversight of the curriculum and its supervisors, each curriculum supervisor can make decisions about changes to their content area without keeping a balance with the other content areas.
- **Curriculum Differentiation.** The intense focus on pacing guides, instructional frameworks, and lesson scripts leaves little room for differentiation in the classrooms. Teachers reported limited time to pause to ensure mastery.
- **Walkthroughs and Observations.** The number of required walkthroughs and observations being completed by curriculum supervisors, instructional coaches, school administrators and the Superintendent are excessive. Required administrative team walkthroughs alone average 200-300 per month occurring within each school. This count does not include walkthroughs by curriculum supervisors or the required formal observation process.
- **Multi-Tiered Systems of Supports (MTSS).** While Lakewood appears to have an intentional framework and intervention resources to support students with their academic and behavioral needs, there seem to be gaps in school-based staff's understanding of them, a consistent application of them across schools and classrooms, and clear documentation about expectations.
- **Career Pathways.** High school student participation in vocational education coursework is strong, but students are not engaged in career pathways programs offered by the District. Only five students participated in a full-time Career Academy Pathway in the 2022-2023 school year across three Pathway programs.
- **Advanced Placement (AP).** Student participation in and exam passage rates for Advanced Placement courses are low. Of the students taking AP exams in 2022-2023 for courses offered at Lakewood High School, more than half of the students did not pass in all courses except for Spanish Language and Culture. No students who took the AP US History course passed.
- **Student Engagement.** Students were not engaged in instruction as active learners during PCG observations. There was limited classroom discussion. At the upper elementary through high school levels, almost all observations were of students working independently on assignments. Students were observed to be compliant and orderly.
- **Instructional Practices.** Most instruction observed by PCG was teacher-directed, and classroom lesson structure was predictable. Students were not asked to apply higher level thinking skills such as application, analysis, or evaluation.
- **Graduation/Dropout rates.** Graduation rates are lower than the state average and comparable districts; dropout rates are higher.

Special Education:

The Special Education section concentrates on the evaluation of the LPSD's services and support systems for students with disabilities. The summary provided offers an initial overview,

which precedes a more exhaustive exploration in the Findings section, where we will delve into the intricacies of special education practices and propose recommendations for improvement.

- **State Performance Plan Indicators**. Of the indicators in which the District is not meeting targets, the most significant are Indicator 5, specifically including children with IEPs with typically developing peers 80% or more during the school day; Indicator 3B, specifically 4th grade ELA and math assessment; and Indicator 6, preschool children with disabilities in separate settings and the time spent during the day with typically developing peers.
- **Data Reporting**. There also appear to be significant data discrepancy and reporting issues for the SPP indicators and within categorizations of students by placement type.
- **Preschool Population**. Of the overall three-to-four-year-old student population of students with disabilities, 79.8% were White and 15.7% were Hispanic. This demographic distribution is not representative of the District's overall population.
- **Incidence Rates.** Over the past three years, Lakewood's special education public school incidence rate is on average ten percentage points higher than the state's incidence rate.
- **Significant Disproportionality**. The District has consistently been found to be significantly disproportionate in several identification and placement categories and is required to set aside 15% of its IDEA federal grant dollars for Comprehensive Coordinated Early Intervening Services.
- **Limited Continuum Options**. The District has limited programming for Emotional Regulation Impairment, Visual Impairment, and Intellectual Disabilities in its schools.
- **Out of District Tuition Costs.** Lakewood's out of district tuition costs totaled $57.5M in 2021-2022 for 372 students, with comparable districts spending far less (from a low of $4.7M for 62.5 students in one district to a high of $20.5M for 129 students in another).
- **Access to the General Education Curriculum and Specially Designed Instruction (SDI).** There are several significant concerns regarding access to the general education curriculum and the overall implementation of SDI in Lakewood for students with disabilities, from the inability of teachers to modify curricular materials, to pacing concerns, to the implementation of parallel/co-teaching, to the fact that many IEPs reviewed do not align to grade level requirements.
- **Related Services Equipment**. The District has made substantial investments in state-of-the-art related therapy equipment; yet these resources appear to be underutilized given the District's population with significant disabilities is not educated within the public school buildings.
- **Families**. Lakewood has an active Special Education Parent Advisory Group (SEPAG), which meets monthly. Nearly three-quarters of parents surveyed were familiar with the SEPAG and the support it offers.
- **Nonpublic Schools.** The number of nonpublic students, ages 5-21, eligible to receive special education services increased by 1,606 students, from 8,171 in 2019-20 to 9,777 in 2021-22. This growth represents a 20% increase in eligible students. These increases have required the District to set aside an increasing allocation under its IDEA federal grant. The management of child find, eligibility, and service determination and provision are managed by an outside provider.

Financial Practices:

In the Finance section, the fiscal management and resource allocation within the LPSD, focusing on how financial stewardship influences the delivery of a Thorough and Efficient (T&E) education are critically examined. This analysis evaluates the effectiveness of financial practices and their impact on educational services. The insights presented here serve as a precursor to a more detailed examination in the Findings section, where financial strategies and their implications for the district's educational landscape are thoroughly unpacked.

A forensic analysis and discovery were conducted, in the following areas:

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

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

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

Transportation:

In the Transportation summary, the logistical framework that supports student access to education within the District is assessed. The operational efficiency, cost-effectiveness, and safety of the transportation services provided are evaluated. The summary of findings outlined here lay the groundwork for an in-depth discussion in the main body of the report, where we will elaborate on the nuances of transportation policies and their effects on the district's educational objectives.

Several major observations regarding the Lakewood Public School District's transportation services were made:

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

Findings

The report delineates its key findings into five overarching themes - Governance, Curriculum and Instruction, Special Education, Finance, and Transportation. Each of these critical areas is analyzed in depth, laying the foundation for a set of structured recommendations presented to the Commissioner. This comprehensive analysis serves as the bedrock for strategic improvements, aiming to bolster the operational efficacy of the Lakewood Public School District and its provision of a thorough and efficient education for all students.

Governance

The Governance findings shine a spotlight on the intricate dynamics of leadership and administrative oversight in the LPSD. Through an exhaustive examination, the efficacy of governance mechanisms, from board functionality to policy implementation, against the backdrop of educational objectives are scrutinized. This section unfolds a narrative that captures the essence of governance practices, weaving through the complexities of leadership decisions and their impact on the educational environment.

Climate and Culture

There is a district-wide culture of low expectations for students across the Lakewood Public School District. According to Exhibit A, "Rather than having a culture of Academic Optimism, many staff believe that poverty or lack of English proficiency contribute to the students' low academic performance, poor attendance, lack of motivation, and an overall poor attitude." Hoy's work on academic optimism is also referenced.[2] A school with high "academic optimism believes that faculty can make a difference, students can learn, and achieve high levels of academic performance.

Staff well-being is also an important part of district climate and culture. In the LPSD, teaching staff described a challenging environment characterized by being overloaded and a perception of understaffed conditions. Almost all teachers, noted the fear of job security consequences

[2] Hoy, W.K., Tarter, C.J., & Woolfolk Hoy, A. (2006). Academic optimism of schools: A force for student achievement. Working Paper – The Ohio State University.

related to the expectation of strict adherence to the pacing guides. There is some frustration due to frequent changes and new rules which create confusion and inconsistency.

It appears that unclear communication is also a contributor to this feeling of confusion. One example of the breakdown in communication was the movement of hundreds of students and staff with little notice, in one instance there was only one day's notice, or explanation due to a change to the configuration of schools. Principals did not have time to notify parents or plan transition activities. Teachers were notified through an email, and maintenance and facilities staff were not notified until a week before school. This meant added hours and manpower and unanticipated costs to the budget. This example, again, demonstrates how administrative decision-making critically impacts all areas of the District. Despite these issues, teachers noted that they work collaboratively and maintain constant communication, contributing to a positive aspect of teamwork.

The issues concerning clear communication do not just affect staff but parents as well. Translation services were listed as a challenge area for the District. The Enrollment Office does have parent liaisons in each building and translation apps available to parents. The website has Google translate to translate to Spanish; however, only 15% of the documents on the website are in Spanish let alone any of the other languages that are primarily spoken in the community. In addition, most of the documents on the website are PDFs which do not function with Google Translate.

The handling of staff non-renewals and transfers appears to be nontypical as well. According to staff, there is not a traditional system which is clearly outlined for non-renewals. Non-renewal decisions are made by District staff unlike other New Jersey districts where those decisions are made at the school level. The principals expressed an interest in having a more active role in these decisions. The administrator and teacher transfer process is atypical as well. Last Spring administrators were transferred to different schools before the end of the school year. Many moves are reported to happen on an annual basis. This affects consistency and continuity for all.

The example above of the sudden reconfiguration of schools speaks to the lack of intentional planning in the District. This new grade-span (elementary and middle) configuration has added more transitions for students. Students' academic, emotional, and physical development and well-being should be at the forefront of all decision-making. Under the new configuration, it is possible for a student to attend five LPSD schools throughout their academic career. And, under this new configuration, there are now families with children in four different elementary schools creating significant logistical challenges for these families.

Goal Setting and Planning:

Most public schools in New Jersey use strategic planning to structure goal setting and resource prioritization for the district. This multi-year plan combined with data serves as a guide for districts. Creating a district-wide strategic plan is usually done as a collaborative process. Multiple stakeholder groups are given the opportunity to provide input and insights into the goal setting process. The strategic plan is usually developed by a team consisting of the superintendent, executive leadership team, and board members. Most strategic plans contain 3-5 goals written in SMART goal format and are written to cover a 3–5-year timespan. Strategic plan development is led by the superintendent. The Lakewood Public School District (LPSD) does not have a strategic plan in place. The District does have goals posted annually by the

superintendent.[3] This year's slides, which are shared on the District website, contain inconsistent focus and support on the 7 different goal areas (i.e.: 44 slides on Goal 1 – Student Achievement, a single slide on Fiscal Stability, and duplicate slides throughout from the 2022-2023 school year).

The District has a mission statement which was developed in 2007 posted on its website. The strategic planning period would be a perfect time to review the mission statement and develop a complementary vision statement to serve as a North Star for the strategic plan.

A strategic plan allows for alignment in all areas across the District. This would help the District with budgetary prioritization, curricular and academic resource selection, management and use of technology, facilities decisions, and other. With many competing priorities in a district all in competition for limited funds and time, a strategic plan can be just the answer. If the need is in direct alignment with the goals of the strategic plan, it helps the district decide which areas to apply its focus to first.

Structures and Systems

Boards of education in New Jersey follow Robert's Rules of Order when conducting meetings. These rules establish proper decorum for meeting structure. LPSD is not adhering to Robert's Rules of Order[4] to conduct business meetings. In Part 3, Chapter 11 there is specific guidance as to the role of the Board Chair in conducting meetings. The guidance does not include the Board Attorney usurping the role of the Board Chair. The District also has their own policy, 0162 – Conduct of Board Meeting, which clearly states that the Board President will preside over the meetings. As stated in Exhibit A, this practice also does not align with Lakewood Policy *0164-Conduct of Board Meeting*.[5] The policy states *that "the President shall preside at all meetings of the Board. In the absence, disability, or disqualification of the President, the Vice President shall act in his/her place; if neither person is present, any member shall be designated by a plurality of those present to preside."* That policy is read at the beginning of each board meeting by the Interim Business Administrator but is not followed as read.

In addition, according to the New Jersey School Boards Association's Basic Parliamentary Procedures, the person presiding over a meeting is referred to as the chair or chairperson. Usually, that individual is the board president. The principal duties of the chair per the New Jersey School Board Association are to:

- open the meeting at the appointed time;
- announce in proper sequence the order of business or agenda;
- recognize members who are entitled to the floor;
- state and to put to vote all motions, and to announce the result of each vote;
- rule if a motion is made that is out of order; protect against obviously frivolous or dilatory motions;
- enforce the rules relating to debate and those relating to order and decorum;
- expedite business in every way compatible with the rights of members;
- decide all questions of order, subject to appeal;

[3] *Lakewood Public School District's Goals for the 2023-2024 School Year.* (2023) Lakewood Public School District website.

[4] Roberts Rules of Order

[5] Lakewood School Board Policy Manual. Policy 0164 CONDUCT OF BOARD MEETING

- respond to inquiries of members relating to parliamentary procedure or factual information bearing on the business of the assembly; and
- declare the meeting adjourned when the assembly so votes or, when applicable, at the time prescribed in the program, or at any other time in the event of a sudden emergency affecting the safety of those present.

The LPSD board meetings are conducted with a consent agenda where agenda items are voted as a package without discussion unless a board member asks for removal of an item. Included within the consent agenda are the first and second readings of policies. There are no discussions of action items, no committee reports, no discussions, and very little public comment. Most school boards in New Jersey have a Policy Committee that meets to discuss changes and updates to existing policies and drafts of new policies. These policies are given first and second readings where this is open discussion among board members about these policies and the public is given time to comment as well.

In addition, board approval must happen at the time of vendor onboarding, and this does not appear to be happening in the LPSD. It appears the approval of the bill list on the consent agenda for making payment is considered the approval of the vendor. The vendor must be approved by the board before payment can be issued. In addition, Business Registration Certificates (BRC) and W-9s must be maintained for all vendors.

There are a series of financial systems that appear to be in place but not fully functioning. Rate changes and transfers are to be approved by the District Board of Education. The control is designed properly for this; however, there is no evidence that these approvals are taking place.

An employee handbook and code of conduct are maintained; however, there is no evidence that new staff members are signing the acknowledgement form stating that they have read and understood the handbook upon employment nor that existing employees are signing an acknowledgement form annually. Similarly, there is no evidence that new hires are receiving the required training programs including security awareness and general IT trainings upon onboarding and that all existing employees are completing these trainings annually. All new hires, once approved by the Superintendent and the Board of Education, must be reported by HR to IT to grant access. Likewise, all terminations approved by the Superintendent should be communicated to IT from HR and access revoked on their last day. There is no evidence to support that either process is happening.

Curriculum and Instruction

The Curriculum and Instruction findings delve into the heart of the educational experience, examining the substance and delivery of the District's educational programs. This section rigorously evaluates the alignment of the curriculum with educational standards, the effectiveness of instructional strategies, and the overall impact on student learning and achievement. Through detailed analysis, areas where enhancement is needed to meet the diverse needs of students are spotlighted. This examination illuminates the challenges within curriculum and instruction, emphasizing the critical role they play in shaping students' academic journeys and the urgent need for targeted improvements.

The first critical finding relates to the kindergarten entrance age of students in Lakewood Public School District. District Policy 5112: Entrance Age (2013)[6] states, "*A child whose fifth birthday occurs on or before December 31 of any year will be admitted to Kindergarten after September 1 of the same year, subject to established residency and registration requirements."* In a typical New Jersey kindergarten classroom, students entering kindergarten must turn five-years old by October 1st as per NJ Rev Stat § 18A:38-5 (2022) which is a statutory requirement. In this case students are only four-years old for the first month of school. In the LPSD, a four-year old can be in the classroom up to the first four months of school. This makes it possible for a kindergarten class to have four-, five-, and six-year-old students in the classroom simultaneously. This creates a potential ripple effect moving forward across the entire schooling of a child with the learning gaps widening year-after-year. As referenced in Exhibit A, there is also evidence that the age at which children begin school can change the likelihood that a child is placed in special education or diagnosed with Attention Deficit/Hyperactivity Disorder (ADHD).[7] This policy allowance potentially impacts every area of concern for the District: Curriculum and Instruction, Financial, Governance, Special Education, and Transportation.

The Lakewood Early Childhood Center (LECC) is housed in three modular-trailer classrooms. Two of the trailers are connected, and one is separate. The interconnected trailers have Physical Therapy equipment in a separate setting in a Snoezelen Multi-Sensory Room. The disconnected modular-trailer classroom does not have access to these resources. Again, the number of students in the LECC is higher than most districts due to its policy that extends past the October 1 cutoff date in preschool as well.

The overall organizational structure of the District is unique in comparison to other traditional public schools in New Jersey. The LPSD superintendent has 24 direct reports. There is no assistant superintendent. The board attorney reports directly to the Board of Education. In most districts in New Jersey, the only person who reports directly to the board of education is the superintendent. This structure may be contributing to issues in multiple areas across the district. Inefficiencies come into play when there is confusion among staff members as to which position has greater influence or is the decision-maker. Delegation can be difficult in a flat structure such as this where it is unclear who is responsible for what work and when and where decisions can be made without bringing everything to the superintendent for approval. This is not efficient, economical, or a best practice instructionally.

The curriculum in Lakewood Public Schools is developed by district staff: curriculum supervisors and instructional coaches. There is a lack of evidence, research-based, current resources to support the curriculum. A variety of curricular resources support English Language Arts/Literacy. At the Early Elementary level, there are some purchased materials. The resource being used beginning in Grade 3 is dated 2013 and the textbooks at the high school level are from 2015. The District just purchased a 3-year program for the high school which is digital only and being piloted in some of the high school classes. Further information is needed about how students without technology or connectivity access the materials from home. These materials are supplemented by the individual curriculum supervisors, of which there are 6. Without an Assistant Superintendent, each curriculum supervisor can make changes in their content area without a balance among recommendations between content areas. The implementation of an evidence-based, standard-aligned writing curricular resource does not seem to be a high priority for the district. With a large number of multi-lingual learners, language skills, grammar,

---

[6] Lakewood School District Policy Manual. https://go.boarddocs.com/nj/lboe/Board.nsf/Public

[7] Shapiro, A. (2020). Over Diagnosed or Over Looked? The Effect of Age at Time of School Entry on Students Receiving Special Education Services. https://journals.sagepub.com/doi/10.1177/00144029221108735#tab-

linguistics, and learning to write is an equally critical skill to focus on simultaneously with reading development to support literacy development.

At the elementary and middle schools, the mathematics curricular support materials are all created within the District for all grade levels (i.e.: student workbooks, worksheets, and teacher guides). In high school, traditional textbooks are used. This is concerning as locally developed curricular resource are not researched backed or supported. Concern was also expressed about the alignment of lessons and materials to the NJSLS mathematics academic standards. Vertical alignment in mathematics is critical for developing standards (i.e.: Algebra) that develop over time from kindergarten through high school.

Scripts and pacing guides for the curriculum are designed by the District. The messaging around scripts is different from school to school. There is written guidance that the teachers must be within ten days of the pacing guide. Change is constant as curriculum supervisors are constantly reviewing and updating the pacing guides. This strict structure leaves little room for differentiating to support the needs of individual students.

Lastly, the building principal does not have any oversight or decision-making authority over curricular decisions. This relates back to the flat reporting structure with 24 leaders reporting to the superintendent. Principals are often not in traditional roles of leadership in their buildings.

There is a large amount of oversight for teachers. Walkthroughs are conducted regularly to a point that seems excessive. There are approximately 50-75 walkthroughs a week which could add up to as many as 200-300 a month. These numbers do not include required formal observations. Using the time of leaders this way does not allow much time for additional responsibilities that contribute to student success.

While the District adopted Policy 2417[8]: Student Intervention and Referral Services (I&RS) in 2013 and updated the policy to reflect the adoption of New Jersey's Multi-Tiered Systems of Support (MTSS) Framework in 2022, staff generally shared they either didn't know what it was or said their school doesn't use it. MTSS requires tiered levels of support for students moving from Tier 1, classroom support, to Tier 3, individual support. Staff felt due to the strict structure and pacing of the local curriculum, there is not time for scaffolding supports in this way. Tier 3 intervention stops in third grade so there is no Tier 3 reading intervention in grades 3-5. This is especially problematic given the local policy extending kindergarten cutoff date to December 31st. Many students in grade 3, are still developmentally young and are continuing to struggle with reading. Without tiered supports and structured intervention time, the gap will continue to expand for students.

The Lakewood Public School District has a high number of multi-lingual learners. It employs 36 English as a Second Language-certified (ESL) staff. Students coming into the district have various needs when it comes to language support. Some students come with gaps in formal education as well as and can be two or more grade levels behind. The District provides a variety of services for students: Bilingual classes, taught in the student's native language; Sheltered English Instruction classes taught with a variety of techniques; and Newcomer Program which is focused on those students with gaps in formal education. This report finds that while there are a great number of employees and offerings for multi-lingual learners across the district, all three

[8] *Note*. Retrieved from "Lakewood Public School District Adopted Policy 2417" provided by Lakewood Public School District.

offerings are not available in all schools yet there are students who need the services not offered in each school. The breakdown for this finding can be found in Exhibit A, pp. 58-59.

The District offers multiple pathways and has allocated significant resources to support high school students on their journey toward college and career preparedness: Dual Enrollment, Vocational Education, Career Academy Pathways, and Advanced Placement (AP) and International Baccalaureate. However, the number of students participating in most of these programs is low. Of the students participating in the AP program, 66% of students did not take the AP Exam which allows students entering college to place out of these courses and potentially receive credit for the course as well. Of the students taking the exam, few receive a passing score. In the 2022-2023 school year, only 5 students participated in the full-time Career Pathway program.

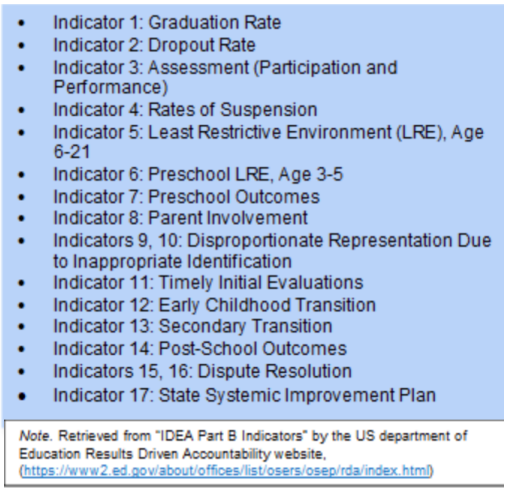
The District supports Professional Development (PD) for staff in a variety of ways. Curriculum supervisors and instructional coaches use data to determine professional development opportunities. There are three professional development days built into the calendar before the start of the school year. PD is also offered through Professional Learning Communities (PLCs), staff meetings, and virtual options throughout the year. Staff expressed frustration because PD is often offered during their prep time and/or they are pulled from instructional time with their students.

Last findings in this area, but critically important, are in the areas of student engagement, instructional groupings and techniques, and student behaviors. Data shared in Exhibit A, pp. 69-73, shows that students were well behaved and on task, however, this seems to demonstrate compliance more than anything else. Students were spending a lot of time in whole class instruction: listening to a lecture, looking at a computer screen, or working on worksheets or in a workbook. There was very little discussion or interaction happening in the classrooms, particularly in the middle and high school classes. Best practices (small group instruction, turn and talk, creative grouping, and collaboration opportunities) for instruction were observed in a few classrooms but were largely missing in most. Most students were seated in desks that were arranged in rows. No multi-lingual services were being delivered in any of the classrooms visited. About 30% of the classrooms visited were either taking a test or preparing for one. High quality instruction, instructionally sound curriculum supported by research-based materials, and opportunities for students to participate as active learners are the best strategies for being prepared for a test.

Special Education

The Special Education findings within this comprehensive review carefully assess the district's approach to serving students with diverse learning needs. This section explores the adequacy, accessibility, and quality of special education services, probing into how well these services align with best practices and regulatory requirements. Through this in-depth investigation, significant gaps in the provision of special education are identified which highlight the importance of individualized support and inclusive practices. The insights gained reveal the complexities of delivering equitable and effective special education and underscore the necessity for strategic enhancements to ensure that all students receive the support they need to thrive academically and socially.

The United States Department of Education (ED), established State Performance Plan and Annual Performance Report (SPP/APR) requirements that include 17 indicators:



- Indicator 1: Graduation Rate
- Indicator 2: Dropout Rate
- Indicator 3: Assessment (Participation and Performance)
- Indicator 4: Rates of Suspension
- Indicator 5: Least Restrictive Environment (LRE), Age 6-21
- Indicator 6: Preschool LRE, Age 3-5
- Indicator 7: Preschool Outcomes
- Indicator 8: Parent Involvement
- Indicators 9, 10: Disproportionate Representation Due to Inappropriate Identification
- Indicator 11: Timely Initial Evaluations
- Indicator 12: Early Childhood Transition
- Indicator 13: Secondary Transition
- Indicator 14: Post-School Outcomes
- Indicators 15, 16: Dispute Resolution
- Indicator 17: State Systemic Improvement Plan

Note. Retrieved from "IDEA Part B Indicators" by the US department of Education Results Driven Accountability website, (https://www2.ed.gov/about/offices/list/osers/osep/rda/index.html)

Over the past three most current years, with the 2021-22 school year being the most current, Lakewood Public School District has not met targets in the following indicators:

- Indicator 1: Graduation
- Indicator 2: Dropout
- Indicator 3: Participation in Statewide Assessment and Proficiency
- Indicator 5: School Age Least Restrictive Environment
- Indicator 6: Preschool Least Restrictive Environment
- Indicator 11: Timely Initial Evaluations
- Indicator 12: Early Childhood Transition

Of the indicators in which the District is not meeting targets, the most significant are Indicator 5, specifically including children with IEPs with typically developing peers 80% or more during the school day; Indicator 3B, specifically 4th grade ELA and mathematics assessments; and Indicator 6, preschool children with disabilities in separate settings and the time spent during the day with typically developing peers.

In September 2023, Lakewood Public School District was notified that NJDOE determined the District to be significantly disproportionate in the following areas:

- White students eligible for special education and related services under the Autism category.
- White students eligible for special education and related services under the Intellectual Disability category.
- Hispanic students eligible for special education and related services placed in general education for less than 40% of the day.
- White students eligible for special education and related services placed in separate settings.

Districts that met the criteria for significant disproportionality and disproportionate representation of racial/ethnic groups in special education were required to complete a self-assessment in the fall of 2023. This is not the first time the District was found to be significantly disproportionate.

During the 2022-2023 school year, the District had 333 students in specialized out of district placements. Most students in these out of district placements across three years were those with speech or language impairment as a primary disability. It is unclear why there are so many students with this diagnosis in out of district placements. It could be that there are secondary and tertiary disabilities.

During the 2022-23 school year, the Child Study Team (CST) received 841 referrals for special education. As of November 2023, there were 319 referrals for the 2023-24 school year.[9] General observations of these data show that the majority of referrals are from Early Intervention and parents, with far fewer coming from schools. The number of early childhood students with IEPs is concerning. This is typically a time when districts are slow to refer students for assessment due to difficulty decerning what is a potential learning disability and what is just normal differences in development and language acquisition.

For students with disabilities to improve their academic achievement and reduce the achievement gap with their nondisabled peers, they need to be included in the core curriculum and receive evidence-based interventions that are targeted and implemented with fidelity. Students can receive specially designed instruction (SDI) throughout a continuum of special education services which are provided in the Least Restrictive Environment (LRE), where, to the maximum extent appropriate, a student with a disability is educated with peers who are not disabled.[10]

Parallel teaching is a primary focus for the District this year. In parallel teaching, the class is divided between two teachers and taught the same content. This model of instruction does not allow the groups to switch. The District hired an outside provider to train the staff this year. According to contents within the training provided by the District for the 2023-24 school year, parallel teaching in Lakewood is the following: “The general education teacher provides instruction to the majority of students while the ICR teacher provides a parallel lesson to a small group of students, who are unable to participate in the whole group lesson as determined by the data.” The training indicates: “This model should be used daily, across all subject areas.” The training also defined team teaching as the following: “When the whole group lesson effectively meets the instructional needs of all students in the class, the ICR teacher co-teaches with the General Education teacher. This approach involves both teachers delivering instruction at the same time.” This training notes that team teaching “…should be used sparingly (1-5% of the time)” and that it “…should only be used if all students’ data shows that they can effectively participate in the whole class lesson.”[11] The concern with this interpretation of parallel teaching is that it reverts to the model used decades ago where student with disabilities were pulled to the back of the classroom and taught in the room but separately from their peers. This is not the intention of this model today. This approach makes it clear to the students which teacher is supporting which students instead of a true co-teaching model where both teachers are supporting all students and students are not singled out within the classroom for their disability. Another problem staff are facing with this model is that the special education teacher is often getting pulled from instruction to attend meetings which means the parallel teaching cannot occur.

[9] Referral Data provided by Lakewood Public School District.

[10] Individuals with Disabilities Education Act, 20 U.S.C. §1412(a)(5), retrieved from https://sites.ed.gov/idea/statuteregulations/

[11] The Power of 2: Refining the Inclusive Model to Promote LRE Power Point, Magnolia Consulting Group, 2023

During site visits to the District, it was noted that in the Autism Classes students appeared to be struggling to communicate. The team asked about Augmentative and Alternative Communication (AAC) systems, and the teachers responded that none of the IEPs required AAC systems. There were inconsistent strategies to reinforce appropriate communication and engagement. There were no data sheets or evidence of data collection relative to academics or behavior. The consultants did observe examples of staff providing students with edible reinforcements (gummy bears, cookies) to induce alternate behaviors in a manner that did not appear to follow any established formal reinforcement protocol.

In classrooms where students were receiving special education services, teachers followed the general education curriculum using instructional materials provided to them such as worksheets and slide presentations; however, there were limited visible individualization, adaptation, differentiation, personalization, or use of modifications. These challenges coincided with apparent challenges in pacing, whereby the teachers were moving too fast relative to the students' understanding.

The Administrative Code[12] offers settings that require a maximum number of students and the number of teachers and aides that must be present. These include the following: Language and Learning Disability (LLD), Multiple Disabilities (MD), Emotional Regulation Impairment (ERI), Autism (AUT), and Visually Impaired (VI). The District offers some of these settings, but they are not offered consistently across the grades. In other words, a child in need of one of these settings may be able to attend a program in district, depending on the specifications of their IEP, however, it may be available in some years but not others causing the child to need an out of district placement. LPSD does not have settings for Emotional Regulation Impairment, Visual Impairment, or Intellectual Disabilities.

There are some concerns about the IEP process. In most IEPs only the teacher scale was included. The parental scale and parental input seemed to be missing. There were inconsistencies with IEP development, especially relating to measurable objectives relating to the goal. In some cases, the goals only focused on the academics and not student challenges with organization and attention. Goals and objectives did not seem to fully align with the student's needs. While goals were generally aligned to the PLAAFP areas, it would be hard to measure progress or understand how the students was going to improve in these areas based on how the goals are written. Assistive Technology was not a widely used consideration for students in the IEPs reviewed despite many of the students having more moderate disabilities. There were accommodations in some IEPs, mostly low-tech options, but this was not checked under Special Considerations. Progress reports were inconsistent, in that some were blank, some had only ratings for student progress, and others included ratings with supporting data as to how the teacher arrived at the rating. Progress reporting does not appear to have District-wide requirements to include both qualitative and quantitative data sources.

In the Lakewood Public School District, the Department of Special Services is managed by three lateral positions (1) Supervisor of Special Education; (2) Supervisor of Child Study Team; and (3) Supervisor of Related Services. All three roles report directly to the Superintendent of Schools. All special education teachers report to their respective building principals; however, their performance reviews are conducted by the building principal and the Supervisor of Special Education. All CST members are supervised by the Supervisor of Child Study Team, and all related service providers and contractors report to the Supervisor of Related Services. The department also recently added special education coaches to support special educators,

[12] New Jersey Code NJAC 6A:14-4.6, retrieved from https://www.nj.gov/education/code/current/title6a/chap14.pdf

especially with parallel teaching. There are two case managers assigned to students placed in out of district settings. An additional 24 case managers have both in-district and out of District students on their caseloads. Some of the challenges that come with these lateral positions it is leads to duplication of time and confusion about authority.

In the LPSD, in accordance with Public Law 2017, Chapter 103, which was enacted in July 2017, the NJDOE is required to make available on its website a full-text copy of each written decision rendered by an Administrative Law Judge (ALJ) in a special education due process hearing. In New Jersey, a decision in a special education due process hearing is a final agency decision subject to the law requiring each decision to be made public.[13]

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

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

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

The Lakewood Public School District has 170+ nonpublic schools in its boundaries. This has far reaching impacts on the district especially around special education.[14] Of students parentally placed in nonpublic schools, nearly 9,700 of them are students identified with a disability.[15] The number of students eligible for special education as consistently increased, according to data Lakewood Public School District provided on its IDEA funding application, from 7,683 on the FY 21 application to 9,698 in FY 24. The local education agency (LEA) that is the District of location (i.e., the District where the private school is located) is responsible for the identification and determination of eligibility for special education and related services for students parentally placed in private schools. Aside from citing that it consulted with the nonpublic school community, the District was not able to provide information about how it was determined that services would be provided in these select schools nor answer why only a fraction of those eligible were served. This funding, to the extent it was described, is used for teaching and paraeducator staffing in nonpublic schools.

Between the required nonpublic equitable services set-aside and the mandatory CCEIS set-aside because of the significant disproportionality findings in FY 24, the District has little, if any, IDEA funds to support students with disabilities in its public schools. While CCEIS funds can be spent to support initiatives for students with disabilities, these funds must be focused on

[13] New Jersey Special Education Due Process Hearing Decisions, retrieved from https://www.nj.gov/education/legal/specialized/

[14] List of 2022-2023 Nonpublic Schools provided by LPS.

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

preventative intervention measures, not to support programming, supplies, or staffing specifically for special education.

Finance

The Finance findings in this comprehensive review exam the fiscal management and resource allocation strategies of the District, aiming to uncover their effectiveness in supporting educational priorities. This section delves into budgeting practices, financial oversight, and the alignment of spending with improving educational outcomes for students. Through careful analysis, light is shed on areas where fiscal efficiency can be improved. The examination of financial practices is critical in revealing how financial decisions impact the quality of education provided to students and highlights the imperative for adopting more strategic and transparent financial management approaches to ensure the sustainability of high-quality educational services.

Looking at staffing inefficiencies, especially in the administrative organizational chart, surfaces questions about fiscal responsibility in this area. A reduction and/or reconfiguration of leadership positions, job descriptions and responsibilities, and reporting structure could potentially create a considerable cost savings for the District as well as increased productivity with clear ownership and responsibilities and work more clearly delineated.

The board attorney shared with the consultants in the district that he not only serves as the board attorney but also provides support around communications like a communication's director. Board attorneys go through an RFP process to be selected by a district. The LPSD attorney went through this process in 2017. However, board attorneys do not usually serve in multiple roles in the district, much less receive pay for such. It is unclear if the board attorney is receiving additional pay for his services supporting communications.

The Lakewood Public Schools has a high percentage of students with IEPs receiving services and support from out of district placements. This creates large financial stress on the district. According to the User-Friendly Budget, during the 2019-2020 school year, Lakewood spent $48,755,738 for 402 students in out of district placements. The average per pupil tuition for that year was $121,282.[16] The tuition total amount increased to $57,499,863 in 2021-2022, though the number of students decreased to 372. The average per pupil tuition for that year was $154,569.52.

Last, the outside auditor addressed the lack of pre-payroll register and that the payroll checklist were not retained. The payroll manager was responsive and confirmed that evidence would be retained moving forward. It was noted in a discussion with the Lakewood Accounting Manager that the Close Process Checklist is not completed nor retained as evidence. Also, the State Monitor verbally reviews the cash flow statements monthly and evidence of the review is not maintained.

[16] Comparable District User Friendly Budgets by Official Site of the State of New Jersey, retrieved from: https://www.nj.gov/education/finance/fp/ufb/2022/17.html

Transportation

The Transportation findings evaluate the efficiency, effectiveness, and safety of the District's student transportation services. This section navigates through the operational logistics, cost management, and policy adherence that underpin the District's ability to provide reliable and secure transportation for its students. Through this thorough examination, areas for significant enhancements were uncovered. The insights presented underscore the critical role that transportation plays in facilitating access to education and the necessity for strategic improvements to optimize service delivery, reduce costs, and ensure every student's safe passage to and from their educational settings.

Transportation expenses are a strain on the District. The comprehensive review surfaced efficiency issues with potential financial implications for the District. There are two busing services set up to meet the high demands for student bussing, both public and non-public: Lakewood does not have its own bus yard. It contracts with outside vendors through the bid process. The Lakewood Student Transportation Authority (LSTA) was started as a pilot in the 2016-2017 school year through Bill S2049[17] to meet non-public school student transportation needs. The law provided that an eligible district would pay the consortium the aid in lieu amount for each nonpublic student who required transportation under state law. The consortium takes on responsibilities of the District. If the consortium has money available after transporting all required students, it may provide courtesy bussing. The consortium must refund any unused funds to the District. The updated, further codified legislation allows for other similar consortia to form, it drops the size requirement of participating districts, savings may no longer be used for courtesy busing, and the consortium may assess up to a six percent administrative charge.[18] It is unclear as all savings need to be returned to the District instead of allowing them to be applied to courtesy busing.

The Lakewood Public School District buses appear to be less full that the LSTA routes. There are a variety of buses being used for different age groups of students which may be impacting the number of routes needed. Looking at factors such as cost per route and students transported per route are two measures to examine the efficiencies of the routes. Student ride time, empty miles, and empty/idle time are other common measures. A bus route analysis using the data from the Versatrans Systems in both the LPSD and the LSTA might provide greater insight. This information was not available at the time of the report.

Some vendors are using the same buses to do separate routes, taking advantage of tiered schedules and cooperation between the nonpublic schools to ensure transportation services are available but bidding as if the routes were stand-alone. Data entry errors were noted during the analysis. However, where those could be filtered out, significant examples remained of same plate number used for several routes. Many districts employ double or even triple tier routes to alleviate driver shortages, leverage capital resources, or to help drivers and aides get enough hours for full-time pay and benefits. Four or higher tiers per bus are not common but the database analysis showed as many as eight routes per plate in some cases. New Jersey double tier routes cost in the $115,000 range; that number can be used as a reasonableness check in case routing practices are such that AM and PM routes are classified as separate routes. Special education routes can come with a higher-than-expected price tag per route, but then we

[17] Bill S2049 session 2016-2017. Retrieved from https://www.njleg.state.nj.us/bill-search/2016/S2049/bill-text?f=PL16&n=22

[18] (May 8, 2023). Assembly no. 5412 state of new jersey 220th legislature. Retrieved from https://pub.njleg.state.nj.us/Bills/2022/A5500/5412_R2.PDF

would expect to see fewer riders on such routes so a lower ridership number could indicate a bus transporting high-needs special education students (see Table 6 in Exhibit A for Top 20 Bus Plate Numbers by Sum of Route Cost).

Many nonpublic students do not have a student ID number in DRTRS. This presents a risk that students might be counted and funded in multiple counties.

The transportation staff receive high salaries which was evidenced in the analysis done by the consultants. More analysis is necessary to see how these salaries compare to similar operations in New Jersey. Comparable districts for transportation administration purposes should reflect the number of students transported (regular and special education), not just district enrollment, due to the difference in effort and overhead for administering transportation for the nonpublic students in addition to the public and public charter students.

The LPSD salaries were listed in the User-Friendly Budgets which contain the following narrative: "N.J.S.A. 18A:7F-5.3 requires that the user-friendly budgets contain detailed information on the salaries and benefits of each district superintendent, assistant superintendent, school business administrator and school district employee whose annual base salaries exceeds $75,000, and who is not a member of a collective bargaining unit." However, the LPSD has two transportation managers for the 2023-2024 school year, neither of whom are listed on the list cited above and shown in detail under the section "Lakewood Public School District Transportation Administration" in Exhibit A. Per review of Board minutes, the two transportation managers were hourly employees of the district during the above time frame, both at a rate of $100/hour. One transportation manager reported to the consultants that he works for Lakewood approximately 22 hours per week and does not receive benefits from Lakewood.[19]

The Lakewood Student Transportation Authority senior officer salaries over $100,000 were listed in the IRS Form 990 for the LSTA.[20] A list of the senior officer's salaries can be found in Exhibit A under "Lakewood Student Transportation Authority Senior Officers." There was an observed possible dual employment of one of the senior staff members between the LPSD's transportation department and the LSTA's, both positions being reported as full time. This could be problematic for several reasons, most concerning of all potential for procurement issues, diminished incentive to return saved funds to Lakewood, and potential for conflicts in contract oversight of the LSTA as a vendor. The total compensation to this senior officer reported for FY 2022 from both sources is $392,028. The FY 2023 IRS 990 for LSTA is not yet publicly available. Net position and expenditure data for transportation reported in Lakewood's latest available ACFR went down by roughly $30 million from FY 2021 to FY 2022. This indicates a major change in funding source, accounting practices, or other issues to explore further.

The New Jersey Department of Education's manual on the student transportation contracting process states, "the bid process shall be designed to encourage free, open and competitive bidding. Bidding shall also be designed to prevent fraud, favoritism and extravagance, to

[19] Meeting of the lakewood board of education held on Wednesday, May 12, 2021. Retrieved from https://www.lakewoodpiners.org/site/handlers/filedownload.ashx?moduleinstanceid=77&dataid=1590&FileName=May%2012%202021.pdf

[20] Lakewood student transportation authority llc: propublica. Retrieved from https://projects.propublica.org/nonprofits/organizations/813531813

safeguard the taxpayers, and protect the lowest responsible bidder."[21] The Lakewood Public School District's Board of Education District Policy 1540, Administrator's Code of Ethics, states that "no administrator or member of his/her immediate family shall have an interest in a business organization or engage in any business, transaction, or professional activity that is in substantial conflict with the proper discharge of his/her duties in the public interest." Board Policy 6115.03, Federal Awards/Funds Internal Controls – Conflict of Interest contains the following statement affirming the need to avoid potential conflict of interest in using federal grants including ESSER: "No employee, officer, or agent of the Board of Education may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest."[22]

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

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

Municipal Transportation Aid of $1.2 million was also noted in the 2022 ACFR. The balance of funding for transportation is likely to be local tax revenue or federal funds. The preliminary FY 2023 budget earmarked $14,043,275 of ARP-ESSER III funds for nonpublic transportation.[23] PCG is not able to determine if ESSER III was spent on nonpublic transportation or if prior expenditures had been recoded to ESSER III. This raises a concern as to whether there may have been inappropriate use of $14,043,275 of ARP-ESSER III funds for nonpublic transportation versus for learning initiatives.

Lastly, the contract renewal dated August 30, 2023, between Lakewood Public School District and the Lakewood Student Transportation Authority "Disclosure of Prohibited Investment Activities in Iran, Russia and Belarus" form carries the Township of Branchburg (a New Jersey town in Somerset County) rather than the Lakewood Public School District as the contracting unit. A spot-check of three RFPs on the Lakewood 2024-2025 RFPs/Bids/Proposals page revealed the same error. This could indicate a systematic lack of legal, procurement, and financial review and oversight of bid documents.

Recommendations

In light of the findings outlined in the preceding section, and considering the entirety of the comprehensive review conducted, this report proceeds to put forth a series of considered recommendations to the Commissioner. These recommendations are the culmination of a detailed analysis aimed at addressing the core issues identified across the five key areas: Governance, Curriculum and Instruction, Special Education, Finance, and Transportation. The suggested actions are designed to steer strategic enhancements and promote a more effective and equitable educational environment.

---

[21] (2014) Contracting student transportation services. New Jersey Department of Education. Retrieved from https://www.nj.gov/education/finance/transportation/contracts/contracting.pdf

[22] Lakewood board of education. Retrieved from https://www.straussesmay.com/seportal/Public/districtpolicyTOC.aspx?id=69d917eec73348b88ae66af620e165e5

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

Recommendations for Governance:

It is imperative to underscore the pivotal role that effective governance plays in shaping an educational environment conducive to learning and growth. Drawing from the detailed findings, the recommendations aim to fortify the LPSD's governance structures, enhance board functionality, and ensure policy implementations are both strategic and student-centered. These suggestions are designed to address identified gaps and lay a solid foundation for sustained educational excellence. Through targeted reforms and a commitment to best practices, the District can cultivate a governance model that not only meets but exceeds the expectations of its stakeholders, driving forward the mission of delivering a high-quality education to every student.

The recommendations are as follows:

Communicate clearly and often with all stakeholder groups.

- Develop a process for notifying staff members about transfers and room/building reassignments in a timely manner prior to the beginning of the next school year.
    - Notify staff in person and not just through an email.
    - Where possible, provide this information during the summative review process at the end of the year.
- Internal and external communications should be clear, consistent, and transparent.
- Re-evaluate the translation services available to parents and staff to limit the use of staff and more importantly students to serve as translators.
- Ensure that documents posted on the website are not posted as PDFs, unless they have already been translated, so parents are able to use Google Translate to access information.

Develop a 3–5-year strategic plan and a process for tracking and reporting on completion of goals, interim benchmarks, and the creation of clear target metrics- that are publicly tracked and reported on at board meetings and on the website.

- Solicit feedback using a variety of vehicles from stakeholder groups.
- Create 3-5 Specific, Measurable, Achievable, Relevant, and Time-Bound (SMART) Goals.
- Review the Mission Statement developed in 2007 and develop a complimentary Vision Statement.
- Share the final plan at the Board of Education meeting and adopt as a board.
- Clearly post the plan on the LPSD website.
- Align annual district and building based goals to the strategic plan.
- Ensure that decision-making and budget prioritization align with the goals of the plan.

Establish clear roles, processes, and procedures for board participation and structure.

- Follow Robert’s Rules of Order and the Lakewood Public School District Policy 0164.
- The Board President, referred to as the chair or chairperson, shall run the meeting in alignment with the procedures stated in bullet 1 as well as the New Jersey School Board Association’s (NJSBA) Parliamentary Procedures.

- Reconsider the use of a consent agenda to allow for meaningful board discussion on important issues being considered.
    - Board approvals need to happen at the time of vendor onboarding prior to submissions for approval on the bill list.
    - Rate changes and transfers need to be approved by the District Board of Education.
- Provide opportunities for the public to speak about action items and a second time for general comments.
- Ensure that board committees are meeting between board meetings and reporting out at meetings.
    - Committee members should be posted on the website along with meeting schedules and agendas, preferably in multiple languages or accessible via Google Translate.
- Make sure that policies are being given two public readings with updates from the Policy Committee chair and discussion among board members prior to voting.
    - Make sure all policies are updated.
- The Superintendent is the only person who reports directly to the board. This position should deliver a superintendent report at each board meeting and be called upon as needed for clarification or expertise, along with the Business Administrator, and the Board Attorney.
- Post all Board members and their contact information on the District website.
- The meeting schedule, agendas, minutes, and recordings of the board meetings should be posted on the District website.
- Ensure that all board members are attending the mandatory training for new board members and continuing board members.

Onboarding and exiting of staff members.

- Make sure that as part of the onboarding process for new staff members that they are receiving a copy of the LPSD Employee Handbook and Code of Conduct and that they are signing that they have read and understood the handbook and code of conduct. These acknowledgement forms must be kept as evidence. *Existing employees must sign an annual acknowledgement.
- Evidence must be kept that all new employees are receiving the required training programs including security awareness and general IT training. *All existing employees must complete these trainings annually and evidence must be kept.
- All new hires, once approved by the superintendent and the board of education, must be reported by HR to IT to grant access. Evidence must be kept of this process.
- Upon termination of a staff member with approval of the superintendent, HR must communicate with IT to revoke access on their last day of employment. Evidence must be kept of this process.

Recommendations for Curriculum and Instruction:

In the recommendations dedicated to Curriculum and Instruction, the cornerstone of educational success is emphasized: a robust, engaging, and inclusive curriculum delivered through effective instructional practices. Based on the comprehensive analysis, these recommendations are crafted to enhance curriculum relevance, foster instructional innovation, and ultimately elevate student achievement across the District. The goal is to provide actionable strategies that address the gaps identified while building upon the existing educational framework. By

prioritizing these areas, the LPSD can create a dynamic learning environment that not only meets diverse student needs but also prepares them for future academic and personal success.

The recommendations are as follows:

Adjust the kindergarten entrance age to align with the 2022 New Jersey Revised Statute 18A - Education Section 18A:38-5 - Admission of pupils underage.

- Move date a child must turn five years old from December 31 to October 1.
- Move the date for preschool admission up accordingly as well.

Adjust the administrative reporting structure to create efficiency and savings.

- Reduce the number of curriculum supervisors and instructional coaches and reduce the number of leaders reporting to the Superintendent (currently 24).
- Create an Assistant Superintendent of Curriculum, Instruction, and Assessment along with two supervisors - one elementary and one secondary.
    - Streamlining the reporting structure and necessary personnel would assist with the large curriculum budget expenditure, most of which appears to be personnel.
- Create a Director of Pupil Services who reports to the Superintendent.
    - The three supervisors report to the Director.
    - Evaluate the number of staff and their roles and responsibilities in direct correlation to students' needs, particularly the use of special education coaches.

Ensure curriculum development is a team approach.

- This work should be done in small teams including teachers.
- Perform curriculum revisions, i.e., scripts, pacing guides, at the end of the school year to provide more consistency and continuity during the school year for the students and teachers.
- Implement a curriculum policy that aligns with the New Jersey Department of Education's (NJDOE) review cycle to ensure curriculum is aligned to the current New Jersey Student Learning Standards (NJSLS).

Perform a resource audit to ensure that materials being used to support the curriculum are current and evidence-based as well as research-aligned.

- Involve teachers in the selection and piloting of materials prior to purchasing.
- Ensure staff have thorough training throughout the implementation process to ensure that the materials are used to support student success.
- Elementary learners need strong foundational programming and support in literacy and numeracy.
- Students need to be reading print of all types: books, articles, graphs, pictures, and digital by way of example.
- Make sure resources are mapped appropriately aligned to the local curriculum to ensure proper coverage of the NJSLS.
- Evidence-based, research-aligned resources need to be purchased to support the District's mathematics curriculum.

Ensure that all district-developed curriculum is aligned to the current NJSLS.

- Differentiation for all learners, especially students with disabilities and multilingual learners should be present throughout the curriculum.
- Locally developed curriculum should include standards, essential questions, objectives in student-friendly language, skills, sequencing of instruction, assessment, and differentiation for all learners should be reflected throughout.

Messaging about scripts and pacing guides needs to be consistent across the District.

Review the walkthrough expectations and look for efficiencies.

- Reduce the number of walkthroughs conducted.
- Walkthroughs should be conducted by building principals, supervisors, and instructional coaches with the intention to collect data for professional development and to provide coaching for teachers. Walkthroughs should not be used evaluatively.

Perform a Multi-Tiered Systems of Support (MTSS) audit to assess the District's in analyzing the current state of differentiated support for students as well as make recommendations about administrator and teacher support and professional development.

- A universal design for learning will ensure that instruction and materials are culturally relevant and linguistically appropriate and implemented with fidelity for all students.
- This will also provide support for implementing the MTSS Framework and understanding the tiered systems of support.

Ensure that multilingual support techniques: bilingual classes, sheltered instruction, and Newcomer Programs are offered across all grade levels. Consider consolidation of programs at the elementary school level.

Ensure that Career Pathways include opportunities for knowledge and skill attainment to allow students to have choice upon graduation.

- Increase access to Advanced Placement (AP) courses to provide high level expectations and support for students to increase the number of students taking and passing the assessments. Consider opening APs to sophomores.
- Increase access and communication about the pathways that exist for high school students.
- Ensure students are being counseled about their high school and post-secondary planning.

Review the current professional development plan and delivery to ensure that it aligns with the Strategic Plan (once created) and limits teacher time out of the classroom.

- Build in additional professional development time and opportunities that do not pull teachers away from instructional time.
- Create time in the schedule for teachers to have Professional Learning Community (PLC) time.

- Use data from Professional Development Plans (PDPs)/Professional Growth Plans (PGPs), staff surveys, walkthrough data, and the Strategic Plan to drive the focus of professional development.
- Ensure that lesson scripts and pacing allow for opportunities for teachers to incorporate the practices they are being trained on in professional development into their classrooms.

Recommendations for Special Education:

The recommendations for the Special Education section of this report are designed with a singular focus: to significantly enhance the support and educational outcomes for students with disabilities within the District. Stemming from a thorough examination of current practices, services, and resources, these recommendations aim to bridge gaps, reinforce strengths, and introduce innovations that ensure a more inclusive, equitable, and effective special education framework. By advocating for targeted improvements in individualized support, teacher training, resource allocation, and parental engagement, the recommendations seek to create an educational environment where students with diverse learning needs are empowered to succeed.

The recommendations are as follows:

Revisit the self-assessment done in the fall of 2023 because of having significant disproportionality and disproportionate representation of racial/ethnic groups in special education to establish a clear plan for addressing these recurring issues.

Investigate and evaluate the costs associated with creating programming in District in comparison to the costs being spent on out-of-district placements.

- The district has state of the art equipment in place already.
- There is room in most of the buildings in the District.
- Re-evaluate staff schedules.
- This would increase the percentage of time that children with IEPs have with their typically developing peers.
- This could be a huge cost saver in the long run and best for students.
- The majority of students in out-of-district placements have speech or language impairment as their primary disability.

Evaluate and adjust the schedules at the building levels to ensure maximum participation for students with IEPs with their typically developing peers in the Least Restrictive Environment (LRE).

Establish clear policies and procedures which are followed consistently for parental/guardian involvement in the IEP development and review process.

- Utilize rating scales for teachers and parents.
- Provide a parent input section in the IEP (required by IDEA).
- Provide translation services to ensure all parents can meaningfully participate in IEP meetings (required by IDEA).
- Make sure parents receive a copy of written notice, parental rights, and their child's written IEP in their native language (required by IDEA).

- Ensure parents receive evaluation follow up and verification of services as well as clear communication on how to best assist their child at home.

Ensure that IEP goals are specific, not generic, and are measurable and aligned to individual student needs.

- Goals should demonstrate clearly how students will show growth in these areas.

Strategically create accommodations and modifications that are prioritized to support the student.

- MTSS, practices aligned to Universal Design for Learning, and best practice implementation in the classroom should reduce the number of accommodations and modifications necessary to increase the probability that they are implemented fully because they are strategic and targeted.

Teaching strategies need to be implemented correctly in a least restrictive environment.

- Parallel Teaching is two teachers each teaching half the class at the same time. Groups do not have to be students with IEPs and students without IEPs. They can be mixed groups by need for instructional support on the skill(s) being taught.
- Intervention time is when students would receive remedial and/or foundational support in small group instruction.
- General education and special education teachers should teach together seamlessly when using a co-teaching model and are responsible for all students in the class.

Reduce the amount of time special education teachers are pulled from classrooms where they are providing services.

Ensure Augmentative and Alternative Communication (ACC) systems are in place in classrooms to support students who struggle with communication.

Teachers, general education and special education, must keep data sheets relative to academics and behavior.

- Example: Teachers who are supporting student on a behavior plan should be using data recording sheets to best support the student and the BCBA specialist.
- Use multiple strategies to reinforce behaviors for students on a plan. Food should be used sparingly.
- Provide professional development on NJ PBSIS. This will create a culture of support in the district and reduce reliance on counselors to solely support behavioral needs which will allow them to be maximized for student support in multiple areas.

Limit movement of administrators and teachers to provide consistency and continuity for students.

Review the use of consultants providing support in the special education space for potential redundancies, especially once staff are trained. This could provide another area of cost savings.

All students must be included in the enrollment counts for the District. Students should not be disenrolled from the district when placed in an out-of-district placement. There is a overall need for data integrity and accurate reporting.

Develop consistent policies and procedures for residency checks as well as a system for tracking and reporting.

Provide professional development for teachers and paraprofessionals.

- Teachers:
    - Best practices
    - Behavior management
    - Behavior plan support training from BCBAs
    - MTSS
    - Differentiation
    - Teaching models and examples of best use for each
    - NJ PBSIS training
- Paraprofessionals:
    - Behavior plan support training
    - NJ PBSIS training
    - Training specific to their role and how to best support students and teachers in the classroom.

Create a reporting and tracking system for nonpublic students being serviced across the 50 schools listed in Exhibit A and consider bringing the management of equitable services back into the district rather than outsourcing it.

- How is it decided that services will be provided in these schools?
- How is it decided which eligible students will be served through equitable services?

Recommendations for Finance:

In addressing the finance aspect of this report, the final recommendations are aimed at bolstering the LPSD's financial stewardship to ensure it aligns seamlessly with its educational mission and objectives. Through an extensive review of the District's fiscal policies, practices, and allocations, a series of strategic measures designed to enhance budgetary efficiency, transparency, and accountability are proposed. These recommendations are intended to optimize resource utilization, safeguard financial sustainability, and enable strategic investments in areas critical to student success. By adopting these financial management best practices, the District can ensure that every dollar is effectively channeled towards creating and maintaining an enriching educational environment for all students.

The recommendations are as follows:

Examine staffing inefficiencies and address accordingly to reduce costs.

Review expenditures for the board attorney to ensure he is not being paid as a board attorney and for his communication work.

Consider shifting to zero-based budgeting.

- Allows for reallocation of funds each year and consideration of spending in alignment with the strategic goals instead of automatically rolling over amounts and allocations year after year.
- Allows for examination of programs, services, and resources and provides the ability to realign and shift funding priorities.
- Include possible consequences of budget cuts when presenting and working on the budget.
- Avoid unanticipated costs.
- Board discussions of the budget should also include creating a plan, which is a part of the budget, to demonstrate how the District plans to repay the State.
- Allows for participation of leadership in a collaborative process.
- Demonstrate how the budget aligns to the priorities outlined in the Strategic Plan and supports student achievement.
- Create clear goals to lower the budget and/or cut spending.
- Include data to support decision-making.

Commit to transparency through posting of all budget documents and reports in a single place on the District website.

Maintain evidence of pre-payroll register and checklist.

Maintain evidence of the monthly reviews of the cash flow statements with the State Monitor.

Recommendations for Transportation:

The recommendations for the transportation section of this report aim to address the operational challenges and opportunities within the LPSD's student transportation system. Drawing from the in-depth analysis, these recommendations are crafted to improve efficiency, safety, and reliability in student transport services, ensuring every student has equitable access to educational opportunities. By implementing strategic adjustments and embracing innovative solutions, the District can overcome existing hurdles and set new standards for transportation excellence. These proposed changes are designed to optimize routing, enhance communication, and ensure fiscal responsibility, thereby supporting the broader educational goals by ensuring safe, efficient, and effective transportation for all students.

The recommendations are as follows:

Create a separation between the District and the LSTA.

Bid tiered-routes as packages rather than individually.

- Lower prices and save money.

Conduct a bus route analysis to identify inefficiencies and potential cost savings.

- *Example: smaller buses for younger students.*
- *Maximize bus capacity on routes.*

- *Higher utilization of seats, shorter routes, more students per stop, and fewer stops.*
- *Bus routes on file with dollar amounts but no students.*

Improve data quality and reporting systems in transportation management.

- Ensure policies and procedures are being followed to ensure Versatrans data is current and entered correctly.

Create a user-friendly budget.

Analyze transportation staff salaries in comparison with other in-district operations in New Jersey and compare LSTA salaries with salaries at CTSAs.

Add student ID numbers for all nonpublic students in DRTRS.

- Reduce the risk that students might be counted and/or funded incorrectly.

Create a systematic process for legal, procurement, and financial reviews to ensure that there are no errors when reviewing/processing bid documents.

Explore status of funding sources, accounting practices, and other issues related to transportation to highlight inefficiencies and to provide a focus for shifts in practice.

Investigate the use of ESSER funds ($14,043,275) for nonpublic transportation vs. learning initiatives.

Ensure LSTA unused funds are being returned to the district and not used to offset salaries.

Maximize the potential school tax rates each year.

Conclusion

As this review concludes, it is essential to recognize that while the evaluation is organized into five distinct categories, these elements are deeply interconnected, each influencing and reinforcing the other. The ultimate beneficiaries of the nexus formed by Governance, Curriculum and Instruction, Special Education, Finance, and Transportation are the students, who receive their education through this collective system of support. The findings detailed within this report unequivocally demonstrate that the students at the Lakewood Public School District are being underserved, not receiving the thorough and efficient education they are entitled to. The pervasive inefficiencies, deficiencies, and the apparent shortfall in oversight and strategic systemic action by the District have culminated in this inadequacy. The recommendations provided herein offer strategic pathways for the District to rectify these shortcomings and enhance educational outcomes for its children. To declare the SFRA unconstitutional in the context of this review, it must be established as the singular cause for the denial of a thorough and efficient education which this review did not find to be the case.

EXHIBIT A

Lakewood Public School District Review

Prepared for the NJ Department of Education

Public Consulting Group LLC

February 2024

PUBLIC CONSULTING GROUP

DOE0209

ACKNOWLEDGEMENTS

Public Consulting Group LLC (PCG) would like to thank the many individuals who made this report possible. We would like to acknowledge the commitment and support of the Lakewood Public School District administrative staff who were responsive to our many questions throughout this process. This report would not have been possible without the support of Dr. Laura Winters, Superintendent, who met with PCG staff throughout the duration of the audit, provided all the documents and data in order to do conduct our analysis, and supported the logistics to conduct focus groups and interviews. In addition, we would like to thank all the Lakewood teachers, administrators, students, teachers, families, and board members who took the time to meet with PCG staff to offer their perspectives of district practices.

ABOUT PUBLIC CONSULTING GROUP LLC

Public Consulting Group LLC (PCG) is a management consulting firm that offers technical assistance, strategic planning, professional development, financial management, systems development, and other management advisory services to public sector clients. Established in 1986, PCG has consistently delivered on its motto of "*Solutions that Matter.*" Our education practice is committed to helping schools, school districts, and state education agencies strengthen their performance, streamline their operations, and improve their programs and instruction so that all students have what they need to succeed.

TABLE OF CONTENTS

ACKNOWLEDGEMENTS **0**

About Public Consulting Group LLC 0

FIGURES **3**

TABLES **4**

INTRODUCTION **6**

Background 6

District Context 7

District Financial Challenges 7

Lakewood Public School District Students 8

METHODOLOGY **10**

Data & Documentation Analysis 10

Focus Groups & Interviews 10

Classroom Observations 11

General Education Classroom Observation Protocol 11

Special Education Classroom Observation Protocol 11

Facilities Review 12

Staff and Family Surveys 12

Board Meeting Observation 12

Student IEP FILE Analysis 12

Comparison Districts 12

Financial Practices Audit 14

Transportation Practices Audit 14

GOVERNANCE **15**

Summary 15

Lakewood School Board Governance 16

Best Practices Framework 16

Analysis of Public School Board Meetings 17

Board Adherence to Governance Best Practices 24

Board of Education Policymaking Practices 26

School Board Governance Findings 29

Administrative Team Governance 30

Best Practices Framework 30

Leadership and District Culture 31

Communications and Community Relations 36

Organizational Management 37
Safety and Security 38
Human Resources Management 42

CURRICULUM AND INSTRUCTION 45
Summary 45
District Curriculum 46
Curriculum Development 46
Curriculum Analysis 47
Scripts and Pacing Guides 49
Instructional Framework 50
Curriculum Oversight 51
Curriculum Costs 52
Curriculum Findings 54
Multi-Tiered System of Supports 55
Multilingual Learners 59
College and Career Course Offerings 62
Professional Development 66
Classroom Observations 69
Classroom Visits Data 69
Assessment 74
Student Outcomes 75

SPECIAL EDUCATION 80
Summary 80
Characteristics of Students with Disabilities 81
State Performance Plan and Annual Performance Report Indicators 82
Special Education Demographics 83
Teaching and Learning for Students with Disabilities 99
Eligibility and Evaluation 99
Early Childhood Special Education Services 103
School Age Special Education Services 104
IEP Development 115
Building Capacity and Materials 117
Staffing, Leadership, and Collaboration 120
Staffing Ratios 120
Recruitment and Retention 121
Leadership 121
Written Procedures and Policy 122
Mediation and Due Process 122
Family Engagement 123

Accessible Communication and Resources 123
Advocacy and Collaboration 124
Student Services 125
NonPublic Schools 126
Demographics 126
Chapters 192 and 193 128
Idea Equitable Services 131

FINANCIAL PRACTICES ANALYSIS 136
Summary 136
Financial Data Analytics – Caseware IDEA Testing 136
Internal Controls Testing 138
Procure to Pay Testing Cycle 138
HR and Payroll Testing Cycle 140
Financial Close Controls Testing Cycle 142
Governance and IT Testing Cycle 143

TRANSPORTATION 145
Summary 145
School Transportation in New Jersey 145
Public School Students 145
Nonpublic School Students 146
State Transportation Aid 146
Coordinated Transportation Services Agency (CTSA) 146
Lakewood Public School District Transportation 146
Lakewood Student Transportation Authority (LSTA) 148
Recent Legislation 149
Transportation Contract Vendor Analysis 149
Transportation Route Analysis 152
Staff Salaries 153
Transportation Funding 155
Findings 157

APPENDIX 158
A. Stakeholder Engagement 158
Interviews held with Lakewood Public School District Stakeholders 158
Focus groups held with Lakewood Public School District Stakeholders 158
Virtual follow-up conversations with Lakewood Public School District Stakeholders 158
Financial Controls Walkthrough Participants 159
B. Data and Documentation Received 159
Received from Lakewood Public School District 159

Data Received from New Jersey Department of Education 160
Data Received from “Everyone Alcantara” Listserv 161
C. Participation in State-Sponsored Professional Learning 165
D. Code List for Qualitative Analysis 168
Code List for Focus Groups and Interviews 168
E. Survey Results 171
Lakewood Public School District Staff Survey 171
Lakewood Public School District Parent & Family Survey 179
F. Golden Thread Framework 191
Quality Indicator Review 192
E. Board Meeting Evaluation Rubric 194
F. AUDIT Vendor Findings 196

FIGURES

FIGURE 1: ENROLLMENT DECLINE IN LAKEWOOD PUBLIC SCHOOL DISTRICT 8
FIGURE 2: ENROLLMENT TRENDS IN LAKEWOOD PUBLIC SCHOOL DISTRICT 2016-2023 9
FIGURE 3: LAKEWOOD PUBLIC SCHOOL DISTRICT’S ENROLLMENT BY RACIAL SUBGROUP (2020-2022) 9
FIGURE 4: TOTAL ENROLLMENT BY COMPARATIVE DISTRICT (2022-2023) 13
FIGURE 5: STUDENT DEMOGRAPHICS BY SCHOOL DISTRICT (2022-2023) 14
FIGURE 6: LAKEWOOD BOARD OF EDUCATION 2023-2024 ORGANIZATIONAL CHART 32
FIGURE 7: LEGAL EXPENSE BY DISTRICT PER PUPIL BY YEAR 33
FIGURE 8: TOTAL LEGAL EXPENSE BY DISTRICT BY YEAR 34
FIGURE 9: COMPARATIVE SUSPENSION DATA BY DISTRICT (2022) 40
FIGURE 10: AVERAGE SALARY BY YEARS FOR LAKEWOOD PUBLIC SCHOOL DISTRICT (2022) 42
FIGURE 11: AVERAGE SALARY BY ROLE (2022) 43
FIGURE 12: NUMBER OF TEACHERS NON-RENEWED BY YEAR 44
FIGURE 13: KINDERGARTEN ELA SCRIPT 50
FIGURE 14: INSTRUCTIONAL FRAMEWORK 51
FIGURE 15: NEW JERSEY TIERED SYSTEMS OF SUPPORT (NJTSS) PYRAMID, 2020-2021 SCHOOL YEAR 56
FIGURE 16: MTSS FRAMEWORK 58
FIGURE 17: 2023-2024 CTE PROGRAMS OFFERED AT LAKEWOOD HIGH SCHOOL 63
FIGURE 18: LAKEWOOD PUBLIC SCHOOL DISTRICT AP ENROLLMENT BY SUBGROUP (2022-2023) 64
FIGURE 19: AP EXAM OUTCOMES FOR LAKEWOOD PUBLIC SCHOOL DISTRICT (2022-2023) 65
FIGURE 20: AP PARTICIPATION AND OUTCOME ANALYSIS ACROSS DISTRICTS 66
FIGURE 21: PROFESSIONAL DEVELOPMENT STAFF SURVEY RESPONSE 67
FIGURE 22: SAMPLE PROGRAM PLC CALENDAR 68
FIGURE 23: BLOOM'S TAXONOMY 74
FIGURE 24: FOUNDATIONAL SKILLS ASSESSMENT RESOURCES FIRST GRADE 2023-2024 75
FIGURE 25: GRADUATION RATES BY COMPARATIVE DISTRICT (2022) 76
FIGURE 26: DROPOUT RATES BY COMPARATIVE DISTRICTS (2022) 76
FIGURE 27: PROFICIENCY FOR GRADE 3 ELA 77
FIGURE 28: PROFICIENCY FOR GRADE 5 ELA 77
FIGURE 29: PROFICIENCY FOR GRADE 8 ELA 78

Figure 30: Proficiency for Grade 3 Math 78
Figure 31: Proficiency for Grade 5 Math 79
Figure 32: Proficiency for Grade 8 Math 79
Figure 33: IDEA Part B Indicators 81
Figure 34: Percentage of Students with and Without An Identified Disability (Ages 3-4), 2022 84
Figure 35: Percentage of Lakewood Students with Disabilities (Age 3-4) by Race/Ethnicity, 2022 .. 84
Figure 36: Percentage of Lakewood Students with Disabilities (Age 3-4) by Free/Reduced Lunch, 2022 85
Figure 37: Percentage of Lakewood Students with IEPs Compared to State Incidence Rates, 2019-2020 to 2021-2022 85
Figure 38: Lakewood's IEP Rates Compared to Other New Jersey School Districts and State, 2022 86
Figure 39: Percentage of Lakewood Students with Disabilities Disability Area Compared to State and Nation (Ages 5-21), 2022 87
Figure 40: Percent of Lakewood Students with IEPs (Age 5-21) by Race/Ethnicity, 2022 88
Figure 41: Percentage of Lakewood Students (Age 5-21) by Disability Area and Race/Ethnicity, 2022 88
Figure 42: Risk Ratio Equation 89
Figure 43: Risk Ratios by Race/Ethnicity and Disability, 2023 90
Figure 44: Percent of Lakewood Students Ages 5-21 by EL Status, 2022 93
Figure 45: EL Students by Disability, 2022 93
Figure 46: Percentage of Students with Disabilities vs. Students Without Disabilities Participating in Free and/or Reduced Lunch (ages 5-21), 2022 94
Figure 47: Percentage of Students Identified as Gifted by Disability Eligibility, 2022 94
Figure 48: Percentage of Lakewood Students (Age 5-21) by Disability Area and Educational Setting, 2022 95
Figure 49: Percentage of Lakewood Students with Disabilities (Age 5-21) by Race and Educational Setting, 2022 96
Figure 50: Specialized Out of District Placements, 2019-20 to 2021-22 97
Figure 51: Percent of Specialized Out of District Placements with IEPs (Age 5-21) by Race/Ethnicity, 2020-2022 97
Figure 52: Percent of Specialized Out of District Placements with IEPs (Age 5-21) by Primary Disability, 2020-2022 98
Figure 53: Percent of Specialized Out of District Placements with IEPs (Age 5-21) by Grade, 2020-2022 98
Figure 54: Lakewood Intervention Tiers ..... **Error! Bookmark not defined.**
Figure 55: Lakewood Public School District Handbook, Special Education and Related Services 101
Figure 56. Out of District Tuition Amounts for Comparable Districts, 2020 to 2022 108
Figure 57: Number of Nonpublic Placements (Ages 5-21), 2020-22 127
Figure 58: Percent of Nonpublic Placements with IEPs (Ages 5-21) by Race/Ethnicity, 2022 127
Figure 59: Number of Nonpublic Placements (ages 3-4), 2020-2022 128

TABLES

Table 1: Lakewood Regular Board Meeting, July 12, 2023 (video, agenda, and minutes) 17
Table 2: Lakewood Regular Board Meeting, August 9, 2023 (video, agenda, and minutes) 18
Table 3: Lakewood Regular Board Meeting, September 20, 2023 (video, agenda, and minutes) 19
Table 4: Lakewood Regular Board Meeting, October 18, 2023 (video, agenda, and minutes) 19
Table 5: Lakewood Regular Board Meeting, November 15, 2023 (video, agenda, and minutes) 20
Table 6: Regular Board Meeting, December 15, 2023 (in-person viewing and agenda reviewed) 20

TABLE 7: LAKEWOOD AGGREGATED SCHOOL BOARD MEETING DATA FROM JULY-DECEMBER 2023 21
TABLE 8: AGGREGATED BOARD OF EDUCATION MEETING DATA (DECEMBER 2023) 22
TABLE 9: AGE OF ENROLLED KINDERGARTENERS, 2023-2024 27
TABLE 10: ANALYSIS OF *LAKEWOOD SCHOOL DISTRICT'S GOALS FOR 2023-2024 SCHOOL YEAR POWERPOINT* 37
TABLE 11: GRADE CONFIGURATION FOR LPSD SCHOOLS 41
TABLE 12: ELA AND MATH CURRICULUM MATERIALS- K-12 46
TABLE 13: 2ND GRADE MATH PACING 2023-2024 49
TABLE 14: LAKEWOOD MULTILINGUAL LEARNER TOTALS BY SCHOOL AND GRADE LEVEL (2023-2024) 60
TABLE 15: LPSD PROGRAM TYPES AND SERVICES FOR MLS ..... **ERROR! BOOKMARK NOT DEFINED.**
TABLE 16: MULTILINGUAL STUDENTS BY SCHOOL 61
TABLE 17: BILINGUAL AND ESL DEPARTMENTAL TEXTBOOKS AND RESOURCES 61
TABLE 18: LPSD VOCATIONAL COURSE ENROLLMENT 62
TABLE 19: CAREER ACADEMY PATHWAYS 63
TABLE 20: ADVANCED PLACEMENT (AP) STUDENT ENROLLMENT DATA (2023) 64
TABLE 21: ADVANCED PLACEMENT (AP) STUDENT ASSESSMENT DATA (2023) 64
TABLE 22: ADVANCED PLACEMENT CLASS ENROLLMENT VS. EXAM COMPLETION (2023) 65
TABLE 23: SAMPLE PROFESSIONAL DEVELOPMENT CALENDAR FOR SEPTEMBER 67
TABLE 24: CLASSROOM VISIT DATA 69
TABLE 25: CLASSROOM VISIT DATA RECORDING TOOL FOCUS AREAS 69
TABLE 26: SIGNIFICANT DISPROPORTIONALITY RISK RATIOS ..... **ERROR! BOOKMARK NOT DEFINED.**
TABLE 27: SPECIAL EDUCATION CONTINUUM MAPPING, GRADES PK-6 105
TABLE 28: SPECIAL EDUCATION CONTINUUM MAPPING, GRADES 7-12 105
TABLE 29: SPECIAL EDUCATION PROGRAMS BY TYPE AND NUMBER OF CLASSES PER SCHOOL 106
TABLE 30: CLASSROOMS/PROGRAMS VISITED FOR SPECIAL EDUCATION 110
TABLE 31: TITLE HERE ..... **ERROR! BOOKMARK NOT DEFINED.**
TABLE 32: SPECIAL EDUCATION STAFFING RATIOS BY COMPARABLE DISTRICTS, 2021-22 (AGES 3-21) 120
TABLE 33: TITLE HERE 124
TABLE 34: TOTAL NUMBER OF ELIGIBLE NONPUBLIC SCHOOL STUDENTS (AGES 5-21), 2019-20 TO 2021-22 . 126
TABLE 35: TOTAL NUMBER OF ELIGIBLE NONPUBLIC SCHOOL STUDENTS (AGES 3-4), 2019-20 TO 2021-22 ... 127
TABLE 36: CHAPTERS 192 AND 193 AWARDS, LAKEWOOD FY21-24 130
TABLE 37: NONPUBLIC IDEA SCHOOL AGE STUDENTS ELIGIBLE AND SERVED UNDER IDEA, AGES 3-21, 2021-2024 131
TABLE 38: NONPUBLIC IDEA SCHOOL AGE STUDENTS ELIGIBLE AND SERVED UNDER IDEA, AGES 3-5, 2021-2024 132
TABLE 39: EXAMPLE OF REQUIRED IDEA GRANT APPLICATION NONPUBLIC STUDENT INFORMATION 132
TABLE 40: IDEA SCHOOL AGE BASIC GRANT FUNDING ALLOCATION COMPARISONS, 2021-2024 133
TABLE 41: IDEA PRESCHOOL BASIC GRANT FUNDING ALLOCATION COMPARISONS, 2021-2024 134

INTRODUCTION

BACKGROUND

Public Consulting Group LLC (PCG), under the direction of the New Jersey Department of Education (NJDOE), performed a comprehensive organizational review of the Lakewood Public School District (Lakewood) pursuant to Acting Commissioner Angelica Allen-McMillan's May 12, 2023 executive order. The purpose of this review is to provide an updated educational record that will allow the Department to better identify the root causes that led to the educational deprivations within Lakewood Public School District identified by the Court and to determine appropriate responses.

PCG oversaw and conducted the data collection, data analysis, and writing of this findings report. PCG partnered with expert Jeremiah Ford to inform analysis related to transportation practices and with Certified Public Accounting firm AAFCPA for an audit of financial practices. This findings report will inform the final analysis and recommendations report to be developed by expert Dr. Kimberly Harrington Markus, former New Jersey Commissioner of Education. The contents of this report are considered draft and for internal review only.

The case history of Lakewood Public School District leading up to this request to conduct an external review of the District is complex and lengthy. In summary,

- In 2014, parents of children enrolled in Lakewood Public School District filed a petition alleging the District was not providing its public-school students a thorough and efficient education (T&E) as required by the New Jersey State's Constitution and that the School Funding Reform Act (SFRA) is unconstitutional as applied to the District. The Administrative Law Judge (ALJ) found that Lakewood's students are not receiving T&E, but that the SFRA is not unconstitutional.
- The Commissioner then rejected ALJ's finding as to T&E, concluding that its students are receiving T&E; but recognizing that there are some problems in Lakewood Public School District, she ordered a comprehensive review of the District.
- In March 2023, the Appellate Division reversed the Commissioner's decision, and found that Lakewood's students are not receiving T&E. It then ordered the Commissioner to issue a decision on the petitioners' SFRA claim. Following the remand, the Commissioner issued a letter announcing that she would be expediting the comprehensive review prior to issuing a decision on the SFRA.[1]

The New Jersey Constitution states that, "[t]he Legislature shall provide for the maintenance and support of a thorough and efficient system of free public schools for the instruction of all the children in the State between the ages of five and eighteen years."[2] Under the New Jersey Quality Single Accountability Continuum (NJQSAC), school districts are evaluated in five key component areas of school district effectiveness — instruction and program, personnel, fiscal management, operations, and governance — to determine the extent to which school districts are providing a thorough and efficient education.[3]

[1] Leonor Alcantara, et al. v. Angelica Allen-McMillan, Commissioner of the Department of Education, et al., -- Agency Dkt. No. 156-6/14; Commissioner Decision No. 149-21 -- Appellate Dkt. No. A-3693-20
[2] N.J. Const. art. 8, § 4,1 (2012).
[3] N.J.A.C. 6A:30, Evaluation of The Performance of School Districts. Retrieved from: https://www.nj.gov/education/code/current/title6a/chap30.pdf.

DISTRICT CONTEXT

Lakewood Public School District is located in Ocean County, New Jersey. There are approximately 4,371 public students enrolled across nine schools including:[4]

- Lakewood Early Child Center (PK)
- Piner Elementary School (PK and K)
- Spruce Street School (grade 1)
- Clifton Avenue Grade School (grades 2-6)
- Oak Street School (grades 2-6)
- Ella G. Clarke School (grades 3-6)
- Lakewood Middle School (grades 7-8)
- Lakewood High School (grades 9-12)
- Adult High School

Lakewood Public School District is overseen by a nine-member Board of Education. The Superintendent has led the District since 2012, briefly as interim Superintendent in 2017 until she was reinstated as Superintendent later that same year.[5]

DISTRICT FINANCIAL CHALLENGES

Lakewood is an outlier among other New Jersey school districts, in which most of the students are enrolled in nonpublic schools. Lakewood Township has seen a significant population rise in recent decades, growing from a population of 92,843 in 2010 to an estimated 139,506 in 2023.[6] Lakewood Township was the fastest growing New Jersey municipality in the 2020 census, and is the fifth largest city in New Jersey.[7] This is due in large part to a thriving Orthodox Jewish community. As a result, of the Township's approximately 50,000 school-aged children, only about 4,600 are enrolled in the public school. The majority—84%—are enrolled in nonpublic schools, most of which are private religious schools. Testimony before the ALJ established that this demographic trend is likely to continue and accelerate.[8]

There are 170+ nonpublic schools located within Lakewood Township. The District must follow regulatory requirements for the transportation of nonpublic school students and the provision of equitable special education services for eligible students in nonpublic schools. Though these students are Lakewood residents, they are not counted in the per-pupil state aid awarded to the District.

A state monitor was appointed to the District in 2014 to supervise financial operations and to ensure accountability for the expenditure of public funds. At the time, the District's deficit was approximately $6 million. Only districts with state monitors are eligible for advance aid, and state monitors cannot be removed unless, and until, a district repays the advance aid it receives. This structure has enabled the District to borrow funds annually to cover its deficit, in part due to the costs associated with nonpublic students.

Lakewood has borrowed a cumulative of $215 million in School Funding Reform Act (SFRA) state aid advances since 2015. For FY24, Lakewood requested $93 million in advance aid and was awarded $50 million. At the end of FY23, the remaining balance owed was $123 million. The projected remaining balance owed for FY24 is $156 million.

---

[4] Enrollment numbers provided by the District as of January 29th, 2004. Does not include Out of District or Charter School students.
[5] Guion, Payton. "Lakewood isn't naming permanent school superintendent," Asbury Park Press online. June 21, 20017. https://www.app.com/story/news/investigations/watchdog/education/2017/06/21/lakewood-schools-wont-name-permanent-superintendent/415635001/
[6] *Quick facts, Lakewood Township, Ocean County, NJ.* US Census Bureau. (n.d.). https://www.census.gov/quickfacts/fact/table/lakewoodtownshipoceancountynewjersey/PST045223
[7] Amanda Oglesby "Lakewood NJ sees highest population growth in state, 2020 Census results show", Community Change. (August 12, 2021) https://www.app.com/story/news/local/communitychange/2021/08/12/lakewood-nj-population-2020-census-results/8112581002/
[8] New Jersey Appellate Court Decision, March 6, 2023, Docket No. A-3693-20, provided by the New Jersey Department of Education.

TABLE 1: SFRA ADVANCE AID RECEIVED BY LAKEWOOD PUBLIC SCHOOL DISTRICT

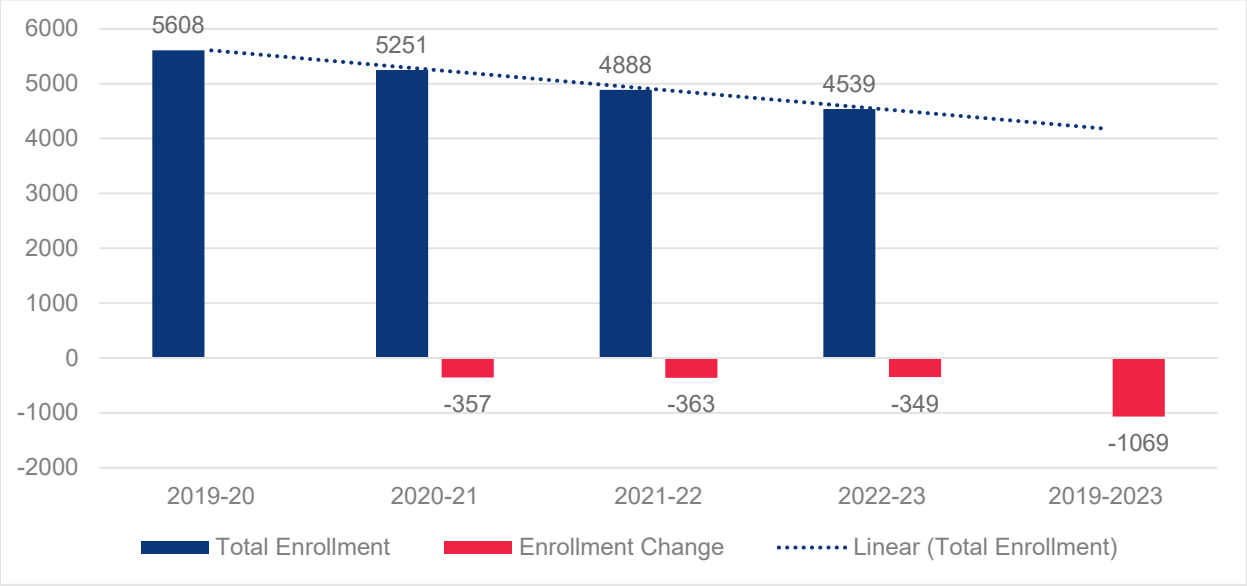
Fiscal Year	SFRA Advance Aid Received
FY15	$4,500,000.00
FY16	$5,640,183.00
FY18	$8,522,678.00
FY19	$28,182,090.00
FY20	$36,033,862
FY21	$54,541,711
FY23	$27,704,046
FY24	$50,000,000
Total	**$215,124,570**

Note. Retrieved via email from Amanda Schultz, New Jersey Department of Education

LAKEWOOD PUBLIC SCHOOL DISTRICT STUDENTS

At the same time as overall population growth has occurred in the larger community, Lakewood public school enrollment has seen significant declines. As shown in **Figure 1**, total public school student enrollment has decreased by 19% since the 2019-2020 school year.

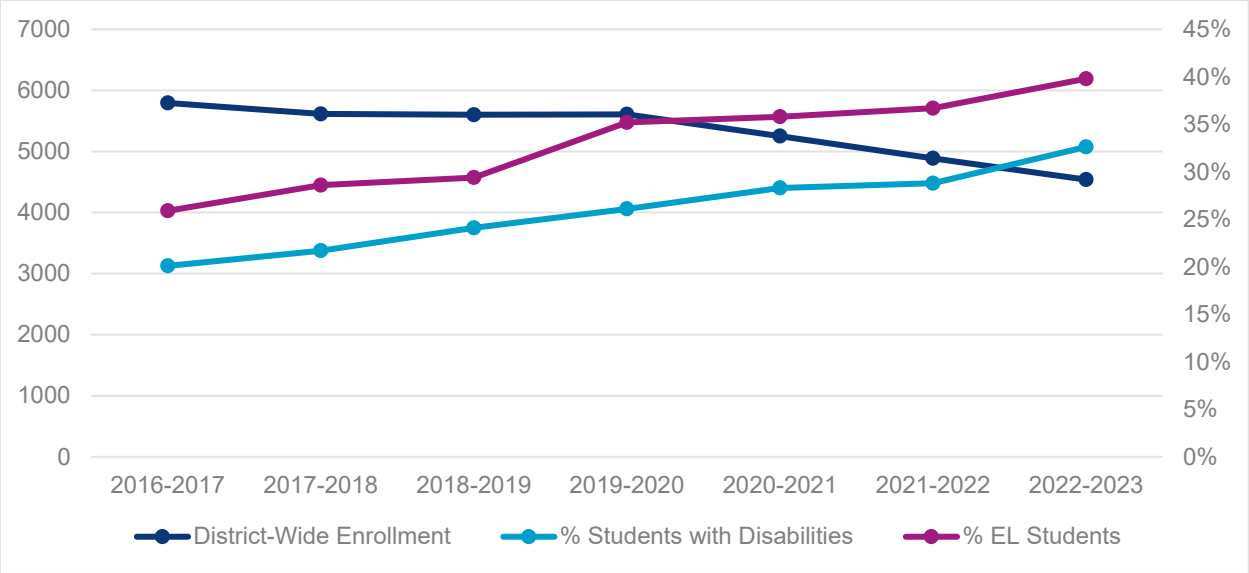
FIGURE 1: ENROLLMENT DECLINE IN LAKEWOOD PUBLIC SCHOOL DISTRICT



Note. Retrieved from "Fall Enrollment Reports" provided by New Jersey Department of Education, 2023, https://www.nj.gov/education/doedata/enr/index.shtml

Figure 2 shows the total enrollment of public school students, percent of students with disabilities, and percent of English Learners (EL) in Lakewood across the last seven years. From 2016-2017 to 2022-2023, enrollment has declined by 1,255 students. While enrollment has declined in this seven-year span, the percent of students with disabilities has risen 12.5% and percent of EL students has risen 13.9%.

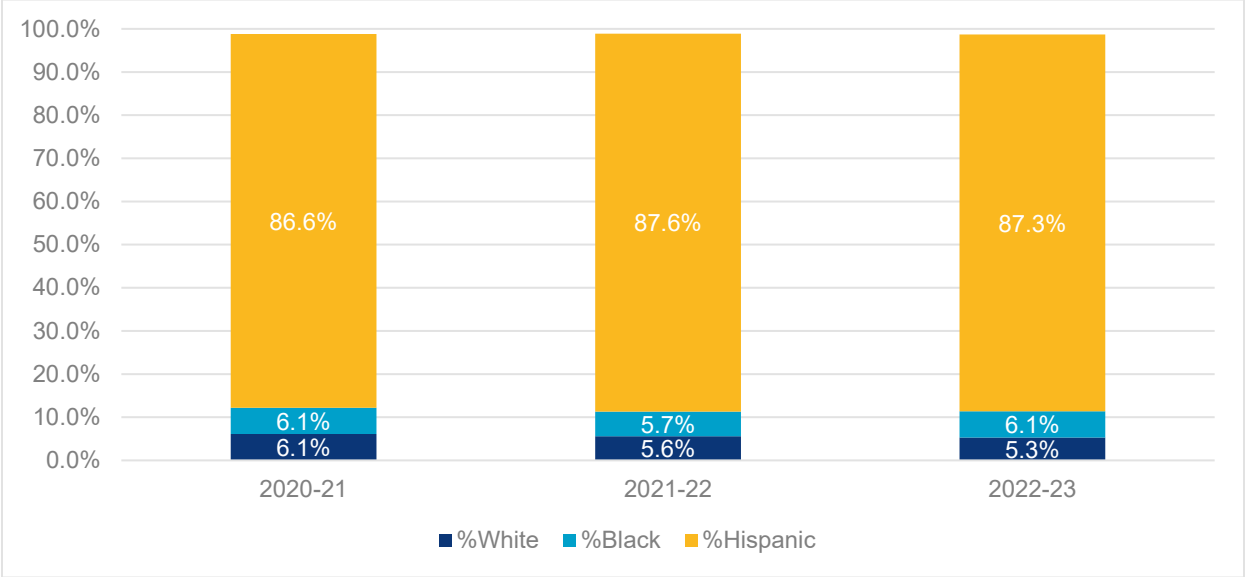
FIGURE 2: ENROLLMENT TRENDS IN LAKEWOOD PUBLIC SCHOOL DISTRICT 2016-2023



Note: Data are from "Lakewood Township School District (29-2520) Performance Reports" provided by Official Site of the State of New Jersey, 2016-2023, (https://rc.doe.state.nj.us/prioryearreport/2016-2017/29/2520/) and "Lakewood township, Ocean County, New Jersey QuickFacts" provided by U.S. Census Bureau, 2024 (https://www.census.gov/quickfacts/fact/table/lakewoodtownshipoceancountynewjersey/RHI125222#RHI125222).

The public-school student population in the Lakewood Public School District is majority Hispanic students. As shown in Figure 5, in 2022-2023, the District's student population was 87.3% Hispanic, 6.1% Black, and 5.3% White. This number has remained steady over the past three years. In comparison, Lakewood Township is 10% Hispanic, 2.4% Black and 85.4% White.

FIGURE 3: LAKEWOOD PUBLIC SCHOOL DISTRICT'S ENROLLMENT BY RACIAL SUBGROUP (2020-2022)



Note. Retrieved from "District Data for Enrollment" provided by the New Jersey Department of Education Fall Enrollment Reports, 2023, https://www.nj.gov/education/doedata/enr/index.shtml

METHODOLOGY

PCG's analysis focuses on five domain areas including Governance, Curriculum & Instruction, Special Education, Financial Practices, and Transportation. To capture the unique nature of Lakewood Public School District and update the educational record to reflect the root causes of a lack of T&E, a comprehensive mixed-methods research approach was used. Data collection included extensive stakeholder outreach to District leadership, staff, and parents through surveys and focus groups, as well as thorough onsite school visits and deep data and policy analysis across both academics and operations.

Data to inform the Lakewood Public School District Review were drawn from the following primary sources:

1) Data and documentation requested from the NJDOE and Lakewood Public School District
2) Focus groups and interviews with NJDOE employees, Lakewood Public School District administrators, staff, teachers, students, families, and Board members
3) Observations of both general and special education classrooms
4) Review of school facilities
5) Surveys of Lakewood Public School District's school-based staff and families
6) Observation of Lakewood Board of Education meetings
7) Analysis of Student IEP files
8) Comparative analysis to select New Jersey Districts
9) Analysis of District financial practices
10) Analysis of District transportation practices

PCG spent a total of 13 days onsite in Lakewood to support our data collection, with multiple PCG team members present for each visit. PCG also spent one day onsite at the NJDOE to better understand the state level context. Throughout the process, PCG found Lakewood Public School District leadership to be responsive, collaborative, and actively engaged in this review.

DATA & DOCUMENTATION ANALYSIS

PCG reviewed documentation and data provided by the NJDOE and the Lakewood Public School District to gain a comprehensive understanding of governance, curriculum and instruction, special education, finance, and transportation in Lakewood. Both the NJDOE and the Lakewood Public School District fulfilled a request for data and documents (listed in Appendix B). In total, over 160 documents were collected and reviewed. PCG also collected and reviewed a large number of publicly available documents via the District website and internet research.

FOCUS GROUPS & INTERVIEWS

From September 2023 through January 2024, PCG facilitated a series of focus groups and interviews. A total of 26 focus groups and eight individual interviews were conducted onsite at Lakewood Public Schools. Approximately 229 district stakeholders attended a focus group or interview. Stakeholders included district staff, school-based staff, administrators, families, students, and Board members. Interviews lasted 30 minutes and focus groups lasted 60 minutes. Focus group participants were assigned to role-alike groups.

District and school-based focus group participants were randomly selected by PCG. Focus groups held for families were offered in both English and Spanish. All families in the District were invited to participate in a focus group via an email invitation by the District, but the participation rate for this stakeholder group was low. Additional follow up conversations were held virtually with eight Lakewood Public School District stakeholders and financial controls walkthroughs were conducted virtually with seven Lakewood stakeholders. A complete list of Lakewood stakeholders engaged is in Appendix A. Members of the NJDOE were also engaged in data collection conversations from the onset of the project.

All focus groups were conducted as anonymous meetings. Focus group and interview questions were developed by PCG. Each interview and focus group included general questions asked of all participants as well as questions specific to participants' roles. PCG staff took detailed notes during each focus group and

interview, which are maintained in separate documents. PCG systematically analyzed data from focus groups and interviews using *Atlas.ti*, a qualitative data coding tool. Notes from every focus group and interview were uploaded into *Atlas.ti* and sorted by domain area. Using deductive coding, PCG categorized quotations from focus groups and interviews into 68 code groups (see Appendix D) tailored to the domain areas of governance, curriculum and instruction, special education, finance, and transportation. All data are reported on an aggregate level, maintaining anonymity of participants.

CLASSROOM OBSERVATIONS

PCG conducted classroom observations across three days for general education and four days for special education.

- General education instruction was observed at Lakewood High School, Lakewood Middle School, Ella G. Clarke School, Oak Street School, Piner Elementary School, Spruce Street School, and Clifton Avenue Grade School.
- Special Education instruction was observed at Lakewood High School, Lakewood Middle School, Ella G. Clarke School, Oak Street School, Piner Elementary School, Spruce Street School, Clifton Avenue Grade School, and the Lakewood Early Childhood Center.

Classroom selection was generated randomly by PCG. The District did not inform classroom observation selection. Principals were aware of the week the team planned to visit but did not have teacher names, days, or times. PCG asked not to have an escort during the visits.

General Education Classroom Observation Protocol

- PCG visited classrooms across all schools and grade levels. PCG visited a total of 26 classrooms.
- Teachers who participated in a focus group were excluded from the selection process. Due to teacher absences, one teacher who participated in a focus group was included in the classroom visits.
- At the elementary level, the team focused on visiting classrooms focused on the content areas of English Language Arts (ELA)/literacy and Math. At the secondary level, the team visited ELA, Math, and Science classes.
- A PCG team of two observed the lesson and collected data. There were two exceptions (one middle school class and one elementary class) where there was only one observer.
- Elementary classes were observed for an average of 30 minutes. One exception was during a foundational literacy class, when the PCG team stayed approximately 50 minutes.
- Secondary classes were observed on average one half a class period, which is approximately 20-25 minutes. There were two exceptions where the PCG observers stayed for the entire 40-minute class period.
- The PCG team met with a principal or designee at each school where they were presented by the PCG team with a list of classrooms to be visited. Staff checked to ensure that teachers were present. If not, substitutions were made where possible.
- The PCG team did not interact with District staff during school visits, except in one instance where a Curriculum Supervisor was subbing for a school principal during their absence.

Special Education Classroom Observation Protocol

- PCG visited classrooms where students with Individualized Education Programs (IEPs) are receiving their special education services.
- In total, PCG visited all subject areas across all grade-levels and range of special education services.
- PCG visited a total of 33 classrooms where instruction was provided by at least one special education teacher. Classroom visits were 20-25 minutes each.
- PCG made every effort to visit a representative sampling of Lakewood's continuum of special education services across the District. PCG only experienced limitations in classroom visits at

Lakewood Middle School, where PCG was planning to visit six classrooms; however, a fire drill and school assembly allowed us to only visit two.

- A PCG team of two observed the lesson and collected data.
- The PCG team met with a principal or designee at each school where they were presented with the list of classrooms to be visited. Staff checked to ensure that teachers were present. If not, substitutions were made where possible.
- In addition to the classrooms visited, PCG also visited related service spaces.

FACILITIES REVIEW

PCG conducted facilities tours at each public school building guided by the Director of Facilities. PCG also visited The Center for Education and School for Students with Hidden Intelligence (SCHI) at the request of the Superintendent. A team of two participated in these tours.

STAFF AND FAMILY SURVEYS

PCG conducted two surveys to support this report. Each survey was distributed by the Superintendent through school email channels and family distribution lists. Both surveys were open to participants for three weeks. The target audience of the first survey was all school-based staff in Lakewood Public Schools. There were 141 complete responses and 28 partial responses. The target audience of the second survey was parents and guardians of students currently attending Lakewood Public School District. There were 84 complete responses and 56 partial responses. Only complete responses were analyzed across both surveys. The family survey was administered in English, Spanish, and Russian. 74 out of the 140 respondents who took the family survey completed it in a language other than English. Both surveys contained Likert Scale questions and open-ended questions. Survey data are located in the appendix of this report.

BOARD MEETING OBSERVATION

PCG used an adapted rubric titled *Meeting Management Assessment: Board of Distinction* to determine the Board of Education's level of adherence to effective practices for school board meetings. The rubric was used to observe the public portion of the Lakewood Public School District's Board Meetings from July 12, 2023 to December 13, 2023. The rubric was also used to observe the December 2023 board meetings of comparable school Districts. PCG received videos of the Lakewood Public School District's Board meetings from the District. The rubric and analysis are available in the Governance chapter of this report under *Analysis of Public Board Meetings.* The full rubric is also included in the appendix.

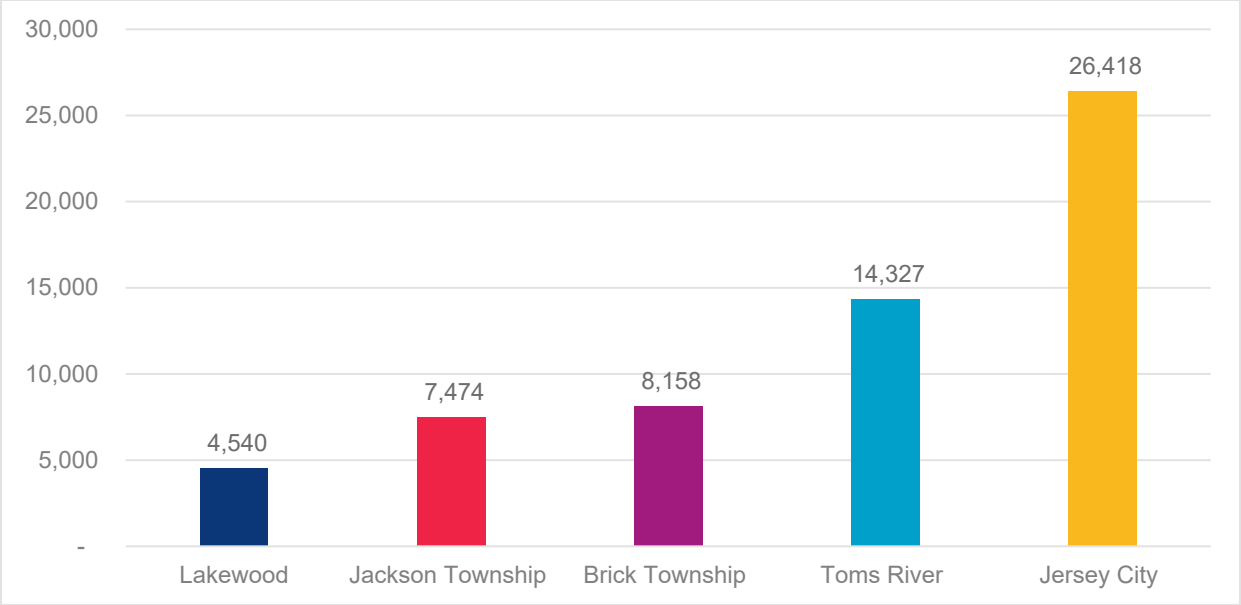
STUDENT IEP FILE ANALYSIS

PCG randomly selected and reviewed approximately 25 student IEP files to assess the overall quality of the content of IEPs developed by Lakewood Public School District. Files reviewed were a representative sample of preschool, general education, and specialized programming IEPs throughout the District. PCG used the Golden Thread framework and Quality Indicator Review protocol to conduct this review. More information about the Golden Thread Framework and the indicators used for the evaluation can be found in the Appendix.

COMPARISON DISTRICTS

Four school districts were selected by the NJDOE to be used for comparative analysis. The districts were selected based on proximity to Lakewood, size of district, socioeconomic makeup of district, and/or financial status. The districts selected and used for comparison were Toms River Regional School District, Brick Township Public Schools, Jackson Township School District, and Jersey City Public Schools. **Figure 4** shows the 2022-2023 total enrollment for the comparison districts. It should be noted that given the unique nature of Lakewood's student population, no school district in New Jersey serves as an ideal comparison district.

FIGURE 4: TOTAL ENROLLMENT BY COMPARATIVE DISTRICT (2022-2023)

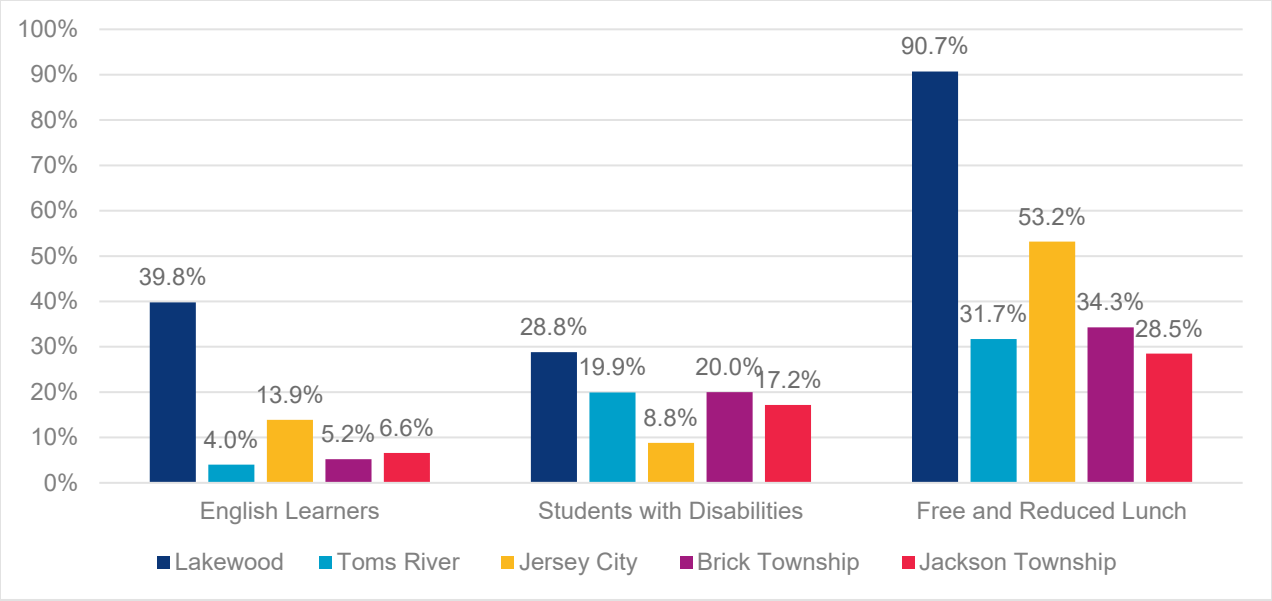


Note. Data are from "NJDOE Data & Reports – Fall Enrollment" by New Jersey Department of Education, 2023, (https://www.nj.gov/education/doedata/enr/index.shtml) and "IDEA Public Data Report" by New Jersey Department of Education, 2023, (https://www.nj.gov/education/specialed/monitor/ideapublicdata/index.shtml)

Figure 5 shows a comparison across selected districts of percentage of students receiving free lunch, percentage of Multi-lingual learners, and percentage of students with disabilities.

- Lakewood Public School District more than triples each comparable district in number of English Learners.
- In Lakewood Public School District, 28.8% of students are classified as students with disabilities, with the next greatest percentage being 20% in Brick Township.
- Lakewood Public School District also exceeds comparable districts in the percentage of students eligible for free and reduced lunch. In Lakewood, 90.7% of students are eligible for free and reduced lunch compared to Jersey City (53.2%), Brick Township (34.3%), Toms River (31.7%) and Jackson Township (28.5%).

FIGURE 5: STUDENT DEMOGRAPHICS BY SCHOOL DISTRICT (2022-2023)



Note. Data are from "NJDOE Data & Reports – Fall Enrollment" by New Jersey Department of Education, 2023, (https://www.nj.gov/education/doedata/enr/index.shtml) and "IDEA Public Data Report" by New Jersey Department of Education, 2023, (https://www.nj.gov/education/specialed/monitor/ideapublicdata/index.shtml)

FINANCIAL PRACTICES AUDIT

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

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

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

TRANSPORTATION PRACTICES AUDIT

PCG worked in collaboration with expert Jeremiah Ford to conduct an audit of District transportation practices. Mr. Ford is a recognized expert in New Jersey transportation regulations, policies, and best practices. PCG analyzed the distribution of routes between contractors, per pupil cost, and courtesy versus mandated transportation. PCG also explored the organizations supporting transportation in Lakewood Public School District.

GOVERNANCE

This chapter reviews the governance and policy practices of the Lakewood Public School District. The first part of this chapter focuses on the policy-setting and oversight practices of the Lakewood Board of Education. The second half of chapter focuses on the leadership and decision-making practices of the District administration. Throughout the chapter, we seek to understand how these practices may impact the overall efficacy of the District.

SUMMARY

- **Board Meetings**. Public Board meetings practices do not align with practices of comparable districts or follow recommendations from the New Jersey School Boards Association.
- **Board Policies.** Board meeting agendas contained policy updates and new policies; however, there was no policy discussion during any of the observed meetings. PCG found outdated and/or ill-informed policies that directly impact student learning.
- **Financial Transparency.** Board involvement with budget development was reported to be minimal. There were no observed board meetings that discussed financial issues or presented detailed information regarding budgets. There appears to be no urgency or accountability for the District's financial situation by leadership.
- **Culture.** PCG observed a culture of low expectations for students, and high levels of distrust between central office administration and school-based staff.
- **Communication.** There are communication gaps from the central office administration with both internal and external stakeholders.
- **Strategic Plan.** The organizational management of the District is not based on a coherent system focused on a District strategic plan. Without a strategic plan, the District relies on a series of annual goals that lack accountability as they do not have metrics that can determine how successful the District is in meeting their goals. Several annual goals are duplicated from previous years.
- **Reporting Structure.** The organization's reporting structure does not follow typical practice, as it is designed with a large number of administrators reporting directly to the Superintendent. The Superintendent has 24 direct reports, including all curriculum supervisors, and there is no Assistant Superintendent.
- **Board Attorney.** The Lakewood Board of Education attorney plays a far more active role than the typical board attorney in District business. The Board Attorney stated that his role is not only Board Attorney, but he also provides the District a service similar to a Communications Director. Lakewood's legal expenses per pupil are significantly higher than comparison districts.
- **Decision-making.** Large-scale district planning appears to occur behind closed doors. For example, the District changed the configuration of schools for elementary and middle schools this school year. The grade configuration consisted of moving hundreds of students and staff with little notice or explanation as to why the decision was made. There was no discussion at Board meetings or opportunity to provide public input.
- **Human Resources Practices.** The District reports struggling to hire staff to fill all their vacancies each year. Lack of competitive salaries with neighboring districts was cited as a key barrier, yet several current practices may impact staff morale. New staff are hired at a higher pay rate than veterans and 77 teacher contracts have been non-renewed in the past five years. School administrators reported frequent building reassignments, with limited communication or notice.
- **Morale.** Staff stated multiple times that the District has a morale issue. Staff reported not feeling respected and fear retaliation from the administration if they speak out in a critical way. Instances of unresponsiveness or unclear communication from the District contribute to a perception of inadequate support.

LAKEWOOD SCHOOL BOARD GOVERNANCE

School board governance creates a structure for how District decisions are made through the adoption of policies throughout the year. Board governance includes defining expectations and creating school board roles and responsibilities. It also addresses financial and people resources, including documentation, as outlined, for school Districts in New Jersey, in the *New Jersey Quality Single Accountability Continuum* (*NJQSAC*) reports.[9] The NJQSAC provides a level of transparency and accountability to the District's stakeholders. This section focuses on Governance components of the NJSQAC.

Best Practices Framework

Adopting an effective governance model includes implementing proper practices to ensure that the District is well-run, and where student achievement is the main focus. There are five school board governance research best practices that while different that NJQSAC, should guide school boards and school Districts towards success.[10]

These five practices are:

- **Create a Shared Vision.** A shared vision aligns decision-making. A shared vision guides decisions made at the full board level or even within committees as well as policy development. Board members must be committed to and invested in their vision.
- **Define Goals.** A clear shared vision can help the board identify the path forward, developing concrete goals that are measurable will help the Board attain their vision. Additionally, NJ State School Boards Association suggests that school boards must determine Districts' long-range (strategic) educational goals for a five-year period, the financial implications of those goals, and the appropriate financial strategies to reach those goals including the community impact.[11]
- **Develop Policies.** Developing policies for the school District is a key responsibility for school boards. Policies create a structure for the school District in which the superintendent and other District staff can work. Policy is one way the board communicates what it expects of their administration. Policies should clearly define what the board intends or requires, leaving the "how" of implementation and administration to the superintendent or their designees.[12] Whether the policies come from a committee or the board, the decision-makers should always ask themselves whether or not the policy will further student success.
- **Build Relationships.** Though governance models originate with the board, for governance to be its most effective, all stakeholders must be on board, from the superintendent to the teachers. The board-administrator relationship is critical to the success of a school District. In a study commissioned by the National School Boards Association, the Center for Public Education[13] found effective school boards have a collaborative relationship with staff and the community and establish a strong communications structure to inform and engage both internal and external stakeholders in setting and achieving District goals.
- **Monitor the Budget.** Lacking funds can significantly impact a school board's priorities regardless of its governance practices. Whether the board has a finance committee or a treasurer, it should constantly monitor the budget to ensure the District has enough funds to operate and bring about change identified during goal setting. The New Jersey School Boards Association (NJSBA) states that school board members should:

---

[9] *New Jersey Quality Single Accountability Continuum (NJQSAC).* (n.d). Official Site of The State Of New Jersey. https://www.nj.gov/education/qsac/
[10] *School board governance models and best practices.* (2022, August). Diligent. https://www.diligent.com/resources/blog/school-board-governance-model
[11] *Board's Role in Finance and Budget Development.* (n.d). NJ State School Boards Association. https://www.njsba.org.
[12] School Board Policy versus Regulation: What's the Difference? https://www.tasb.org/members/enhance-district/school-board-policy-and-regulation.aspx#:~:text=Policies%20define%20the%20purposes%20and,what%20it%20wants%20of%20administration.
[13] Dervarics, C & O'Brien, E. (2019). *Eight Characteristics of Effective School Boards.* Center for Public Education. https://www.nsba.org/-/media/NSBA/File/cpe-eight-characteristics-of-effective-school-boards-report-december-2019.pdf

- Set budget parameters and priorities for budget development process in accordance with policy
- Understand proposed budget implications, programs, and changes
- Reach consensus on a budget appropriate for students and taxpayers that support student achievement
- Assist in explaining the budget to the general public in accordance with policy and indicate how it supports student achievement
- Evaluate on an on-going basis the implementation of the budget
- Review and approve the monthly Board Secretary and Treasurer's financial reports.[14]

Analysis of Public School Board Meetings

School board meetings provide the community with the opportunity to observe and inform school district policy formation and decision making. PCG used an adapted rubric titled, *Meeting Management Assessment: Board of Distinction* to determine the Lakewood Public School District's Board of Education's level of adherence to effective practices for school board meetings.[15] The rubric was used to observe the public portion of the meetings from July 12, 2023 to December 13, 2023. The rubric was also used to observe the December 2023 board meetings of comparable school Districts.

PCG received videos of the Lakewood Public School District Board of Education meetings provided by the District. Recordings of previous School Board meetings are not publicly available on the Lakewood Public School District's website, YouTube, or other publicly accessible channels. Lakewood Board of Education's minutes and agendas are publicly posted on Board Docs,[16] a software tool used by the District to store board meeting information. The Board held two meetings in August 2023, but PCG received only one video from the Board meeting on August 9, 2023. Therefore, we did not include the August 23, 2023 meeting in the data analysis. PCG attended the December 13, 2023 board meeting in person.

All meeting videos from comparable Districts were publicly available. PCG aggregated the data from the four separate District meetings to use as a comparison with the aggregated meeting data from the Lakewood Board of Education.

The data collection rubric is divided into three categories:

1. Agenda
2. Operation of the Meeting by the Trustee President
3. Trustee Member Participation

Tables were color coded as follows:

- Yellow: Governance Indicator being observed during meeting
- Green: Yes, Indicator observed during meeting
- Purple: No, Indicator not observed during meeting

TABLE 2: LAKEWOOD REGULAR BOARD OF EDUCATION MEETING, JULY 12, 2023

Agenda		Operation of Mtg by Board President		Board Member Participation	
Indicators	**Yes/No**	**Indicators**	**Yes/No**	**Indicators**	**Yes/No**
Well-organized meeting agenda supported by necessary documentation	**Yes.** The agenda contained items and information to support the items	**All Board Members were present**	**No.** 5 Present (in-person) 4 Not Present	**Board members kept their comments or questions focused on the agenda items**	**No.** There were no agenda items discussed

[14] *Boards Role in Finance &* Budget Development School Board's Association. Board's Role in Finance and *Budget Development.* (2018). New Jersey School Boards Association. https://www.njsba.org/wp-content/uploads/2018/02/SFC_BOARDSROLEINFINANCEANDBUDGDEV.pdf.
[15] *Tennessee School Board Association (TSBA).* (n.d.). Meeting Management Assessment. Board of Distinction.
[16] *Lakewood Board Documents.* (n.d.). https://go.boarddocs.com/nj/lboe/Board.nsf/Public.

Only agenda items were discussed	**No**. There was no discussion of any agenda items	**The Board President guided the meeting effectively**	**No.** The meeting was guided by the Board Secretary (Interim Business Administrator) and the Board Attorney, not Board president	**Board president made certain all members had equal opportunity to present their views**	**No**. There were no members who presented views
Board members made informed comments and asked appropriate questions regarding agenda items	**No.** There were no comments or questions by board members	**Whenever possible, the Board withheld definite Board action until after the Supt's recommendations were presented**	**No**. There was no action that needed the Supt to make recommendations.	**Board members used the Board meeting time for genuine discussion and problem solving.**	**No.** There was no Board discussion or problem solving.
Public Comment time available during meeting	**Yes**. Although provided with an opportunity, there were no public comments made during the meeting	**When decisions were made, it was clear who should carry it out and when**	**No.** There were no decisions made during the meeting	**Trustees avoided negative, disrespectful or derogatory remarks to other Board members or presenters**	**Yes.** The meeting was respectful
Public Board Meeting Approximate Time: 5 minutes					

Note. Retrieved from "Lakewood BOE video" provided by Lakewood Public School District, 2023, (https://drive.google.com/file/d/1pD8FK77rq26XQ6p06XWXlTaq4i_PXYgL/view?usp=sharing) and Retrieved from, "Lakewood Board Docs" provided by Lakewood Public School District, 2023, (https://go.boarddocs.com/nj/lboe/Board.nsf/Public.)

TABLE 3: LAKEWOOD REGULAR BOARD OF EDUCATION MEETING, AUGUST 9, 2023

Agenda		Operation of Mtg by Board President		Board Member Participation	
Indicators	**Yes/No**	**Indicators**	**Yes/No**	**Indicators**	**Yes/No**
Well-organized meeting agenda supported by necessary documentation	**Yes.** The agenda contained items and information to support the items	**All Board Members were present**	**No.** 4 Present (in-person) 1 Present (via Zoom) 4 Not Present	**Board members kept their comments or questions focused on the agenda items**	**No.** There were no agenda items discussed
Only agenda items were discussed	**No**. There was no discussion of any agenda items	**The Board President guided the meeting effectively**	**No.** The meeting was guided by the Board Secretary (Interim Business Administrator) and the Board Attorney, not Board president	**Board president made certain all members had equal opportunity to present their views**	**No**. There were no members who presented views
Board members made informed comments and asked appropriate questions regarding agenda items	**No.** There were no comments or questions by board members	**Whenever possible, the Board withheld definite Board action until after the Supt's recommendations were presented**	**No**. There was no action that needed the Supt to make recommendations.	**Board members used the Board meeting time for genuine discussion and problem solving.**	**No.** There was no Board discussion or problem solving.
Public Comment time available during meeting	**Yes**. Although provided with an opportunity, there were no public comments made during the meeting	**When decisions were made, it was clear who should carry it out and when**	**No.** There were no decisions made during the meeting	**Trustees avoided negative, disrespectful or derogatory remarks to other Board members or presenters**	**Yes.** The meeting was respectful
Public Board Meeting Approximate Time: 45 minutes					

Note. Data are from "Lakewood BOE video" https://drive.google.com/file/d/1u1y7ZImXAp5HLGwyOIEJK-a-_-DQCX3v/view?usp=sharing) and "Lakewood Board Docs", 2023 (https://go.boarddocs.com/nj/lboe/Board.nsf/Public.) provided by Lakewood Public School District, 2023

TABLE 4: LAKEWOOD REGULAR BOARD OF EDUCATION MEETING, SEPTEMBER 20, 2023

Agenda		Operation of Mtg by Board President		Board Member Participation	
Indicators	**Yes/No**	**Indicators**	**Yes/No**	**Indicators**	**Yes/No**
Well-organized meeting agenda supported by necessary documentation	**Yes.** The agenda contained items and information to support the items	**All Board Members were present**	**No.** 3 Present (in-person) 2 Present (via Zoom) 4 Not Present	**Board members kept their comments or questions focused on the agenda items**	**No.** There were no agenda items discussed
Only agenda items were discussed	**No**. There was no discussion of any agenda items	**The Board President guided the meeting effectively**	**No.** The meeting was guided by the Board Secretary (Interim Business Administrator) and the Board Attorney, not Board president	**Board president made certain all members had equal opportunity to present their views**	**No**. There were no members who presented views
Board members made informed comments and asked appropriate questions regarding agenda items	**No.** There were no comments or questions by board members	**Whenever possible, the Board withheld definite Board action until after the Supt's recommendations were presented**	**No**. There was no action that needed the Supt to make recommendations.	**Board members used the Board meeting time for genuine discussion and problem solving.**	**No.** There was no Board discussion or problem solving.
Public Comment time available during meeting	**Yes**. Although provided with an opportunity, there were no public comments made during the meeting	**When decisions were made, it was clear who should carry it out and when**	**No.** There were no decisions made during the meeting	**Trustees avoided negative, disrespectful or derogatory remarks to other Board members or presenters**	**Yes.** The meeting was respectful
Public Board Meeting Approximate Time: 11 minutes					

Note. Data are from "Lakewood BOE video" (https://drive.google.com/file/d/1kuest93WmGHfZ6JGGnJX03t17ZeEGYPw/view?usp=drive_link) and "Lakewood Board Docs", 2023, (https://go.boarddocs.com/nj/lboe/Board.nsf/Public.) provided by Lakewood Public School District

TABLE 5: LAKEWOOD REGULAR BOARD OF EDUCATION MEETING, OCTOBER 18, 2023

Agenda		Operation of Mtg by Board President		Board Member Participation	
Indicators	**Yes/No**	**Indicators**	**Yes/No**	**Indicators**	**Yes/No**
Well-organized meeting agenda supported by necessary documentation	**Yes.** The agenda contained items and information to support the items	**All Board Members were present**	**No.** 5 Present (in-person) 4 Not Present	**Board members kept their comments or questions focused on the agenda items**	**No.** There were no agenda items discussed
Only agenda items were discussed	**No**. There was no discussion of any agenda items	**The Board President guided the meeting effectively**	**No.** The meeting was guided by the Board Secretary (Interim Business Administrator) and the Board Attorney, not Board president	**Board president made certain all members had equal opportunity to present their views**	**No**. There were no members who presented views
Board members made informed comments and asked appropriate questions regarding agenda items	**No.** There were no comments or questions by board members	**Whenever possible, the Board withheld definite Board action until after the Supt's recommendations were presented**	**No**. There was no action that needed the Supt to make recommendations.	**Board members used the Board meeting time for genuine discussion and problem solving.**	**No.** There was no Board discussion or problem solving.

Public Comment time available during meeting	**Yes**. Although provided with an opportunity, there were no public comments made during the meeting	**When decisions were made, it was clear who should carry it out and when**	**No.** There were no decisions made during the meeting	**Trustees avoided negative, disrespectful or derogatory remarks to other Board members or presenters**	**Yes.** The meeting was respectful
Public Board Meeting Approximate Time: 1 hour 10 minutes					

Note. Data are from "Lakewood BOE video" provided by Lakewood Public School District, 2023, (https://drive.google.com/file/d/1mFC29EJM-s5fgwY1ukYq8Bu1Aawh3Ana/view) and "Lakewood Board Docs" provided by Lakewood Public School District, 2023, (https://go.boarddocs.com/nj/lboe/Board.nsf/Public)

TABLE 6: LAKEWOOD REGULAR BOARD OF EDUCATION MEETING, NOVEMBER 15, 2023

Agenda		Operation of Mtg by Board President		Board Member Participation	
Indicators	**Yes/No**	**Indicators**	**Yes/No**	**Indicators**	**Yes/No**
Well-organized meeting agenda supported by necessary documentation	**Yes.** The agenda contained items and information to support the items	**All Board Members were present**	**No.** 5 Present (in-person) 1 Present (via Zoom) 3 Not Present	**Board members kept their comments or questions focused on the agenda items**	**No.** There were no agenda items discussed
Only agenda items were discussed	**No**. There was no discussion of any agenda items	**The Board President guided the meeting effectively**	**No.** The meeting was guided by the Board Secretary (Interim Business Administrator) and the Board Attorney, not Board president	**Board president made certain all members had equal opportunity to present their views**	**No**. There were no members who presented views
Board members made informed comments and asked appropriate questions regarding agenda items	**No.** There were no comments or questions by board members	**Whenever possible, the Board withheld definite Board action until after the Supt's recommendations were presented**	**No**. There was no action that needed the Supt to make recommendations.	**Board members used the Board meeting time for genuine discussion and problem solving.**	**No.** There was no Board discussion or problem solving.
Public Comment time available during meeting	**Yes**. Although provided with an opportunity, there were no public comments made during the meeting	**When decisions were made, it was clear who should carry it out and when**	**No.** There were no decisions made during the meeting	**Trustees avoided negative, disrespectful or derogatory remarks to other Board members or presenters**	**Yes.** The meeting was respectful
Public Board Meeting Approximate Time: 1 hour 33 minutes					

Note: Data are from "Lakewood BOE video., 2023 (https://drive.google.com/file/d/1CmsxoPdUdtWVKZfDXfRvUmrgr1HmsNqQ/view) and "Lakewood Board Docs", 2023, (https://go.boarddocs.com/nj/lboe/Board.nsf/Public.) provided by Lakewood Public School District

TABLE 7: REGULAR BOARD OF EDUCATION MEETING, DECEMBER 15, 2023

Agenda		Operation of Mtg by Board President		Board Member Participation	
Indicators	**Yes/No**	**Indicators**	**Yes/No**	**Indicators**	**Yes/No**
Well-organized meeting agenda supported by necessary documentation	**Yes.** The agenda contained items and information to support the items	**All Board Members were present**	**No.** 7 Present (in-person) 1 Present (late arrival) 1 Not Present	**Board members kept their comments or questions focused on the agenda items**	**No.** There were no agenda items discussed
Only agenda items were discussed	**No**. There was no discussion of any agenda items	**The Board President guided the meeting effectively**	**No.** The meeting was guided by the Board Secretary (Interim Business	**Board president made certain all members had equal opportunity to present their views**	**No**. There were no members who presented views

			Administrator) and the Board Attorney, not Board president		
Board members made informed comments and asked appropriate questions regarding agenda items	**No.** There were no comments or questions by board members	**Whenever possible, the Board withheld definite Board action until after the Supt's recommendations were presented**	**No**. There was no action that needed the Supt to make recommendations.	**Board members used the Board meeting time for genuine discussion and problem solving.**	**No.** There was no Board discussion or problem solving.
Public Comment time available during meeting	**Yes**. Although provided with an opportunity, there were no public comments made during the meeting	**When decisions were made, it was clear who should carry it out and when**	**No.** There were no decisions made during the meeting	**Trustees avoided negative, disrespectful or derogatory remarks to other Board members or presenters**	**Yes.** The meeting was respectful
Public Board Meeting Approximate Time: 30 minutes					

Note. Retrieved from "Lakewood Board Docs", provided by Lakewood Public School District (https://go.boarddocs.com/nj/lboe/Board.nsf/Public)

TABLE 8: LAKEWOOD AGGREGATED BOARD OF EDUCATION MEETING DATA FROM JULY-DECEMBER 2023

Agenda		Operation of Mtg by Board President		Board Member Participation	
Indicators	**Percentage of Meetings Adhering to Indicator**	**Indicators**	**Percentage of Meetings Adhering to Indicator**	**Indicators**	**Percentage of Meetings Adhering to Indicator**
Well-organized meeting agenda supported by necessary documentation	100%	**All Board Members were present**	0%	**Board members kept their comments or questions focused on the agenda items**	0% *(no comment or questions were made)*
Only agenda items were discussed	100%	**The Board President guided the meeting effectively**	0%	**Board president made certain all members had equal opportunity to present their views**	0%
Board members made informed comments and asked appropriate questions regarding agenda items	0%	**Whenever possible, the Board withheld definite Board action until after the Supt's recommendations were presented**	0%	**Board members used the Board meeting time for genuine discussion and problem solving.**	0%
Public Comment time available during meeting	100%	**When decisions were made, it was clear who should carry it out and when**	0%	**Trustees avoided negative, disrespectful or derogatory remarks to other Board members or presenters**	100%
Average Public Board Meeting Approximate Time: 42 minutes *(range: 5 minutes to 1 hour 33 minutes)*					

Note. Retrieved from "Lakewood Board Docs", provided by Lakewood Public School District (https://go.boarddocs.com/nj/lboe/Board.nsf/Public)

Overall:

- All meetings had well-organized meeting agendas supported by necessary documentation.
- Board members were not observed making comments or asking questions at any meeting.
- While public comment was available at every meeting, PCG only observed one public comment from a local reporter asking a question.
- No board meeting had all members present.
- The Board President did not facilitate/lead any board meetings observed by PCG
- There were no Board actions that required the Superintendent's input.
- There was no Board discussion, problem-solving or decision-making observed.
- PCG did not observe any negative, disrespectful or derogatory remarks by Board members.

Comparable Districts' Board of Education Meetings- December 2023

Aggregated Data Collected from Jersey City, Jackson, Toms River, and Brick Boards of Education Regular Meetings held during December 2023 (video and agenda reviewed for each Board meeting)

TABLE 9: AGGREGATED BOARD OF EDUCATION MEETING DATA (DECEMBER 2023)

Agenda		Operation of Mtg by Board President		Board Member Participation	
Indicators	**Percentage of Boards Adhering to Indicator**	**Indicators**	**Percentage of Boards Adhering to Indicator**	**Indicators**	**Percentage of Boards Adhering to Indicator**
Well-organized meeting agenda supported by necessary documentation	75%	**All Board Members were present**	50%	**Board members kept their comments or questions focused on the agenda items**	75%
Only agenda items were discussed	75%	**The Board President guided the meeting effectively**	75%	**Board president made certain all members had equal opportunity to present their views**	75%
Board members made informed comments and asked appropriate questions regarding agenda items	100%	**Whenever possible, the Board withheld definite Board action until after the Supt's recommendations were presented**	100%	**Board members used the Board meeting time for genuine discussion and problem solving.**	75%
Public Comment time available during meeting	100%	**When decisions were made, it was clear who should carry it out and when**	75%	**Trustees avoided negative, disrespectful or derogatory remarks to other Board members or presenters**	75%
Average Public Board Meeting Approximate Time: 2 hours					

Note. Retrieved from "Brick Township Public Schools BOE" by Board Meeting Video, 2023, (https://www.youtube.com/watch?v=r63kDiIVv1E&t=5715s); "Agenda" by Brick Township Public Schools (https://www.brickschools.org/our-district/board-of-education/mms/); "Jackson Public Schools BOE" Board Meeting Video, 2023, https://www.youtube.com/@BrickBOEAgenda; Agenda, https://www.jacksonsd.org/Page/7367; "Jersey City Public Schools BOE" Board Meeting Video, Dec 14, 2023, https://www.jcboe.org/apps/pages/index.jsp?uREC_ID=1577781&type=d&pREC_ID=1705346; Agenda, https://go.boarddocs.com/nj/jcps/Board.nsf/Public?open&id=policies#; "Toms River Regional Schools BOE" Board Meeting Video, Dec 20, 2023, https://www.youtube.com/watch?v=U-luzA3f3EQ; Agenda, https://www.trschools.com/administration/docs/2023/12/_01-Agenda-December-20,-2023.pdf.

Lakewood Board of Education Meetings Data Analysis

The Lakewood Board of Education meetings had very little data to analyze. The meetings were short, focused more on presentations and less on discussion and action regarding important Board business. The following items were observed that did not align with practices of comparable Districts or recommendations from the New Jersey School Boards Association:

- **Board Attendance.** Board attendance was under 50% at most meetings. The outlier was the Board meeting that PCG attended on December 15, 2023, of which the District was informed in advance of PCG's attendance. That meeting had only one Board member not in attendance. Of all the meetings observed from July 2023 to December 2023, it was the only meeting that 8 out of 9 Board members attended a regular Board meeting.
- **Board Meeting Operations.** In all observed meetings, the Lakewood Board of Education meetings were not led by the Board president, but rather the Interim Business Administrator and the Board's Attorney. This practice does not align with Lakewood Policy *0164-Conduct of Board Meeting*.[17] The policy states *that "the President shall preside at all meetings of the Board. In the absence, disability, or disqualification of the President, the Vice President shall act in his/her place; if neither person is*

[17] *Lakewood School Board Policy Manual.* (n.d). Policy 0164 CONDUCT OF BOARD MEETING

present, any member shall be designated by a plurality of those present to preside." That policy is read at the beginning of each board meeting by the Interim Business Administrator but is not followed as read. Moreover, according to the New Jersey School Boards Association's Basic Parliamentary Procedures, the person presiding over a meeting is referred to as the chair or chairperson. Usually, that individual is the board president. The principle duties of the chair per the New Jersey School Board Association are to:

- open the meeting at the appointed time;
- announce in proper sequence the order of business or agenda;
- recognize members who are entitled to the floor;
- state and to put to vote all motions, and to announce the result of each vote;
- rule if a motion is made that is out of order; protect against obviously frivolous or dilatory motions;
- enforce the rules relating to debate and those relating to order and decorum;
- expedite business in every way compatible with the rights of members;
- decide all questions of order, subject to appeal;
- respond to inquiries of members relating to parliamentary procedure or factual information bearing on the business of the assembly; and
- declare the meeting adjourned when the assembly so votes or, when applicable, at the time prescribed in the program, or at any other time in the event of a sudden emergency affecting the safety of those present.

During portions of some Lakewood Board of Education meetings the Superintendent participated in discussion on presentations or awards; however, the Superintendent did not take an active role in Board meetings, but rather deferred to the Board Attorney. This behavior was a sharp contrast to all other comparable Districts. In all comparable Districts, the board presidents and superintendents led the meetings in accordance with Roberts Rules of Order.[18]

- **Board Meeting Business.** Board meetings lacked action items, discussion on any agenda items such as presentations from staff, or any old or new board meetings. That was not true of the comparable school boards where old and new business were presented and discussed, action items were voted on, and the Board actively participated.

- **Board Committee Meetings**. There have been no committee reports during public board meetings for at least the past six months. The Board Committee assignments currently posted on the Lakewood School District website is dated February 28, 2022.[19] Additionally, there were no committee meetings dates posted or agenda/minutes publicly available. All other comparable school boards shared committee meeting business and minutes during the public session of the school board.

- **Consent Agenda**. The consent agenda was used throughout the board agenda. Typically, all items in a consent agenda are voted as an entire package without discussion unless a board member requests the removal of an item. Because no questions or comments are held on the consent agenda content, this procedure saves time.[20] With most agenda items within the consent agenda, the board meetings are much shorter than the comparable school board meetings. The average public meeting time for the observed Lakewood School Board meeting was 42 minutes while comparable Districts, who do not use consent agendas in the same way, if at all, averaged two hours per board meeting.

- **Financial Business.** There were no observed board meetings that discussed financial issues or presented detailed information regarding budgets. All budget information was placed on the consent agenda and did not have any details or discussion by board members. In contrast, the

[18] Robert, R.M., Honemann, D., Balch, T. & all. (2020). *Roberts Rules of Order*, Newly Revised, 12th Edition. NY. Public Affairs.
[19] *Board Committee Structure.* (2022). Lakewood School District Website
[20] *Consent Agendas.* (2023). Board Source. https://boardsource.org/resources/consent-agendas/

comparable Districts reported on financial/business, prepared presentations, or participated in discussions focused on finances in 100% of the board meetings observed by PCG.

- **Policy Discussions.** There were no policy discussions held during any meeting since both the first and second readings of policies were placed on the consent agenda. Some boards may utilize a committee structure, where certain members of the board typically collaborate with the superintendent or other administrators to work on policy development and make recommendations to the full board for a vote. That is the process used by all the comparable school Districts, but it was not visible in Lakewood. Both the first and second readings of policies were on the consent agenda and never discussed. During the comparable board meetings, if new or revised policies were on the agenda, the policy was read and discussed if requested.

Board Adherence to Governance Best Practices

In addition to the Board of Education meetings, PCG collected data from focus groups, interviews, and document reviews to provide an overall analysis of the Lakewood Board Governance. PCG used the five best practice categories described earlier in the chapter to frame our analysis.

- **Create a Shared Vision.** The Lakewood Board of Education has a mission developed in 2007. The mission states, *"Lakewood Public Schools is a diverse educational community of students, staff and parents who work cooperatively to create a positive and safe environment where all students learn and reach their full potential through an academic emphasis on the New Jersey Core Curriculum Content Standards.... We modify programs and offer supports as necessary to assure access and progress for students with disabilities in the general education programs; help students reach their full potential; and promote intellectual, physical, moral social and cultural growth through curricular and co-curricular programs available to all."*

  This mission statement is posted on a Board webpage on the District's website. There is no vision statement or goals on the District's website. As a comparison, all comparable Districts have posted mission statements, and most have vision and goals that were accessible on their school District website.

- **Define Goals.** The Lakewood Public School District website, including the School Board page, does not define goals for the District. PCG asked school board members focus group participants about the *Board's* vision and goals for student success. Responses were not aligned and appeared to be personal thoughts rather than clearly articulated goals and objectives that the Board had developed as a governance group.

  The Superintendent reportedly presented a PowerPoint[21] on District goals annually at a Board Meeting. The District goals for the 2023-2024 school year include:
  - Goal 1: Improve Student Achievement
  - Goal 2: Student Wellness
  - Goal 3: Student & Staff Attendance
  - Goal 4: Fiscal Stability
  - Goal 5: Strengthen Community Relations
  - Goal 6: Safety & Security
  - Goal 7: Increase the Graduation Rate & Decrease the Dropout Rate

  Although some of the board answers during focus groups mentioned attendance and school discipline as goals, not one Board member spoke about the Superintendent's yearly presentation. It is difficult to conclude if that lack of information was just forgotten by each board member, or if the goals belong to the Superintendent and are not directly connected to the board members.

[21] *Lakewood Public School District's Goals for the 2023-2024 School Year. (*2023). Lakewood Public School District website.

- **Develop Policies.** The School Board agenda and minutes reviewed for this analysis provided the titles of new or updated policies placed on the agenda. However, in no instance were Board policies read, reviewed, discussed, or questioned by any board member in a public meeting. In other comparable Districts, when policies were on the Board agenda, a member of the Policy Committee would read and review the policy and open the item to other Board members for discussion. In two Lakewood Board of Education meetings, October 18 and November 15, there were a significant number of new and revised policies placed on the agenda (25 policies and 13 regulations combined between the two meetings). Such a large quantity of policies requires a significant amount of time to review, write and/or revise. It is unclear as to the level of involvement of school board policy committee members, as there are no policy committee meetings reported during the full Board meeting. There were no policy committee minutes publicly available or any policy committee business discussed at Board meetings. Additionally, without reading and discussing policies (first and second readings), Board members are not able to inform the public about changes and additions to policies that will require adherence from members of the school District community. Policy practices are discussed in further detail later in this chapter.

- **Build Relationships.** Both school board members and the Superintendent shared during interviews and focus groups that they had a productive, professional relationship. School board members took pride in their efforts to build relationships within the community but admitted that it was difficult at times when so many families were native Spanish speakers. However, Board members were proud that meetings, both virtually and in-person, are translated in real time. They shared they do not often hear from parents and rarely receive emails or calls even though they said their numbers and emails are published on the District website. However, PCG was not able to locate Board contact information such as email addresses, phone numbers, or other contact information on the website. Most written Board materials (minutes, agendas, etc.) are not translated into Spanish.

- **Monitor the Budget.** Board of Education members have responsibilities monitoring the budget according to the New Jersey School Boards Association. The requirement of oversight is clearly documented by the NJSBA in the *Boards Role in Finance & Budget Development* guidance previously referenced. During every Lakewood Board Meeting reviewed between July 2023 and December 2023, there was never a forum, discussion, or questions regarding the budget. There may have been discussion at some other time in a non-public setting. However, Lakewood does not use a 'pre-meeting' structure to review the items on the agenda and, as reported during interviews and focus groups, some Board members never open their Board packet mailed to them until the day of the Board meeting. In all four comparison Districts' Board meetings, discussions were held on the lack of adequate funds due to the continuation of the NJ S2[22] school funding formula and the required cuts needed in their budgets. The cuts discussed by comparable Districts included staffing, which would lead to increased class size, after school activities, and other programs.

  During interviews and focus groups, it was stated that Board involvement with budget development is minimal. Budget development is based on a formula of adding a percentage to the prior year's budget and making additional adjustments when necessary. During more than one interview, it was stated that the District would not be able to develop a balanced budget without the additional funds from the New Jersey Department of Education as that additional revenue kept the District open. When asked if there was a plan to pay the money back to the state, it was confirmed that the District had no plan developed to repay the funds.

  When Board members were questioned about District finances, the response heard from multiple members was that the New Jersey state monitor shared with them that "Lakewood has a revenue

[22] *NJ S2.* (2018). https://pub.njleg.gov/bills/2018/.

issue, not a spending issue." Additionally, when further asked about the budget, some responses included:

- Board members are aware of the numbers in the budget but not entirely familiar with the details, given the complicated nature of the school budgets.
- Not cutting staff is a budget priority.
- The state monitor has never found anything that is not needed in the budget.
- Lakewood Township provides substantial financial support on items that the District cannot afford such as courtesy busing.

When reviewing comparable Districts, most meetings included board and superintendent discussion focused on current funding as well as next year's funding. There was information provided for the board and public of possible consequences due to the final revenue cuts from New Jersey's S2 funding bill. Parents attended the board meetings and spoke about their concerns during public input. In Lakewood, there was little, if any, public input during meetings. However, there were a few meetings where the Board Attorney solicited parents from the audience to speak to the Board about the positive experiences their students had participating in different school sponsored activities.

Board of Education Policymaking Practices

Policymaking is one of the school board's most important roles. Through policymaking, a school board defines its vision for the District, the structure for accomplishing its goal — including the allocation of resources, and the system of accountability for achieving those goals. Board of Education policies also establish a legal record for the school District. How a school board approaches its policymaking responsibility is a strong indicator of whether it is an effective board in a high-achieving District.[23] According to the National School Boards Association, policy governance is not just updating the policy manual, but rather it is an opportunity to shape and modify the school District's future through discussion, debate and consideration of important issues contained in board policy. Boards that understand the importance of policy development and implementation can be more effective as a school board.[24]

In Lakewood, school board policies are consistently on the Board's consent agenda for updating. Some meetings have many policies and regulations listed. However, as previously noted, there is no public discussion regarding the policy additions or updates to inform the public as to the direction and vision of the board. Some board policies are mandated by the state due to changes in the laws and regulations, however many are developed by the board to set expectations and align to their vision and goals. Unfortunately, without reviewing and updating policies with open discussions and questions, the public, including families and staff, do not build an understanding of the board's direction and the outcomes attained through changes in policy.

PCG has highlighted three sample policies that have a big impact on the school District and its operations as an example of how the policy or regulation changes may have long term impact on the District.

Policy 5112: Entrance Age[25]

Policy 5112, Entrance Age was mentioned multiple times as a concern during school-based staff focus groups. The policy states, *"A child whose fifth birthday occurs on or before December 31 of any year will be admitted to Kindergarten after September 1 of the same year, subject to established residency and registration requirements".*[26] This policy was created in 2013.

[23] Ashley, J.H. (2014). *Policymaking is the Work of School Boards.* Viewpoint. https://wasb.org/wp-content/uploads/2017/04/viewpoint_dec_2014.pdf.
[24] *The Key Work of School Boards Guidebook.* (2011). National School Boards Association. https://tsba.net/wp-content/uploads/2018/03/Key-Work-Cover-and-Text-20Jan15.pdf.
[25] *Lakewood School District Policy Manual.* (n.d.). Lakewood Board of Education. https://go.boarddocs.com/nj/lboe/Board.nsf/Public
[26] Ibid

The concern regarding the policy is that in a typical New Jersey classroom, students entering kindergarten must turn five-years old by October 1st of that given school year, which means four-year old students are only present during the first month of school. In a Lakewood classroom, where the Board policy admits students who will not turn five-years old until December 31st, the difference is even greater. It is not unusual in any given school year to have a Lakewood kindergarten classroom consisting of four-, five-, and six-year-old students for the first four months of the school year. All comparable New Jersey Districts had a student's entrance age dependent on the October 1st birthdate.

Table 10 shows the number of students enrolling in Kindergarten before the New Jersey state cut off recommended date October 1st and students who turned five between October 1st through December 31st during the 2023-2024 school year. Students who turned five after October 1st account for 16% of the kindergarten student body.

TABLE 10: AGE OF ENROLLED KINDERGARTENERS, 2023-2024

	Turned 5 before October 1st	Turned 5 between Oct 1st and Dec31st	Turned 5 after December 31st
Total Grade K Enrollment	478	89	1

Note. Retrieved from "NJ SMART Data Extract, 2023" provided by Lakewood Public School District

Focus group participants reported how this policy impacts other grades. For example, a 3rd grade teacher shared that students in her class range from seven to ten years old. A 4th grade teacher noted the age range for her class is eight to eleven years old.

Studies have shown that in the early stages of school age children development, there is a significant difference in terms of maturity, behavior, and cognitive abilities between children during those stages of development.[27] Cognitive development for students that may be enrolled in a Lakewood kindergarten classroom can be substantially different. The gaps in literacy development can be only able to recognize a few letters as a four-year old to spelling their first name and other words as a six-year old. The same gaps are present in math as well. Those gaps continue as the student moves into upper grades.

A study from the National Bureau of Economics focused on the entry age for students found that children who start school at an older age do better than their younger classmates and have better odds of attending college.[28] The study suggests that if one looks at standardized test scores, the achievement gap could be equivalent to about 40 points on the 1600-point SAT.

Additionally, there is also evidence that the age at which children begin school can change the likelihood that a child is placed in special education or diagnosed with Attention Deficit/Hyperactivity Disorder (ADHD).[29] This large body of work provides consistent evidence that the youngest students in a grade cohort are more likely to receive both ADHD diagnoses and special education placements than are the oldest students. The study used a regression discontinuity design, which found that the youngest students in a kindergarten cohort are 40% more likely to be placed in special education than are the oldest students, and that this effect persists through eighth grade. Moreover, the author suggests that this effect is largest

[27]Kuntsi, J. (2021). *Younger children in a school class at greater risk of long-term negative outcomes like low educational achievement and substance misuse*. Kings College London. https://www.kcl.ac.uk/news/younger-children-in-a-school-class-at-greater-risk-of-long-term-negative-outcomes-like-low-educational-achievement-and-substance-misuse.
[28] Dhuey, E., Figlio, D., Karbownik, K., & Roth, J. (2019). *School Starting Age and Cognitive Development.* Journal of Policy Analysis and Management. https://onlinelibrary.wiley.com/doi/10.1002/pam.22135
[29] Shapiro, J. (2022, June 19). *Exceptional Children. Over Diagnosed or Over Looked? The Effect of Age at Time of School Entry on Students Receiving Special Education Services.* Exceptional Children. Sage Journal. https://journals.sagepub.com/doi/10.1177/00144029221108735#tab-

in schools with kindergarten cohorts that vary widely in age similar to Lakewood where the student school age entry can be as late as December 31st of a school year.

This policy seems particularly problematic when coupled with the higher rates of students with disabilities within the Lakewood Public School District. This policy is one example of the need for robust and public policy discussions and the potential long-range impact of policy decisions made by the school board.

Policy 2330: Homework and Policy 7523 - School District Provided Technology Devices to Pupils[30]

PCG also identified a number of outdated policies. Some outdated policies directly impact teaching and learning practices and require a thoughtful approach by the Board to address the issues. The current Policy 2330-*Homework* and Policy 7523 - *School District Provided Technology Devices to Pupils* are two outdated policies that are intertwined for students, especially at the middle and high school level.

The Technology Device Policy (7523) was written in 2013 and does not address the instructional approach in 2024. Part of the outdated policy states:

> *A technology device made available to pupils will not be considered a textbook or supply, as defined in N.J.S.A. 18A:34-1, mandatory to a successful completion of the classroom curriculum. Therefore, because a technology device defined in this Policy is not mandatory to a successful completion of a pupil's classroom curriculum, a pupil will not be required to obtain a technology device provided by the school District as defined in this Policy. In the event the school District provides a technology device that is deemed mandatory to a successful completion of the classroom curriculum, the District will provide pupils with such a technology device consistent with its textbook or supply policies. Nothing in this Policy prohibits a pupil from using their personal technology device in accordance with school rules and regulations.*

Most instruction at Lakewood High uses a SMART Board, a District provided PowerPoint and a Chromebook with Google Classroom installed. Technology is a primary resource for student learning. In many instances, students do not have traditional textbooks, but rather digital textbooks or supplemental instructional materials on their Chromebooks. Additionally, most assignments are completed and turned in through a student assigned Google Classroom account. During classrooms observations, PCG computers to be an integral part of the curriculum in nearly all classrooms.

In addition to in-class assignments, homework is assigned using the personalized Google Classroom accounts. The *Homework Policy* (2330) was also last updated in 2013 and states that in most cases students do not require a computer to complete their assignments. Historically, that may have been true, but now, at both the elementary and secondary level, a computer is needed to complete assignments. However, many high school students focus group shared that they do not have a computer in their home. Without equitable access to appropriate technology, students reported using their personal cell phones to complete homework assignments, which may not be conducive to producing quality work, or just not completing computer-based assignments. Some teacher focus group participants shared they assign minimal homework or only paper-based homework for this reason. The District does not allow students to take home district-purchased devices.

It is difficult to understand how much the school board is aware of their policy impact on student achievement since there is no public discussion as to the content of policies or even the process for bringing policies for review and revision to the classroom. However, PCG observed its direct impact. In one classroom that PCG observed, a teacher spoke to her students about missing assignments and low grades. Many students requested "extra credit" to prevent from failing.

[30] *Lakewood School District Policy Manual.* (n.d.). Lakewood Board of Education. https://go.boarddocs.com/nj/lboe/Board.nsf/Public

There does not appear to be a standard revision timeline or process for identifying school board policies that need a substantive review, or that may present barriers to improved student achievement.

Policy 5536: Random Testing for Student Alcohol or Other Drug Use[31]

The Random Testing for Student Alcohol or Other Drug Use policy was adopted in April 2021 after the New Jersey Legislature passed legislation for the random testing of school District students from grades six through twelve who:

- participate in the school District's interscholastic athletic program
- participate in the school District's extra-curricular program,
- receive a school District authorized parking permit to park a personal vehicle on school district property, and
- voluntarily elect to participate in the program with parental consent

The Board's policy allows the District to randomly test up to 10 percent of the students participating in the program on a monthly basis. The District's random drug and alcohol testing program tests for the use of controlled dangerous substances including alcohol, and anabolic steroids. This information is provided to each parent and student with a required consent form. If parents do not sign a consent form, or do not allow their student to be tested after they have been randomly selected, the student is no longer able to participate in any District program. None of the comparable Districts have adopted this policy. With the movement of sixth grade students out of middle school and into elementary schools, there is now a possibility of elementary students being drug tested.

PCG reviewed the process for adopting the policy. In communication to parents, it was stated that the Board held a public hearing on the adoption of Policy 5536- Random Drug and Alcohol Testing. PCG reviewed the minutes of the April 21, 2021 board meeting, when the policy was passed under the Superintendent's consent agenda. There were no public hearing minutes available. The minutes also stated there was no public comment made at the meeting. Therefore, it is unclear as to how the public was able to provide input on a policy that could directly impact their children.

School Board Governance Findings

- **Public Access**. Board meetings were only shown live to the public on Board meeting night. There are no Board meetings posted on the District website or other virtual platforms. The District shared recorded board meeting videos through a Google Drive account upon PCG's request. When viewed live, there is a staff member providing translation services throughout the Board meeting, however the recording PCG received was only in English. Additionally, one of the board meeting videos consisted of only "highlights" rather than the full board meeting. Not providing access to board meetings 'on demand' limits public knowledge and understanding of Lakewood initiatives and creates a gap in communication between the District and the community it serves.

- **Board Meeting Procedures**. Board meetings are not led by the Board President or Vice President in the President's absence in accordance with Roberts' Rules of Order, which is outlined in Policy 0164, Conduct of Board.[32, 33] The School Board Attorney leads most of the meetings and directs the Board members and Superintendent throughout the meeting. The level of control the Board Attorney assumes during Board meetings was not observed in the comparable Districts. Additionally, the Lakewood Superintendent did not take an active role during the Board meetings and was deferential to the Board Attorney. This behavior was not observed in the comparable Districts, all of which were better aligned with the recommended New Jersey Parliamentary Procedures.

[31] *Lakewood School District Policy Manual.* (n.d.). Lakewood Board of Education. https://go.boarddocs.com/nj/lboe/Board.nsf/Public
[32] *Roberts Rules of Order.* (2020)
[33] *Lakewood Board Policy.* (n.d.). 0164- CONDUCT OF BOARD MEETING

- **Communication:** Board business was not discussed during public meetings observed by PCG. Between July 9 through December 13, 2023, 0% of the Regular Board meetings included Old Business, New Business, Committee Reports, or Communication reports. There was no discussion on any substantive item during any Board meeting from July 9, 2023 to December 13, 2023.

- **Action Items:** All action items were bundled into two consent agendas, approval of the minutes, and a motion to dismiss. In the six months of board meetings observed, there were no individual action items on other board business such as polices, finance reports, new programs, etc. Since most of the action items fell under the consent agenda, there was no discussion to inform the public on board business. All comparable Districts took action and engaged in discussion.

- **Board Committees:** Board Committee agendas and/or minutes are not posted, discussed during Board meetings, or recorded for public viewing. Since there were no meeting minutes, it was unclear if any Board committee meetings were held during the previous six months.

- **Financial Reporting:** No financial reporting or discussion occurred during any observed Board meeting. The financial report is approved within the consent agenda with no comments from the administration or questions by Board members.

- **Policy Development:** Board meeting agendas contained policy updates and new policies; however, there was no policy discussion (either first or second readings) during any of the observed meetings. PCG found outdated and/or ill-informed policies that directly impact student learning.

ADMINISTRATIVE TEAM GOVERNANCE

The role of governance is the responsibility of the local school board; however, the Superintendent and the administrative team are tasked with guiding the school board and implementing their decisions.

Best Practices Framework

The American Association of School Administrators (AASA) Superintendent Standards outlines the critical knowledge and skills that superintendents must employ to be effective leaders within their Districts.[34] PCG used these standards to determine how strong the alignment is between the current practice of the Lakewood Superintendent and the administrative team and the best practices highlighted by the AASA.

The Standards include:

- **Leadership and District Culture**. The superintendent works in a collegial and collaborative manner with school personnel and the community to promote and support the mission and goals of the school District while creating an atmosphere of trust and mutual respect with staff and community.

- **Policy and Governance.** The superintendent develops procedures for working with the board of education that define mutual expectations, working relationships and strategies for formulating District policies.

- **Communications and Community Relations.** The superintendent promotes effective communication and interpersonal relations within the District. In addition, works collaboratively with staff, families, and community members to secure resources and to support the success of a diverse student population.

[34] DiPaola, M. F. (2010). *Evaluating the Superintendent.* A White paper from the American Association of School Administrators. https://www.aasa.org/docs/default-source/resources/reports/Evaluating-the-Superintendent.

- **Organizational Management**. The superintendent effectively manages human, material, and financial resources to ensure student learning and to comply with the state mandates.

- **Curriculum Planning and Development.** The superintendent plans, implements, supports and assesses instructional programs that enhance teaching and student achievement of the state educational standards.

- **Instructional Management.** The superintendent functions as the primary instructional leader for the District, relying on support from staff as necessary when advising the school board.

- **Human Resources Management.** The superintendent implements sound personnel procedures in recruiting, employing and retaining the best-qualified and most competent teachers, administrators and other personnel.

- **Values and Ethics of Leadership.** The superintendent models professional, moral, and ethical standards as well as personal integrity in all interactions.

PCG collected and analyzed data based on the following standards. Not all standards were reviewed here as the focus areas are being addressed in other sections of the report.

Leadership and District Culture

District leaders, from principal supervisors to superintendents, play a critical role in establishing a culture of growth, satisfaction, and impact. School culture is the foundation on which effective schools are built. The same is true for Districts. The key ingredients, of a positive school and District culture includes:

- Establishing a shared school mission, values and behaviors focused on academic and social-emotional success for every student.
- Building and maintaining meaningful relationships among teachers and staff and creating an environment where all members feel safe, valued, and seen.
- Purposefully engaging families and communities in mutual partnerships that promote the well-being of students, families, and the community.[35]

Organizational Structure

The organizational structure of the Lakewood Public School District is shown in Figure 6. The organization's reporting structure is designed with many administrators reporting directly to the Superintendent.

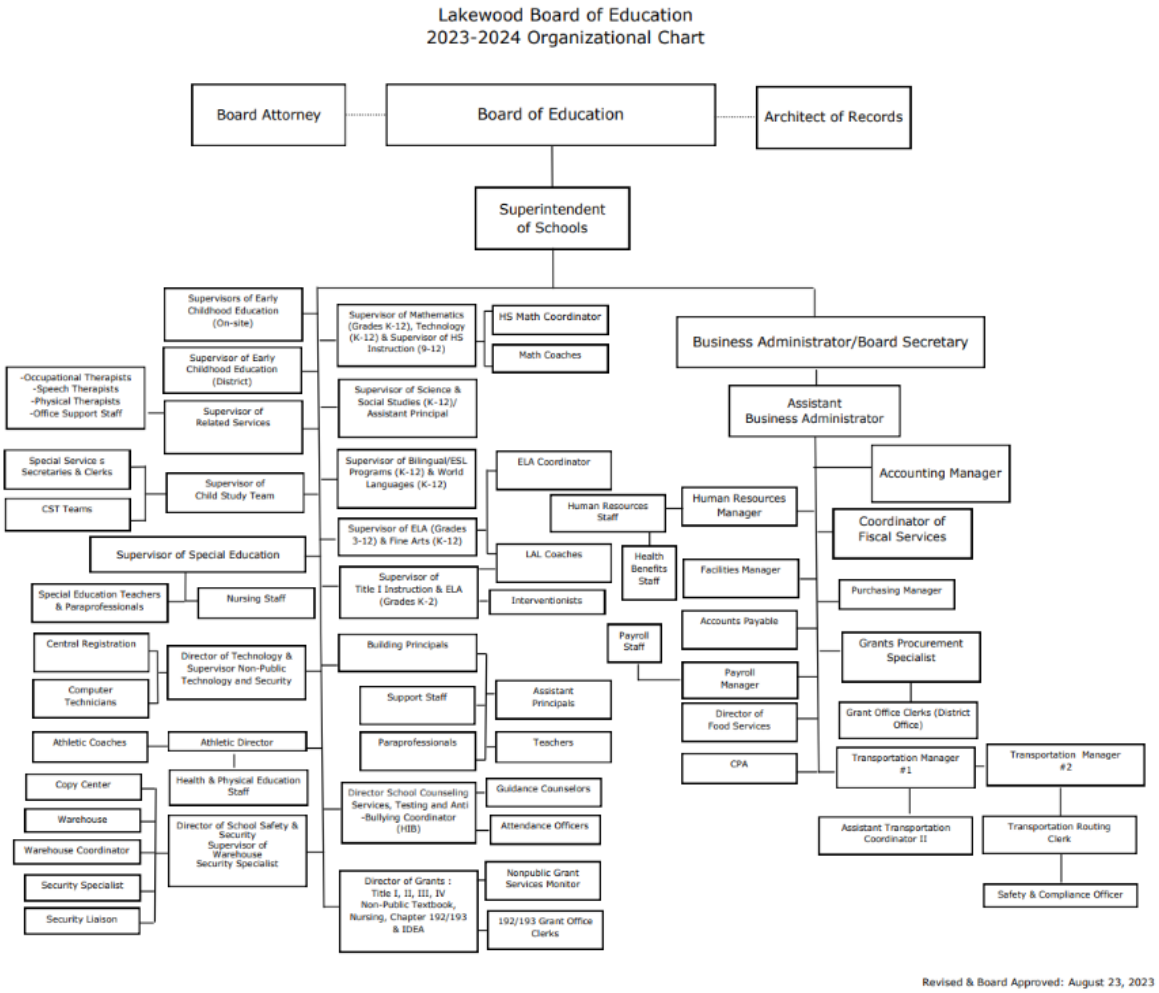
- The superintendent has 24 direct reports.
- There is no Assistant Superintendent.
- Direct reports include nine principals that are represented by one box within the organizational chart.
- The Board of Education Attorney reports directly to the Board of Education. Typically, in most Districts, including the comparable Districts, the only position that reports to the Board is the Superintendent. If they have a Board Attorney on staff, that person reports to the Superintendent.
- The number of direct reports to the Superintendent is much higher than other Districts. For example, in Toms River, the direct reports of the superintendent is seven.[36] In Brick, there are five direct reports.[37] Both of those Districts show that the only staff position reporting to the school board is the superintendent.

[35] *Innovative Ways to Create A Positive School (and District) Culture.* (n.d.). New Leaders, Leadership Changes Everything. https://www.newleaders.org/blog/innovative-ways-to-create-a-positive-school-and-district-culture
[36] *Toms River Organization Flow Chart.* (2023). Toms River Regional Schools. https://www.trschools.com/administration/docs/2023/08/_Organizational-Flow-Chart-TRRSD-2023_2024.pdf
[37] *Brick Township Public Schools Organizational Chart* (2021). Brick Township Board of Education, Brick, New Jersey https://www.nj.gov/education/finance/fp/acfr/search/21/0530.pdf

- All comparable Districts had at least one assistant superintendent.

When meeting in focus groups and interviews with Central Office staff, there seemed to be confusion about which positions had more influence. The principals reported that the curriculum supervisors hold more influential positions than principals, which impacts their decision-making authority, However, the curriculum supervisors believed the principals were at a higher level, even though they need to ask curriculum supervisors' permission to make changes to their school's instructional schedule. The Superintendent reported that both groups were at the same level in the organization as they were in the same collective bargaining unit.

FIGURE 6: LAKEWOOD BOARD OF EDUCATION 2023-2024 ORGANIZATIONAL CHART



Note. Retrieved from "Lakewood Organizational Chart", 2024, provided by Lakewood Public School District

Role of Board of Education's Attorney

School board attorneys are employed by school boards to represent their Districts in legal matters. Their job duties include offering advice on legal and policy matters, researching legal issues, and representing the school District in litigation matters.[38] The Lakewood Board of Education Attorney's duties encompass legal and policy matters, as well as litigation. However, the Lakewood Board of Education attorney plays a

[38] *Advisors Guiding School Boards on Legal Matters*. (n.d.). National Schools Board Association. https://www.nsba.org/Services/Council-of-School-Attorneys/What-School-Lawyers-Do.

far more active role than the typical board attorney in District business. The Board Attorney stated that his role is not only Board Attorney, but he also provides the District a service similar to a Communications Director. He speaks with the press, conducts video presentations, and ensures the messages coming from the District are similar. In most Districts, these duties are the role of a Communications Director or the Superintendent.

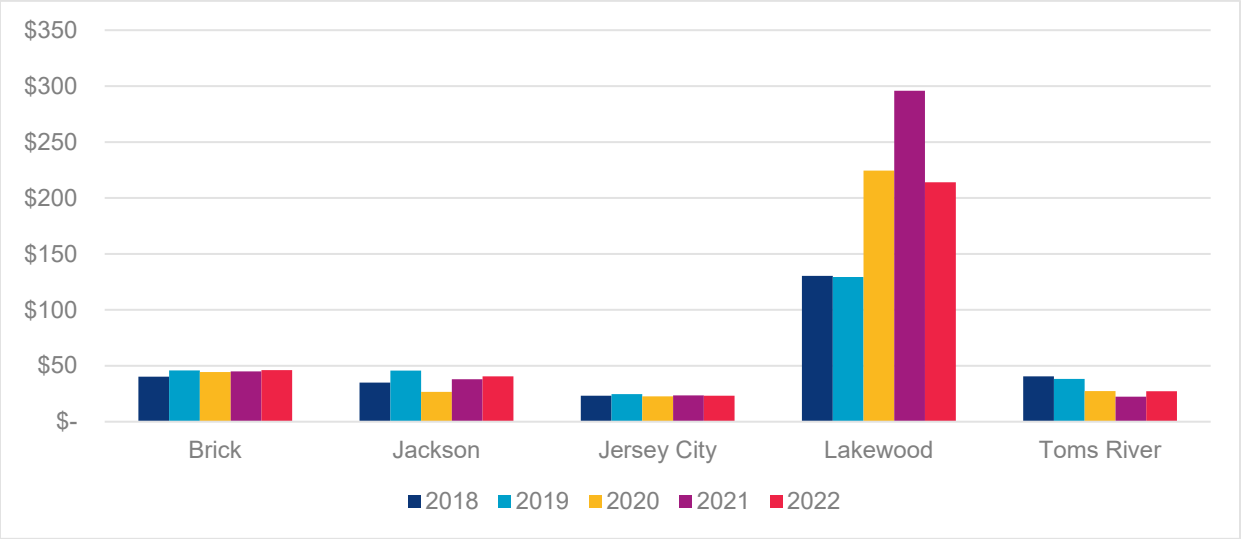
Moreover, when viewing the District's board meetings, the Board of Education Attorney leads much of the board sessions. He engages with the public providing additional information about the students presenting and oversees the flow of the meeting, which is typically the Board chair's role.

Legal Expenses

For the Financial Practices Analysis, PCG partnered with accounting firm AAFCPA to analyze expenditures that were out of the expected norm for a category. AAFCPA used the Budgetary Comparison Schedule's from Exhibit C-1 in the Annual Comprehensive Financial Report (ACFR) to determine Legal services line items and used the Actual amounts to compare the expense over a 5-year period for Lakewood and the comparison districts, as shown in Figure 7: Legal Expense By District Per Pupil By Year. AAFCPAs used the actual expense during the given school year and divided by cost per pupil. Lakewood's legal expenses per pupil are significantly higher than the comparison districts. It is further noted that there was a significant increase in expenses between 2019 - 2020 and 2020 - 2021. This increase is not consistent with any of the other comparison districts.

AAFCPAs noted there is a decrease between 2021 - 2022, but the legal cost per pupil is still over four times the amount of the next highest district. Looking at the table below, that compares total legal expenses from C-1, Lakewood still has the highest legal expenses among all the districts in the analysis.[39]

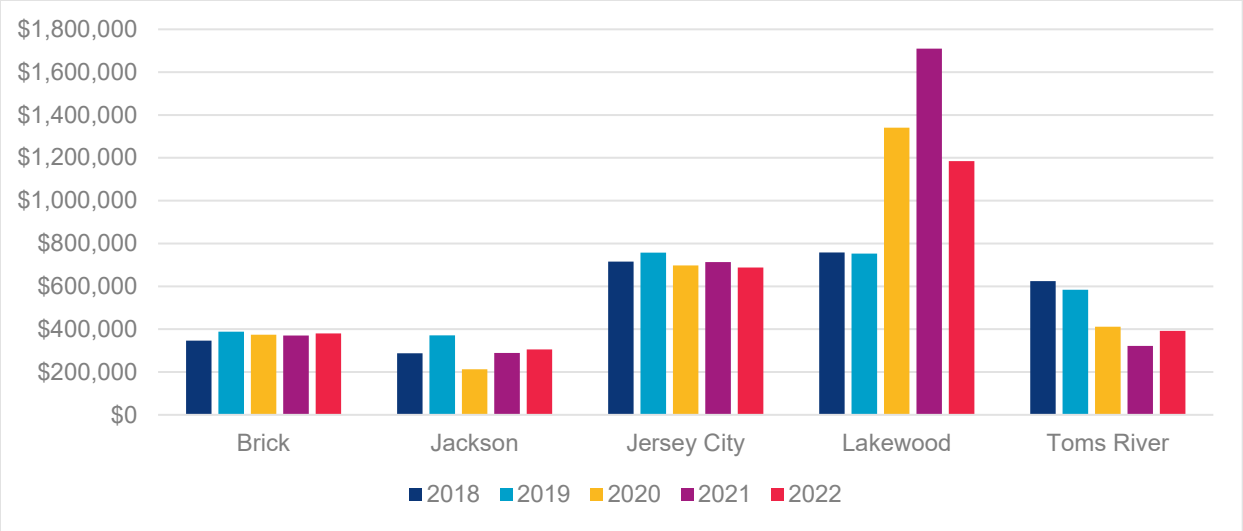
FIGURE 7: LEGAL EXPENSE BY DISTRICT PER PUPIL BY YEAR



Note. Retrieved from "Budgetary Comparison Schedule from Exhibit C-1 in the ACFR" provided by Lakewood Public School District

[39] Only Lakewood public school student numbers were included in this analysis.

FIGURE 8: TOTAL LEGAL EXPENSE BY DISTRICT BY YEAR



Note. Retrieved from "Budgetary Comparison Schedule from Exhibit C-1 in the ACFR" provided by Lakewood Public School District

State Monitor

The District currently has a state monitor assigned by the State of New Jersey. A District qualifies for a monitor subsequent to specific fiscal characteristics as specified in *N.J.S.A.*18A:7A-55. During PCG's review, there was a transition from one state monitor to another. In PCG's interviews, both state monitors were empathetic to the District and its financial issues. The first monitor shared that under his authority he can overturn any decision that the Board of Education and Superintendent make, but he had not had to do so. He saw his job as helping to develop the decision-making capacity of the District on their own. The current state monitor is a former Business Administrator for the District and has extensive knowledge of Lakewood's financial situation. His former relationship with the District may present some barriers to the impartiality required for his current position.

Culture of Low Expectations

PCG observed a districtwide culture of low expectations for students in interviews, focus groups, survey responses, and classroom observations. Comments were made by nearly all levels of staff that their job is more difficult because of students' backgrounds, economic status, or attitude. Rather than having a culture of Academic Optimism, many staff believe that poverty or lack of English proficiency contribute to the students' low academic performance, poor attendance, lack of motivation, and an overall poor attitude.

Research on an educational construct, Academic Optimism, by Dr. Wayne Hoy and his colleagues suggest that connecting three important characteristics of schools can produce a potent and positive influence on academic achievement, even in the face of low socioeconomic status, previous performance, and other demographic variables such as school size or minority enrollment.[40]

Hoy's definition of "academic optimism" is grounded in social cognitive theory and positive psychology. It embraces the following characteristics:

- *Academic emphasis* – the extent to which a school is driven by a belief system that includes high expectations for students to achieve academically.
- *Collective efficacy of the faculty* – the belief that the faculty can make a positive difference in student learning.

[40] Hoy, W. K., Tarter, C. J., & Woolfolk Hoy, A. (2006). *Academic optimism of schools: A force for student achievement.* Working Paper – The Ohio State University.

- *Faculty's trust in parents and students* – faculty, administrators, parents, and students cooperate to improve student learning; trust and cooperation among parents, teachers and students influence student attendance, persistent learning, and faculty experimentation with new practices.

A school with high "academic optimism" believes that faculty can make a difference, students can learn, and achieve high levels of academic performance. Findings from research showed that there was a significant positive relationship between teachers' academic optimism and students' academic achievement.[41]

The lack of a culture of Academic Optimism is evidenced through the sample statements made in focus groups and in open ended staff survey responses as follows:[42]

- *The low academic ability of students makes it challenging to have higher-level conversations and ask thought-producing questions. Students need to have more trips and experiences outside of the classroom to enhance their understanding and depth of learning.*
- *A great portion of the student population comes from low-income families which can hinder students from being ready to learn.*
- *For me, the financial needs of families play a huge impact on the performance of their children at school. Many students are late to school, miss school, and are dealing with family, cultural, financial, and living conditions issues that they bring to school or interfere with their learning. Making money for them is more important than getting a high school diploma.*
- *Many students struggle because of their bilingual background, sometimes the language is what hinders their potential.*
- *The amount of stress that is put on teachers and the unrealistic expectations for students to perform at levels that are beyond their capabilities when they are struggling English Language Learners.*
- *The language barrier with parents and their lack of accountability at home is a challenge.*
- *Many students have an apathetic attitude toward school because many of them are exhausted from working jobs until very late.*
- *The cultural diversity makes it difficult to teach to the student's needs. The students are all on different levels depending on where they came from.*

Staff Wellness and Morale

Teaching staff describe a challenging environment characterized by being overloaded and a perception of understaffed conditions. They noted that meeting the diverse needs of students is daunting, and the work can be defeating and deflating. Despite these challenges, several shared their commitment to students remains a driving force that keeps teachers committed.

Across the District, many believe preschool teachers receive more emotional support than their counterparts in other grades, fostering strong relationships with master teachers. However, it is believed the level of support is not consistent across grade levels, as instructional coaches are less accessible for other teachers. Teaching staff also shared concerns about having a lack of time, especially for basic activities like lunch.

Several teachers cite frequent changes and new rules from the District which create confusion and inconsistency, contributing to the overall sense of overwhelm. Teachers noted they feel more appreciated by their colleagues than by administrators, and instances of unresponsiveness or unclear communication from the District contribute to a perception of inadequate support.

Despite challenges, teachers noted they work collaboratively and maintain constant communication, contributing to a positive aspect of teamwork. However, almost all teachers noted the fear of job security consequences for not strictly adhering to pacing guides adds to the stress.

[41] Ibid
[42] Survey open response data are direct quotes. Focus groups quotes may have been paraphrased during notetaking.

Communications and Community Relations

Effective communication is a key strategy for superintendents as they lead their districts. District communication was one of the most identified deficiencies within the District both internally and externally. Effective strategies for communicating with stakeholders include using multiple communication methods and tools, individualizing communications to families, and ensuring communications are accessible to culturally and linguistically diverse stakeholders.[43] District and school staff may need to take additional steps to enable better communication with culturally and linguistically diverse families.

The only group that believed the District was doing well in communication with all stakeholder groups was the Lakewood School Board. Most other focus groups and survey results shared that the lack of communication from the central office as well as the inability to communicate with their culturally diverse and multi-lingual students and their families are barriers to successful outcomes.

Communication with Internal Staff

Communication with internal staff was repeatedly cited as an area of weakness across all stakeholder groups including school administrators, teachers, professional staff, paraeducators, and support staff.

Reported communication gaps examples include:

- In Summer 2023, there was the transfer of over 300 staff by the central office and the reorganization of grade levels at the middle school and some elementary schools. The changes reportedly were communicated only weeks before the start of the school year. Lack of sufficient communication was cited as an issue by District staff, school-based administrators, school-based staff, and parents. The Superintendent confirmed she was not fully forthcoming or transparent about the rationale for this move, so as to not raise staff concerns about predicted student enrollment declines in the coming years.
- School administrators reported frequent administrative reassignments to new buildings with limited notice or rationale, and with the communication of the reassignment most frequently occurring only via written communication.
- Several long-standing afterschool programs were cut or reduced for the 2023-2024 school year. There was significant speculation and conflicting information provided to PCG during focus groups on the rationale for these cuts.
- School administrators reported receiving information related to policy or personnel changes at the same time as their staff, with no background context or information that would allow them to ease staff concerns.

Communication with Students and Families

There are several structures in place to support communication within the District, including the Family Enrollment Office. There are also parent liaisons in each building to provide outreach and translation apps available to parents during a phone conversation. Schools reported they communicate to parents through newsletters from librarian and principals, home visits if warranted, emails, flyers, and letters.

The website was cited in focus groups and interviews as an important way of communication, including the Board agenda and school activities. On the District website, under the Information tab, there is access to Google translate to change the text to Spanish on the website. Yet, when looking at the documents under each heading, only 15% of the documents are in Spanish. Most are PDFs that were only written in English, so do not function with Google Translate.

Translation services were referenced frequently as a challenge area for the District. Multiple focus group members mentioned the limited number of translators in Lakewood. Both students and staff focus group participants talked about students having to serve as translators for parent conferences and teacher visits.

[43] Kornegay, S. (2023, November 14). *Five Essential Skills for Superintendents.* NEAG School of Education. University of Connecticut. https://today.uconn.edu/2023/11/five-essential-skills-for-school-superintendents/

There are Spanish speakers in both the Family Enrollment Office and the Transportation Office who are available and accessible to Spanish-speaking families.

According to data provided by the District, approximately 5% of all staff speak Spanish. 77.2% of students report Spanish as their home language, making the need for translation services in the District high.

Organizational Management

An effective superintendent must have knowledge of best practices regarding management of the District including organization, operations, and resources for a safe, efficient, and effective learning environment. District leaders must have the skills to manage resources that keep the focus on improving student outcomes. Organizational management also includes knowing the importance of creating systems that focus school staff and other resources on common goals and creating processes that facilitate effective teaching and learning.[44]

Strategic Plan

There is no District strategic plan that guides decision-making.

Annual Goals

The Lakewood Superintendent presented District annual goals to the School Board in August 2023. An annual goals PowerPoint is provided in both English and Spanish. Goals are:

- Goal 1: Improve Student Achievement
- Goal 2: Student Wellness
- Goal 3: Student & Staff Attendance
- Goal 4: Fiscal Stability
- Goal 5: Strengthen Community Relations
- Goal 6: Safety & Security
- Goal 7: Increase the Graduation Rate & Decrease the Dropout Rate

Per PCG's review of the *Lakewood School District's Goals for the 2023-2024 School Year* PowerPoint,[45] it was difficult to gain a clear picture of District key priorities. The PowerPoint took a 'laundry list approach' to the communication of annual goals. Furthermore, there were no metrics presented to the Board as to how the District would measure the goals and actions that would be taken if the District was not showing growth in meeting the goals.

TABLE 11: ANALYSIS OF *LAKEWOOD SCHOOL DISTRICT'S GOALS FOR 2023-2024 SCHOOL YEAR POWERPOINT*

Annual Goals	Analysis
Goal 1: Student Achievement	• Consisted of a goal statement that included, *"The Lakewood School District will improve academic achievement for all students by ensuring the delivery of high-quality instruction in all areas through the implementation of the New Jersey Student Learning Standards."* • The slide deck had 44 slides in support of this goal. • Slides began with curricular and instructional content such as Tier 1 and Tier 2 instruction, PLCs, Science of Reading, and Math curriculum, but also shared information about parking lot pavement, high school library renovation, band equipment, auditorium renovation, high school track completion, new bleachers, etc.

[44] *Educational Leadership Program Standards*. (2011). National Policy Board for Educational Administration. https://www.npbea.org/wp-content/uploads/2017/09/ELCC-District-Level-Standards-2011.pdf
[45] *Lakewood Public School District's Goals for the 2023-2024 School Year. (*2023) Lakewood Public School District website.

	• The majority of these slides did not align to the goal statement of "the delivery of high-quality instruction in all areas through the implementation of the NJ Learning Standards." • Most of the slides not related to facilities upgrades were duplicates from the 2022-2023 annual goals slide deck.
Goal 2: Student Wellness	• Slides included detailed information about social-emotional and mental health offering the District is providing to students.
Goal 3: Student and Staff Attendance	• Duplicate, single slide from the 2022-2023 presentation.
Goal 4: Fiscal Stability to Support Student Learning and Facilities	• Single slide • The slide included their goal statement, *"The Lakewood School District will ensure that the budget provides for the achievement of all students in the District while maintaining fiscal responsibility. The maintenance of safe, healthy and clean facilities will reflect high standards for student learning and foster District pride."* • The three strategies for this goal are: 1) Prioritize resources to support academic programs, student achievement and effective staff; 2) Meet applicable state and federal audit standards and 3) Maintain and improve school facilities to enhance instruction, ensure safety and protect the investment of taxpayers. • There is no mention of goals or strategies to lower the budget or cut spending as observed in the documentation of comparable Districts. • Slide is a duplicate from the 2022-2023 presentation.
Goal 5: Strengthen Community Relations	• Duplicate, single slide from the 2022-2023 presentation.
Goal 6: Safety & Security	• Slides include new safety procedures such as a Weapons Detection System, color-coded hallways, and classroom key daily check-out procedures • Slide includes a new See Something, Say Something reporting system that is offered in English and Spanish

Goal 7: Increase the Graduation Rate & Decrease the Dropout Rate	• Slide includes the same strategies as the 2022-2023 presentation but did not include trend data that had been previously provided.
	• Strategies are vague and not tied to outcomes. They are:
	  ○ Offering Engaging Lessons
	  ○ The implementation of new courses and programs
	  ○ Close monitoring of students
	  ○ Meeting the needs of individual students
	  ○ Improving the Climate and Culture
	  ○ Improved family support

Note. Retrieved from " *Lakewood Public School District's Goals for the 2023-2024 School Year",* provided by Lakewood Public School District.

Safety and Security

School Safety

School safety is multifaceted in Lakewood Public Schools. The District has a large security staff represented at each building. At the high school students are "wanded" before entering the building while metal detectors are used in other buildings. All students from kindergarten through high school are required to use clear backpacks. High school students noted that the clear backpacks are not that strong and often have to be replaced as they crack or tear, which is a hardship for many families. There are also security cameras placed in all schools as well as ID checks by security staff when entering any school facility. In most schools,

especially elementary schools, the security check is typically done by the school secretaries after being let into the school. In Lakewood, the school office is the third stop. The first stop is the metal detector, and the second stop is the security desk.

Security staff reported that there is top notch security within the District, and it is very safe. There are $200k scanning devices that are state of the art. No one is in the building without an armed security guard. In addition, a new advanced threat detection service and tool was purchased by the District to monitor at-risk students. The system includes risk of assessment of self-harm, depression, grooming, sexual content, bullying and school violence. Anything a student types into a District chrome book or computer is tracked.

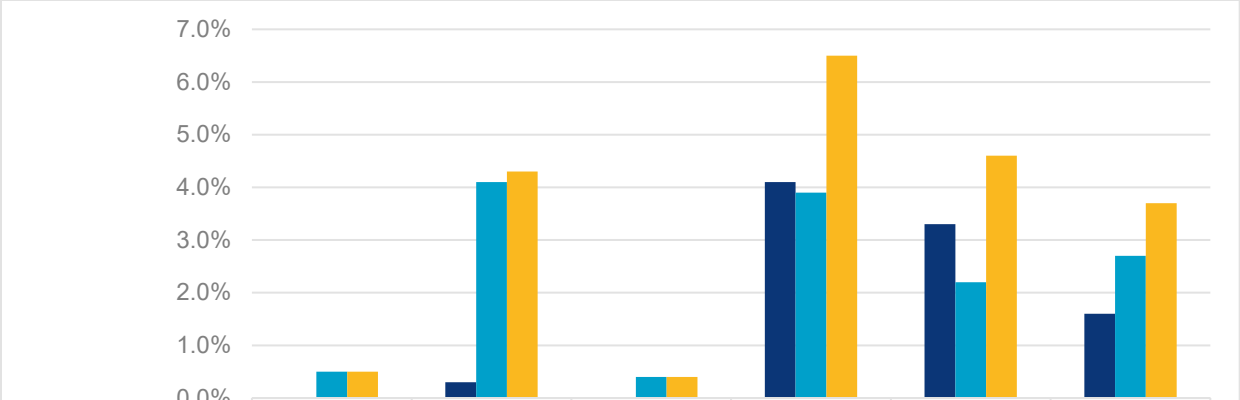
However, with all the security in place some students commented that security checks make one feel less trusted. One student high school student recalled something that happened years ago in Lakewood is the reason there is now so much security. Staff focus group participants stated that they are told to call security and then an administrator if a behavioral issue is escalating in their classroom. Teachers also reported that there is a lot of security within their schools, but some of the security staff are rough on kids. Staff suggested that more de-escalation training for both teachers and security staff would be beneficial.

Discipline

During the 2021-2022 school year, the Lakewood Public School District implemented an Academic & Behavioral Intervention Program for students in Kindergarten through grade 12.[46] The goal of the program is to keep every student in school, every day. This approach, therefore, led to eliminating the traditional suspension program within the District. Lakewood's Academic & Behavioral Intervention Program states that sending students home as a punitive measure does not address or solve the root problem. Students need the opportunity to learn and grow from their behavior. In addition to a new policy, staff were assigned to the intervention program including two substance abuse counselors (SAC); bilingual social worker; Board Certified Behavior Analyst (BCBA); behavior therapy associates (Psychologist/BCBA-D); guidance counselors; and teachers. While receiving their academic and behavioral interventions, students will continue their academic program/schedule, and students with an IEP will continue to receive all of their mandated services. Figure 9 depicts suspension data of all four comparable schools as well as the state. With the new Academic and Behavioral Intervention Program, Lakewood has seen the suspension rates drop compared with other school districts.

[46] *Academic & Behavioral Supports/Code-of-Conduct*. (2021-2022). Lakewood Public School District. https://www.lakewoodpiners.org

FIGURE 9: COMPARATIVE SUSPENSION DATA BY DIS TRICT (2022)



	Lakewood	Toms River RSD	Jersey City PS	Brick Township PSD	Jackson	State
In-School	0.0%	0.3%	0.0%	4.1%	3.3%	1.6%
Out-of-School	0.5%	4.1%	0.4%	3.9%	2.2%	2.7%
Any Suspension	0.5%	4.3%	0.4%	6.5%	4.6%	3.7%

Note. Retrieved from "NJ Performance Reports by NJDOE", 2024, (https://rc.doe.state.nj.us/)

Although the student suspension rate has been lowered, the new discipline program has not been well received in schools. Teachers stated the perception that student discipline issues are growing since there are no "real consequences" for negative behavior. High school teachers perceive that there are more fights than ever before. Students also say that bathrooms can feel unsafe at times, and they see students vaping and smoking during the school day. PCG did not observe any discipline concerns during school observations and found schools to be orderly and calm.

School Configuration

In the spring/summer of 2023, the District changed the configuration of schools for elementary and middle schools. The grade configuration consisted of moving hundreds of students and staff with little notice or explanation as to why the decision was made. There was no public discussion at the School Board meetings, or much notice provided. Principals shared that they did not have time to let parents know and plan for some student/family activities to aid in the transition. School leaders were given very little notice, in one instance a day to pack up and move. Parents shared with their schools that they did not understand why the decision was made, but that it was a very anxious time for their family. Teachers were told they were moving to a new school and for some a new grade level through an email from District administration. Furthermore, maintenance and facilities staff were not notified of the reconfigurations of almost every school, which meant added hours and manpower needed to complete the move before the fall opening of school, which was an unanticipated additional cost to their budget.

In addition to the lack of notice for students and staff, the new grade-span configurations have added more school transitions for students. The grade-span configuration of a school district determines the number of school-to-school transitions students experience. Research suggests that multiple school transitions may have an impact on students' sense of belonging, the continuity of curriculum and instruction, and student academic achievement.[47] **Table 12** shows the grade configuration of each school in SY 2022-2023 and SY 2023-2024.

[47] Anderson, P. F. (2012). *Grade-Span Configurations and School to School Transitions*. Florham Park, NJ. College of St. Elizabeths. https://eric.ed.gov/?id=ED549733

TABLE 12: GRADE CONFIGURATION FOR LAKEWOOD PUBLIC SCHOOL DISTRICT

School	SY 2022-2023	Enrollment	SY 2023-2024	Enrollment
LECC (Early Childhood Center) *Building Capacity: N/A*	Pre-K to Kindergarten	499	Pre-K to Kindergarten	268
Piner Elementary School *Building Capacity: N/A*	Pre-K to Grade 2	503	Pre-K to Kindergarten	391
Spruce Street School *Building Capacity: 799*	Pre-K to Grade 1	448	Grade 1 (only)	258
Clifton Avenue Grade School *Building Capacity: 782*	Grade 2 to Grade 5	402	Grade 2 to Grade 6	492
Oak Street School *Building Capacity: 799*	Grade 2 to Grade 5	608	Grade 2 to Grade 6	652
Ella G. Clarke School *Building Capacity: 432*	Grade 3 to Grade 5	295	Grade 3 to Grade 6	347
Lakewood Middle School *Building Capacity: 537*	Grade 6 to Grade 8	1,101	Grade 7 to Grade 8	586
Lakewood High School *Building Capacity: 714*	Grade 9 to Grade 12	1,607	Grade 9 to Grade 12	1,335

Note. Data are from "2022-2023 Lakewood Grade Configuration Data" extracted from Lakewood Public School District NJ Smart Data and "2023-2024 Lakewood Grade Configuration Data" extracted from Lakewood Public School District Enrollment Numbers (January, 2024). Building capacity data are from Lakewood Township School District Annual Comprehensive Financial Report for the Fiscal Year Ended in June 30, 2021.

There are no changes at Lakewood High School or the Lakewood Early Childhood Center (LECC) for the current school year. However, every other District school changed grade-span configurations. Both Piner Elementary School and Spruce Street Schools have limited elementary grade levels. For a student entering kindergarten at Piner Elementary School, it's possible, under the current configuration, to attend five Lakewood schools throughout their academic career. The schools include:



Schools with a small number of grade levels such as Spruce Street School have an additional challenge for staff, students, and families to overcome. Since Spruce Street School consists of only one grade level, each year the entire school will have a new group of young students who are unfamiliar with the school. There are no older students to act as role models for the first-grade students, and relationships with families have not been established. The staff has a short period of time to create a sense of belonging for students and families that will lead to students feeling safe and working towards academic success. Additionally, they also must spend the last part of the school year preparing for another transition (their third in three years) to attend a different elementary school that includes second grade. Through open-ended survey comments and in focus groups staff and families shared their concerns:

- The switch of schools was very sudden and did not allow families time to plan for the transition.
- Parents of younger students reported transition to be emotionally challenging to their children. It was reported feeling as the if the District *"was not considering the students and what they had to go through*."
- Students left at the end of the school year without prior discussion about restructuring.
- Schools experienced staff turnover due to restructuring and reconfiguring grade levels.
- Due to the reconfiguration, there now are families with children in four different elementary schools. This creates significant logistical challenges for families and may hinder parental involvement in each school.

Principals reported they designed a plan to help acclimate staff including reaching out to staff immediately and personally welcome them to the building; providing materials for teachers to read and become familiar with the goals and objectives; and facilitating grade-level meetings with the new teams to ensure alignment.

Building capacity data in **Table 12** are based on the data reported in the Lakewood Township School District Annual Comprehensive Financial Report for the Fiscal Year Ended in June 30, 2021. Based on these numbers, it appears that the elementary schools all have substantial excess capacity, while the middle and high schools are over capacity. The middle school cafeteria was expanded prior to the start of the 2023-2024 school year, using $2.6 million in ESSER funds, to help with capacity concerns. PCG submitted a request for the building capacity numbers used by the District. The Superintendent shared that she was not aware if these numbers existed, and building capacity needs were based on personal observation.

Human Resources Management

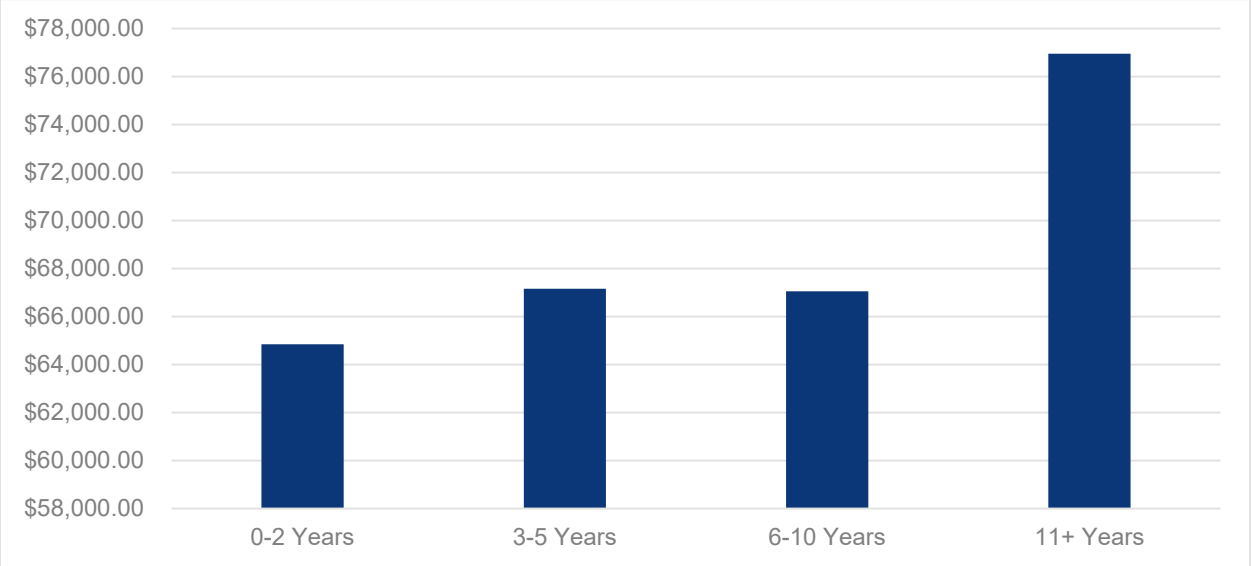
To ensure staff are valued and supported, effective superintendents plan and direct a comprehensive human resources program, including recruitment, selection, wage and salary administration, employee relations and collective bargaining.

Recruitment and Retention

Information gathered from interviews and focus groups raised the following themes on recruitment and retention. During the 2022-2023 school year, 133 staff exited the District, resulting in a retention rate of 93%. This rate aligns to the average statewide district retention rate, which was 92.4% in 2020-2021.[48]

The Lakewood Public School District reportedly struggles to hire staff to fill all their vacancies each year. Finding and retaining suitable staff is a significant area for improvement. Lack of competitive salaries with neighboring districts was cited as a key barrier. Critical staffing needs, such as Learning Disabilities Teaching Consultants (LDTC) and bilingual school psychologists, was cited as a particular challenge due to the limited pool of qualified candidates.

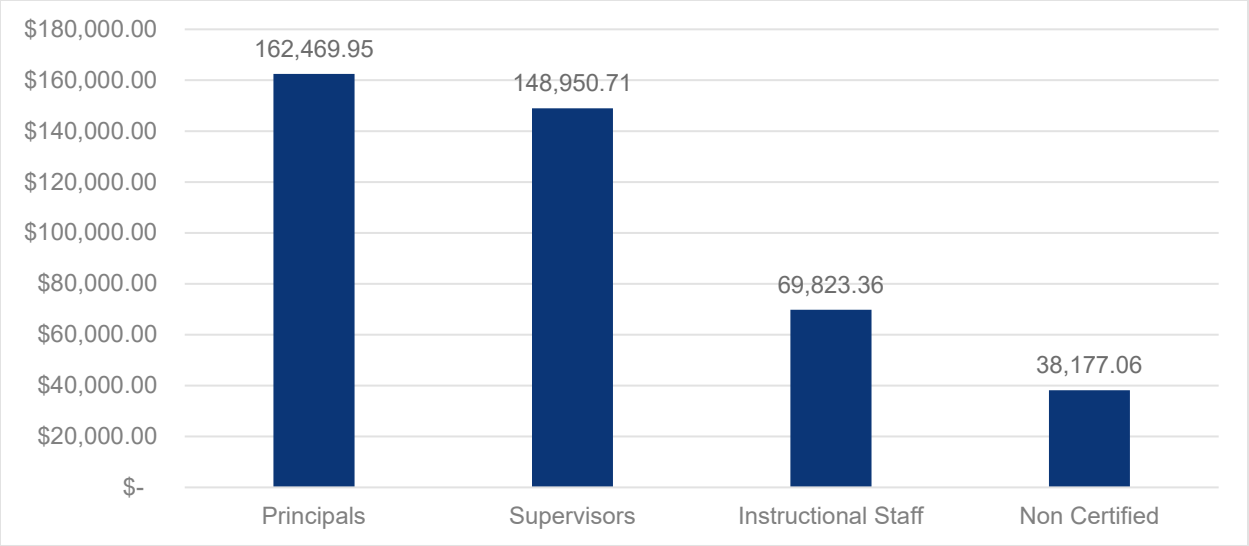
FIGURE 10: AVERAGE SALARY BY YEARS FOR LAKEWOOD PUBLIC SCHOOL DISTRICT (2022)



Note. Retrieved from "Average Salary By Years, 2022" provided by New Jersey Data Extract

[48] *Initial Recommendations from Members of the Task Force on Public School Staff Shortages In New Jersey*. (2023, February). Task Force Report. https://www.nj.gov/education/docs/TaskForceReport.pdf

FIGURE 11: AVERAGE SALARY BY ROLE (2022)



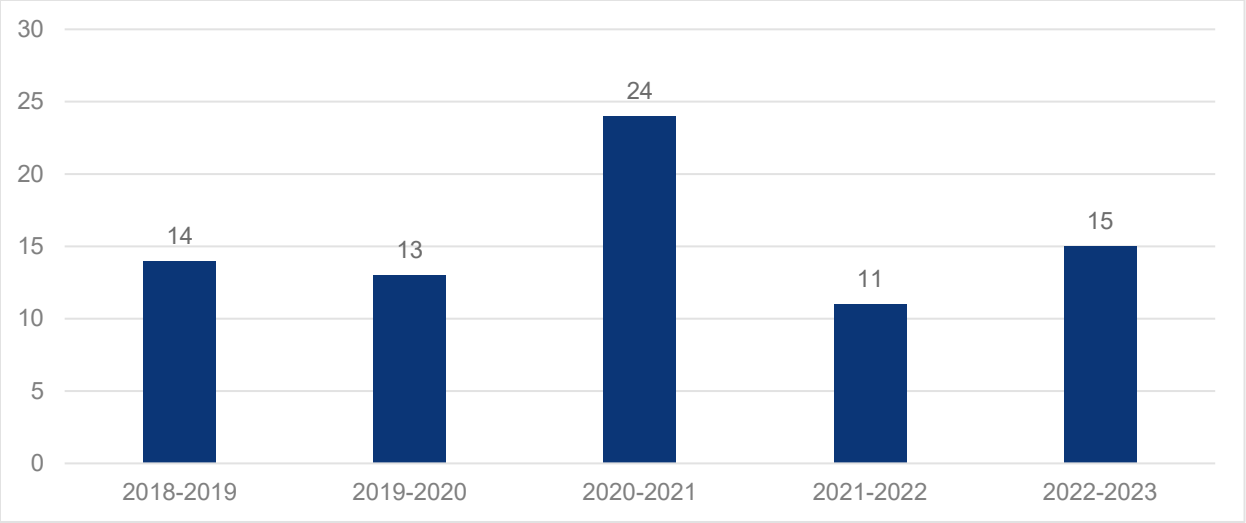
Note. Retrieved from "Average Salary by Role, 2022" provided by New Jersey Data Extract

- The average salary for principals is *higher than* the state average of $137,250.
- The average salary for supervisors is *higher than* the state average salary of $135,133.
- The average teacher salary is *lower than* the state average of $77,619.
- The Superintendent also receives a salary *higher than* the state average of $185,658.
- The Superintendent's salary in 2023-2024 is $238,000, an increase of 42% since 2017.

Some feel the inconsistency in staff and high turnover rates, especially among counselors, pose challenges. While some teachers leave due to relocation, turnover in middle and high schools remains a concern. There is a desire for more training, especially among new hires. Staff shared concerns about changes in leadership within buildings, and how this creates instability that could potentially impact retention. In addition, they noted a re-shuffling of teachers between buildings, annually, and its impact on stability and a desire to stay in the District.

There appears to be a high rate of non-renewals in the District. 77 teacher contracts have been non-renewed in the past five years. The Superintendent shared that they do not always get the best candidates, so they have to non-renew more than other Districts. Additionally, based on interviews and focus groups, there seems to be a lack of a traditional system for non-renewing staff. Based on multiple accounts, unlike many Districts, non-renewal final decisions are made by District staff rather than school-based staff. Rather, the curriculum supervisors meet with the Superintendent to make the final decisions based on the walkthrough data they generate. Principals said they want to have a more active role and have shared that with the Superintendent but there have been no changes made.

FIGURE 12: NUMBER OF TEACHERS NON-RENEWED BY YEAR



Note: Data are from "Number of teachers non-renewed each year for the past five years, Nov 2023" provided by Lakewood Public School District

The promotion and training of paraeducators was also referenced as a source of pride, emphasizing their importance in the educational system. Yet, some staff reported they believe the District may be considering a reduction in paraeducators, raising concerns. Some staff also believe there are disparities in paraeducator salaries also need attention, with some new hires earning more than experienced counterparts.

The teacher and administrator transfer process is atypical. Last spring many leaders were transferred to different schools before the end of the school year. Principals were told that they would be moving with little time to share the decision with their staff, students, or families. Additionally, it was disconcerting to staff as well, almost 300, who were transferred at the end of the year without a discussion with the Superintendent, but rather an email with their transfer notification. Staff were surprised by the decision and had little recourse except to move to a new school and for many to a new grade level.

CURRICULUM AND INSTRUCTION

This chapter reviews the curriculum and instruction practices of the Lakewood Public School District and covers the following analysis areas:

- District curriculum
- Professional learning
- Multi-tiered Systems of Supports
- Multilingual Learners
- Access to college and career coursework
- Classroom observations analysis
- Assessment practices
- Student outcomes

SUMMARY

- **Curriculum Development.** Lakewood uses a significant amount of material that is developed internally. Development is controlled by curriculum supervisors, requires frequent revisions, and represents a large expense to the District. Without an Assistant Superintendent whose responsibility would be oversight of the curriculum and its supervisors, each curriculum supervisor can make decisions about changes to their content area without keeping a balance with the other content areas.
- **Curriculum Differentiation.** The intense focus on pacing guides, instructional frameworks, and lesson scripts leaves little room for differentiation in the classrooms. Teachers reported limited time to pause to ensure mastery.
- **Walkthroughs and Observations.** The number of required walkthroughs and observations being completed by curriculum supervisors, instructional coaches, school administrators and the Superintendent are excessive. Required administrative team walkthroughs alone average 200-300 per month occurring within each school. This count does not include walkthroughs by curriculum supervisors or the required formal observation process.
- **Multi-Tiered Systems of Supports (MTSS).** While Lakewood appears to have an intentional framework and intervention resources to support students with their academic and behavioral needs, there seem to be gaps in school-based staff's understanding of them, a consistent application of them across schools and classrooms, and clear documentation about expectations.
- **Career Pathways.** High school student participation in vocational education coursework is strong, but students are not engaged in career pathways programs offered by the District. Only five students participated in a full-time Career Academy Pathway in the 2022-2023 school year across three Pathway programs.
- **Advanced Placement (AP).** Student participation in and exam passage rates for Advanced Placement courses are low. Of the students taking AP exams in 2022-2023 for courses offered at Lakewood High School, more than half of the students did not pass in all courses except for Spanish Language and Culture. No students who took the AP US History course passed.
- **Student Engagement.** Students were not engaged in instruction as active learners during PCG observations. There was limited classroom discussion. At the upper elementary through high school levels, almost all observations were of students working independently on assignments. Students were observed to be compliant and orderly.
- **Instructional Practices.** Most instruction observed by PCG was teacher-directed, and classroom lesson structure was predictable. Students were not asked to apply higher level thinking skills such as application, analysis, or evaluation.
- **Graduation/Dropout rates.** Graduation rates are lower than the state average and comparable districts; dropout rates are higher.

DISTRICT CURRICULUM

PCG conducted a review of Lakewood's curriculum. The review focused on the English Language Arts (ELA) and Mathematics curriculum as they are the most tested content areas in the State of New Jersey. Documents used for the curriculum review consisted of textbooks currently adopted by the District, available pacing guides, scripted lessons, unit plans, and other curricular material made accessible.

Curriculum Development

Much of the curriculum is developed by the curriculum supervisors and instructional coaches within the District.

In ELA/literacy, at the early elementary level there are some purchased materials such as the Letterland or ReadBright programs focused on the Science of Reading. Beginning in Grade 3, the curriculum adds an older version (2013) of the Core Knowledge Reading Program for elementary grades. At the secondary level the District has introduced CommonLit 360, a subscription based digital literacy program, that is supplemented by older versions (2015) of Houghton Mifflin Harcourt (HMH) textbooks. Commonlit is a digital literacy program. All grade levels supplement the curriculum with additional texts such as decodable readers or novels are purchased for each grade level. These decisions are made at the curriculum supervisor level.

At the elementary and middle school levels, math curriculum is solely developed by the curriculum supervisors and the instructional coaches. There are teacher guides and student workbooks/worksheets created within the District for all grade levels. Beginning at the high school level, more traditional high school math textbooks are used.

Table 13 lists of all ELA and Math Resources used within the Lakewood classrooms.

TABLE 13: ELA AND MATH CURRICULUM MATERIALS- K-12

GRADES	ELA RESOURCES	MATH RESOURCES
Kindergarten	Letterland Copyright 2015 Letterland Phonics Workbooks Copyright 2022 ReadBright Teacher's Guides, Student Workbook, Homework Book, Handwriting Book, Decodable Texts (Copyright 2017- 2023)	K Math Ready Classroom Teacher Guide & Student Workbook 2021 iReady Intervention Program
Grade 1	Letterland Teacher Manual Copyright 2015 ReadBright Teacher's Guides & Student Materials Copyright 2023	Grade 1 Math Ready Classroom Teacher Guide & Student Workbook 2021 iReady Intervention Program
Grade 2	Letterland Teacher Manual (Copyright 2015) Letterland Phonics Workbooks (Copyright 2022)	Grade 2 Math Teacher Guide & Student Workbook iReady Intervention Program
Grade 3	Core Knowledge Language Arts - 2013 Letterland Teacher Manual	Grade 3 Math Teacher Guide & Student Workbook iReady Intervention Program
Grade 4	Core Knowledge Language Arts 2013	Grade 4 Math Teacher Guide & Student Workbook iReady Intervention Program
Grade 5	Core Knowledge Language Arts 2013	Grade 5 Math Teacher Guide & Student Workbook iReady Intervention Program
Grade 6	CommonLit Texts & Resources, 360 Curriculum, 3-year subscription	Grade 6 Math Teacher Guide & Student Workbook iReady Intervention Program
Grade 7	CommonLit Texts & Resources, 360 Curriculum, 3-year subscription	Grade 7 Math Teacher Guide iReady Intervention Program

Grade 8	CommonLit Texts & Resources, 360 Curriculum, 3-year subscription	Grade 8 Math Teacher Guide iReady Intervention Progam
Grade 9	CommonLit Texts & Resources, 360 Curriculum, 3-year subscription Textbook: HMH Collections, Grade 9 – 2015	Algebra 1, Big Ideas Learning, 2022
Grade 10	CommonLit Texts & Resources, 360 Curriculum, 3-year subscription Textbook: HMH Collections, Grade 10 – 2015	Reveal Geometry, McGraw Hill, 2020
Grade 11	CommonLit Texts & Resources, 360 Curriculum, 3-year subscription Textbook: HMH Collections, Grade 11 – 2015	Algebra 2, Big Ideas Learning, 2022
Grade 12	CommonLit Texts & Resources, 360 Curriculum, 3-year subscription Textbook: HMH Collections, Grade 12 - 2015	The Practice of Statistics, BFW, 2020 A Graphical Approach to PreCalculus with Limits, Pearson, 2019

Note. Retrieved from "2023-2024 Textbook Inventory, Kindergarten - Grade 12" provided by Lakewood Public School District

Curriculum Analysis

K-2 ELA Analysis

- The ELA curriculum at the K-2 level is highly focused on the Science of Reading (SoR). Both Letterland and ReadBright follow the tenants of the SoR and focus on Foundational Reading skills and targeted instruction.
- K-2 classrooms are well resourced with material that supports the SoR including decodable books, sound walls, etc.
- Resources are standardized for each classroom. There are similar anchor charts, wall posters, and support materials for each grade level.
- Classroom schedules show a 2-hour literacy block that includes foundational skills, targeted instruction, language and comprehension, and writing, which occurs in an additional 40-minute writing block. The classroom schedules and focus on reading skill development align with current best practices in reading.

3-5 ELA Analysis

- Third grade is a transitional year. There is a shift that begins from using Letterland as a key component of the curriculum to materials with more of a focus on building comprehension skills using the Core Knowledge reading textbook, with novels to supplement the instruction.
- Core Knowledge with its partnership with Amplify is a well-known resource that has a heavy focus on non-fiction text.
- Lakewood is not using the newest version of Core Knowledge ELA, but rather an older version published in 2013, making the textbook eleven years old.
- iReady is used support math intervention within the classroom.
- EdReports[49] rated a 2015 version of the Core Knowledge textbook 'Meets Expectations'. It is difficult to determine if the 2013 version would receive the same rating using the same measurements.
- In addition to the Core Knowledge series, teachers incorporate novels at each grade level to teach the standards as well. There were teacher concerns that some of the non-fiction stories included in the reading textbook were not relatable to their students. Topics range from the Middle Ages to Astronomy to Animals.

Secondary ELA Curriculum

- Secondary ELA curriculum has been transitioning to CommonLit 360 over the past two years.[50]

[49] *Ed Reports.* (n.d.). Core Knowledge ELA.
[50] *Common Lit 360*, *Program Guide.* (n.d.) Commonlit. https://www.commonlit.org/en

- This is the first year for some of the high school classes to adopt the program. The program is digital and there are some free resources as well as a subscription-based service with resources. The District has purchased a 3-year license for the program.
- In each unit, students examine a series of texts that focus on a central theme or topic. Throughout the unit, lessons and activities support students in developing a core understanding of the knowledge and skills presented. At the end of each unit, students complete a culminating task which serves as the unit's summative assessment.
- During the focus groups, participants shared that the transition to CommonLit 360 for both students and staff has been difficult. There is a lot of content in each lesson and the reading level is a challenge for some of their students who are English Learners and/or below grade level in reading.
- All ELA classes at the middle school are 80 minutes long. At the high school level. English 1 is a double block lasting 80 minutes. All other English classes, with the exception of AP English, are a single 40-minute period. AP English is a double block that lasts 80 minutes.

Elementary and Middle School Math

- Math curricular materials in Grades K-8 have been fully designed and developed by the math curriculum supervisor and the instructional coaches. The teacher's guide, lesson guide PowerPoint, and the worksheets are provided to the teachers each year.
- There are manipulative materials purchased as well for classrooms use as part of their instruction.
- There are approximately 80 minutes allocated for math instruction at the elementary level.
- In the middle school, there are two periods designated for math which is approximately 80 minutes.
- Focus group participants questioned how well the lessons and materials are aligned to the standards, even if there is a standard referenced in the pacing guide. There were more concerns regarding the math curriculum by teachers than the reading curriculum at the elementary level.

Table 14 shows a sample of a second-grade math pacing guide, unit content, and NJSLS alignment.

TABLE 14: 2ND GRADE MATH PACING 2023-2024

Unit	Pacing	NJSLS
Beginning of the Year Assessment Unit 1 – Addition within 20 (12 activities) iReady Diagnostic – 1	September 7 – October 13 (25 days)	2.OA.2 2.MD.6
Unit 2 – Subtraction within 20 (6 activities)	October 16 – November 3 (15 days)	2.OA.2 2.MD.6
Unit 3 – Understanding Place Value to 1000 (19 activities)	November 6 – December 15 (26 days)	2.NBT.1 2.NBT.2 2.NBT.3 2.NBT.4 2.NBT.8
Unit 4 – Properties of Operations within 100: Addition and Missing Addend (6 activities)	December 18 – January 19 (17 days)	2.OA.1 2.NBT.5 2.NBT.6 2.NBT.9 2.MD.6
Unit 5 – Properties of Operations within 100: Subtraction and Comparison Word Problems (7 activities) iReady Diagnostic – 2	January 22 – February 13 (17 days)	2.OA.1 2.NBT.5 2.NBT.6 2.NBT.9 2.MD.6

Note. Retrieved from "Math Pacing Guides". Folder #38. Curriculum Map and/or Pacing Guide provided by Lakewood Public Schools.

High School Math

- The high school has a more traditional approach to using math textbooks to teach the content for Algebra I & II, Geometry, Statistics, and Pre-Calculus. The books have been recently purchased with copyrights ranging from 2020-2022.
- There is a pacing guide and scripts developed for teachers.[51]
- All math classes except for Algebra I are single blocks of 40 minutes. All Algebra I classes are double periods comprised of two 40-minute blocks.

Scripts and Pacing Guides

The Lakewood School District has made a strong commitment to the use of scripts and pacing guides at every grade level and within each content area. The scripts and pacing guides are created by the District, and updated at least annually, with the expectation they will be used by teachers whether the curriculum is created internally or by an outside company such as LetterLand or CommonLit 360.

Scripts are considered "soft scripts" by the administration and are intended to be used as a guide when delivering instruction. However, at the teacher level, the messaging around scripts varies depending on the school. During focus groups, it was shared that some teachers were given a poor evaluation from their curriculum supervisor's walkthrough if they not following the script verbatim. Focus group participants indicated there is the greatest emphasis on reading from scripts in grades K-2. Written guidance notes that teachers must be within ten days of the pacing guides expectations. There are three days set aside within the pacing guide to provide review instruction to support students who have not mastered previously taught skills or to catch up on instructional pacing.

[51] *Math Pacing Guides*. (Retrieved, 2024). Folder #38. Curriculum Map and/or Pacing Guide. Lakewood Public Schools.

FIGURE 13: KINDERGARTEN ELA SCRIPT

October 24th: Immersion

Materials: List Examples (Mrs. Packet)

Connection: Writers, we have been learning about *Lists*. Remember, a list helps organize information or items that fit within the category or topic. The title is the topic or category you are writing about. We discussed two examples of lists yesterday. We looked at and discussed a grocery list and a birthday list. We also discussed that we have lists in our classroom such as birthday lists, bus lists, lunch lists, and school supply lists. These lists can be helpful in our everyday lives.

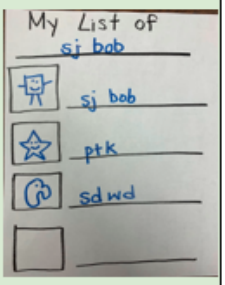
Teach: Today we will look at Mrs. Packet to see what some additional lists look like. Mrs. Packet will help us a lot this year!

Model: *Display* List Examples (Mrs. Packet)

Note: It is important to refer to Mrs. Packet often. Each student should have their own Mrs. Packet in their folder so they can easily access the samples and use them as a tool when they get stuck.

This is a list. List Examples (Mrs. Packet) Mrs. Packet can help me when I am stuck writing on my own. I am going to look at the sample which will be in your folder as a tool for you to use. The title of this list is- **My List of Spongebob** (*point to the title*). Underneath the title, I see there are three items listed. I am going to look at the first picture (*point to the picture with the character*). On the line next to this picture, I see the label Spongebob. The author of this list drew a picture and used a label to describe that picture.

The next picture is in a star shape. It is another character from the show Spongebob. The label on this line says, Patrick. Since Patrick is a character on the show Spongebob I can confirm that he belongs on this list!



The last picture on the list looks like another character. The label says- Squidward. He is another character from the TV show Spongebob. So now that I have read this list I can see the author gave the list a title-Spongebob. Underneath the title, there are three characters listed from that same show.

I am going to show you another example of a list. The title of this list is- My Favorite Superheroes (*point to the title*).

In the first box, I see that the author of this list drew a picture of a superhero. I am going to look at the label to help me figure out what the picture is of. The label says Superman (*point to the label*). Superman is a superhero. The author of this list wants us to know their favorite superheroes.

Note. Retrieved from "Kindergarten Unit Plans, Soft Scripts & Materials". Folder #39. K-2 Instructional Resources, provided by Lakewood Public Schools.

The pacing guides and scripts are detailed documents that provide the teacher with the words they should say while teaching the lesson, an example of the student visuals, and examples of displays for the classroom. There are active links embedded in the document that provide examples of what the teacher and their students should produce. Each script is found in the unit plan, which also consists of a pacing guide, sample wall posters, anchor charts, assessments, and other curricular materials that should be used during the lessons. In addition to each lesson, a PowerPoint deck is provided to guide the instruction as well. Teachers show the slides on the SMART board and the slide deck is used as a student and teacher guide for each lesson. The PowerPoint decks are branded in similar ways and are expected to be used in each lesson. The District discourages adding material that is not developed by the District and included within the unit plan, pacing guide, script or PPT decks.

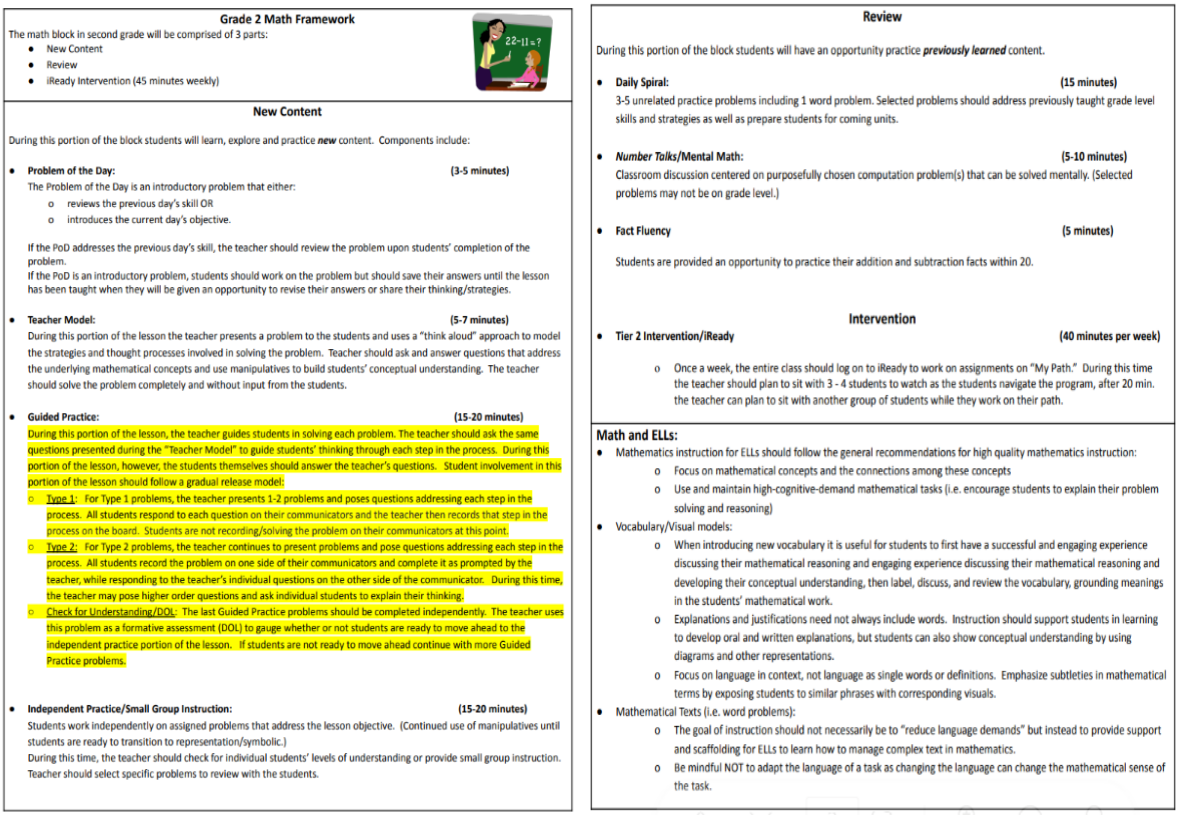
Instructional Framework

In addition to a unit pacing guide and lesson scripts, teachers receive an instructional framework for each lesson. The instructional framework provides an overview of how the lesson should be instructed as well as the amount of time needed for each part of the lesson. The instructional strategy used by Lakewood is the Gradual Release of Responsibility model (I do, We do, You do). Teachers need to stay within the pacing

guidelines of the lesson, which teachers who participated in focus groups repeatedly shared is very stressful.

The instructional framework provides detailed information regarding the lesson design. In **Figure 14,** the second-grade math lesson depicts an example of the instructional framework that teachers should use throughout the lesson. It is broken out into a problem of the day, teacher modeling (I do), guided practice, which is highlighted in the lesson (We do) and the independent practice/small group instruction (You do) component of the lesson. In addition, the instructional framework also includes a review section with number talk/mental math, and fact fluency. Lastly, there is a section to provide information on additional strategies for the EL students in the classroom. Lesson times are also part of the instructional framework to keep teachers on pace with the unit pacing guide.

FIGURE 14: INSTRUCTIONAL FRAMEWORK



Grade 2 Math Framework

The math block in second grade will be comprised of 3 parts:

- New Content
- Review
- iReady Intervention (45 minutes weekly)

New Content

During this portion of the block students will learn, explore and practice ***new*** content. Components include:

- **Problem of the Day:** **(3-5 minutes)**
  The Problem of the Day is an introductory problem that either:
  - reviews the previous day's skill OR
  - introduces the current day's objective.

  If the PoD addresses the previous day's skill, the teacher should review the problem upon students' completion of the problem.
  If the PoD is an introductory problem, students should work on the problem but should save their answers until the lesson has been taught when they will be given an opportunity to revise their answers or share their thinking/strategies.
- **Teacher Model:** **(5-7 minutes)**
  During this portion of the lesson the teacher presents a problem to the students and uses a "think aloud" approach to model the strategies and thought processes involved in solving the problem. Teacher should ask and answer questions that address the underlying mathematical concepts and use manipulatives to build students' conceptual understanding. The teacher should solve the problem completely and without input from the students.
- **Guided Practice:** **(15-20 minutes)**
  During this portion of the lesson, the teacher guides students in solving each problem. The teacher should ask the same questions presented during the "Teacher Model" to guide students' thinking through each step in the process. During this portion of the lesson, however, the students themselves should answer the teacher's questions. Student involvement in this portion of the lesson should follow a gradual release model:
  - Type 1: For Type 1 problems, the teacher presents 1-2 problems and poses questions addressing each step in the process. All students respond to each question on their communicators and the teacher then records that step in the process on the board. Students are not recording/solving the problem on their communicators at this point.
  - Type 2: For Type 2 problems, the teacher continues to present problems and pose questions addressing each step in the process. All students record the problem on one side of their communicators and complete it as prompted by the teacher, while responding to the teacher's individual questions on the other side of the communicator. During this time, the teacher may pose higher order questions and ask individual students to explain their thinking.
  - Check for Understanding/DOL: The last Guided Practice problems should be completed independently. The teacher uses this problem as a formative assessment (DOL) to gauge whether or not students are ready to move ahead to the independent practice portion of the lesson. If students are not ready to move ahead continue with more Guided Practice problems.
- **Independent Practice/Small Group Instruction:** **(15-20 minutes)**
  Students work independently on assigned problems that address the lesson objective. (Continued use of manipulatives until students are ready to transition to representation/symbolic.)
  During this time, the teacher should check for individual students' levels of understanding or provide small group instruction. Teacher should select specific problems to review with the students.

Review

During this portion of the block students will have an opportunity practice ***previously learned*** content.

- **Daily Spiral:** **(15 minutes)**
  3-5 unrelated practice problems including 1 word problem. Selected problems should address previously taught grade level skills and strategies as well as prepare students for coming units.
- ***Number Talks*/Mental Math:** **(5-10 minutes)**
  Classroom discussion centered on purposefully chosen computation problem(s) that can be solved mentally. (Selected problems may not be on grade level.)
- **Fact Fluency** **(5 minutes)**

  Students are provided an opportunity to practice their addition and subtraction facts within 20.

Intervention

- **Tier 2 Intervention/iReady** **(40 minutes per week)**
  - Once a week, the entire class should log on to iReady to work on assignments on "My Path." During this time the teacher should plan to sit with 3 - 4 students to watch as the students navigate the program, after 20 min. the teacher can plan to sit with another group of students while they work on their path.

Math and ELLs:

- Mathematics instruction for ELLs should follow the general recommendations for high quality mathematics instruction:
  - Focus on mathematical concepts and the connections among these concepts
  - Use and maintain high-cognitive-demand mathematical tasks (i.e. encourage students to explain their problem solving and reasoning)
- Vocabulary/Visual models:
  - When introducing new vocabulary it is useful for students to first have a successful and engaging experience discussing their mathematical reasoning and engaging experience discussing their mathematical reasoning and developing their conceptual understanding, then label, discuss, and review the vocabulary, grounding meanings in the students' mathematical work.
  - Explanations and justifications need not always include words. Instruction should support students in learning to develop oral and written explanations, but students can also show conceptual understanding by using diagrams and other representations.
  - Focus on language in context, not language as single words or definitions. Emphasize subtleties in mathematical terms by exposing students to similar phrases with corresponding visuals.
- Mathematical Texts (i.e. word problems):
  - The goal of instruction should not necessarily be to "reduce language demands" but instead to provide support and scaffolding for ELLs to learn how to manage complex text in mathematics.
  - Be mindful NOT to adapt the language of a task as changing the language can change the mathematical sense of the task.

Note. Retrieved from "Math Frameworks". Folder #38. Curriculum Map and/or Pacing Guide, provided by Lakewood Public Schools.

Curriculum Oversight

There is no Deputy or Assistant Superintendent in Lakewood for Curriculum and Instruction, unlike in the comparative Districts and typical practice. Curriculum development and oversight is the responsibility of the Curriculum Supervisors. The Curriculum Supervisors' responsibilities include curriculum development, pacing guide and script development, lesson PPTs, professional development including PLC content, supervision of instructional coaches, and instructional observations of all classroom teachers within their content area. There are six Curriculum Supervisors, and they are responsible for the following content areas:

- Supervisor of Math (K-12); Technology (K-12); and High School Instruction
- Supervisor of Science (K-12); Social Studies (K-12); and Assistant Principals

- Supervisor of Bilingual and ESL (K-12); and World Languages (K-12)
- Supervisor of ELA (3-12); and Fine Arts (K-12)
- Supervisor of Title I Instruction and ELA (K-2)
- Supervisor of School Counseling Services, Testing and Anti- Bullying Coordinator (more limited responsibilities than content coaches)

Curriculum supervisors and instructional coaches continuously review and edit pacing guides and 'tweak' curriculum to keep them updated regularly throughout the school year, therefore change is constant. Each summer changes are made in the curriculum, pacing guides, and scripts which means that teachers are relearning the curriculum and often familiarizing themselves with a new selection of novels. For elementary teachers, curriculum changes happen in both ELA/literacy as well as math. Without an Assistant Superintendent whose responsibility would be oversight of the curriculum and its supervisors, each curriculum supervisor can make decisions about changes to their content area without keeping a balance with the other content areas.

Teacher focus group participants reported that there are times they would like to make modifications in either the content or materials used in lessons based on the needs of their students. However, changes cannot be made to any part of the pacing guide or content unless the curriculum supervisor gives permission. The school principal does not have any oversight or decision-making authority over curriculum decisions.

To ensure that all the materials are being used as directed by the curriculum supervisors, there is significant teacher oversight. Each supervisor conducts classroom walkthroughs and observations each week for their content area. In addition, the instructional coaches, who are direct reports to the curriculum supervisors are in classrooms weekly supporting teachers but are required to report to curriculum supervisors when they observe struggling teachers. Furthermore, principals are directed by the Superintendent to complete 3-5 walkthroughs per day (15-25 per week). Assistant principals also must complete the same number of classroom walkthroughs and observations per day. At the end of each week, the walkthrough forms from both the principal and the assistant principals, which could be as many as 50-75, are sent to the Superintendent's office for review by the curriculum supervisors. Finally, every month the curriculum supervisors and the Superintendent conduct classroom walkthroughs together.

The walkthroughs are in addition to the teacher's evaluation program which is aligned to the Charlotte Danielson Framework for Teaching model.[52] The level of oversight is excessive and has had negative on school-based staff. During a walkthrough if a curriculum supervisor observes a teacher and the lesson is not aligned with the pacing guide or the teacher is using unapproved material, they are "written up" for the offense. One focus group participant said she makes her early elementary students throw away their breakfast if it gets past 8:03 in the morning as it will lead to her not meeting her lesson pacing goals and she never knows when someone will be in to observe her classroom.

Curriculum Costs

Lakewood uses the general fund and federal funds from title appropriations to pay for curriculum costs. Additionally, Lakewood used ESSER monies to make needed purchases of goods and services to support the schools. In the first part of the 2023-2024 fiscal year, Lakewood spent *$11,200,181* for materials, supplies, equipment, training, and staff time for curricular related items as recorded in the Lakewood School Board minutes.

Staff Survey & Focus Group Comments

Below are sample comments provided during focus groups and in the staff survey:

[52] Danielson, C. (2022). *The Framework for Teaching*. The Danielson Group. https://danielsongroup.org/the-framework-for-teaching

CURRICULUM

- *There is pressure of keeping to the extensive curriculum, including the need for students to be doing a set amount of computer work per week.*
- *Lakewood doesn't use high quality curriculum to meet the needs of students. Curriculum created "in house" lacks the materials and resources to reach all students.*
- *The curriculum provided for math is awful, and not aligned properly with the state standards. The District curriculum is not aligned with the textbooks provided to us for math.*
- *The curriculum is not appropriate for the population of students I teach, specifically the ELA curriculum. It's heavy in content which provides a barrier for students to succeed and learn the standards. A full curriculum should be purchased from a company that writes and edits curriculum.*
- *The idea of implementing a writing curriculum that is effective in the development of writing skills is not a priority of the District. Writing is an interdisciplinary skill. Put that on top of the majority of students in the District are learning a second language, therefore grammar and linguistics of the English language is even more important to be learned and mastered. Young students, specifically K-2, need to learn and master grammar skills prior to learning to write paragraphs.*
- *We are not allowed to do fun activities within the math lessons that would actually connect the math to real world situations.*
- *We change a lot of programs each year, we switch programs too often. We need to pick a program and stick with it.*
- *The curriculum is overwhelming for teachers and students. We are never given enough time to successfully implement it. We need a lot more interventions to address gaps and deficits students are having in all areas but especially in phonemic awareness and phonics.*

PACING GUIDES AND SCRIPTS

- *A "one size fits all approach" when it comes to lesson structure is not conducive to all subject matter.*
- *The pacing guide must be followed exactly. The framework within the pacing guide must be followed word for word.*
- *The curriculum pacing is very fast paced. I would like to see more time to review skills taught to the mastery level.*
- *Expectations are very high, which is good. However, as teachers, we need to be able to get our students there. The District is highly focused on staying on pace with the curriculum and following it to the exact point. This doesn't allow teachers time to teach what is needed to get the students to meet the high expectations and really take ownership over the content within the curriculum.*
- *If teachers were permitted to make adjustments to the curriculum to fill gaps in the students' education, then it would make sense.*
- *Our curriculum in both math and ELA is riddled with mistakes that affect student growth.*
- *The lack of flexibility in expectations hinders the quality of work. Teachable moments are rich opportunities for learning. Being locked into a time schedule which is set in stone greatly and negatively affects student learning.*
- *For ELL students, it is clear that students are not always getting the material. When I was able to pull the kids into smaller groups and go deeper into the material it worked well, but there is no time to do that.*
- *In science classes, there are several students who are ELL. Those students need time to digest the material and vocabulary that is so specialized, but there is no time.*

CURRICULUM SUPERVISION

- *Teachers are extremely stressed out by the constant walkthroughs with negative feedback and observations that are extremely critical and make them feel terrible about themselves.*
- *The walk throughs are a challenge as well as not being able to have freedom to teach what my students need vs what the supervisors are telling me they need.*
- *The math supervisors expect all teachers to teach the same lesson the same exact way regardless of if some students have IEPs or are bilingual.*

- *There is mental anxiety of not being good enough in the eyes of the administration.*
- *Sometimes curriculum supervisors can have a lot of influence in our building. They keep jamming a lot in and teachers are not sure how they will finish everything.*
- *The curriculum supervisors are not connected to the classrooms.*
- *Curriculum supervisors have an important role in non-renewals. Teachers feel targeted based on their opinion of their use of scripts and pacing guides.*

Curriculum Findings

- ***Curriculum Development.*** Lakewood uses a significant amount of material that is developed internally. The model used for curriculum development and adoption empowers a small group of staff the responsibility to make all the curriculum decisions without input from other stakeholders. In most Districts, there are 'multiple layers' of the development process where there is a high level of teacher involvement and a pilot of materials before anything is finalized and approved at the Board level.

- ***Curriculum Differentiation.*** The focus on pacing guides, instructional frameworks, and lesson scripts leaves little room for differentiation in the classrooms. Teachers reported that even if their students are struggling, they have to move on to keep up with the pacing guide. There is no time to pause to ensure mastery. Additionally, even though some scripts and instructional frameworks may have suggestions for differentiating for their ELL student, there is no time to incorporate those ideas as they have to rush through their lessons to ensure they are on track. In multiple classrooms, PCG observed teachers telling their students that they had to move along during their lessons.

- ***Scripts and Pacing Guides.*** The scripts and pacing guides are full of rich information, resources, and teacher materials to support lesson planning and instruction. There are a lot of details and are useful for teachers. However, the anxiety shared by school-based staff from all levels during focus groups was very real. Staff shared that they are fearful that they will be "caught" when someone shows up unannounced for a walkthrough and the teacher is using something different than the script, pacing guide, or unit planner assigned for that day. In one classroom observed by PCG, the teacher shared that the lesson was not designed by a curriculum supervisor, but her students needed a break from a scripted lesson which included "staring at their computers." During the observed lesson, the students were highly engaged, and the lesson was well designed and delivered.

- ***Walkthroughs and Observations.*** The number of required walkthroughs and observations being completed by curriculum supervisors, instructional coaches, school administrators and the Superintendent are excessive. If each administrative team conducts five walkthroughs per day, there would be 200-300 walkthroughs per month occurring within each school. This count does not include walkthroughs by curriculum supervisors. It also does not include the required formal observation process. The number of walkthroughs is likely disruptive to classroom instruction and has not resulted in increased student gains.

- ***Frequent Revision Process.*** Scripts, pacing guides, and unit planners are constantly being updated due to mistakes that teachers find and report. Some pacing guides are being developed during the school year due to the various changes needed.

- ***Change in Schedules.*** At the high school level, bell schedules have reportedly changed each year for the past several years, including most recently shortening the time allotted per period for most core classes. These changes directly impact the curriculum and pacing guides. This year the schedule is a traditional 40-minute class period for most classes. Teachers shared that they did not have enough time to teach their lessons compared with the AB block schedule that was at the high school during the 22-23 school year.

- ***Curriculum Budget.*** The curriculum budget is a large expenditure for the Lakewood School District, as it is for most Districts. However, with a curriculum that is mostly developed by the District, there are numerous added expenses such as new materials, professional development, curriculum writing staff costs, etc. that may not be found in other Districts.

Multi-Tiered System of Supports

New Jersey Framework

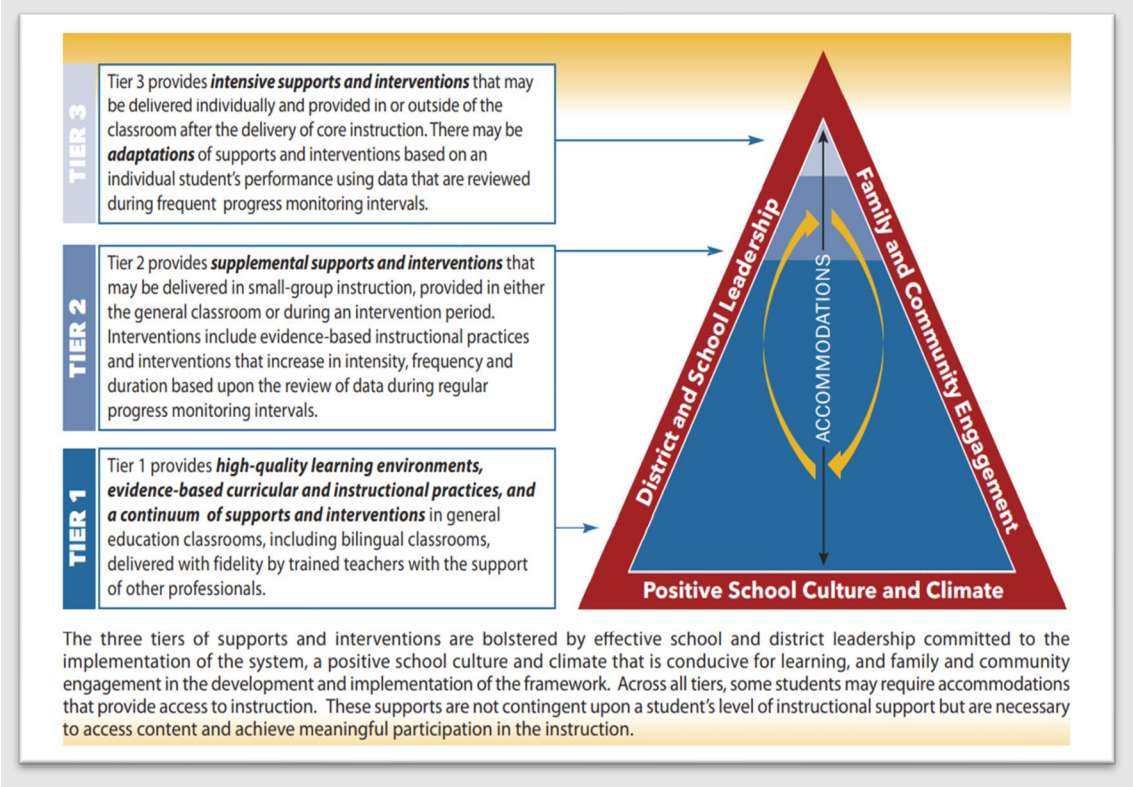
Under the Multi-Tiered System of Supports (MTSS) framework, core instruction is evidence-based, rigorous and of high quality. By utilizing a universal design for learning system, learning differences are considered proactively rather than reactively. The instruction is culturally relevant and linguistically appropriate and is implemented with integrity for all students. The framework is based on a presumption that some students require additional instruction in order to achieve grade level standards. Increasingly intensive tiers of academic and social/emotional support are targeted to meet student needs based on data-based problem-solving and decision-making; instruction is adjusted to continually improve both student performance and the rate at which it progresses. Furthermore, the process is used to assess (using student responses to the instruction) the effectiveness of the tiered instruction/interventions being implemented. Many states have established intervention systems that align to the core tenets of the MTSS process and branded them accordingly. In New Jersey, MTSS has been adopted as the New Jersey Tiered System of Support (NJTSS) as shown in **Figure 15**.

NJTSS is a framework of academic and behavioral supports and interventions to improve student achievement based on the core components of MTSS and the three-tier prevention logic of Response to Intervention (RtI). It builds upon the I&RS model and gives schools a structure to meet the academic, health, enrichment, and social emotional needs of all students. The tiered system involves the systematic development of nine essential components in schools for the effective implementation of the framework with fidelity and sustainability. Those components include:

- Effective District and school leadership;
- Family and community engagement;
- Positive school culture and climate;
- High-quality learning environments, curricula, and instructional practices;
- Universal screening;
- Data-based decision making;
- Collaborative problem-solving teams
- Progress monitoring; and
- Staff professional development.[53]

[53] New Jersey Tiered System of Supports. (n.d.). https://www.state.nj.us/education/njtss/brief.pdf

FIGURE 15: NEW JERSEY TIERED SYSTEMS OF SUPPORT (NJTSS) PYRAMID, 2020-2021 SCHOOL YEAR



Note. Data retrieved from "New Jersey Tiered System of Supports", by New Jersey Tiered System of Support (https://www.state.nj.us/education/njtss/brief.pdf)

Intervention and Related Services (I&RS)

In New Jersey, when it is first identified that a child is struggling, Districts first engage the support of its Intervention and Referral Services (I&RS) team. I&RS regulations in New Jersey pre-date the national movement toward a Multi-Tiered System of Support (MTSS) framework.[54] However, the intent of the work is aligned: to provide a "coordinated, formal, and well-articulated system of supportive activities and services for staff who have identified student difficulties and those who will be involved in the amelioration of the identified educational concerns."[55] The requirements set forth in these regulations are intended to provide schools with direction in formulating coordinated services and team delivery systems to address the full range of student learning, behavior, and health problems in the general education program. I&RS is designed to be a student support service approach that helps school-based staff and parents address "early identification and intervention of problems at the elementary, middle and high school levels."[56] According to N.J.A.C 6A:16-8.1.,8.2, the goal of the committee is to see measurable student improvement in the identified targeted areas. Under these regulations, New Jersey schools have the flexibility to choose the

[54] RTI is a systemic, multi-tier approach to help support students with learning and behavior needs and seeks to prevent academic failure through early identification, frequent progress monitoring, and increasingly intensive research-based instructional interventions for children who continue to struggle. The RTI method was developed as an alternative to the discrepancy-model, which requires children to exhibit a discrepancy between their ability (as measured by their IQ) and their demonstrated academic achievement (http://www.rtinetwork.org/).

[55] *Resource Manual for Intervention and Referral Services (I&RS).* (n.d.). Official Site of the State of New Jersey. https://www.nj.gov/education/njtss/resources/irs/manual/

[56] Ibid. In February 2014, the New Jersey State Board of Education re-adopted *N.J.A.C.* 6A:16, with amendment to the regulations at *N.J.A.C.* 6A:16-8 that establish intervention and referral services (I&RS). The 2008 I&RS manual is being updated to reflect these changes and will be posted to the state's website upon completion.

most appropriate team configuration to perform I&RS services for their buildings. In addition, they have the flexibility to choose appropriate interventions.

District Practices

Lakewood Public School District adopted Policy 2417 – Student Intervention and Referral Services originally in 2013, followed by an edited version in 2022. This policy establishes the requirement that each school building operate an intervention and referral services team to assist students who are experiencing learning, behavior, or health difficulties and that the District utilize the appropriate multidisciplinary team approach, such as Multi-Tiered System of Supports, for planning and delivering intervention supports.

District Policy[57]
2417 - STUDENT INTERVENTION AND REFERRAL SERVICES (M)
Section: Program
Date Created: October 2013
Date Edited: May 2022

The Board of Education directs the establishment and implementation in each school building in which general education students are served, a coordinated system for planning and delivering intervention and referral services designed to assist students who are experiencing learning, behavior, or health difficulties, and to assist staff who have difficulties in addressing students' learning, behavior, or health needs in accordance with the requirements of N.J.A.C. 6A:16-8.1 and 6A:16-8.2. The Board of Education shall choose the appropriate multidisciplinary team approach, such as the Response to Intervention (RTI) or a Multi-Tiered System of Support (MTSS) model for planning and delivering the services required under N.J.A.C. 6A:16-8.

Students who are experiencing learning, behavior, or health difficulties shall be referred to the school's Intervention and Referral Services (I&RS) Team. The intervention and referral services shall be provided to support students in the general education program and may be provided for students who have been determined to need special education programs and services pursuant to N.J.A.C. 6A:16-8.1(a). The intervention and referral services provided for students who have been determined to need special education programs and services shall be coordinated with the student's Individualized Education Program Team, as appropriate. Child Study Team members and, to the extent appropriate, specialists in the area of disability may participate on intervention and referral services teams, pursuant to N.J.A.C. 6A:14-3.1(d)6.

The functions of the system of intervention and referral services in each school building which general education students are served shall be pursuant to N.J.A.C. 6A:16-8.2(a) and as outlined in Regulation 2417.

Records of all requests for assistance, all intervention and referral services action plans, and all related student information shall be maintained in accordance with Federal and State laws and regulations and New Jersey administrative code pursuant to N.J.A.C. 6A:16-8.2(a)9.

The I&RS Team in each school building shall review and assess the effectiveness of each intervention and referral services action plan in achieving the identified outcomes, and modify each action plan to achieve the outcomes, as appropriate.

At a minimum, the I&RS Team shall annually review the intervention and referral services action plans and the actions taken as a result of the building's system of intervention and referral services, and make recommendations to the Principal for improving school programs and services, as appropriate.

At the end of the school year, the Principal shall, in consultation with the I&RS Team, develop a report on the concerns and issues identified by the I&RS Team and the effectiveness of the services provided in achieving the outcomes identified in the intervention and referral services action plans. This report shall be provided to the Superintendent of Schools.
N.J.A.C. 6A:14; 6A:16-8.1; 6A:16-8.2

Adopted: 17 October 2013
Revised: 10 December 2014
Revised: 27 May 2022

[57] *Lakewood Public School District Adopted Policy 2417*. (n.d.). Lakewood Public School District

Despite the reference to employing an MTSS framework in this policy and other supporting documents, focus group participants generally either did not know what MTSS was or said that their school does not use it. It was reported by multiple focus group participants that there was recent professional development for tiered level of instruction, but also that "*our curriculum is not set up to allow teachers to implement"* this model.

School-based staff did, however, describe what interventions occur at Tiers 2 and 3. There were a wide variety of descriptions regarding how interventions are used to support students, what staff believe to be available, and how I&RS intersects, specifically, staff report that:

- Teachers struggle to meet the needs of students, when often almost the entire classroom requires Tier 2 intervention.
- Younger students are not cognitively ready to learn what they are being taught. Tier 2 in 2nd grade is spent on students learning first grade skills, so the gap continues to widen. Many students who are assigned Tier 2 interventions on iReady are unable to sit and work independently on it.
- Tier 3 stops at grade 3, with no Tier 3 reading intervention in grades 3-5.
- Some teachers are reportedly unaware of what Tier 3 means and do not know about I&RS.
- School-staff can recommend students for I&RS but in the past few years this has not been brought up at their schools.
- At the high school level, students are more frequently referred for I&RS for absences and behaviors, not for suspected disability.

There were also expressed concerns that students in middle school are far behind in reading, functioning at the 3rd or 4th grade reading level. They may be able to read words, but their comprehension is lacking.

The 2023-24 Lakewood Public School District goals noted a focus on improving student achievement through improving Tier 1 universal instruction through "giving teachers the resources and supports needed to teach more efficiently and effectively," and improving Tier 2 small group through "intensive, purposeful instruction based on the individual needs of students (data driven)."[58] The power point includes the graphic shown here, as a means to explain the tiers of intervention.

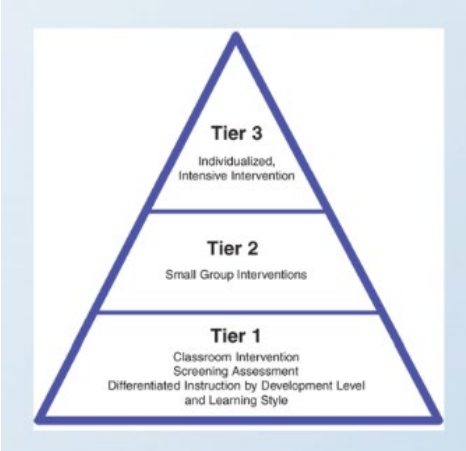


FIGURE 16: MTSS FRAMEWORK

For the 2023-24 school year, the K-1 Math Intervention Program is in its second year of implementation. Two Math Interventionists have been assigned to Piner Elementary School and Spruce Street School. Eligible students will receive individualized, intensive math instruction in order to close gaps before they widen.

The K-2 Reading Intervention Program will continue to provide individualized, intensive reading instruction to students in grades K-2 at Piner, Spruce, Oak and Clifton Avenue Elementary Schools. Maintaining student data is required in order to measure/monitor progress.

While Lakewood appears to have an intentional framework and intervention resources to support students with their academic and behavioral needs, there seem to be gaps in school-based staff's understanding of them, a consistent application of them across schools and classrooms, and clear documentation about expectations.

[58] *Lakewood School District's Goals for the 2023-24 School Year*. (n.d.). Lakewood Public School District.

Multilingual Learners

The Lakewood Public Schools Multilingual Learners (ML) program services approximately 1,735 students from kindergarten through grade 12. The majority are Spanish speaking. The second highest population is Ukrainian, with approximately 20 students. The District also services students from a variety of other language backgrounds, including Mandarin, Gujarati, Georgian, Lithuanian, Russian, and Polish. It was reported that roughly 95% of students need a language placement test when they register for schools.

There are 36 English as a Second Language-certified (ESL) staff across the District, according to District-provided data.

The District's ML program is primarily a combination of Bilingual classes taught in the student's native language and Sheltered English Instruction classes. In addition, the District has established a Newcomer Program at all levels (elementary, middle school and high school) for newly arrived ML students who have significant gaps in their formal education and/or are a minimum of two grade levels behind. The Newcomer Program is designed to meet the academic and linguistic needs of these students in an accelerated and individualized instructional setting.[59] Bilingual and Newcomer instruction is offered in Spanish. **Table 15** lists the types of programs and ESL support services within the District.

TABLE 15: LAKEWOOD PUBLIC SCHOOL DISTRICT PROGRAM TYPES AND SERVICES FOR MLS

Program Type	Description	ESL Support
Bilingual Tier 1-2 Classes	For students at ELP levels 1 and 2. Bilingual certified teacher. Spanish instruction while acquiring BICS in English	**Two period minimum of ESL**
Bilingual Tier 3 Classes	For students at high ELP level 2 or low 3s. Bilingual certified teacher. Dual language instruction.	**Two period minimum of ESL**
SEI (Sheltered English Instruction) Classes	For students at ELP level high 3s to 4.4. Classroom teacher who has received a minimum of 15 hours SEI training. Instruction in English	**A minimum of one period of ESL**
3 Newcomer Classes	Bilingual certified teacher. Instruction in Spanish. Small class sizes. For newcomer students who have significant gaps in their education	**Two periods of ESL** **An additional period of Rosetta Stone at the High School**

Table 16 displays the programs for multilingual learners in each building and their enrollment by grade. The bilingual program at Ella G. Clarke is only currently available in Grade 4 and has an enrollment of only 16 students. The bilingual program at Oak Street is only currently available in Grade 2 and Grade 3. The only elementary Newcomer is at Oak Street in Grade 2. There is a gap in newcomer program availability in grades 3 through 6. There are no newcomer programs before 2nd grade or after 10th grade.

[59] *Bilingual ESL Manual.* (n.d.). Lakewood Public Schools

TABLE 16: LAKEWOOD MULTILINGUAL LEARNER TOTALS BY SCHOOL AND GRADE LEVEL (2023-2024)

School	Program	Grade	Number of Students	Total
LECC	Sheltered English	PreK (3)	28	128
		PreK (4)	84	
		Kindergarten	16	
Piner Elementary School	Sheltered English	PreK (3)	15	231
		PreK (4)	59	
		Kindergarten	76	
	Bilingual	Kindergarten	81	
Spruce Street School	Sheltered English	Grade 1	100	163
	Bilingual	Grade 1	63	
Ella G Clarke School	Sheltered English	Grade 3	28	139
		Grade 4	31	
		Grade 5	37	
		Grade 6	27	
	Bilingual	Grade 4	16	
Clifton Avenue Grade School	Sheltered English	Grade 2	64	307
		Grade 3	50	
		Grade 4	35	
		Grade 5	19	
		Grade 6	14	
	Bilingual	Grade 2	24	
		Grade 3	29	
		Grade 4	16	
		Grade 5	25	
		Grade 6	31	
Oak Street School	Sheltered English	Grade 2	71	313
		Grade 3	62	
		Grade 4	64	
		Grade 5	29	
		Grade 6	22	
	Bilingual	Grade 2	21	
		Grade 3	26	
	Newcomer	Grade 2	18	
Lakewood Middle School	Sheltered English	Grade 7	46	145
		Grade 8	30	
	Bilingual	Grade 7	28	
		Grade 8	26	
	Newcomer	Grade 7	10	
		Grade 8	5	
Lakewood High School	Sheltered English	Grade 9	31	266
		Grade 10	28	
		Grade 11	30	
		Grade 12	42	
	Bilingual	Grade 9	39	
		Grade 10	44	
		Grade 11	32	

		Grade 12	8	
	Newcomer	Grade 9	9	
		Grade 10	3	
Adult High School	Sheltered English	N/A	10	10

Highlighted cells indicate programs that do not exist across all grade levels in the given school
Note. Data are from " Lakewood ML Totals by School and Grade Level 2023-2024" provided by Lakewood Public School District

Table 17 shows the percentage of students attending each school who are multilingual learners. In some schools, over half of the students require multilingual services.

TABLE 17: MULTILINGUAL STUDENTS BY SCHOOL

School/Location	Number of ML Students	Student Enrollment	Total Percentage of the School Population
LECC	**125**	**268**	46%
Spruce Street School	**159**	**258**	62%
Piner Elementary School	**222**	**391**	57%
Oak Street School	**314**	**652**	48%
Clifton Avenue Grade School	**288**	**492**	59%
Ella G Clarke School	**149**	**347**	43%
Lakewood Middle School	**182**	**586**	31%
Lakewood High School	**296**	**1,335**	22%
Total	1,735	4,329	**40%**

Note. Data are from " Lakewood ML Totals by School and Grade Level 2023-2024" provided by Lakewood Public School District

Table 18 outlines the bilingual and ESL textbooks and resources used in the District K-12. Some of the resources are used in the general education classrooms, while others are focused on specialized instruction for Multilingual Learners.

TABLE 18: BILINGUAL AND ESL DEPARTMENTAL TEXTBOOKS AND RESOURCES

Course/Grade	Textbook and Resource Titles
Bilingual K-6	Amplify mClass Lectura Estrellita, Lunita, Fugaces Decodable Readers: La Familia Alegria, ¡Hola! Decodable Readers: Just Right Reader Palabras a su Paso Heggerty iStation and iReady en Espanol Core Knowledge

	CKLA CommonLit
ESL K-6	Spotlight on English Lexia English National Geographic Cengage: Exploring Science Social Studies: myWorld Interactive Scholastic: Let's Find Out CommonLit
ESL Grades 7-8	Inside Level A Inside Level B Inside the USA
ESL Grades 9-12	Side by Side (Newcomer) Q-Skills for Success Achieve 3000
English for ELLs	Inside the USA (Newcomer) Edge
7th Grade	Math: Built to the Common Core-Course 2 ALEXS Online Program
8th Grade	Math: Built to the Common Core-Course 3 ALEXS Online Program
High School Newcomer Program	Rosetta Stone
High School Content Area Textbooks in Spanish for Bilingual Classes	
Algebra	Revela el Algebra ALEKS online program
World History	Historia del Mundo Newsela
US History/	Historia de Estados Unidos Newsela

Note: Data are from "2023-2024 Bilingual Textbook Inventory, Kindergarten - Grade 12" provided by Lakewood Public School District

College and Career Course Offerings

Dual Enrollment

Lakewood High School offers access to 18 dual enrollment courses through a partnership with Ocean County College. Approximately 125 students participated in the Dual Enrollment program during the 2023-2024 School Year per District data. This program is offered free of charge to students and allows students to graduate with an Associate's degree in their respective field of study.

Vocational Education

There are a number of career-focused options for students offered at Lakewood High School, such as Army Junior ROTC, Perkins Pathways coursework and other career-focused course offerings. Students can also enroll in a large number of vocational courses through the Ocean County Vocational Technical High School.

139 high school students participated in vocational courses during the 2022-2023 school year according to District provided data.

TABLE 19: LAKEWOOD PUBLIC SCHOOL DISTRICT VOCATIONAL COURSE ENROLLMENT

Year	Total VOC Students	Applied Arts	Engineering Computers & Design	Construction Trades	Health Technologies	Service Occupations	Transportation Technologies
2017-2018	97	6	3	7	34	31	16
2018-2019	91	13	1	9	26	30	12
2019-2020	112	16	5	15	30	34	12
2020-2021	131	17	12	16	36	25	25
2021-2022	152	21	9	15	40	38	29

2022-2023	139	20	4	10	43	46	16

Note: Data retrieved from Lakewood Public School District file, "2017-2023 Alcantara Data March 25, 2023"

FIGURE 17: 2023-2024 CTE PROGRAMS OFFERED AT LAKEWOOD HIGH SCHOOL

JROTC- 280301
1. Leadership Education Training 1
2. Leadership Education Training 2
3. Leadership Education Training 3
4. Leadership Education Training 4

Culinary- 120500
1. Hospitality & Culinary 1: Food & Beverage Commercial Foods
2. Hospitality & Culinary 2: Culinary Arts
3. Hospitality & Culinary 3: Catering and Restaurant Service

Fashion- 500407
1. Fashion & Design 1
2. Fashion & Design 2
3. Fashion & Design 3

TV & Production- 100201
1. Television Production 1
2. Television Broadcast Journalism 2
3. Advanced Television Broadcast Journalism 3

Recording Arts- 100203
1. Recording Arts 1
2. Recording Arts 2
3. Recording Arts 3
4. Recording Arts 4

Business- 520201
1. Level 1 (2.5 credits)
   a. Communications for Business Administration
   b. Entrepreneurship
   c. (will be changing the level 1 class to Marketing in future application)
2. Accounting
3. Business Management

Biomedical Science- 510000
1. Principles of Biomedical Science
2. Human Body Systems
3. Medical Interventions

Engineering- 140101
1. Intro to Engineering Design
2. Principles of Engineering
3. Engineering Design & Development

Visual Arts- 500409 at
1. Foundations of Art
2. Visual Media (Photography)
3. Commercial Art & Design

Note: Data retrieved from Lakewood Public School District file "2023-2024 CTE Programs at Lakewood High School", Dec 2023

The high school offers ten Career Academy Pathways according to the LHS 2023-2024 Program of Studies Handbook. Five students participated in a full-time Career Academy Pathway in the 2022-2023 school year across three Pathway programs based on District provided data. Full-time Pathway program participation has ranged between three to six students each year since the 2017-2018 school year.

TABLE 20: CAREER ACADEMY PATHWAYS

Year	Total VOC Students Career Academies *Full-time*	MATES Marine Academy of Technology & Environmental Science	GPAA Grunin Performing Arts Academy	ALPS Academy of Law & Public Safety
2017-2018	6	1	3	2
2018-2019	5	2	1	2
2019-2020	5	2	1	2
2020-2021	3	1	1	1
2021-2022	4	2	1	1
2022-2023	5	2	1	2

Note: Data retrieved from Lakewood Public School District file, "2017-2023 Alcantara Data March 25, 2023"

World Languages

Lakewood High School offers Spanish as a world language, including Spanish as a Native/Heritage language. Students can also take up to two years of American Sign Language. For students wishing to take an alternative world language, it may be taken as an independent study through an online learning platform Edmentum (German, French, Latin). Students who proficiently speak a language other than English may

also receive world language credits through the STAMP assessment. Students are required to take at least two years of world languages. These requirements meet the New Jersey Student Learning Standards for World Languages.

Advanced Placement and International Baccalaureate

Advancement Placement (AP) classes are offered at Lakewood High School to students in their junior or senior year. Many AP courses are listed as dual enrollment through Ocean County College in the LHS 2023-2024 Program of Studies Handbook. Nine AP courses were offered in the 2023-2024 school year per the Program of Studies Handbook. Students were enrolled in six of these courses during the 2022-2023 school year. AP enrollment and exam data are represented in the charts below.

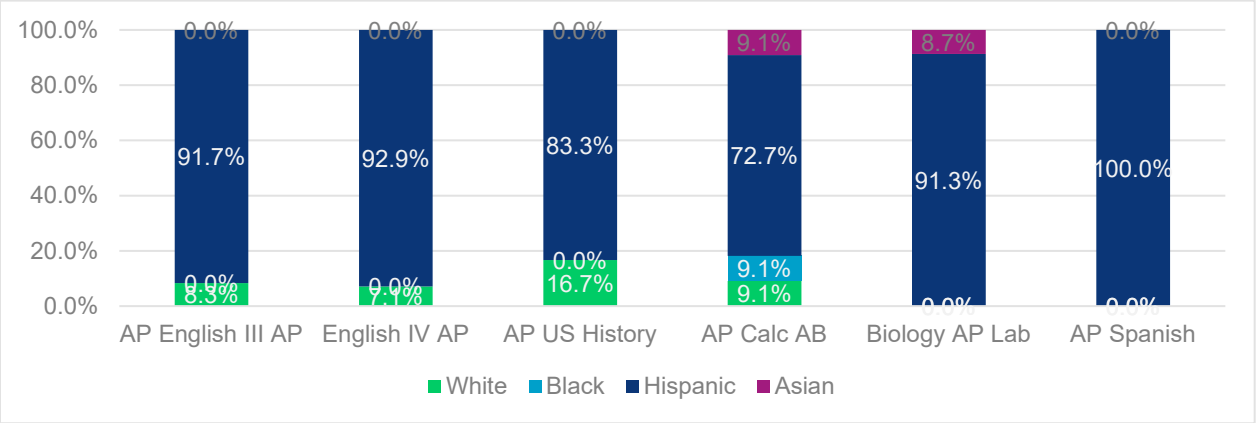
TABLE 21: ADVANCED PLACEMENT (AP) STUDENT ENROLLMENT DATA (2023)

Class	Total	White	Black	Hispanic	Asian	White	Black	Hispanic	Asian
AP English III	12	1		11		8.3%	0.0%	91.7%	0.0%
English IV AP	14	1		13		7.1%	0.0%	92.9%	0.0%
AP US History	6	1		5		16.7%	0.0%	83.3%	0.0%
AP Calc AB	11	1	1	8	1	9.1%	9.1%	72.7%	9.1%
Biology AP Lab	23			21	2	0.0%	0.0%	91.3%	8.7%
AP Spanish	14			14		0.0%	0.0%	100%	0.0%

Note: Data retrieved from Lakewood Public School District file "#57 AP Student Demographics", Dec 2023

Each AP course offered at Lakewood High School enrolls majority Hispanic students, with the percentage ranging from 72.7% in AP Calculus AB to 100% in AP Spanish (**Figure 18).**

FIGURE 18: LAKEWOOD PUBLIC SCHOOL DISTRICT AP ENROLLMENT BY SUBGROUP (2022-2023)



Note: Data retrieved from Lakewood Public School District file "#57 AP Student Demographics", Dec 2023

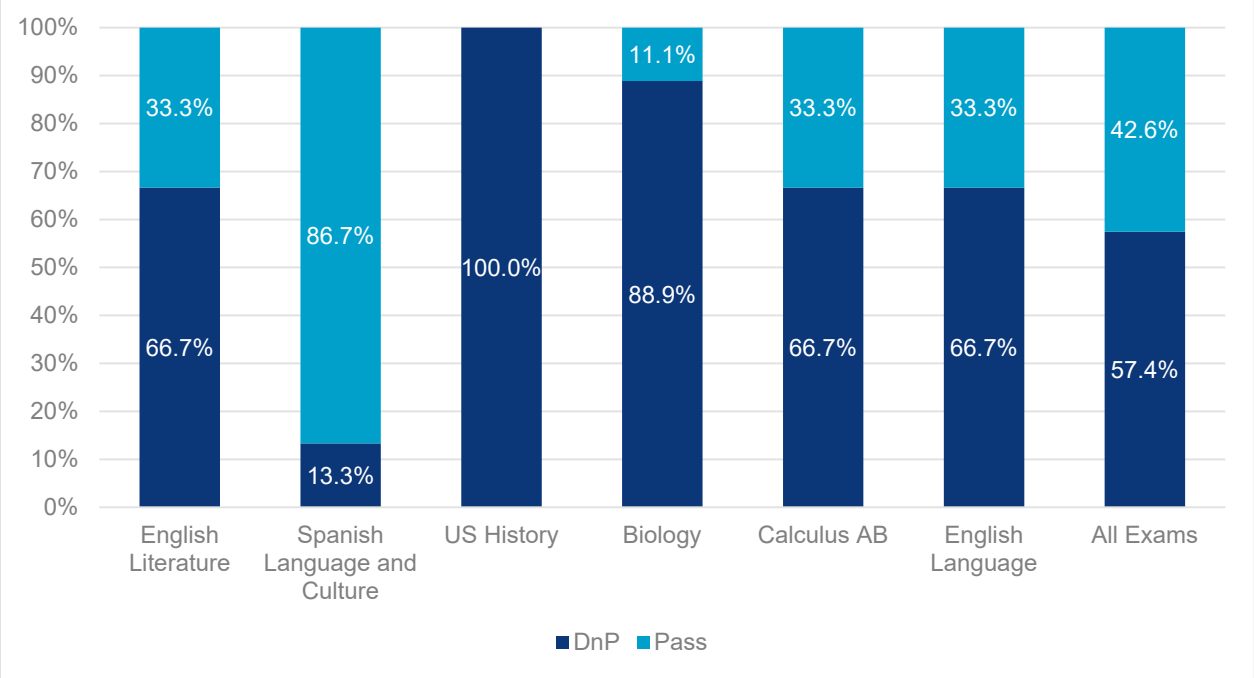
TABLE 22: ADVANCED PLACEMENT (AP) STUDENT ASSESSMENT DATA (2023)

Exam	Attempted	#Did Not Pass	#Pass	Did Not Pass	Pass
English Literature	3	2	1	66.7%	33.3%
Spanish Language and Culture	15	2	13	13.3%	86.7%
US History	5	5	0	100.0%	0.0%
Biology	9	8	1	88.9%	11.1%
Calculus AB	9	6	3	66.7%	33.3%
English Language	6	4	2	66.7%	33.3%
All Exams	47	27	20	57.4%	42.6%

Passing score is a 3 and above.
Note: Data retrieved from Lakewood Public School District file "#58 - AP Scores 2023", Dec 2023.

As shown in **Figure 19,** of the students taking AP exams for courses offered at Lakewood High School, more than half of the students did not pass in all courses except for Spanish Language and Culture. In 2022-2023, no students who took the AP US History course passed and only 11.1% of students taking Biology passed.

FIGURE 19: AP EXAM OUTCOMES FOR LAKEWOOD PUBLIC SCHOOL DISTRICT (2022-2023)



Note: Data retrieved from Lakewood Public School District file "#58 - AP Scores 2023", Dec 2023.

TABLE 23: ADVANCED PLACEMENT CLASS ENROLLMENT VS. EXAM COMPLETION (2023)

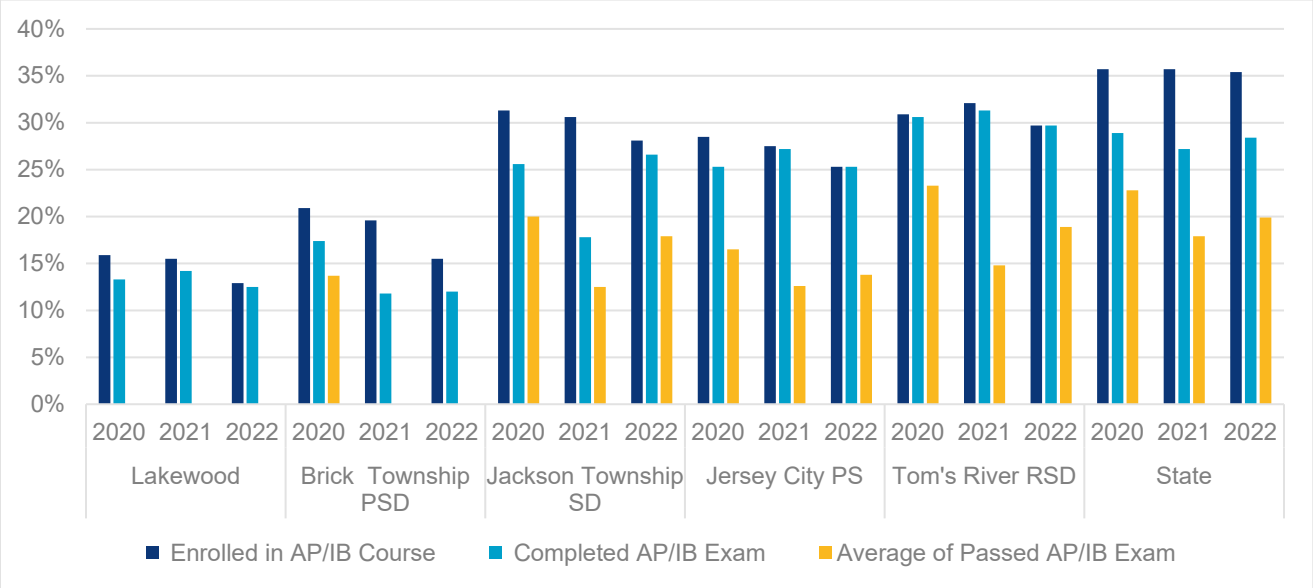
Class	Total # Student Enrollment	Total # Students Taking AP Exam	% Difference
AP English III	12	8	40%
English IV	14	9	44%
AP US History	6	5	18%
AP Calc AB	11	11	0%
Biology AP Lab	23	9	87.5%
AP Spanish	14	14	0%

Note: Data retrieved from Lakewood Public School District file "#57 AP Student Demographics", Dec 2023

- In 66% of AP classes, all students enrolled in the class did not take the AP exam.
- The largest differential of student enrollment and students taking the exam was in AP Biology Lab. While the class had 23 students enrolled the in class, the largest number of students in any AP class, only 9 students took the exam.
- The lowest performance results were in AP US History, which had the lowest enrollment of 5 students and 0% of students passing the exam.
- The highest percentage of students earning a passing score of 3+ was in AP Spanish. All students in the class were Hispanic and may have had previous Spanish language proficiency.

Figure 20 compares enrollment in AP/IB courses, completion of AP/IB exams, and average pass rates of AP/IB exams across comparison Districts and at the state level from 2020-2021 to 2022-2023. Lakewood's enrollment in AP/IB courses is below each of the comparable Districts and the state average. Lakewood's completion of AP/IB exams is lower than all Districts and the state average except for Brick Township. The NJ Performance Reports require 20 or more students to complete the AP exam for performance data to be reported. Therefore, there is no average pass rate provided for Lakewood across this timeframe.

FIGURE 20: AP PARTICIPATION AND OUTCOME ANALYSIS ACROSS DISTRICTS



Note: AP/IB Data retrieved from New Jersey Department of Education "NJ Performance Reports 2021-2022", access Jan 2024, https://rc.doe.state.nj.us/.

The Lakewood Public School District does not offer an International Baccalaureate Program.

Professional Development

Professional development is a major component of the curriculum supervisor's role.

- Curriculum supervisors and the instructional coaches use data collected from classroom walkthroughs, coaching sessions, and student assessment data (both internal assessments as well as mandated state assessments) to determine what professional development will be offered each year.
- There are three professional development days before the start of school, but the District does not have early release days or many teacher workshop days to provide a time that teachers from the same grade levels or content areas can work together.
- There is a high use of Professional Learning Communities (PLCs) where training is planned on the units being taught or on questions that teachers have regarding instruction.
- The District also relies on instructional coaches, especially at the elementary level, to work with struggling teachers and model lessons for them to grow their expertise.
- Teachers have many opportunities to participate in professional development virtually, in the District, or through outside conferences and courses.

Survey data results in **Figure 21** shows that not all teachers value the professional development or the ability to meet the needs of their students.

- 56% of teachers agreed with the statement that the "professional development opportunities offered by Lakewood Public School District help me monitor student progress."

- 70% of teachers agreed with the statement that "I have the professional development I need to implement the NJLS effectively.

FIGURE 21: PROFESSIONAL DEVELOPMENT STAFF SURVEY RESPONSE

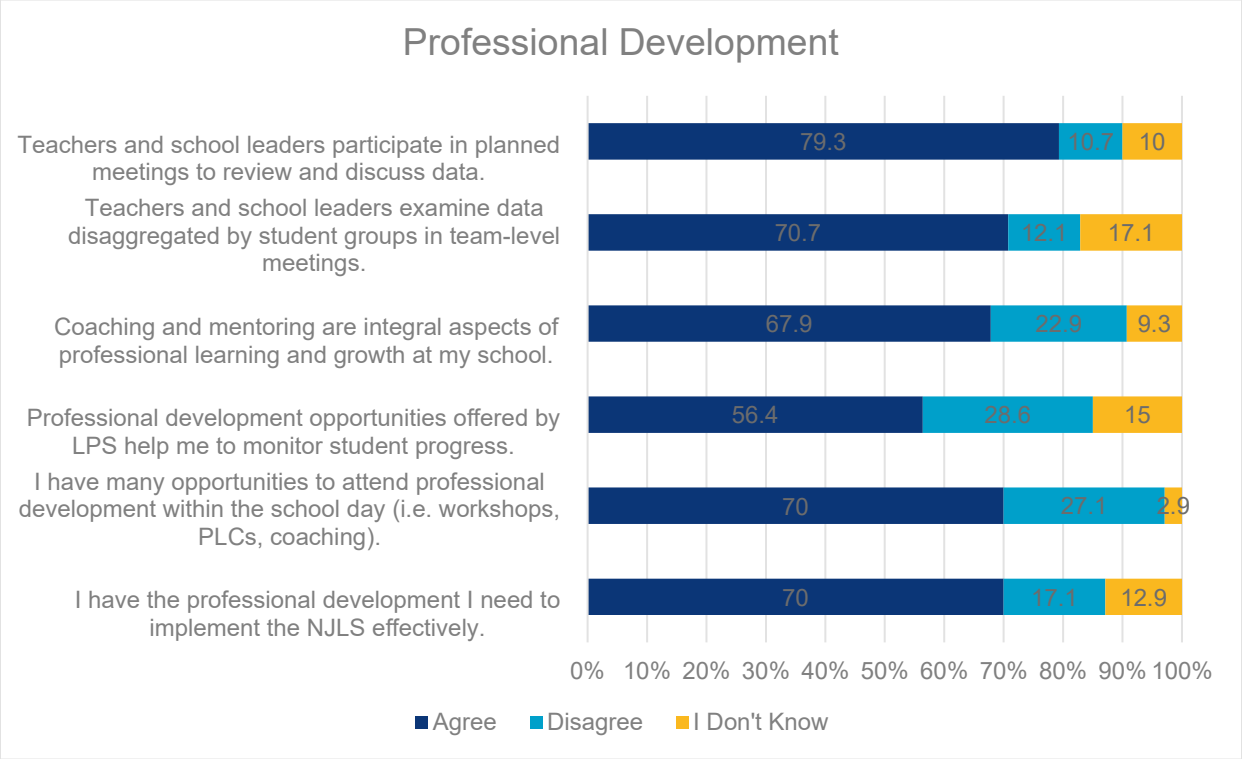


Table 24 provides a sample of a professional development calendar for September. There were similar calendars provided to PCG for every month including the summer. **Figure 22** shows a sample monthly PLC calendar. PLC calendars are created for each school's grade levels as well as District programs.

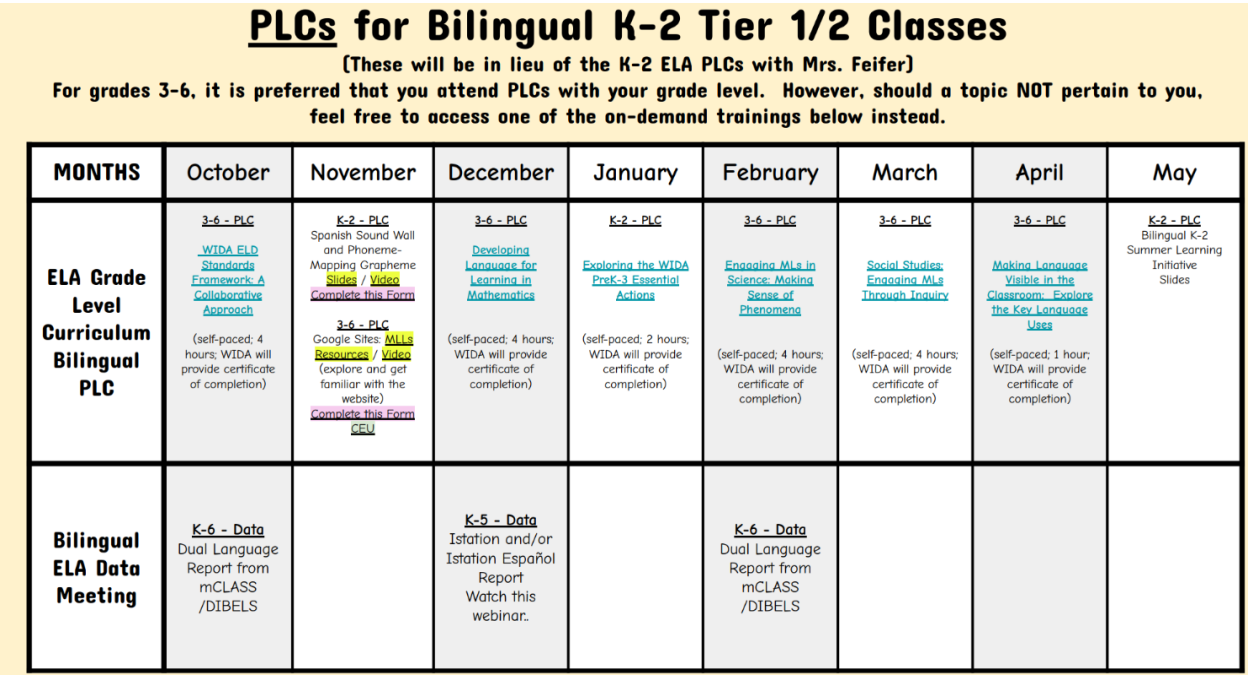
TABLE 24: SAMPLE SPECIAL EDUCATION PROFESSIONAL DEVELOPMENT CALENDAR FOR SEPTEMBER

September
• CEU PD Goal Book Training for all Teachers, Supporting all Students in the classroom - All Paraprofessionals by Kirby Jones Devorie- First 3 Days of School
• SE Expectations - Training for all SE Teachers - Lakewood Special Education 23 24
• 3-5 LLD Training ,ELA Modifications LLD 3-5 Math Modifications LLD 3-5 Training for Paras in the Autistic Classes, (Piner, Spruce, and Oak) Paraprofessional training , Nurse Meeting
• -Meeting with Alicia.. - Meeting with Julian O'Neil , visit to all the Classes
• CST Training with Chrisite CST Training PowerPoint
• Clarke Team Teaching Training In Class Resource PowerPoint, Sign in Sheet for Clarke 9/11 and LHS PLC All Day. 9/11/ 23
• Sonday PD for Teachers that have not been trained, Visit to spruce SE Classes, Follow up with K. Elias and R. Erreich

• SE Meeting , Meeting with Oak MD, Meeting with Gina, Visit to LMS LLD classes, Linda S. Tara C and Syvia F.
• Clarke - SPED Coaching Sped and Clifton Team Teaching- CAGS ICR Training 9.14.23.pdf. Clifton Team Teaching
• Threat Assessment Team Mandatory Training
• Clarke - SPED Coaching, Oak After School Inclusion Training sign in sheet for after school PLC by D.S Sign in Sheet LMS Inclusion Training PLC In Class Resource /LRE Special Education 23 24 Monday September 18th- MS PLC's
• Clifton - SPED Coaching
• Spruce - SPED Coaching Spruce Team Meeting Schedule
• Piner - SPED Coaching

Note. Adapted " Professional Development Training Calendar for Special Education " provided by Lakewood Public Schools.

FIGURE 22: SAMPLE PROGRAM PLC CALENDAR



PLCs for Bilingual K-2 Tier 1/2 Classes

(These will be in lieu of the K-2 ELA PLCs with Mrs. Feifer)

For grades 3-6, it is preferred that you attend PLCs with your grade level. However, should a topic NOT pertain to you, feel free to access one of the on-demand trainings below instead.

MONTHS	October	November	December	January	February	March	April	May
ELA Grade Level Curriculum Bilingual PLC	3-6 - PLC WIDA ELD Standards Framework: A Collaborative Approach (self-paced; 4 hours; WIDA will provide certificate of completion)	K-2 - PLC Spanish Sound Wall and Phoneme-Mapping Grapheme Slides / Video Complete this Form 3-6 - PLC Google Sites: MLLs Resources / Video (explore and get familiar with the website) Complete this Form CEU	3-6 - PLC Developing Language for Learning in Mathematics (self-paced; 4 hours; WIDA will provide certificate of completion)	K-2 - PLC Exploring the WIDA PreK-3 Essential Actions (self-paced; 2 hours; WIDA will provide certificate of completion)	3-6 - PLC Engaging MLs in Science: Making Sense of Phenomena (self-paced; 4 hours; WIDA will provide certificate of completion)	3-6 - PLC Social Studies: Engaging MLs Through Inquiry (self-paced; 4 hours; WIDA will provide certificate of completion)	3-6 - PLC Making Language Visible in the Classroom: Explore the Key Language Uses (self-paced; 1 hour; WIDA will provide certificate of completion)	K-2 - PLC Bilingual K-2 Summer Learning Initiative Slides
Bilingual ELA Data Meeting	K-6 - Data Dual Language Report from mCLASS /DIBELS		K-5 - Data Istation and/or Istation Español Report Watch this webinar.		K-6 - Data Dual Language Report from mCLASS /DIBELS			

Note: Retrieved from "PLC Calendars". Folder #14. Professional Development, Provided by Lakewood Public Schools.

There is the perception that more things are added each year and that more time is taken during the day because professional development is typically offered during prep time. Some teachers feel that they are frequently pulled away for Professional Development and departmental obligations, and they express a desire for more uninterrupted time for instruction. Examples of professional learning at individual schools include:

- Staff meetings are after school the first three Mondays of every month, sometimes these include professional development.
- Once a month there is a data mining PLC to help teachers understand how to use data and look at data to better instruction for their students.

- When a new curriculum is rolled out there is a 2-hour "unpacking" time block for teachers followed up by lesson demos.

CLASSROOM OBSERVATIONS

A PCG team conducted classroom observations from December 11 to December 14, 2023. The data provided in this chapter only includes the general education focused visits. The Special Education data and analysis is located in the Special Education chapter of this report.

TABLE 25: CLASSROOM VISIT DATA

Classrooms Visited	Elementary (K-6)	Secondary (7-12)	Total
General Education Classrooms Visits	11	15	26
Content Area Focus	**Elementary (K-6)**	**Secondary (7-12)**	**Total**
ELA Focus	6	6	12
Math Focus	4	5	9
Science Focus	0	4	4
Intervention	1	0	1

TABLE 26: CLASSROOM VISIT DATA RECORDING TOOL FOCUS AREAS

Area I: Focus on Learners	• Student Engagement
	• Student Activity
	  ○ Whole Class
	  ○ Small Groups or Paired
	  ○ Individual

Area II: Focus on Instructional Practices	• Lesson Design • Checks for Learning/Understanding • Level(s) of Student Work • Instructional Materials
Area III: Focus on Classroom Environment	• Classroom Appearance • Classroom Management • Classroom Culture

Classroom Visits Data

The data outlined below are a summary of classroom visits based on the methodology previously described. The data provide a snapshot of instructional practices within the observed classrooms.

Focus on Learners

STUDENT ENGAGEMENT: ALL CLASSROOMS

The three areas under student engagement that the PCG team observed included whether students were **on-task, disengaged, and disruptive**. The following analysis and conclusions in this area included:

- **On-task**
  - Most students were on-task in both the elementary and secondary classrooms that PCG visited. There were very few students (less than 5%) who did not have their materials out, that included their laptops or packets, to complete the assignments.
  - In early grades, K-1, there was more student movement which made redirection necessary to ensure students were on-task. Nearly all students complied when reminded.

- At the high school level, students sat at their desks quietly while the teacher used the PowerPoint to teach the lesson or showed problems on the board.

- **Disengagement**
  - While students were on-task, it was difficult to determine the level of engagement versus compliance. This distinction was most difficult to discern when the whole class was using their computers at some point during 80% of the observed lessons. There were very few opportunities for students to work without their computers or engage with other students or in a classroom discussion.
  - At the high school level, students stared at their computer screen while the teacher lectured or went through the slide deck of the PPT for the lesson.

- **Disruptive**
  - Out of all the classrooms observed, the PCG team only viewed one incident of a disruptive student who required redirection. This student was in an early elementary classroom.
  - When visiting both the middle school and high school, there were no disruptive or disrespectful students in the observed classrooms. PCG noted this absence as highly atypical.

STUDENT ACTIVITY

- **Whole Class**
  - The majority of instruction was at the whole class level.
  - Whole class instruction appeared as follows:
    - Teachers asked the entire group questions and students responded. Teachers typically called on students with their hand raised and did not often cold call or randomly select students.
    - At the high school, most students sat quietly and unresponsive when teachers asked questions.
    - In some classrooms, mainly at the elementary level, teachers used white boards (communicators) where students would write answers to questions or math problems and raise them up to show to the teacher their answers. In every observed classroom, there were students who did not show their white board, but the teachers did not address the student(s).
    - Whole class lesson design typically began with a short assignment posted on the PPT slide. Students worked independently before the lesson began.
    - Teachers used the gradual release of responsibility framework during instruction, including 'I do, We do, and You do.'
  - During the general education/special education co-teaching or parallel teaching classroom visits, the following data were collected:[60]
    - In one instance, a general education teacher was alone in her room with students. There was not a special education teacher or paraprofessional present.
    - In one elementary classroom, there was a literacy block co-taught by two teachers, general education and special education. Both the general education teacher and the special education teacher were active in teaching the lesson. The students appeared comfortable with the routine.
    - In one of the secondary classes, there was a special education and general education teacher. The teachers' worked as a team to engage students and it was difficult to know which role the teachers' held. The teachers used technology but more as a support tool, but not as the only strategy to teach the concepts.

[60] Additional data specific to classroom visits for special education are provided in the Special Education section of this report.

- **Small Groups or Paired**
    - There was one example observed by the PCG team of small groups or paired students.
    - There was one example observed of the “turn and talk” strategy used in an elementary classroom.
    - At the secondary level, there were some classes that were set up with tables rather than rows. These classes appeared to have an easier time working in pairs or small groups.
    - In some of the freshman classes, tight classrooms due to a large number of desks inhibited student collaboration.

- **Individual**
    - Individual work was the most common student activity observed.
    - Most classes were set up in rows made up of single desks or rows with desks pushed together to create horizontal rows. While Even when the classroom desk set up was conducive for students working together, teachers still required students to complete individual assignments.
    - At the high school level, there was a lot of individual work time at the end of the classes. That was particularly true for the smaller class sizes. In those classrooms, teachers finished their teaching early and students worked independently or talked quietly with another student.

Focus on Instructional Practices

LESSON DESIGN

- **Learning Objectives**
    - In most classrooms learning objectives were posted. At times, it was difficult to see how the lesson connected to the learning objective. Most teachers did not reference the learning objective during the lesson.
    - The PowerPoint deck included the learning goal. In some classes, the learning goal was in student friendly language.
- **Student Interaction**
    - Most instruction focused on the whole group. There was little interaction between students.
    - In the classrooms where there was not a computer assisted lesson (~27%), students engaged with the teacher in discussions or with their classmates.
    - Students interacted with each other in both English and Spanish. This was more frequently observed at the high school level.
- **Explicit Instruction**
    - Lakewood’s Instructional Framework was evident in all classes.
    - Every classroom had a PowerPoint on the SMART board for the teachers to use to instruct the lesson.
    - In every math class PCG observed, all instruction was teacher-led. There was no student engagement during the explicit instruction part of the lesson.

- **Lesson Scripts and Pacing Guides**
    - The PCG team observed no teachers reading directly from scripts.
    - Teachers moved quickly through lessons to keep up with the timing of the lesson.
    - In three classrooms, teachers mentioned that they had to move on to complete their lesson during the designated class time even when students were not ready for the transition.
    - Time checks and timers were used in classes where students were doing independent work. Students were given a set amount of time to complete the assignment and most teachers were good at keeping to their time.

CHECK FOR UNDERSTANDING

- ***Strategies to Check Student Understanding***
  - Teachers used verbal questioning to check for understanding. However, students were reluctant to respond and mostly sat quietly. This lack of participation was most prevalent at the high school level. It was unclear if this was due to lack of understanding, disengagement, or both.
  - The most used strategy to check for understanding was the communicators (small white boards) at both the elementary and middle school level.
  - PCG did not observe ML support services in any classroom.

LEVELS OF STUDENT WORK

- The levels of student work the PCG team observed included remembering, understanding, applying, analyzing, evaluating, and creating.
  - In nearly all classrooms, there was a lot of teacher talk.
  - Most classes focused on lower-level skills, such as remembering and understanding, through the use of worksheets or computer-based practice.
  - In one classroom students applied their knowledge and one where they created original work in a team. Students were highly engaged.
  - All opportunities to work at higher level were observed in science classrooms.
  - ELA/literacy and math instruction was at the bottom of the skill level tiers. Students completed assignments/tasks on computers, with limited opportunity to move to a higher level. In one class, students watch movie clips in lieu of reading the assigned novel. While watching the clip, the teacher explained that what was happening in the movie was not in the novel. Students stared blankly at the screen.

INSTRUCTIONAL MATERIALS

- There was a lack of instructional materials used as part of the lesson, even though the classrooms had a variety of instructional materials around the room. Instructional materials used centered on computers, PowerPoint slides, worksheets/workbooks, and communicators (white boards) only.
- There was significant technology (laptop) use at the elementary, middle, and high school levels.
- There was a high level of similarity/predictability from class to class and between content.

Focus on Classroom Environment

CLASSROOM APPEARANCE

- Schools are clean and appear to be well maintained. There was a welcoming environment within the schools.
- Classrooms are filled with visuals to support students in their learning. As is typical, elementary schools have the most decorated and welcoming classrooms and at the high school level, classrooms do not have as much on the walls. It was holiday time so there were holiday displays at all levels.
- Anchor charts were present in all elementary classrooms. The anchor charts were used as part of the lesson's instruction in some observed lessons. It was noted that the charts were in English only. If a student was a native Spanish speaker, there were little written supports for them unless they were in an Multilingual classroom.
- Student work was more often seen in the hallways than in the classrooms.
- Most classrooms were orderly and safe. There were posters on the wall to show the "safe space" where students would congregate in case of an intruder.

CLASSROOM MANAGEMENT

- Observed classrooms were well managed, systems and routines were in place at both elementary and secondary levels.
- The PCG team did not observe disruptions in the classroom or in the hallways during transitions.

- All whole class management strategies observed were effective.
- PBIS was not apparent during class instruction time.
- Students were respectful to the adults and to their peers.
- At the high school level, it was observed that students did not know the names of other class members.
- Safety measures were observed in all schools.
- At elementary and middle schools, students entered the school by going through a metal detector, which was overseen by the safety staff stationed at the front entrance of all schools. In addition, all students carried a clear backpack.
- High schools used both metal detectors and a wand which they used on all students before entering the building. School safety staff patrolled the hallways and were stationed during class transitions. There were also cameras placed throughout the school.

CLASSROOM CULTURE

- Respectful relationships between students and staff were observed throughout the classroom observations. Teachers used respectful language when redirecting off-task students and the team did not observe classroom teachers raising their voices with students in their classroom.
- There was some display of enthusiasm and energy by staff, but there were many classes observed where teachers were low energy and did not show enthusiasm for the subject matter being taught. The only enthusiastic moments observed by both students and staff were in the classroom where the teacher did not follow the pacing guide to provide students with a lesson that allowed them to engage with each other.
- There was a noticeable lack of joy and student interest, especially in the upper elementary and secondary classrooms observed.
- The observed classrooms did not take time out to celebrate when students correctly answered questions or accurately solved a problem.

Classroom Observation Analysis

AREA I: FOCUS ON LEARNERS

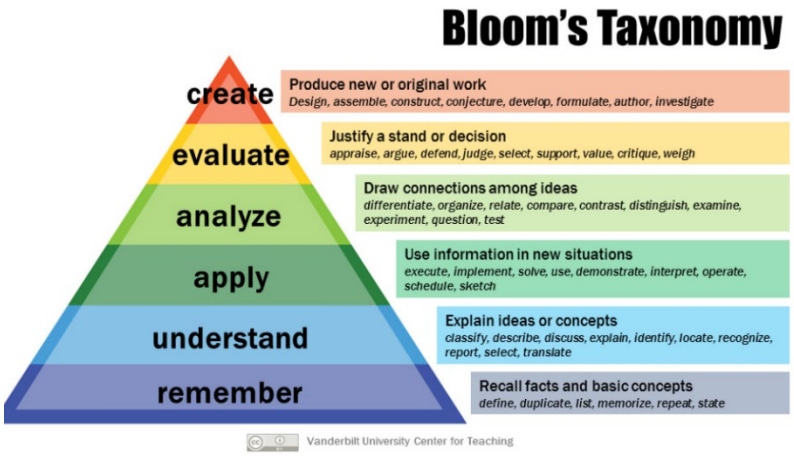
- Students were not engaged in instruction as active learners.
- Students were very quiet. There was limited classroom discussion.
- At the upper elementary through high school levels, almost all observations were of students working independently on assignments.

AREA II: FOCUS ON INSTRUCTIONAL PRACTICES

- Most instruction was teacher-directed.
- Classroom lesson structure was predictable. As the team moved from class to class and school to school, similar lesson design and structure was observed.
- There were opportunities for student practice, but only independent practice. There was limited opportunity for any student collaboration or peer teaching.
- There were no ML support services in the general education classrooms observed.
- Lessons focused on lower part of Bloom's Taxonomy.[61] Students were typically asked to remember or understand the concepts that they were being taught, but not apply them in a new situation. Nor were they asked to analyze, evaluate or create.

[61] Armstrong, P. (2010). *Bloom's Taxonomy*. Vanderbilt University Center for Teaching. https://cft.vanderbilt.edu/guides-sub-pages/blooms-taxonomy/

FIGURE 23: BLOOM'S TAXONOMY



Note. Retrieved from "Bloom's Taxonomy" by Vanderbilt University's Center for Teaching, 2010, (https://cft.vanderbilt.edu/guides-sub-pages/blooms-taxonomy/.)

AREA III: FOCUS ON CLASSROOM ENVIRONMENT

- The classroom environment appeared safe and orderly. Students were compliant and behaved appropriately when asked by teachers, including during transitions.
- Teachers and students had respectful relationships in the classrooms that were observed, but not many classrooms had a feeling of warmth and connection. Classrooms felt business-like. This was more prevalent as the grade levels increased from elementary through secondary.

ASSESSMENT

Students are assessed often. When PCG observed classrooms ~30% of classes were either taking an assessment or prepping to take one the following day. Data are collected from the assessments and analyzed to make changes to the curriculum or pacing guide. Assessments used in the District for ELA/literacy include District-developed end of unit assessments, Dibels, iStation, mCLASS, and Foundational Skills Assessment (aligned with Letterland). Common Lit assessments are also used at the secondary level. **Figure 24** shows a sample assessment schedule for first grade literacy, which outlines the weekly foundational skills assessments.

FIGURE 24: FOUNDATIONAL SKILLS ASSESSMENT RESOURCES FIRST GRADE 2023-2024

Foundational Skills Assessment Resources First Grade 2023-2024

The following document outlines the Review Words, Unit Words, Diagnostic Words, and Sentences along with the points per Weekly Assessment for the Foundational Skills Block. These assessments will all be put into Linkit! under Foundational Skills (Letterland/ ReadBright). Please use this chart to ensure that the data entered is accurate and the same throughout the district. Please note that this is the plan that the K-2 ELA Department has laid out based on stakeholder feedback and it's mission to continuously grow our students.

Scoring: Set up a ratio to figure out what this score is out of 100. For example, if there were a total of 17 unit words (10 spelling pattern words + 4 review/challenge words + # of High Frequency Words) on the assessment and the student got 14/17 correct, divide 14 by 17 and the score is 82%.

- The letter sounds portion of the assessment does **NOT** count towards the total score but should be used for instructional purposes.
- The diagnostic words are **not** included in the percentage score. They are scored separately. There are four diagnostic words in each unit. Each word counts for one point so scores will range between 0-4.
- In order to achieve **mastery** in each unit, the students should score **at least 80%** on the unit words, review words, and High Frequency Words and **at least 3/4** on the **diagnostic words**.

	DATE	Skill (s) Covered	Letterland Unit	ReadBright Unit	Review Words/Challenge Words	Words	Diagnostic Words	Sentences	Points
MP 1 Nov. 14th	Sept. 7 -11	Review of Letterlanders	Unit A	**Administer the Letter Sounds Assessment**					
	Sept. 12-15 Short a	CVC Short a /ă/	Units 1 and 2	Unit 1	mat bat lap map	cat hat nap sat mad can am jam back sack	fan ham tack man	A tag is on a rag. The man ran.	18
	Sept. 18-20 Short i	CVC Short i /ĭ/	Unit 3	Unit 2	hat nap back sack	win big with fix pin thin six pick kick thick	mix fin lick it	I have a hat and a mitt. It is a can of jam.	18
	Sept. 21-26 Short o	CVC Short o /ŏ/	Unit 4	Unit 3	win six pick thick	top got hop lot mom not shop hot rock lock	mop dot sock ship	You can hop. The ship has a dock.	16
	Sept. 27-29 Short u	CVC Short u /ŭ/ Suffix s	Unit 6	Unit 4	top shop rock lock	fun but run cut sun shut bug hug rugs hugs	bun hut cups bugs	Do not run to the bus. His dad sat down.	18
	Oct. 2-4 Short e	CVC Short e /ĕ/	Unit 5	Unit 5	fun hug rugs hugs	wet yet then hen yes get tell well red jet	let pet net bed	I went to get a net. The pen was for you.	17

Note. Retrieved from "Math First Grade Assessments". Folder #39. K-2 Instructional Resources, Math. Lakewood Public Schools.

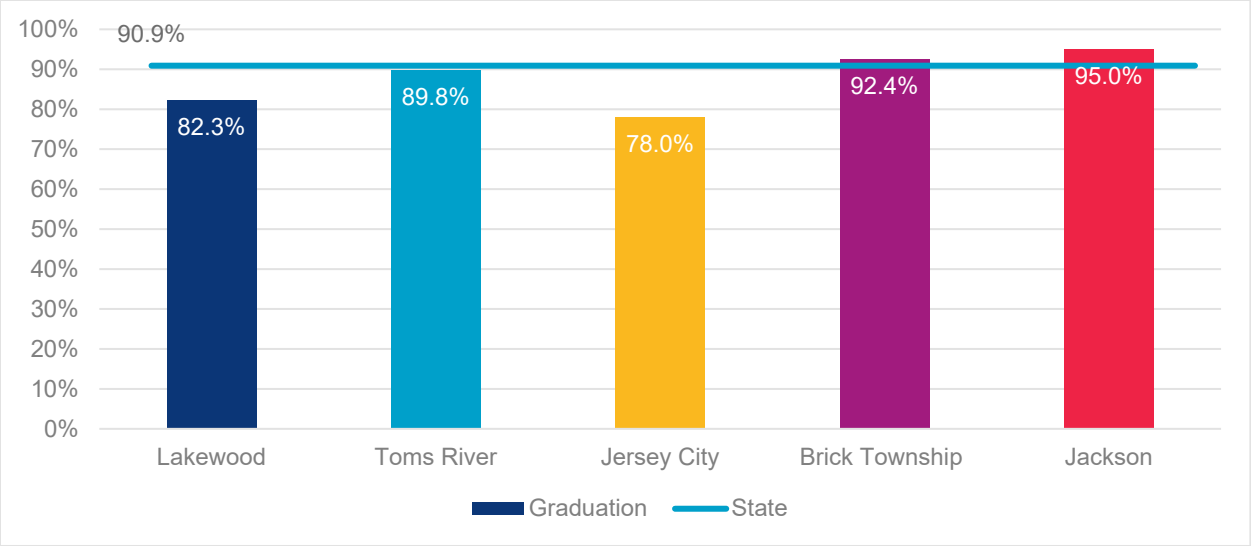
Math assessments are all District-developed. Since the K-8 math curriculum is developed in District, the assessments align to the units. At the elementary level, benchmark assessments include a beginning and end of year test in both English and Spanish. There are also District developed end of unit exams. Per sample pacing guides, students are given multiple quizzes and exams weekly or bi-weekly. At the secondary level, the District has developed unit 'mini tests', quizzes, and end of unit exams. There is also a frequent quiz and exam schedule for secondary students.

Student Outcomes

Graduation and Dropout Rates

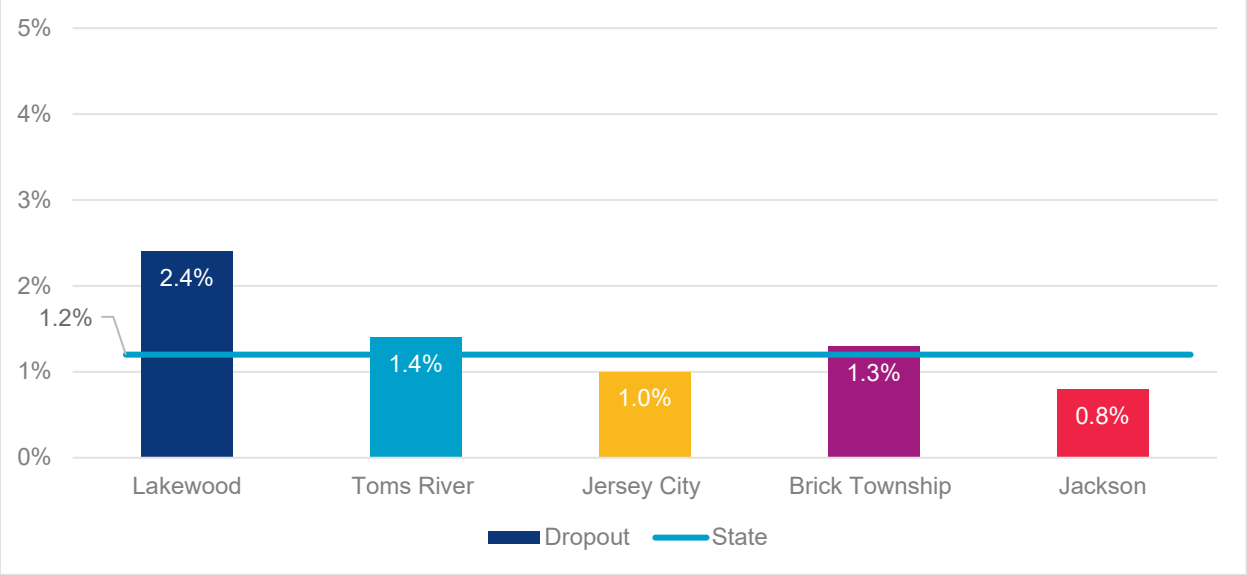
Figure 25 and **Figure 26** display graduation rates and dropout rates compared across comparison districts and the state average. In 2022-2023, Lakewood Public School District had a graduation rate of 82.3%, 8.6% below NJ state average, and a dropout rate of 2.4%, which is double the state average.

FIGURE 25: GRADUATION RATES BY COMPARATIVE DISTRICT (2022)[62]



Note. Retrieved from "Fall Enrollment Reports" by New Jersey Department of Education, 2022, (https://rc.doe.state.nj.us/)

FIGURE 26: DROPOUT RATES BY COMPARATIVE DISTRICTS (2022)



Note. Retrieved from "Fall Enrollment Reports" by New Jersey Department of Education, 2022, (https://rc.doe.state.nj.us/)

State Testing

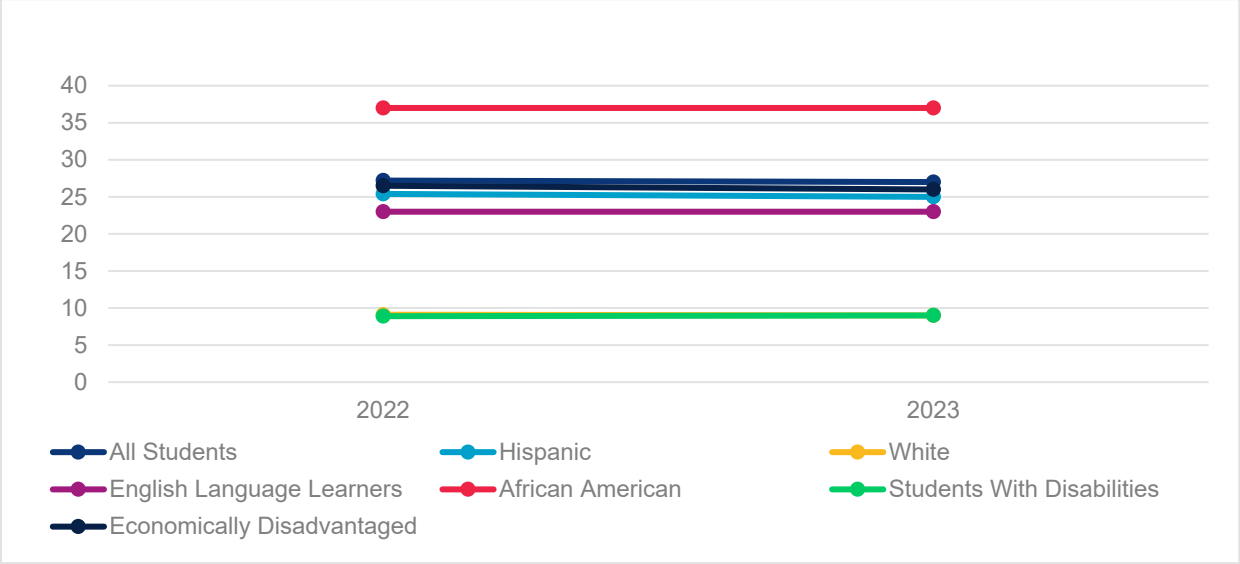
The charts below display ELA and Math proficiency in state testing across Lakewood Public School District students in grades three, five, and eight from 2022 to 2023.[63] Note that subgroups without trend lines are due to lack of data for a given year.

From 2022 to 2023, ELA proficiency for all students, increased in grade five and grade eight (**Figure 27**). For third grade students, all proficiency levels remained the same from 2022 to 2023, with the exception of

[62] *NJ School Performance Report.* (2023). Official Site of the State of New Jersey. https://rc.doe.state.nj.us/
[63] *Lakewood Township School District (29-2520) Performance Reports*. (2017). Official Site of the State of New Jersey. https://rc.doe.state.nj.us/prioryearreport/2016-2017/29/2520/

economically disadvantaged students, which dropped by one point. In 2023, English Language Learner, economically disadvantaged, and African American students in Lakewood performed above state proficiency levels. Students with disabilities, White students, and Hispanic students performed below state proficiency levels.

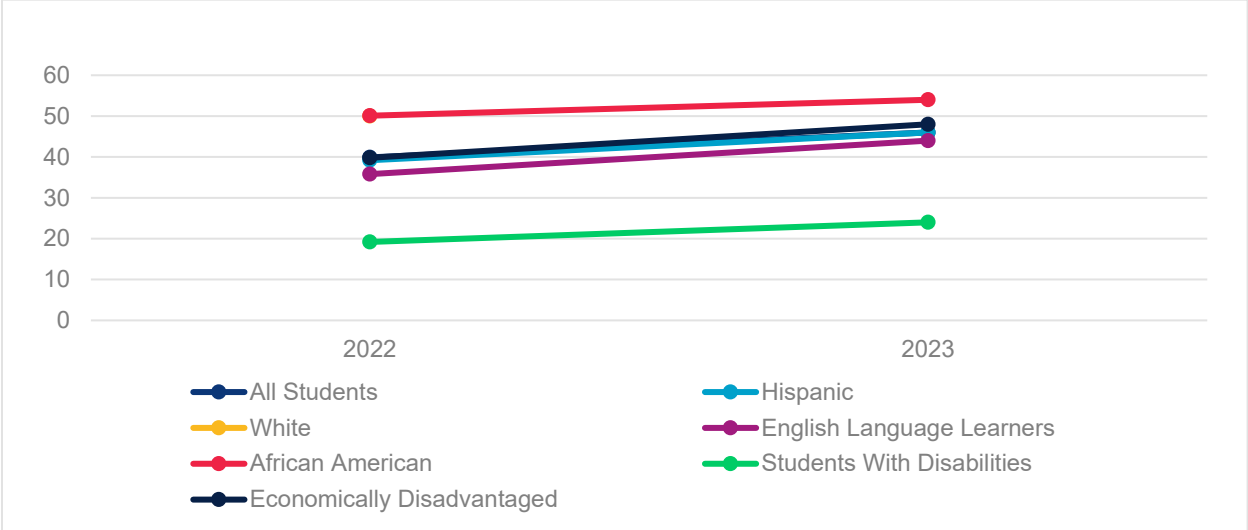
FIGURE 27: PROFICIENCY FOR GRADE 3 ELA



Note. Retrieved from "Lakewood Township School District (29-2520) Performance Reports" by Official Site of the State of New Jersey, (https://rc.doe.state.nj.us/prioryearreport/2016-2017/29/2520/)

For fifth grade students, ELA proficiency increased across all subgroups (**Figure 28**). There are no data for white students' ELA proficiency in fifth grade for 2023. In 2023, all subgroups of students in Lakewood performed higher than the state proficiency level.

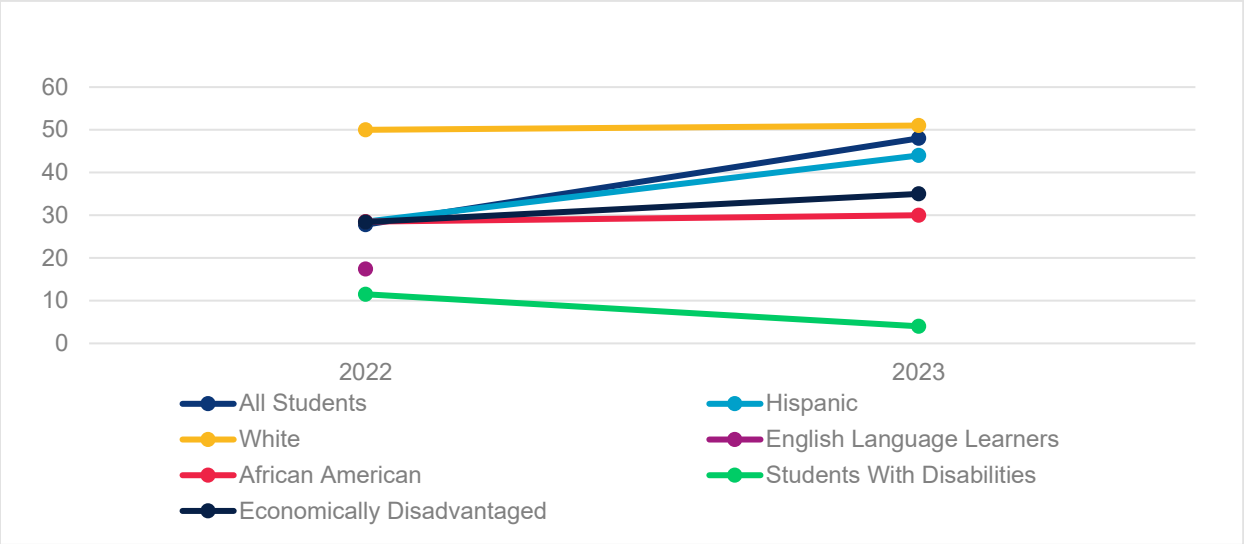
FIGURE 28: PROFICIENCY FOR GRADE 5 ELA



Note. Retrieved from "Lakewood Township School District (29-2520) Performance Reports" by Official Site of the State of New Jersey, (https://rc.doe.state.nj.us/prioryearreport/2016-2017/29/2520/)

For eighth grade students, ELA proficiency increased across all subgroups except for students with disabilities, which decreased from 12% proficient in 2022 to 4% proficient in 2023 (**Figure 29**). There are no data for English Language Learner ELA proficiency in eighth grade for 2023. In 2023, Hispanic students in Lakewood were above state proficiency levels. All other student subgroups fell below state proficiency levels.

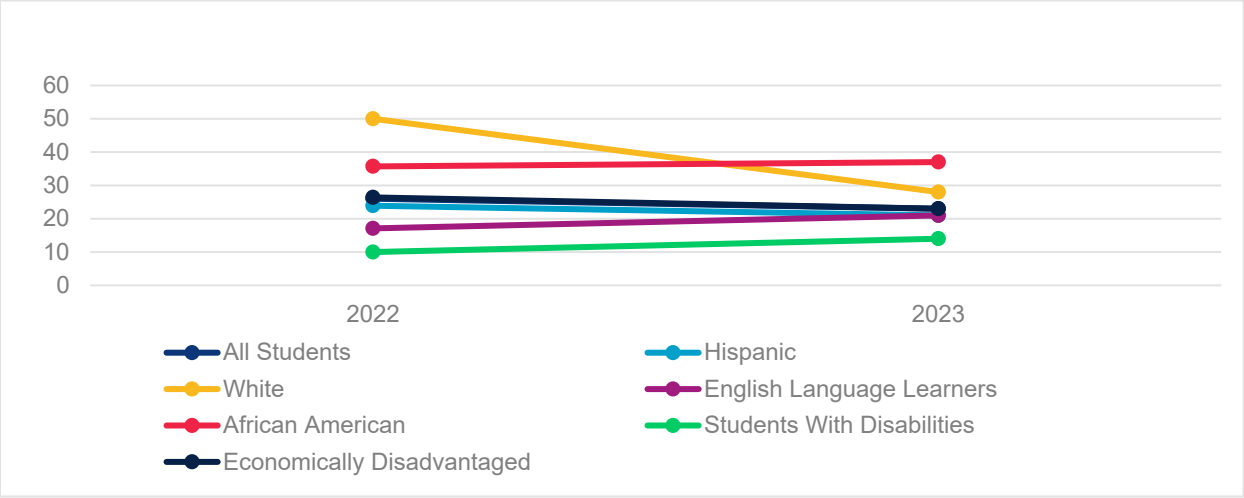
FIGURE 29: PROFICIENCY FOR GRADE 8 ELA



Note. Retrieved from "Lakewood Township School District (29-2520) Performance Reports" by Official Site of the State of New Jersey, (https://rc.doe.state.nj.us/prioryearreport/2016-2017/29/2520/)

Across 2022 to 2023, math proficiency for all students decreased in grade three, increased in grade five, and increased in grade eight. For third grade students, math proficiency decreased for economically disadvantaged students, White students, and Hispanic students from 2022 to 2023 (**Figure 30**). Math proficiency increased for African American students, English Language Learners, and students with disabilities. In 2023, all subgroups except for African American students in Lakewood performed below state proficiency levels for third grade math.

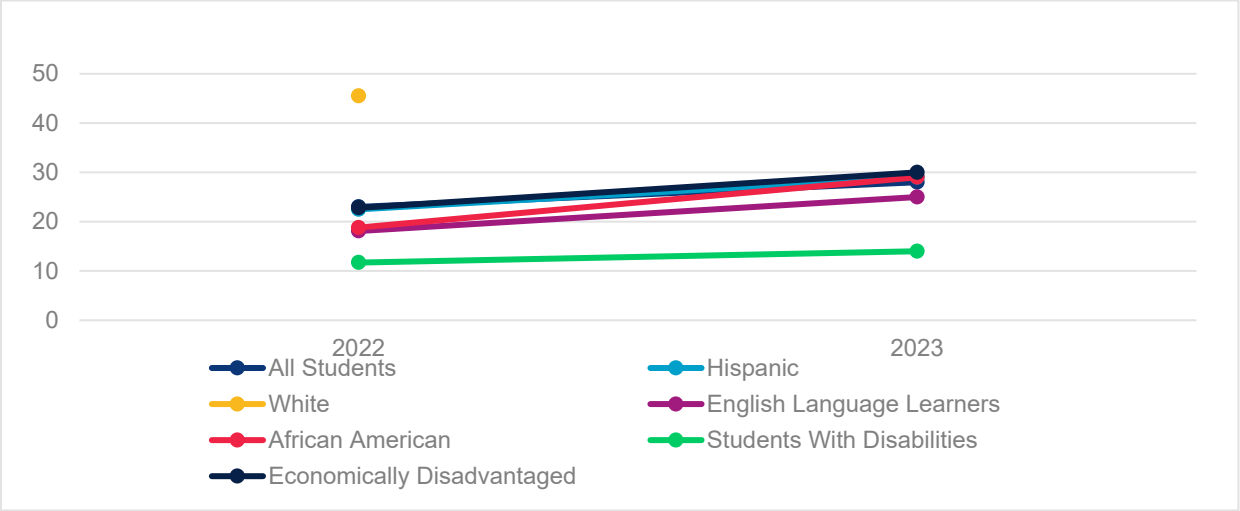
FIGURE 30: PROFICIENCY FOR GRADE 3 MATH



Note. Retrieved from "Lakewood Township School District (29-2520) Performance Reports" by Official Site of the State of New Jersey (https://rc.doe.state.nj.us/prioryearreport/2016-2017/29/2520/)

For fifth grade students, math proficiency increased across all subgroups (**Figure 31**). There are no data for White students' math proficiency in fifth grade for 2023. In 2023, all Lakewood student subgroups performed above state proficiency levels for grade five math except for students with disabilities.

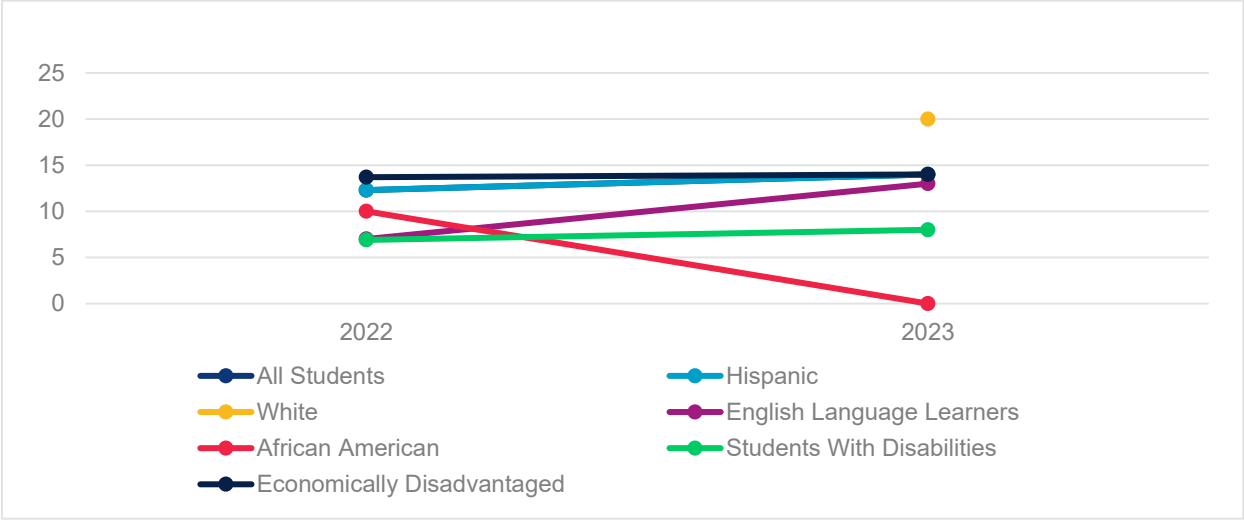
FIGURE 31: PROFICIENCY FOR GRADE 5 MATH



Note: Retrieved from "Lakewood Township School District (29-2520) Performance Reports" by Official Site of the State of New Jersey, (https://rc.doe.state.nj.us/prioryearreport/2016-2017/29/2520/)

For eighth grade students, math proficiency decreased from 2022 to 2023 for African American students and remained the same or increased for all other subgroups (**Figure 32**). There are no data for White students' math proficiency in eighth grade for 2023. In 2023, all Lakewood student subgroups performed above state proficiency levels for eighth grade math except for White students.

FIGURE 32: PROFICIENCY FOR GRADE 8 MATH



Note: Retrieved from "Lakewood Township School District (29-2520) Performance Reports" by Official Site of the State of New Jersey, (https://rc.doe.state.nj.us/prioryearreport/2016-2017/29/2520/)

SPECIAL EDUCATION

This chapter reviews the special education practices of the Lakewood Public School District and follows this organizational structure:

- Characteristics of students with disabilities in the District
- Teaching and Learning for Students with Disabilities
- Building Capacity and Materials
- Staffing, Leadership, and Collaboration
- Family Engagement, and
- Nonpublic Schools.

Throughout the chapter, PCG analyzes the approaches taken to teach and support students with disabilities, and their families, to understand how these practices may impact the overall efficacy of the District.

SUMMARY

- **State Performance Plan Indicators**. Of the indicators in which the District is not meeting targets, the most significant are Indicator 5, specifically including children with IEPs with typically developing peers 80% or more during the school day; Indicator 3B, specifically 4th grade ELA and math assessment; and Indicator 6, preschool children with disabilities in separate settings and the time spent during the day with typically developing peers.
- **Data Reporting**. There also appear to be significant data discrepancy and reporting issues for the SPP indicators and within categorizations of students by placement type.
- **Preschool Population**. Of the overall three-to-four-year old student population of students with disabilities, 79.8% were White and 15.7% were Hispanic. This demographic distribution is not representative of the District's overall population.
- **Incidence Rates.** Over the past three years, Lakewood's special education public school incidence rate is on average ten percentage points higher than the state's incidence rate.
- **Significant Disproportionality**. The District has consistently been found to be significantly disproportionate in several identification and placement categories and is required to set aside 15% of its IDEA federal grant dollars for Comprehensive Coordinated Early Intervening Services.
- **Limited Continuum Options**. The District has limited programming for Emotional Regulation Impairment, Visual Impairment, and Intellectual Disabilities in its schools.
- **Out of District Tuition Costs.** Lakewood's out of district tuition costs totaled $57.5M in 2021-2022 for 372 students, with comparable districts spending far less (from a low of $4.7M for 62.5 students in one district to a high of $20.5M for 129 students in another).
- **Access to the General Education Curriculum and Specially Designed Instruction (SDI).** There are several significant concerns regarding access to the general education curriculum and the overall implementation of SDI in Lakewood for students with disabilities, from the inability of teachers to modify curricular materials, to pacing concerns, to the implementation of parallel/co-teaching, to the fact that many IEPs reviewed do not align to grade level requirements.
- **Related Services Equipment**. The District has made substantial investments in state of the art related therapy equipment; yet, these resources appear to be underutilized given the District's population with significant disabilities is not educated within the public school buildings.
- **Families**. Lakewood has an active Special Education Parent Advisory Group (SEPAG), which meets monthly. Nearly three-quarters of parents surveyed were familiar with the SEPAG and the support it offers.
- **Nonpublic Schools.** The number of nonpublic students, ages 5-21, eligible to receive special education services increased by 1,606 students, from 8,171 in 2019-20 to 9,777 in 2021-22. This

growth represents a 20% increase in eligible students. These increases have required the District to set aside an increasing allocation under its IDEA federal grant. The management of child find, eligibility, and service determination and provision are managed by an outside provider.

CHARACTERISTICS OF STUDENTS WITH DISABILITIES

This section provides context for special education programming by reporting special education prevalence rates based on various subgroups of students, including analysis by disability type and race/ethnicity. Specifically, it addresses data pertaining to the overall percentage of students with IEPs based on total student enrollment and disability area, comparisons to other districts, and composition by race/ethnicity. This information provides an overall background for understanding the disparate characteristics of students who receive special education services. Data from the State Performance Plan (SPP) indicators are also presented to benchmark Lakewood against state targets in specific areas.

State Performance Plan/Annual Performance Report (SPP/APR) and Results Driven Accountability (RDA)

The United States Department of Education (ED), Office of Special Education Programs (OSEP) has established State Performance Plan and Annual Performance Report (SPP/APR) requirements that include 17 indicators. Based on requirements set by OSEP, each state is required to develop annual targets and monitor Local Education Agency (LEA) performance on each special education indicator. The state must report annually to the public on its overall performance and on the performance of each of its LEAs according to the targets in its SPP. Both states and LEAs receive one of the following "determinations" annually: 1) meets the requirements and purposes of the IDEA, 2) needs assistance in implementing the requirements of IDEA, 3) needs intervention in implementing the requirements of IDEA, 4) needs substantial intervention in implementing the requirements of the IDEA. Annual determinations dictate the amount of oversight or monitoring a state or LEA may receive the following year.[64]

FIGURE 33: IDEA PART B INDICATORS

- Indicator 1: Graduation Rate
- Indicator 2: Dropout Rate
- Indicator 3: Assessment (Participation and Performance)
- Indicator 4: Rates of Suspension
- Indicator 5: Least Restrictive Environment (LRE), Age 6-21
- Indicator 6: Preschool LRE, Age 3-5
- Indicator 7: Preschool Outcomes
- Indicator 8: Parent Involvement
- Indicators 9, 10: Disproportionate Representation Due to Inappropriate Identification
- Indicator 11: Timely Initial Evaluations
- Indicator 12: Early Childhood Transition
- Indicator 13: Secondary Transition
- Indicator 14: Post-School Outcomes
- Indicators 15, 16: Dispute Resolution
- Indicator 17: State Systemic Improvement Plan

Note. Retrieved from "IDEA Part B Indicators" by the US department of Education Results Driven Accountability website, (https://www2.ed.gov/about/offices/list/osers/osep/rda/index.html)

OSEP has been criticized in past years that the SPP indicators are heavily focused on compliance and have limited focus on results for students with disabilities. As a result, in 2013, the Department announced its intention to change this practice and to include test scores, graduation rates, and post-school outcomes as the basis of the new Results-Driven Accountability (RDA) structure. The intent of RDA is to strike a balance between the focus on improved results and functional outcomes for students with disabilities, while still adhering to the compliance requirements of IDEA. RDA is designed to be transparent and understandable and to drive the improved academic and functional achievement for students with IEPs. The SPP indicator data collected takes on additional importance now that OSEP has moved to the RDA framework, as there are points associated with both a "Part B Compliance Matrix" and a

[64] RDA: Results Driven Accountability. (n.d.). U.S. Department of Education https://www2.ed.gov/about/offices/list/osers/osep/rda/index.html

"Part B Results Driven Accountability Matrix." Taken together, these scores constitute an RDA Determination and conclude whether Districts and, ultimately states, meet IDEA requirements. The NJDOE monitors SPP/APR Indicators individually and through the QSAC process.

In the following sections, longitudinal SPP data are presented, alongside state targets, for select indicators. Additional data are presented in these three categories:

- State Performance Plan Indicators
- Special Education Demographics
- Educational Setting Data for Students with IEPs

State Performance Plan and Annual Performance Report Indicators

Over the past three most current years, with the 2021-22 school year being the most current, Lakewood Public School District has not met targets in the following indicators:

- Indicator 1: Graduation
- Indicator 2: Dropout
- Indicator 3: Participation in Statewide Assessment and Proficiency
- Indicator 5: School Age Least Restrictive Environment
- Indicator 6: Preschool Least Restrictive Environment
- Indicator 11: Timely Initial Evaluations
- Indicator 12: Early Childhood Transition

Of the indicators in which the District is not meeting targets, the most significant are Indicator 5, specifically including children with IEPs with typically developing peers 80% or more during the school day; Indicator 3B, specifically 4th grade ELA and math assessment; and Indicator 6, preschool children with disabilities in separate settings and the time spent during the day with typically developing peers. Referencing the exhibit below, which only includes indicators which Lakewood Public School District did not meet, further details the targets set by the state and the corresponding results achieved by the District in each indicator.

EXHIBIT X. STATE PERFORMANCE PLAN AND ANNUAL PERFORMANCE REPORT – INDICATOR TARGETS NOT MET BY LAKEWOOD PUBLIC SCHOOL DISTRICT[65]

Indicator	Years/Subject	State Target	District Result	Status
Indicator 1: Graduation	2021-22	91.6%	80.36%	Target not met
	2020-21	91.5%	88.89%	Baseline
	2019-20	81.5%	81.4%	Target not met
Indicator 2: Dropout	2021-22	-	-	Target not met
	2020-21	11.11%	8.3%	Baseline
	2019-20	-	-	NA – not listed
Indicator 3A: Participation In Statewide Assessments	2021-22 – High School ELA	95%	78.89%	Target not met
	2021-22 - High School Math	95%	88.76%	Target not met
	2020-21	-	-	NA
	2019-20	-	-	NA
Indicator 3B: Proficiency (NJSLA)	2021-22 – 4th Grade ELA	23.50%	18.2%	Target not met

[65] Retrieved from: https://www.nj.gov/education/specialed/monitor/spp/.
*Not all indicators are measured by NJDOE each year. Some assessment not included due to the suspension of the New Jersey Student Learning Assessment during the pandemic emergency.
Legend: *Data are not displayed to support student privacy.

	2021-22 - 4th Grade Math	25%	12.79%	Target not met
	2021- 22 – 8th Grade ELA	20.5%	11.49%	Target not met
	2021-22 – 8th Grade Math	13.5%	*	Target not met
	2021-22 – High School ELA	17.5%	*	Target not met
	2021 – 22 High School Math	9.5%	*	Target not met
	2020-21	-	-	NA
	2019-20	-	-	NA
Indicator 5: School Age Least Restrictive Environment (LRE) – In General Education 80% or More of the School Day	2021-22	45%	5.5%	Target not met
	2020-21	45%	5.97%	Target not met
	2019-20	50%	6.2%	Target not met
Indicator 6: Preschool LRE	2021-22 – Regular Preschool	47%	42.6%	Target not met
	2021-22 – Separate Preschool	57.31%	38.75%	Target not met
	2020-21 – Regular Preschool	47%	19.93%	Target not met
	2020-21 – Separate Preschool	44.93%	38.75%	Target not met
	2019-20 – Regular Preschool	17.4	46.6%	Target not met
	2019-20 – Separate Preschool	50.7%	34%	Target not met
Indicator 11: Timely Initial Evaluations	2021-22	94.3%	100%	Target not met
	2020-21	95.81%	100%	Target not met
	2019-20	76.7%	100%	Target not met
Indicator 12: Early Childhood Transition	2021-22	100%	87.67%	Target not met
	2020-21	100%	86.32%	Target not met
	2019-20	100%	77.4%	Target not met

Note. Retrieved from "State Performance Plan Annual Performance Report" by Official Site of the State of New Jersey, (https://www.nj.gov/education/specialed/monitor/spp/)

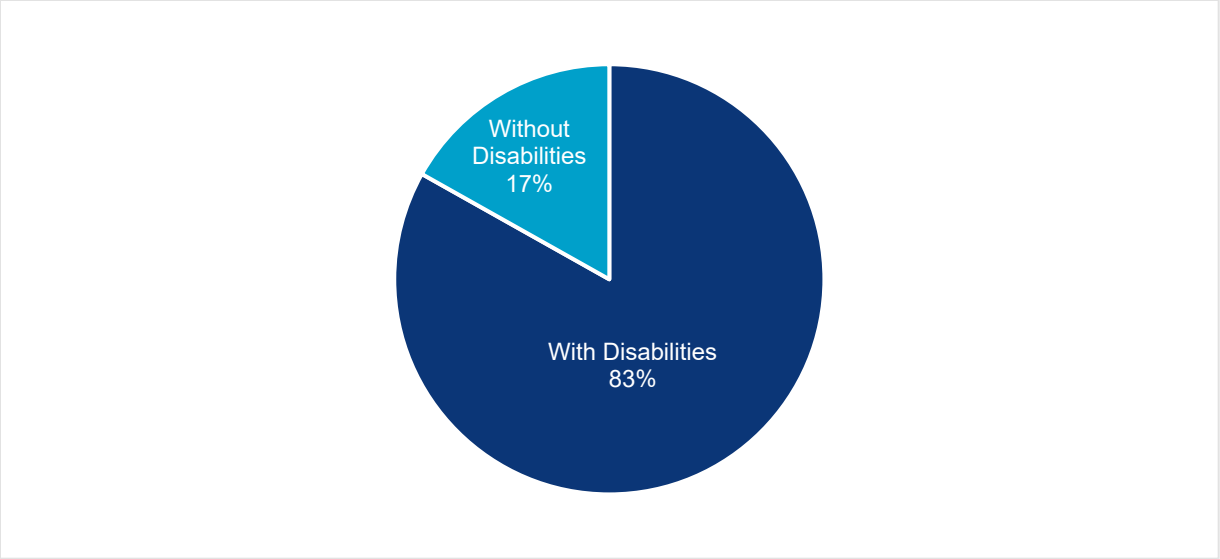
Special Education Demographics

The data in the charts below reflect the statistics for public school students, ages 3-21, with Individualized Education Programs (IEPs).

Early Childhood Data

In 2022, 83.0% of students in early childhood had an identified disability.

FIGURE 34: PERCENTAGE OF STUDENTS WITH AND WITHOUT AN IDENTIFIED DISABILITY (AGES 3-4), 2022

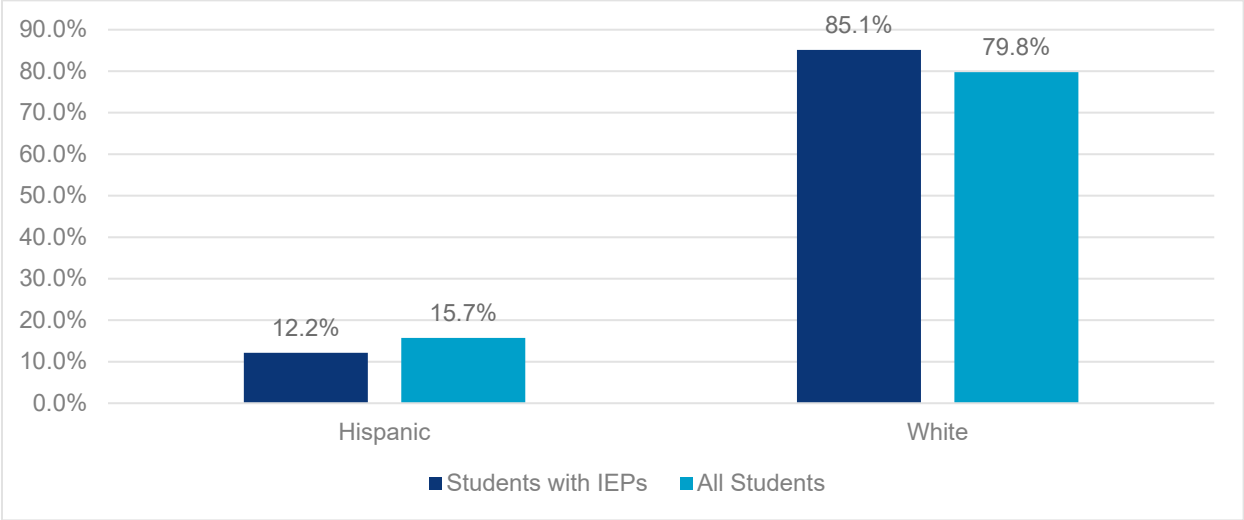


Note. Data are from "NJ SMART Data Extract - Oct 15 Snapshot', Nov 2023" provided by Lakewood Public School District

Of the overall three-to-four-year old student population, 79.8% were White and 15.7% were Hispanic. It should be noted that this demographic distribution is not representative of the District's overall population.

Of the total population of White students, 85.1% of them have an IEP. Of the total Hispanic population, 12.2% have an IEP.

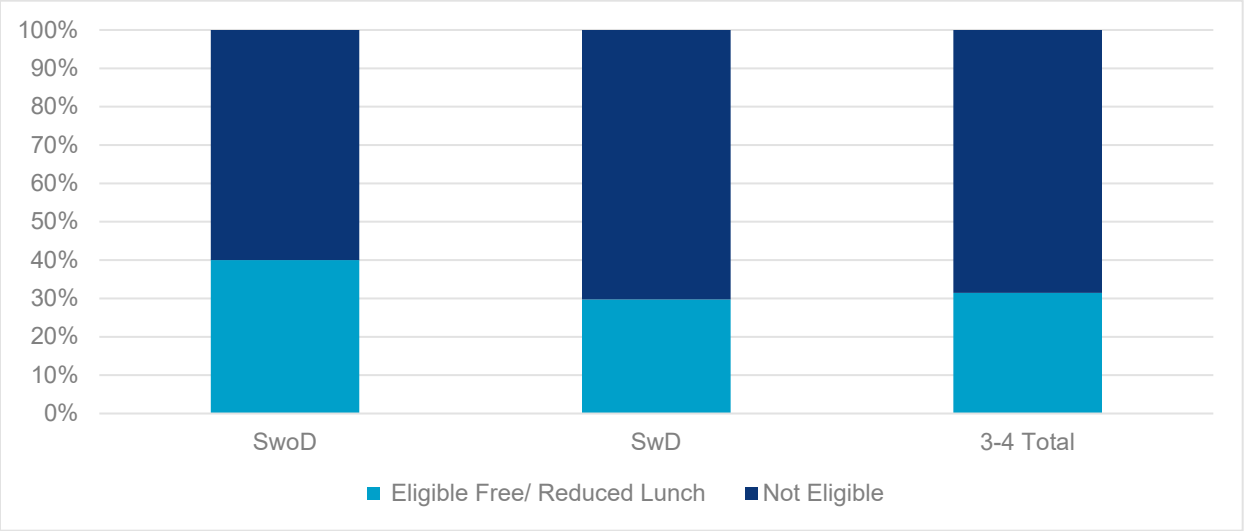
FIGURE 35: PERCENTAGE OF LAKEWOOD STUDENTS WITH DISABILITIES (AGE 3-4) BY RACE/ETHNICITY, 2022



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

Of the total three-to-four year old population, 31.5% are eligible for Free/Reduced Lunch. Of preschool students with a disability, 29.7% are eligible for Free/Reduced Lunch. It should be noted that these rates are not representative of the District's overall Free and Reduced Lunch Rates.

FIGURE 36: PERCENTAGE OF LAKEWOOD STUDENTS WITH DISABILITIES (AGE 3-4) BY FREE/REDUCED LUNCH, 2022

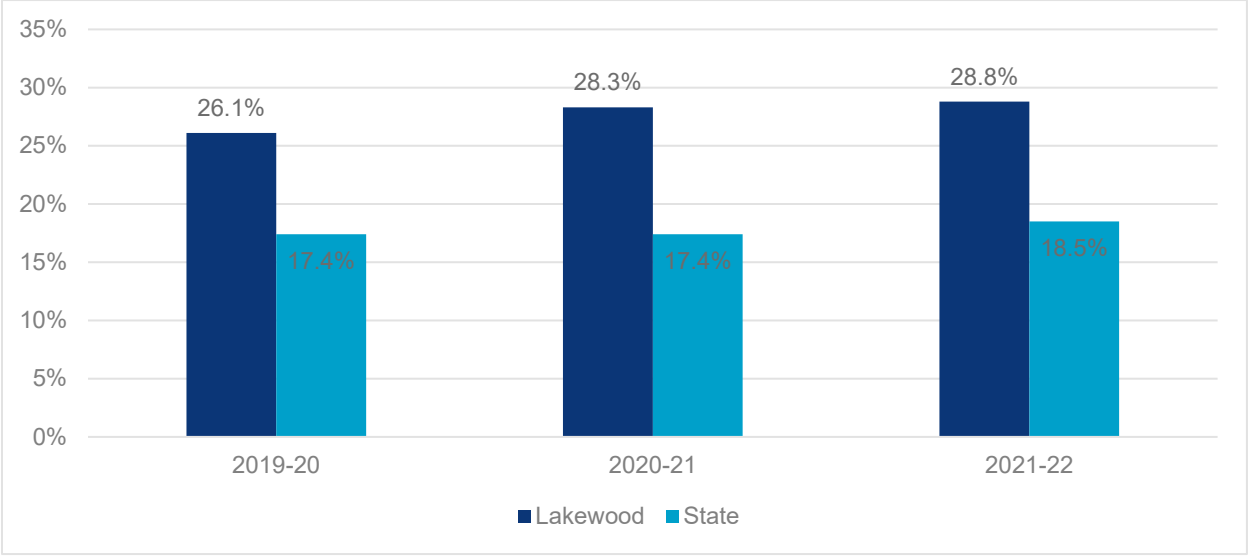


Note. Data retrieved from "NJ SMART Data Extract - Oct 15 Snapshot', Nov 2023", provided by Lakewood Public School District

School-Age Incidence Rates

Between 2019-20 and 2021-22, the percentage of students with IEPs ages 5-21 in the District varied between a low of 26.1 percent in 2019-20 to a high of 28.8 percent in 2021-22. Compared to the state incidence rate during that same period, Lakewood's incidence rate averaged 9.97 percentage points higher.[66]

FIGURE 37: PERCENTAGE OF LAKEWOOD STUDENTS WITH IEPS COMPARED TO STATE INCIDENCE RATES, 2019-2020 TO 2021-2022[67]

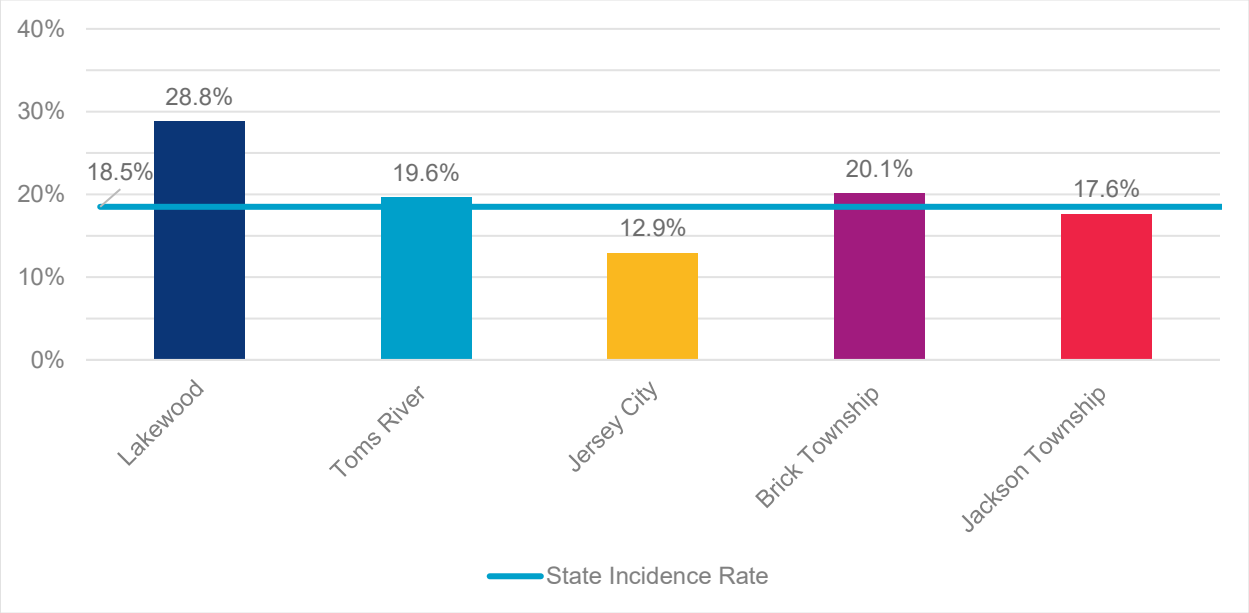


Note: Retrieved from "NJ School Performance Report", by District and State Data, 2024, (https://rc.doe.state.nj.us/)

[66] These rates do not include eligible students enrolled in schools.
[67] *District and State Data for 2019-20 to 2021-22* (n.d.). NJ School Performance Report. Accessed Jan 2024, https://rc.doe.state.nj.us/.

PCG identified four New Jersey school Districts to compare key quantitative data to Lakewood Public School District. When compared to the identified comparison Districts, Lakewood had the highest incidence rate (28.8%), followed by Brick Township (20.1%) and Toms River RSD (19.6%). These averages were above the state average of 18.5 percent. The remaining two comparable Districts, Jackson Township and Jersey City, had incidence rates below the state average. (**Figure 38**)

FIGURE 38: LAKEWOOD'S IEP RATES COMPARED TO OTHER NEW JERSEY SCHOOL DISTRICTS AND STATE, 2022



Note: Retrieved from "NJ School Performance Report", by District and State Data, 2024, (https://rc.doe.state.nj.us/)

INCIDENCE RATES BY PRIMARY DISABILITY

Of students with IEPs in Lakewood Public School District:

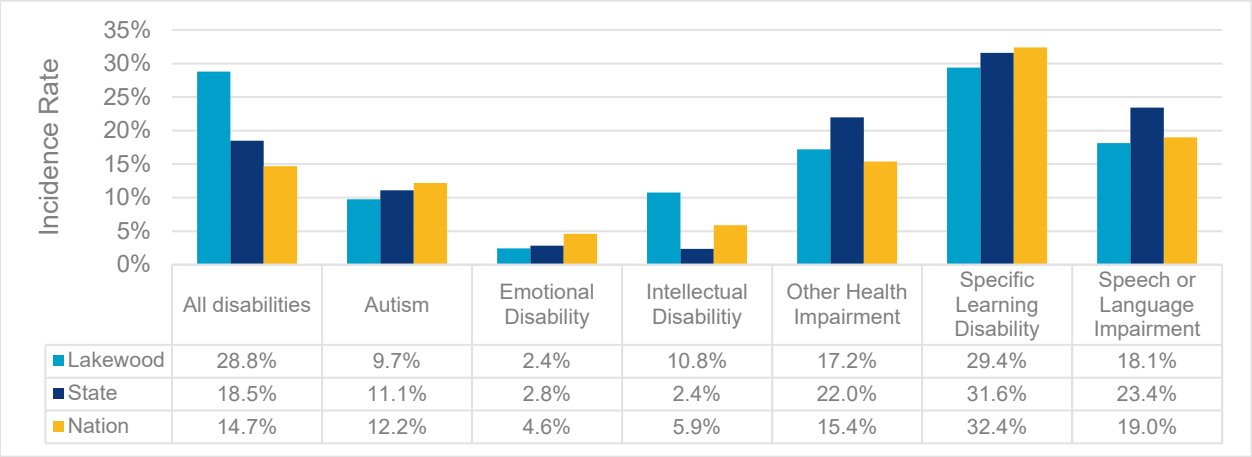
- 29.4 percent had a specific learning disability,
- 18.1 percent had a speech or language impairment,
- 17.2 percent had an other health impairment,
- 10.8 percent had an intellectual disability,
- 9.7 percent had autism, and
- 2.4 percent had an emotional disability.[68]

There are a few data comparisons to note regarding incidence rates.

- Lakewood Public School District's overall incidence rate (28.8%) is nearly twice the national incidence rate (14.7%). Similarly, the rate of students in the District with a diagnosis of Intellectual Disability (10.8%) is nearly twice the national rate (5.9%).
- Conversely, the District's Emotional Disability rate is less than half of the national rate.

[68] Where appropriate, PCG utilizes disability categories aligned to federal definitions. New Jersey uses the term Emotional Regulation Impairment instead of the federal category term Emotional Disturbance. PCG slightly deviates from the federal category and uses the term Emotional Disability.

FIGURE 39: PERCENTAGE OF LAKEWOOD STUDENTS WITH DISABILITIES DISABILITY AREA COMPARED TO STATE AND NATION (AGES 5-21), 2022



	All disabilities	Autism	Emotional Disability	Intellectual Disabilitiy	Other Health Impairment	Specific Learning Disability	Speech or Language Impairment
Lakewood	28.8%	9.7%	2.4%	10.8%	17.2%	29.4%	18.1%
State	18.5%	11.1%	2.8%	2.4%	22.0%	31.6%	23.4%
Nation	14.7%	12.2%	4.6%	5.9%	15.4%	32.4%	19.0%

Note: Data are from "2022 Special Education Student Count Districts and Charters by Disability" provided by New Jersey Department of Education
Note: National Data obtained from National Center for Education Statistics '2022 Digest of Education Statistics', https://nces.ed.gov/programs/digest/d22/tables/dt22_204.30.asp

INCIDENCE RATE BY RACE AND ETHNICITY[69]

Of students with IEPs in the District in 2022:

- 67.0 percent were Hispanic,
- 25.9 percent were white, and
- 6.5 percent were Black/African American.

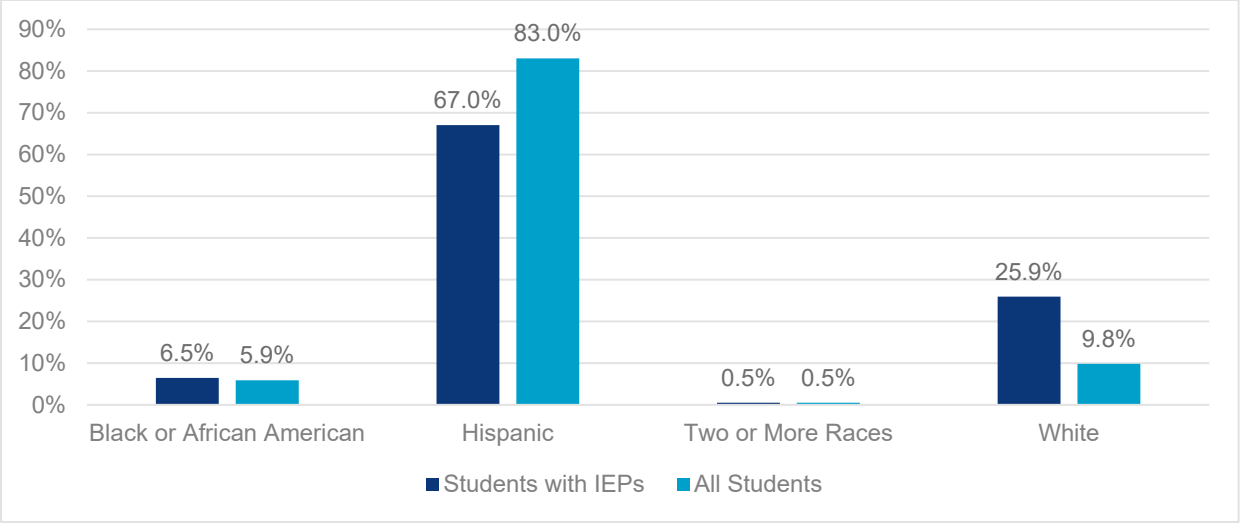
There are a few data comparisons to note regarding incidence rates specific to race and ethnicity.

- 84% of all students in Lakewood identify as Hispanic. Of this demographic, 67% have an IEP.
- 9.8% of all students in Lakewood identify as White. Of this demographic, 25.9% have an IEP.
- 5.9% of all students in Lakewood identify as Black or African American. Of this demographic, 6.5% have an IEP.

Monitoring comparisons in race and ethnicity across populations of students who have IEPs can serve as one method of proactively identifying possible instances of disproportionate representation.

[69] Incidence data was suppressed for the following Race and Ethnicity populations in this section due to sample sizes <5: American Indian or Alaskan Native, Asian, Native Hawaiian or Other Pacific Islander.

FIGURE 40: PERCENT OF LAKEWOOD STUDENTS WITH IEPS (AGE 5-21) BY RACE/ETHNICITY, 2022

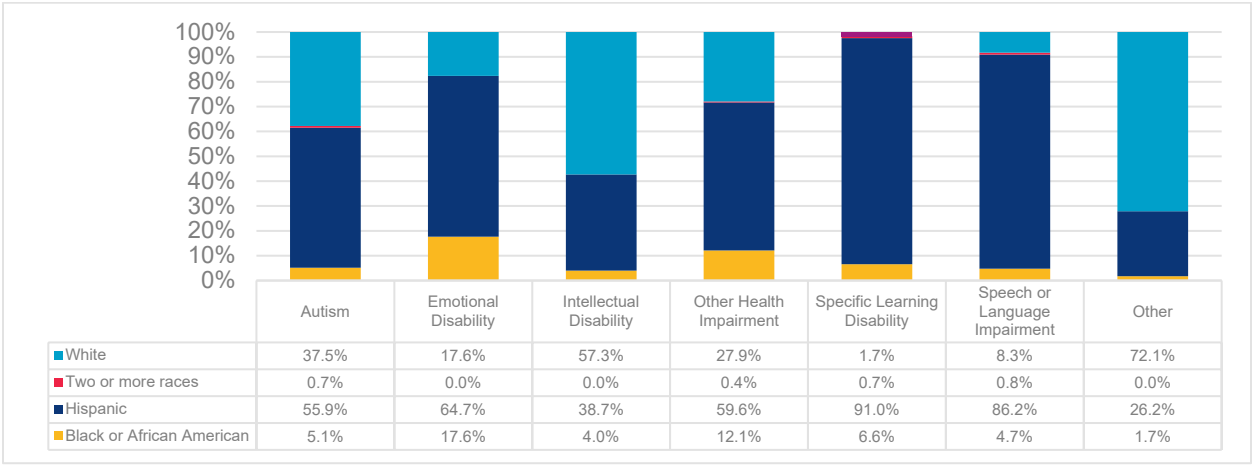


Note. Data retrieved from "NJ SMART Data Extract - Oct 15 Snapshot', Nov 2023", provided by Lakewood Public School District

Data indicated the prevalence of disability types for certain races and ethnicities higher than District demographics, with variations in disability categories. Key differences, displayed in the graph below, include:

- Hispanic students accounted for 91.0 percent of students identified with a specific learning disability and 88.2 percent of students with a speech or language impairment. These percentages were higher than the overall percentage of Hispanic students with an IEP (67.0%).
- White students accounted for 57.3 percent of students with an intellectual disability and 37.5 percent of students with autism. These percentages were higher than the overall percentage of white students with an IEP (25.9%).
- Black or African American students accounted for 17.6 percent of students identified with an emotional disability and 12.1 percent of students identified with an other health impairment. These percentages were higher than the overall percentage of Black or African American students with IEP (6.5%).

FIGURE 41: PERCENTAGE OF LAKEWOOD STUDENTS (AGE 5-21) BY DISABILITY AREA AND RACE/ETHNICITY, 2022



	Autism	Emotional Disability	Intellectual Disability	Other Health Impairment	Specific Learning Disability	Speech or Language Impairment	Other
White	37.5%	17.6%	57.3%	27.9%	1.7%	8.3%	72.1%
Two or more races	0.7%	0.0%	0.0%	0.4%	0.7%	0.8%	0.0%
Hispanic	55.9%	64.7%	38.7%	59.6%	91.0%	86.2%	26.2%
Black or African American	5.1%	17.6%	4.0%	12.1%	6.6%	4.7%	1.7%

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

DISPROPORTIONALITY AND RISK RATIO ANALYSIS

One of the most useful, informative, and proactive methods used to calculate disproportionality "is the risk ratio, which compares one racial/ethnic group's risk of receiving special education and related services to that of all other students."[70] The risk ratio can be used to calculate disproportionality at both the state and District levels. The analysis below is intended to provide Lakewood Public School District with a tool to calculate risk ratios in order to monitor trends and identify areas of concern.

The risk ratio tool tells school personnel how the risk for one racial/ethnic group compares to the risk for a comparison group.[71] It can be used to assess:

- How much more likely is it for students from one race or ethnicity group to be classified with a disability compared to all other students;
- How much more likely is it for students with disabilities from one race or ethnicity group to be suspended for more than 10 days compared to all other students;
- What the likelihood is that a student from a particular racial or ethnic group will be classified with a disability, be given a specific disability classification, or placed in a most restrictive environment;
- What the likelihood is that a student with a disability from a particular racial or ethnic group will be suspended for more than 10 days.

As a concept, "risk" looks at the general enrollment data for each racial group along with the number of students from that group who were identified for a specified category and calculates the likelihood that a student from that racial group would be found in that particular category. The general risk equation is as follows:[72]

FIGURE 42: RISK RATIO EQUATION

$$\text{Risk} = \frac{\text{Number of children from racial/ethnic group in disability category}}{\text{Number of enrolled children from racial/ethnic group}} \times 100$$

As shown below, a risk ratio greater than 2.0 for a racial/ethnic group indicates a higher risk of over-representation, while a risk ratio of less than 1.0 indicates a higher risk of under-representation. For the state of New Jersey, the threshold for identification of significant disproportionality for students based on placement, identification for special education and related services, and discipline is 3.0 for three consecutive years.

PCG conducted a risk ratio analysis of Lakewood Public School District data to identify areas where over-identification of students with disabilities based on disability, race, educational setting, and discipline may be occurring. The risk ratio calculated is not designed to replicate New Jersey's significant disproportionality reporting process.[73] The intent of this calculation is to provide a formative data point to assess the extent

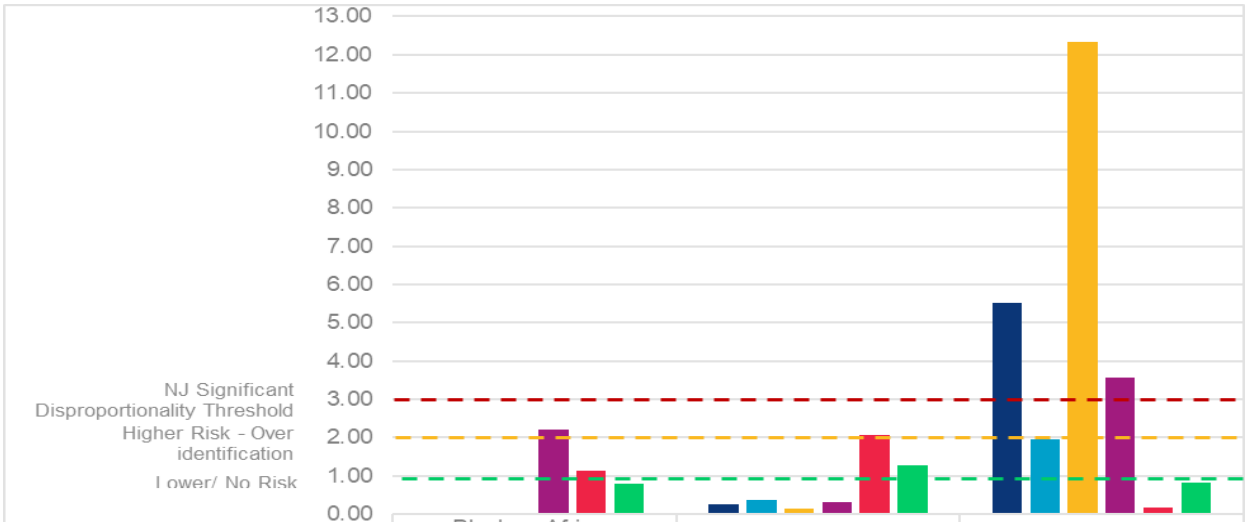
[70] Bollmer, J. Bethel, et al. (2007). Using the Risk Ratio to Assess Racial/Ethnic Disproportionality in Special Education at the School-District Level. The Journal of Special Education, Vol 41, Issue 3, pp. 186 – 198.
[71] Racial and Ethnic Disparities in Special Education: A Multi-Year Disproportionality Analysis by State, Analysis Category, and Race/Ethnicity, Office of Special Education and Rehabilitative Services, U.S. Department of Education, February 2016.
[72] PCG analyzed student populations with at least 30 students in a particular Race and Ethnicity group with an IEP and at least 10 students with a specific disability classification, aligned with New Jersey's application of minimum sample sizes and cell sizes.
[73] Further information about the state's significant disproportionality calculations and findings can be found in the section below.

to which identification rate and educational placement and behavior decisions are impacted by students' race and ethnicity and educational environment. This tool can be used to inform ongoing analysis and monitoring.

As displayed in the figure below:

- White students were over twelve times as likely to be identified with an intellectual disability (exceeding the state threshold), five and a half times more like to be identified with autism (exceeding the state threshold), and three and a half times as likely to be identified with an other health impairment (exceeding the state threshold) when compared to other race and ethnicity groups.
- Black or African American students were twice as likely to be identified with an other health impairment.
- Hispanic students were twice as likely to be identified with a specific learning disability.

FIGURE 43: RISK RATIOS BY RACE/ETHNICITY AND DISABILITY, 2023



	Black or African American	Hispanic	White
Autism	0.00	0.26	5.50
Emotional Disability	0.00	0.37	1.97
Intellectual Disability	0.00	0.13	12.32
Other Health Impairment	2.20	0.30	3.55
Specific Learning Disability	1.13	2.06	0.16
Speech/ Language Impairment	0.80	1.27	0.83

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

SIGNIFICANT DISPROPORTIONALITY

In 2016, the United States Department of Education (USED) issued new Equity in IDEA regulations with regards to identifying Districts with significant disproportionality. These rules required states to develop a risk ratio threshold to be used in identifying Districts for significant disproportionality. New Jersey established a 3.0 risk ratio threshold that was used to identify Districts for significant disproportionality in the areas of placement, identification for special education and related services, and discipline.

Further, the IDEA requires each state to have in place a State Performance Plan (SPP) and Annual Performance Report (APR) evaluating the state's implementation of Part B of the IDEA and describing how each state will improve such implementation. Two of the indicators concern the disproportionate representation of specific racial/ethnic groups in special education.

- Indicator 9 – Percent of Districts with disproportionate representation of racial and ethnic groups in special education and related services that is the result of inappropriate identification (20 U.S.C.1416(a)(3)(C)); and
- Indicator 10 – Percent of disproportionate representation of racial and ethnic groups in specific disability categories that is the result of inappropriate identification (20 U.S.C. 1416(a)(3)(C)).[74]

New Jersey applies the same 3.0 risk ratio threshold to identify Districts with disproportionate representation. Districts identified with significant disproportionality are also identified with disproportionate representation. Data from the NJSmart October 15th snapshot and the Student Safety Data System (SSDS) are used for the risk ratio calculation.[75]

In September 2023, Lakewood Public School District was notified that NJDOE determined the District to be significantly disproportionate in the following areas:

- White students eligible for special education and related services under the Autism category
- White students eligible for special education and related services under the Intellectual Disability category
- Hispanic students eligible for special education and related services placed in general education for less than 40% of the day
- White students eligible for special education and related services placed in separate settings.

Districts that met the criteria for significant disproportionality and disproportionate representation of racial/ethnic groups in special education were required to complete a self-assessment in the fall of 2023.

The 2023 NJDOE findings were not the first time Lakewood Public School District was found to be significantly disproportionate. Previously, in 2022 Lakewood Public School District received notification that the District had to set aside 15% of its IDEA funding for Comprehensive Coordinated Early Intervening Services (CCEIS).[76] This directive, a requirement of IDEA when an LEA who has exceeded the 3.0 risk ratio threshold for three consecutive years, was based on a "a continued pattern of significant disproportionality."[77]

Table 27 shows a summary of significant disproportionality data provided by the NJDOE for Lakewood Public School District for 2020-21, 2021-22, and 2022-23.[78]

TABLE 27: SIGNIFICANT DISPROPORTIONALITY RISK RATIOS

		Total Enrolled General Education Students By Race	Total Classified Special Education Students By Race & Disability Category	Total Enrolled General Education Students By Other Races	Total Classified Special Education Students by Other Races & Disability Category	Risk Ratio
White - Autism	2020-21	640	47	5105	96	**3.91**
	2021-22	620	48	4833	105	**3.56**
	2022-23	587	49	4475	109	**3.43**

[74] *IDEA Part B Regulations-Significant Disproportionality (Equity in IDEA) essential questions and answers.* (2016, December 19). US Office of Special Education Services. https://sites.ed.gov/idea/files/significant-disproportionality-qa-03-08-17.pdf
[75] Memo from NJDOE Director of Special Education (2022, September 17). Lakewood Public School District Superintendent.
[76] Under 34 CFR §300.646(b)(2) of the IDEA Part B, if a state identifies significant disproportionality based on race or ethnicity in a local school LEA (LEA), the LEA must allocate 15 percent of its total IDEA Part B award (Basic plus Preschool) towards the provision of Comprehensive Coordinated Early Intervening Services (CCEIS).
[77] In the following categories:
- White students with the disability category of Autism
- White students with an Intellectual Disability
- White students in Separate Settings
- Black students for Total Disciplinary Removals.

[78] "Lakewood Dispro Data" provided by NJDOE via email January 24, 2024.

White - Intellectual Disability	2020-21	640	69	5105	57	**9.66**
	2021-22	620	74	4833	56	**10.3**
	2022-23	587	78	4475	61	**9.75**

		Total Enrolled Classified Special Education Students By Race	Total Classified Special Education Students By Race & Placement Category	Total Enrolled classified Special Education Students By Other Races	Total Classified Special Education Students by Other Races & Placement Category	Risk Ratio
Hispanic - Less than 40%	2020-21	1174	453	606	77	3.04
	2021-22	1187	490	574	71	3.34
	2022-23	1111	442	540	68	3.16

		Total Enrolled Classified Special Education Students By Race	Total Classified Special Education Students By Race & Placement Category	Total Enrolled classified Special Education Students By Other Races	Total Classified Special Education Students by Other Races & Placement Category	Risk Ratio
Lakewood Township Overall	2020-21	509	309	1271	62	12.44
	2021-22	484	301	1277	64	12.41
	2022-23	434	299	1217	73	11.49

Note. Retrieved from "Lakewood Dispro Data", 2024, provided by New Jersey Department of Education

The identification of Lakewood as significant disproportionality in several areas dates to 2020, when the NJDOE ordered Lakewood to use 15% of its IDEA funding to address the overidentification of White students in four categories and Black students for total disciplinary removals. Lakewood appealed this decision, arguing that the State's decision to order the CCEIS set aside was "arbitrary and capricious because it was based upon factual errors and an improper methodology of calculation." On November 28, 2023, the Appellate Division ruled in favor of NJDOE, determining: "We reject Lakewood's argument that it should be permitted to divert only 15% of the portion of the IDEA grant allocated to public school students, rather than be required to divert 15% of its total IDEA grant. The relevant regulations and statutes do not allow the remedy Lakewood advocates."[79]

For FY 24, Lakewood was required to set aside $1,711,367 in Basic IDEA funding for CCEIS. This amount was allocated to salaries, benefits, and professional services. For Preschool IDEA funding, Lakewood set aside $114,877 for professional services for CEIS. The set aside was evident in the FY 24 IDEA application that PCG reviewed.[80]

Eligibility by Student Subgroup

English learners are more likely to be identified with specific learning disabilities and speech language impairment and less likely to be identified with other health impairments, autism, and emotional disturbance as compared to all school aged students served under IDEA, Part B.[81] Multilingual learners account for 11.8% of all students served under IDEA, Part B.[82]

Nationwide, nearly 45% of students identified as multilingual learners who have been dually identified as having a disability under IDEA, Part B, are classified as having a literacy-related disability known as a

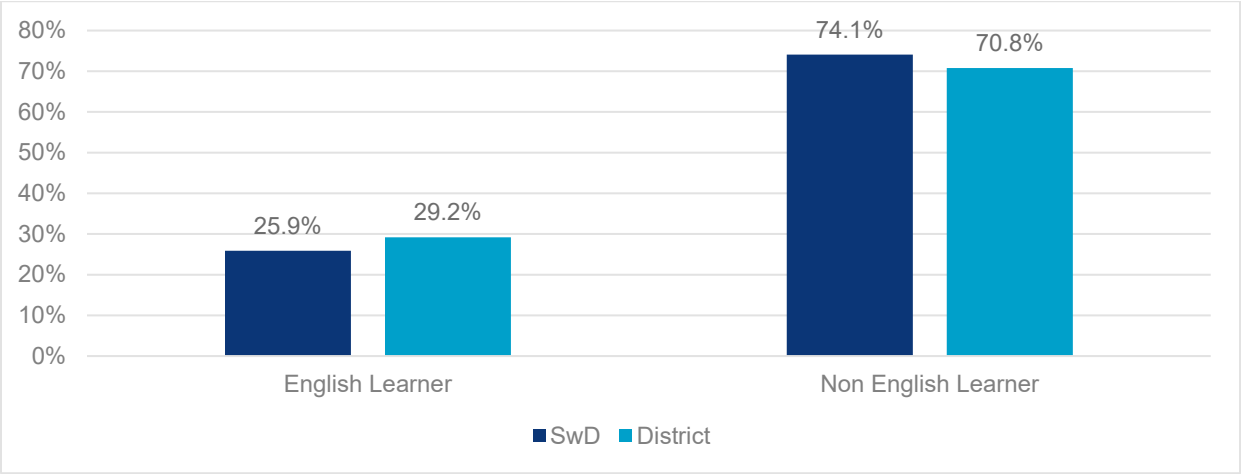
[79] *Superior Court, New Jersey Appellate Division Ruling, Docket No. A-0709-21.* (2023, November 27). Provided by the New Jersey Department of Education.
[80] IDEA application. (n.d.). Public Access. Retrieved from: https://njdoe.mtwgms.org/NJDOEGmsWeb/Logon.aspx
[81] OSEP fast facts. (n.d.). IDEA. https://sites.ed.gov/idea/osep-fast-facts-students-with-disabilities-english-learners
[82] Ibid.

specific learning disability.[83] This rate in New Jersey is 36%. Nearly 19% of multilingual learners nationwide are identified with speech or language impairments.

ELIGIBILITY BY EL STATUS

Twenty-nine percent of students in Lakewood Public School District are English learners. Of the students with IEPs, 25.9 percent are English learners.

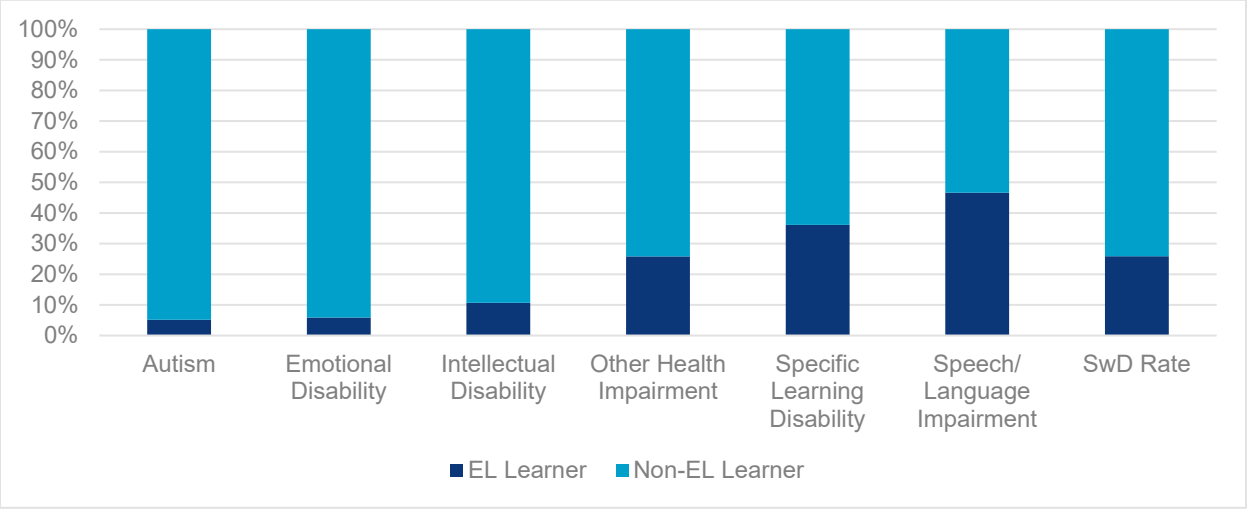
FIGURE 44: PERCENT OF LAKEWOOD STUDENTS AGES 5-21 BY EL STATUS, 2022



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

English learners with an IEP accounted for 46.6 percent of students with a speech or language impairment and 36.1 percent of students with a specific learning disability.

FIGURE 45: EL STUDENTS BY DISABILITY, 2022



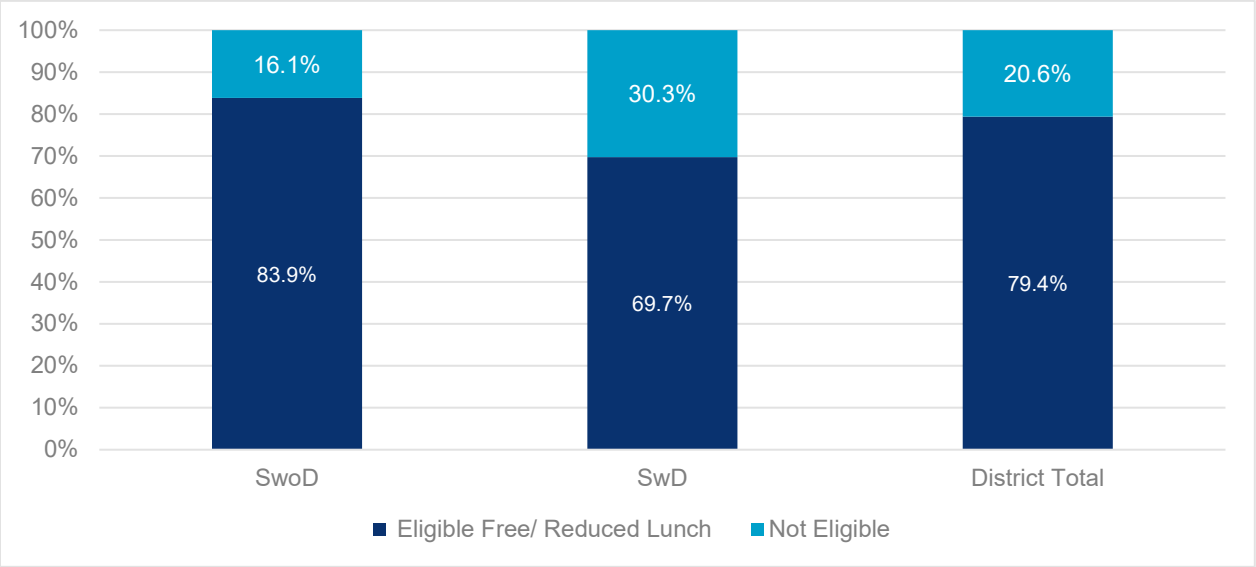
Note. Data retrieved from "NJ SMART Data Extract - Oct 15 Snapshot', Nov 2023", provided by Lakewood Public School District

[83] WIDA focus bulletin: identifying multilingual learners with specific learning disabilities. (n.d.). WIDA. https://wida.wisc.edu/sites/default/files/resource/FocusBulletin-Identifying-Multilingual-Learners-Specific-Learning-Disabilities.pdf#:~:text=Further%20investigation%20of%20those%20states%20with%20lower%20than,%284%25%29%3B%20Kentucky%20%284%25%29%3B%20Missouri%20%283%25%29%3B%20and%20Vermont%20%282%25%29.

ELIGIBILITY BY FREE OR REDUCED LUNCH

Overall, 79.4 percent of students in Lakewood are eligible for free or reduced-price lunch. A smaller percentage of students with disabilities were eligible for free or reduced-price lunch (69.7%) compared to their peers without an IEP (83.9%).

FIGURE 46: PERCENTAGE OF STUDENTS WITH DISABILITIES VS. STUDENTS WITHOUT DISABILITIES PARTICIPATING IN FREE AND/OR REDUCED LUNCH (AGES 5-21), 2022

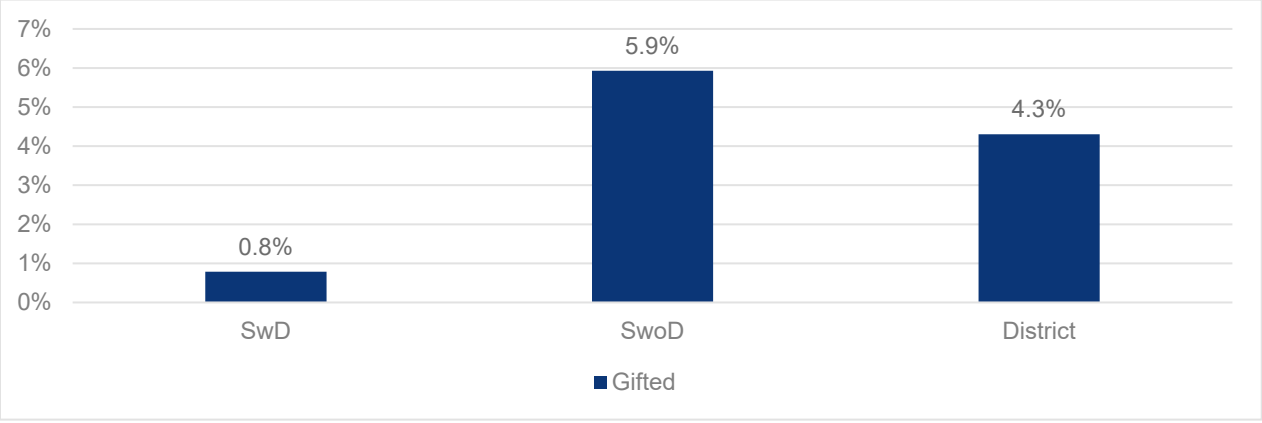


Note. Data retrieved from "NJ SMART Data Extract - Oct 15 Snapshot, Nov 2023", provided by Lakewood Public School District

ELIGIBILITY BY GIFTED STATUS

Overall, 4.3 percent of students in Lakewood are identified as gifted. A small percentage of students with disabilities (0.8%) are identified as gifted compared to 5.9 percent of students without an IEP. It should be noted that New Jersey does not have guidance around how to categorize or track this population of students, so comparisons are not possible.

FIGURE 47: PERCENTAGE OF STUDENTS IDENTIFIED AS GIFTED BY DISABILITY ELIGIBILITY, 2022



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

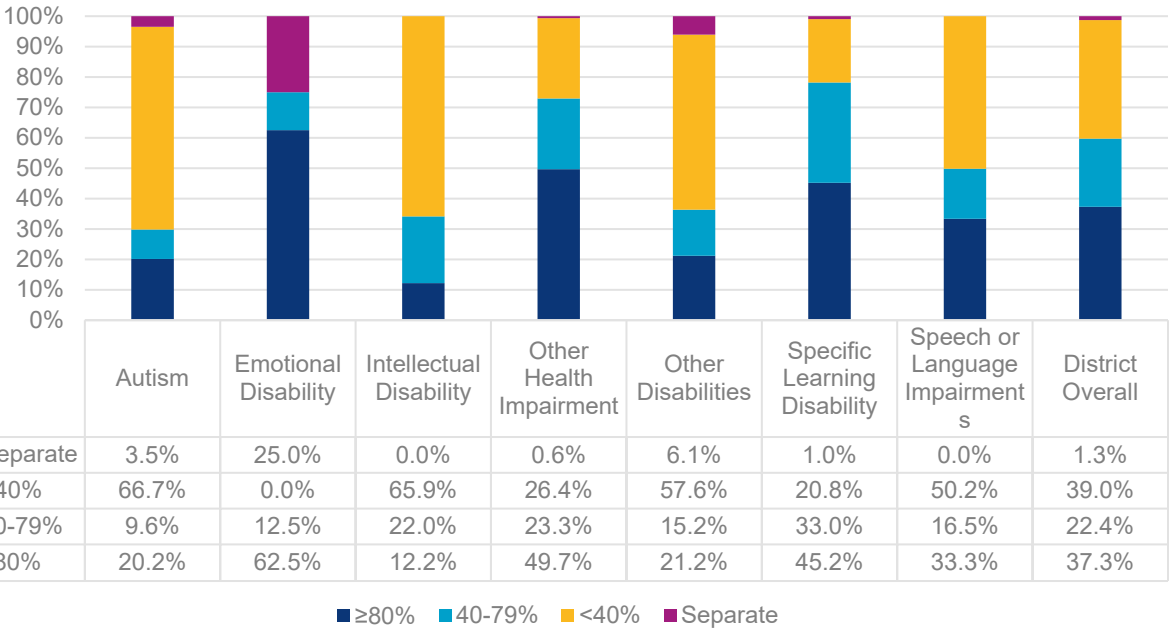
Educational Setting

Of public-school students with IEPs in Lakewood, 37.3 percent spend 80 percent or more of their day in general education, 22.4 percent spend 40 to 79 percent of their school day in general education, 39 percent

spend less than 40 percent of their school day in general education, and 1.3 percent are in a separate setting.

These data defer substantially from data submitted in the 2021-22 State Performance Plan report, which lists that only 5.5% of students with IEPs in Lakewood spend 80 percent or more of their day in general education.[84]

FIGURE 48: PERCENTAGE OF LAKEWOOD STUDENTS (AGE 5-21) BY DISABILITY AREA AND EDUCATIONAL SETTING, 2022



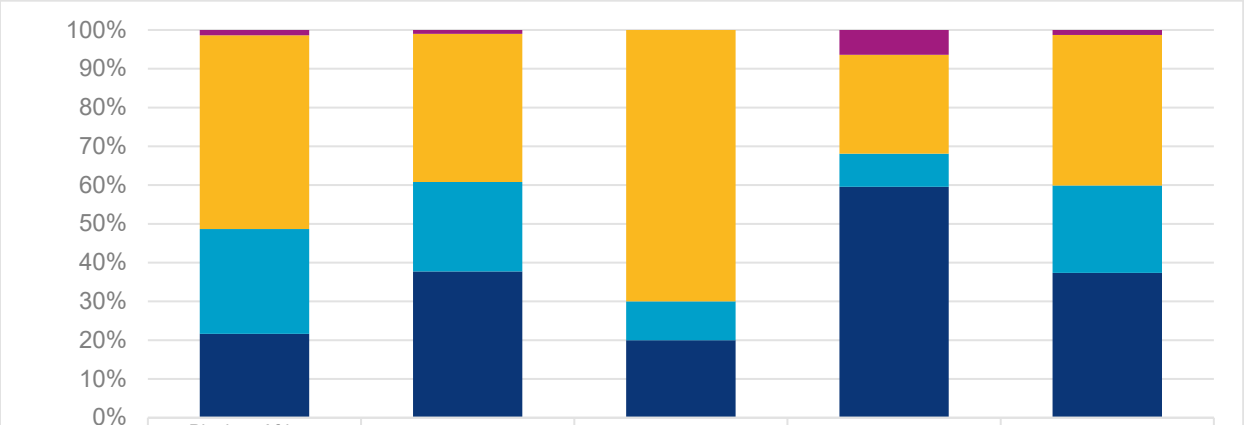
	Autism	Emotional Disability	Intellectual Disability	Other Health Impairment	Other Disabilities	Specific Learning Disability	Speech or Language Impairments	District Overall
Separate	3.5%	25.0%	0.0%	0.6%	6.1%	1.0%	0.0%	1.3%
<40%	66.7%	0.0%	65.9%	26.4%	57.6%	20.8%	50.2%	39.0%
40-79%	9.6%	12.5%	22.0%	23.3%	15.2%	33.0%	16.5%	22.4%
≥80%	20.2%	62.5%	12.2%	49.7%	21.2%	45.2%	33.3%	37.3%

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

Fifty percent of Black or African American students and 38.2 percent of Hispanic students are served in general education setting less than 40 percent of the day. This is contrasted with 59.6 percent White students served in general education greater than 80 percent of their school day.

[84] State performance plan annual performance report. (n.d.). Department of Education. https://www.nj.gov/education/specialed/monitor/spp/

FIGURE 49: PERCENTAGE OF LAKEWOOD STUDENTS WITH DISABILITIES (AGE 5-21) BY RACE AND EDUCATIONAL SETTING, 2022[85]



	Black or African American	Hispanic	Two or more races	White	Overall
Separate	1.4%	1.0%	0.0%	6.4%	1.3%
<40%	50.0%	38.2%	70.0%	25.5%	38.9%
40-79%	27.0%	23.1%	10.0%	8.5%	22.5%
≥80%	21.6%	37.7%	20.0%	59.6%	37.4%

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

Within the Separate Setting category, Lakewood tracks students attending a specialized program for special education in a school that is not his/her/their resident school within the resident school District in a distinct category.

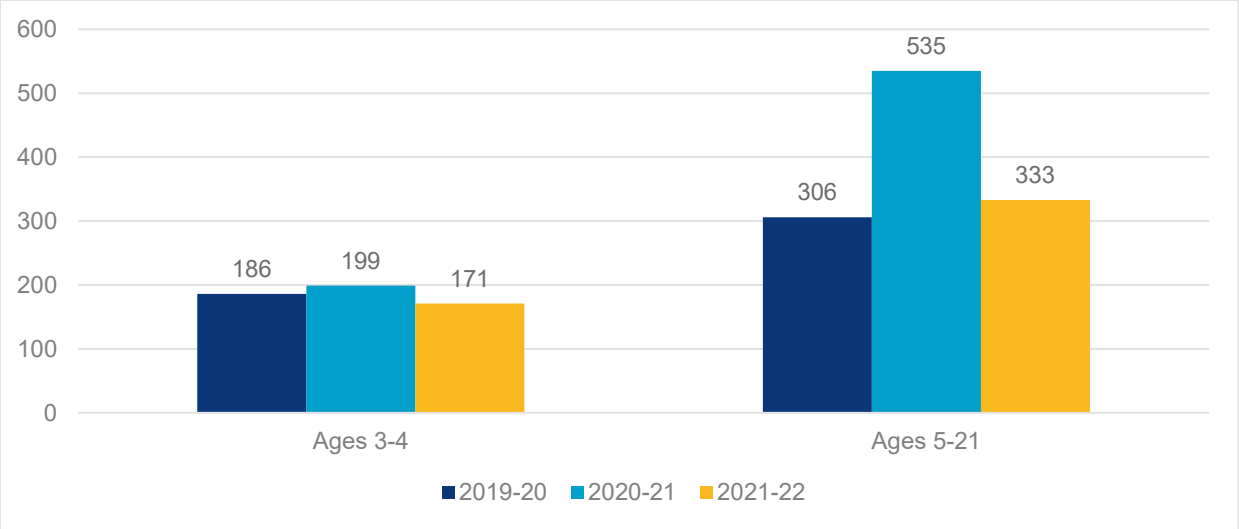
In Lakewood, during the 2021-22 school year, 171 students ages 3-4 were in specialized out of district placements. This is a decrease in placement numbers for this age group of 186 in 2019-20 and 199 in 2020-21.

During the 2022-23 school year, 333 students ages 5-21 were in specialized out of district placements. This is an increase in placement numbers for this age group from the 2020-21 school year (306) but a decrease from the 535 students in 2021-22.

Lakewood indicated that all of these placements are at Approved Private Schools for the Disabled (APSD) locations and were made through IEP team decisions. The District does not have any students in Naples Placements. Additional information about these placements can be found in the next section.

[85] The 'n' size for Asian students was less than 5, so this demographic group was not included in the chart.

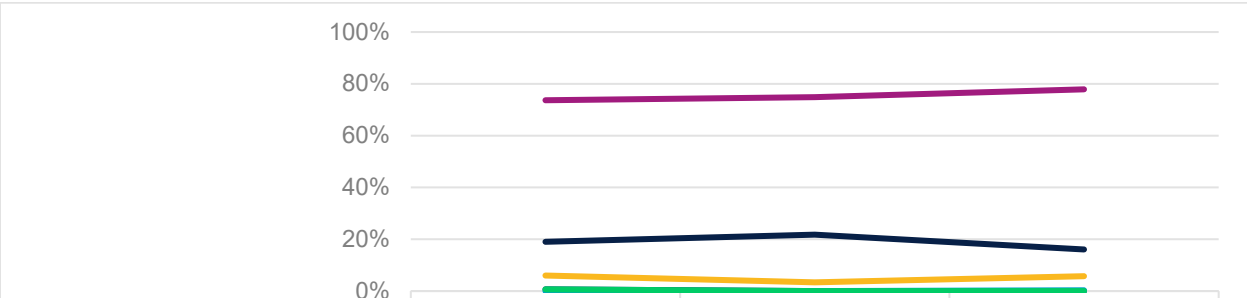
FIGURE 50: SPECIALIZED OUT OF DISTRICT PLACEMENTS, 2019-20 TO 2021-22



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

Approximately three-quarters of the students in specialized out of district placements are Hispanic, at 73.7% in 2020, 74.8% in 2021 and 77.9% in 2022. (This is slightly lower than the overall District incidence rate of Hispanic students with IEPs, which is 83%.) It is unclear from the information provided what prompted the substantial increase and then subsequent decrease in these placement numbers.

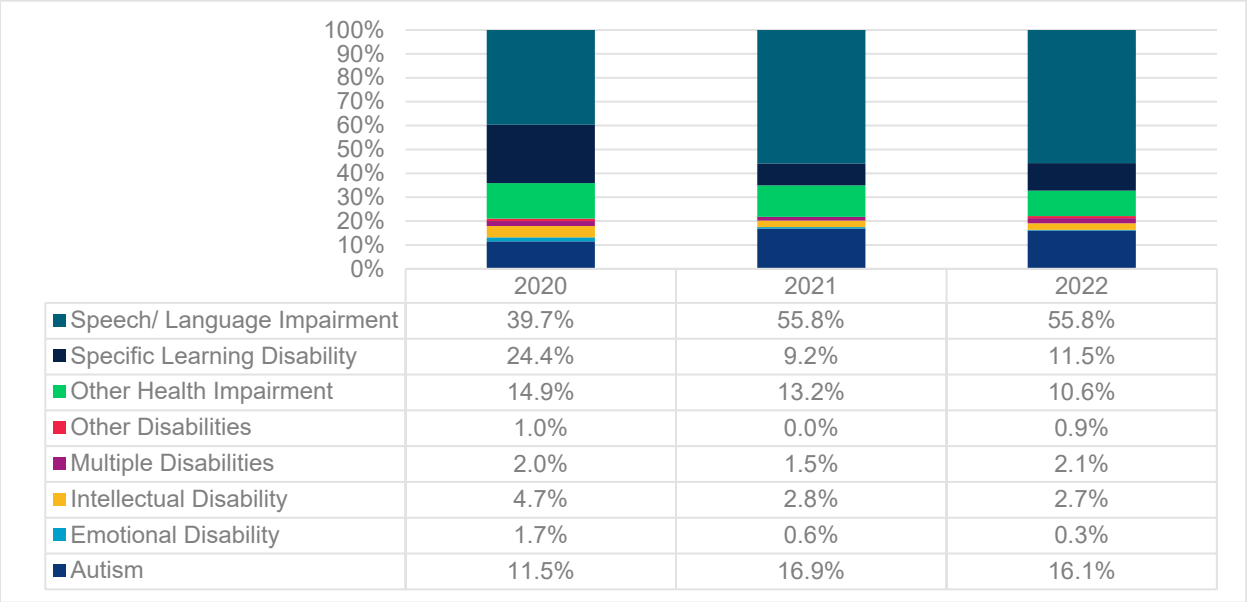
FIGURE 51: PERCENT OF SPECIALIZED OUT OF DISTRICT PLACEMENTS WITH IEPS (AGE 5-21) BY RACE/ETHNICITY, 2020-2022



	2020	2021	2022
American Indian or Alaskan Native	0.7%	0.0%	0.0%
Asian	0.0%	0.0%	0.3%
Black or African American	6.0%	3.4%	5.8%
Hispanic	73.7%	74.8%	77.9%
Two or More Races	0.7%	0.0%	0.0%
White	19.0%	21.8%	16.1%

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

FIGURE 52: PERCENT OF SPECIALIZED OUT OF DISTRICT PLACEMENTS WITH IEPS (AGE 5-21) BY PRIMARY DISABILITY, 2020-2022

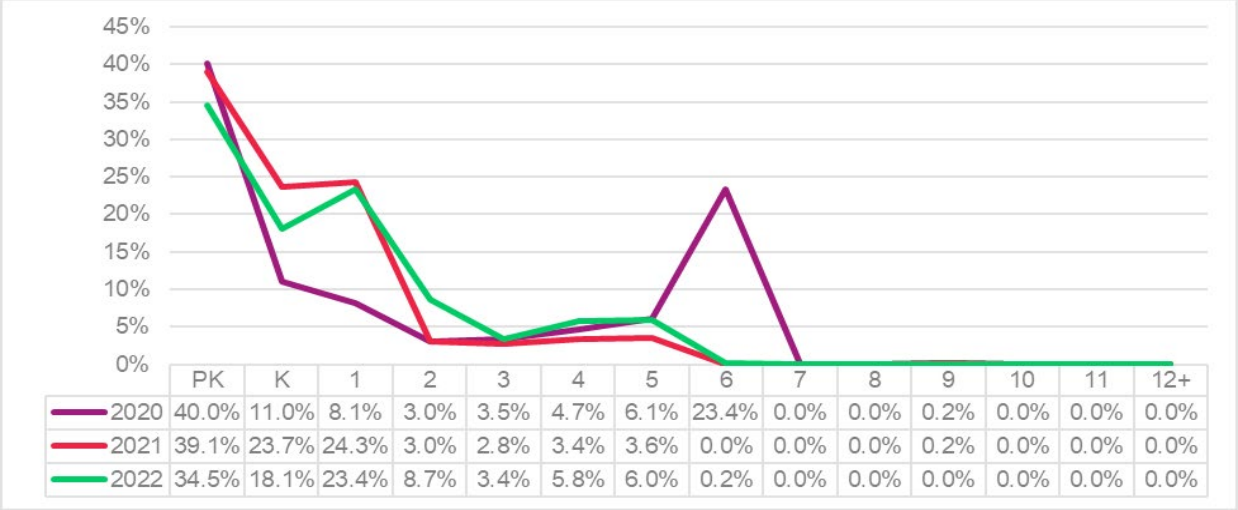


	2020	2021	2022
Speech/ Language Impairment	39.7%	55.8%	55.8%
Specific Learning Disability	24.4%	9.2%	11.5%
Other Health Impairment	14.9%	13.2%	10.6%
Other Disabilities	1.0%	0.0%	0.9%
Multiple Disabilities	2.0%	1.5%	2.1%
Intellectual Disability	4.7%	2.8%	2.7%
Emotional Disability	1.7%	0.6%	0.3%
Autism	11.5%	16.9%	16.1%

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

The majority of students in out of district placements across all three years were those with speech or language impairment as a primary disability. It is unclear why so many students with a primary disability of speech or language impairment are in specialized out of district placements; however, it could be that they have other secondary or tertiary disabilities as well.

FIGURE 53: PERCENT OF SPECIALIZED OUT OF DISTRICT PLACEMENTS WITH IEPS (AGE 5-21) BY GRADE, 2020-2022



	PK	K	1	2	3	4	5	6	7	8	9	10	11	12+
2020	40.0%	11.0%	8.1%	3.0%	3.5%	4.7%	6.1%	23.4%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%
2021	39.1%	23.7%	24.3%	3.0%	2.8%	3.4%	3.6%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%
2022	34.5%	18.1%	23.4%	8.7%	3.4%	5.8%	6.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

The majority of students in these placements are in grades Pre-K to 6th grade.

TEACHING AND LEARNING FOR STUDENTS WITH DISABILITIES

This section of the report is devoted to how Lakewood is supporting teaching and learning for students with IEPs, and how the District provides specialized instruction, related services, and supplementary aids/services that enable students with disabilities to receive the educational benefits to which they are entitled.

While compliance indicators remain important, under the new Results-Driven Accountability (RDA) framework, the federal Office of Special Education Programs (OSEP) has sharpened its focus on what happens in the classroom to promote educational benefits and improve outcomes and results for students with disabilities. This change is based on data showing that the educational outcomes of America's children and youth with disabilities have not improved as expected, despite significant federal efforts to close achievement gaps. The accountability system that existed prior to the new one placed substantial emphasis on procedural compliance, but it often did not consider how requirements affected the learning outcomes of students.[86] This shift is having a great impact in guiding the priorities of special education department nationwide, including in Lakewood. Districts need both to raise the level of and access to high levels of rigor, and also to generate a culture of academic optimism.[87]

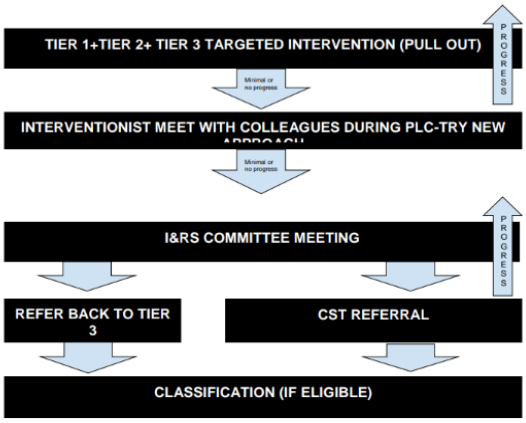
These issues have become even more significant with the March 27, 2017 U.S. Supreme Court decision in *Endrew F. v. Douglas County School District*.[88] In this decision, the Court updated its prior standard for determining a school District's provision of an appropriate education for students with disabilities. This case centered on the importance of establishing ambitious and challenging goals that enable each student to make academic progress and functional advancement and advance from grade to grade. Progress for a student with a disability, including those receiving instruction based on alternate academic achievement standards, must be appropriate in light of his/her circumstances. Furthermore, yearly progress must be more demanding than the "merely more than de minimis" standards that had been used by some lower courts. For children with disabilities, receiving instruction that aims so low would be tantamount to "sitting idly . . . awaiting the time when they were old enough to 'drop out.'"[89] The Court made it clear that IDEA demands more. The recommendations in this report serve to bolster the OSEP's recent shift toward improving instructional outcomes.

Eligibility and Evaluation

In New Jersey, when a child is identified as possibly having a disability, their matter is referred to the District's special education administration who then subsequently refers it to the District's Child Study Team (CST). Referrals may be submitted by instructional, administrative and other professional staff of the local school District, or parents and state agencies, including the New Jersey Department of Education (NJDOE), concerned with the welfare of students.[90]

Lakewood Public School District has clearly documented policies and procedures related to the referral process and a designated email address

FIGURE 54: LAKEWOOD INTERVENTION TIERS



[86] Results driven accountability summary. (2012, April 5). U.S. Department of Education. Retrieved from: www2.ed.gov/about/offices/list/osers/osep/rdasummary.doc
[87] Hoy, W. K., Tarter, C. J., & Woolfolk Hoy, A. (2006). Academic optimism of schools: A force for student achievement. Working Paper – The Ohio State University. http://www.waynekhoy.com/school-academic-optimism/
[88] Supreme Court of the United States. (2016). Retrieved from https://www.supremecourt.gov/opinions/16pdf/15-827_0pm1.pdf
[89] US Supreme Court Ruling. (2016, September 29). retrieved from: https://supreme.justia.com/cases/federal/us/580/15-827/opinion3.html
[90] New Jersey code, N.J.A.C. 6A:10A-3.3(a)3ii special education. (n.d.). https://www.nj.gov/education/code/current/title6a/chap14.pdf

(referrals@lakewoodpiners.org) for all referrals to the Child Study Team (CST) from parents, teachers, early intervention providers, administrators, and school staff. There is also a link to a document on the Lakewood website regarding Project CHILD FIND, a free referral service and statewide public awareness campaign to assist in the identification of unserved/underserved youth with a delay or disability from birth through twenty-one years of age. Project CHILD FIND develops and distributes information to the public about early intervention services and special education programs throughout New Jersey.[91] The graphic in Figure 54, from the District's 2022-23 Intervention Manual, depicts the process through which intervention support and referral to the CST occur.

The District outlined the following process for Initial Referrals.

District Process: Initial Referrals[92]

The District has 20 days from the receipt of a referral to hold an Initial Determination Meeting. Upon receipt of the referral, the Office of Special Services will assign a Case Manager to ensure the meeting occurs within 20 days. The following shall occur:

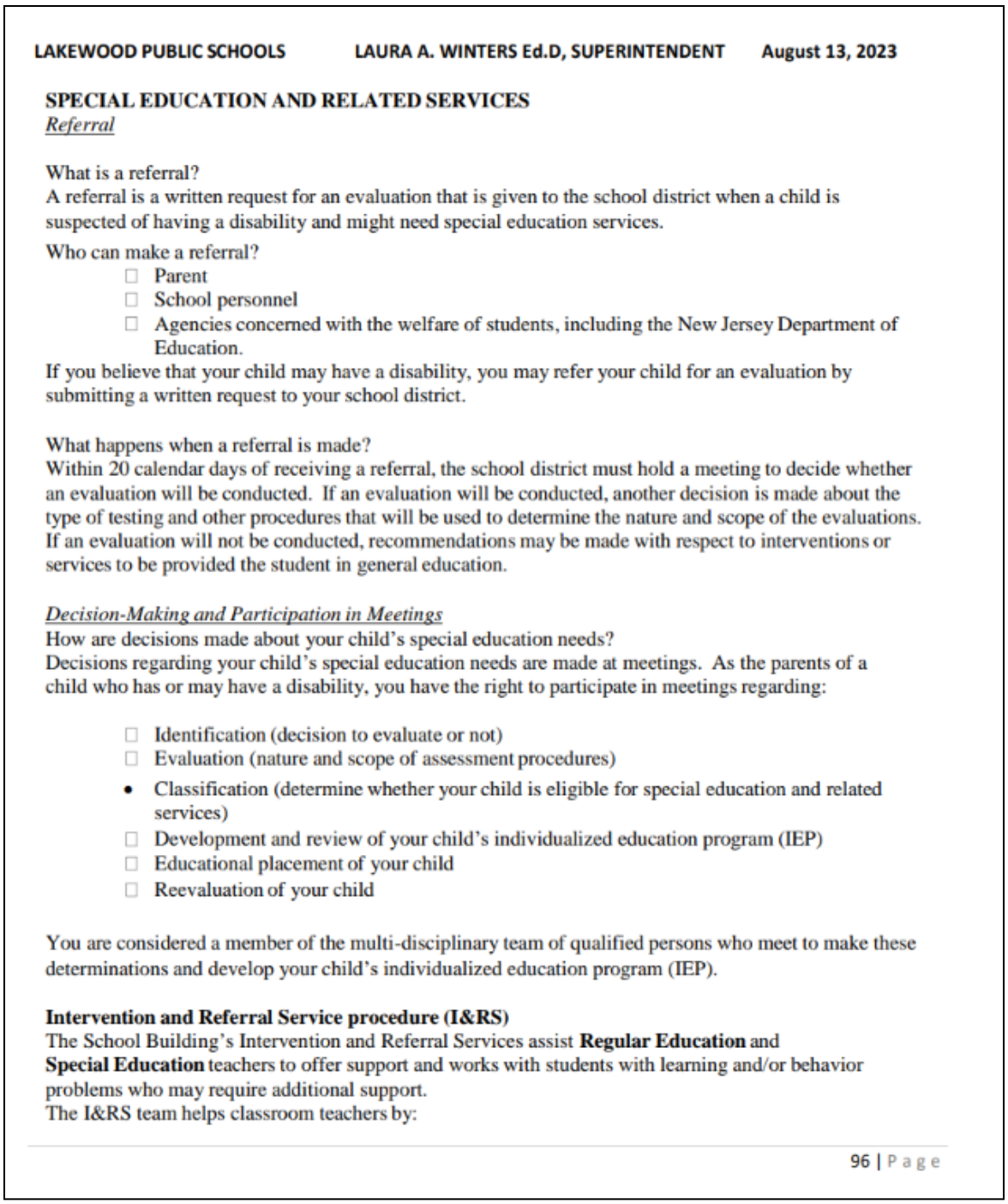
- *For K-12 the Case Manager will notify the Child Study Team Secretary of the day and time of the meeting. The Child Study Team Secretary will contact the parent via phone. The meeting shall be scheduled as soon as possible to allow for and in anticipation of the parent not being available for the meeting. This will allow for the District to schedule another meeting and maintain compliance. All information must be documented in Realtime case notes. Ex: Parent no show; Parent not available and needs to reschedule….*
- *The Child Study Team Secretary will call the parent to inform them of the day and time of the meeting.*
- *The Child Study Team Secretary will send out a meeting notice reflecting the day and time of the meeting.*
- *The Child Study Team Secretary will call the parent to confirm the day before the meeting.*
- *The Child Study Team Secretary will notify building administration of the meetings and which teachers are required to participate.*
- *The Child Study Team Secretary will notify the teachers that are required to attend three business days prior to the meeting.*
- *Both Child Study Team Secretary and Case Managers will coordinate so multiple meetings will be scheduled on one day to maximize substitute coverage.*
- *The Child Study Team Secretary will coordinate substitute coverage of the meetings.*
- *The Child Study Team Secretary will coordinate translators for the meetings.*

Child Study Team members from other buildings may be utilized to ensure the District is compliant with meeting this mandate.

Additionally, the District's 2023 staff handbook outlines the procedures to follow for initial referrals.

[91] Project Child Find Information, retrieved from: Project Child Find.pdf (lakewoodpiners.org)
[92] "Referral Process" provided by Lakewood Public School District.

FIGURE 55: LAKEWOOD PUBLIC SCHOOL DISTRICT HANDBOOK, SPECIAL EDUCATION AND RELATED SERVICES[93]



LAKEWOOD PUBLIC SCHOOLS LAURA A. WINTERS Ed.D, SUPERINTENDENT August 13, 2023

SPECIAL EDUCATION AND RELATED SERVICES

Referral

What is a referral?
A referral is a written request for an evaluation that is given to the school district when a child is suspected of having a disability and might need special education services.

Who can make a referral?

- Parent
- School personnel
- Agencies concerned with the welfare of students, including the New Jersey Department of Education.

If you believe that your child may have a disability, you may refer your child for an evaluation by submitting a written request to your school district.

What happens when a referral is made?
Within 20 calendar days of receiving a referral, the school district must hold a meeting to decide whether an evaluation will be conducted. If an evaluation will be conducted, another decision is made about the type of testing and other procedures that will be used to determine the nature and scope of the evaluations. If an evaluation will not be conducted, recommendations may be made with respect to interventions or services to be provided the student in general education.

Decision-Making and Participation in Meetings

How are decisions made about your child's special education needs?
Decisions regarding your child's special education needs are made at meetings. As the parents of a child who has or may have a disability, you have the right to participate in meetings regarding:

- Identification (decision to evaluate or not)
- Evaluation (nature and scope of assessment procedures)
- Classification (determine whether your child is eligible for special education and related services)
- Development and review of your child's individualized education program (IEP)
- Educational placement of your child
- Reevaluation of your child

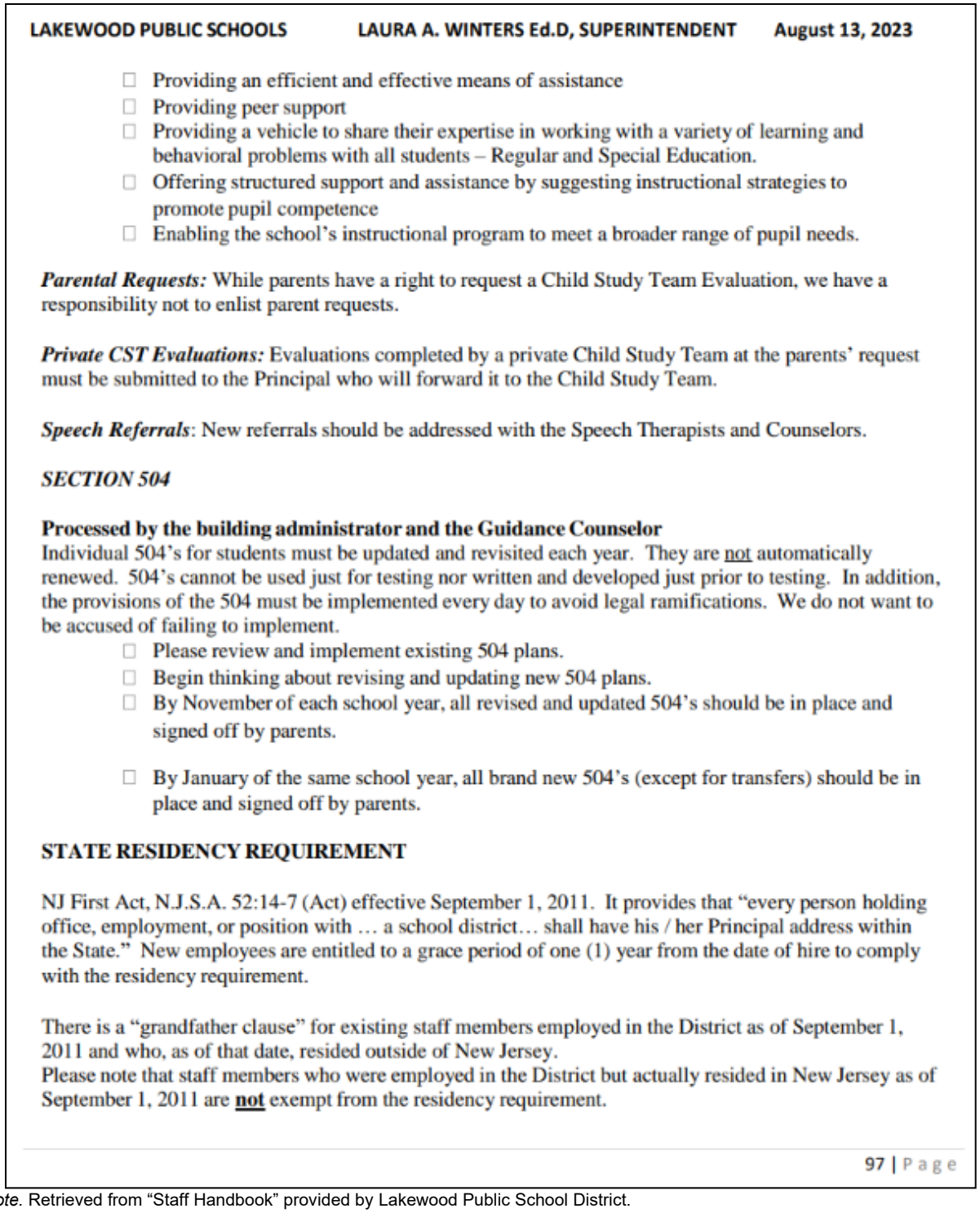
You are considered a member of the multi-disciplinary team of qualified persons who meet to make these determinations and develop your child's individualized education program (IEP).

Intervention and Referral Service procedure (I&RS)
The School Building's Intervention and Referral Services assist **Regular Education** and **Special Education** teachers to offer support and works with students with learning and/or behavior problems who may require additional support.
The I&RS team helps classroom teachers by:

96 | Page

Note. Retrieved from "Staff Handbook" provided by Lakewood Public School District.

[93] "Staff Handbook" provided by Lakewood Public School District.



LAKEWOOD PUBLIC SCHOOLS LAURA A. WINTERS Ed.D, SUPERINTENDENT August 13, 2023

- Providing an efficient and effective means of assistance
- Providing peer support
- Providing a vehicle to share their expertise in working with a variety of learning and behavioral problems with all students – Regular and Special Education.
- Offering structured support and assistance by suggesting instructional strategies to promote pupil competence
- Enabling the school's instructional program to meet a broader range of pupil needs.

Parental Requests: While parents have a right to request a Child Study Team Evaluation, we have a responsibility not to enlist parent requests.

Private CST Evaluations: Evaluations completed by a private Child Study Team at the parents' request must be submitted to the Principal who will forward it to the Child Study Team.

Speech Referrals: New referrals should be addressed with the Speech Therapists and Counselors.

SECTION 504

Processed by the building administrator and the Guidance Counselor
Individual 504's for students must be updated and revisited each year. They are not automatically renewed. 504's cannot be used just for testing nor written and developed just prior to testing. In addition, the provisions of the 504 must be implemented every day to avoid legal ramifications. We do not want to be accused of failing to implement.

- Please review and implement existing 504 plans.
- Begin thinking about revising and updating new 504 plans.
- By November of each school year, all revised and updated 504's should be in place and signed off by parents.
- By January of the same school year, all brand new 504's (except for transfers) should be in place and signed off by parents.

STATE RESIDENCY REQUIREMENT

NJ First Act, N.J.S.A. 52:14-7 (Act) effective September 1, 2011. It provides that "every person holding office, employment, or position with … a school district… shall have his / her Principal address within the State." New employees are entitled to a grace period of one (1) year from the date of hire to comply with the residency requirement.

There is a "grandfather clause" for existing staff members employed in the District as of September 1, 2011 and who, as of that date, resided outside of New Jersey.
Please note that staff members who were employed in the District but actually resided in New Jersey as of September 1, 2011 are **not** exempt from the residency requirement.

97 | Page

Note. Retrieved from "Staff Handbook" provided by Lakewood Public School District.

During the 2022-23 school year, the CST received 841 referrals for special education. As of November 2023, there were 319 referrals for the 2023-24 school year.[94] General observations of these data show that the majority of referrals are from Early Intervention and parents, with far fewer coming from schools. Deeper

[94] Referral Data" (n.d.). Lakewood Public School District.

analysis of these data was not possible given the format of the information provided. However, considering the total number of identified students with disabilities in Lakewood's public schools is 1,395, this referral number is high. It is unclear if these numbers are also inclusive of students who are parentally placed in nonpublic schools and could potentially be evaluated through Chapter 193.

District Practices

Staff shared a range of feedback about students who were referred for an evaluation, or, in some cases, about students they believe should have been referred sooner. Some focus group participants indicated that, from the perspective of helping the students in any way possible, everyone works together to go above and beyond to ensure students are getting serviced and receiving the services they need through testing and that there is validity in how students are chosen and recommendations provided through I&RS. One another positive note, staff shared in focus groups that Spanish bilingual evaluations do not create challenges, as testing is done in both languages and there are staff dedicated to them. There may be challenges with other languages, however.

Others focus group participants shared divergent views, in that they question the eligibility criteria and whether determinations are accurate. There reportedly have been cases in which parents believe their children have not been properly evaluated. Further, focus group participants shared that there is also a perception that that the administration is focused more on data, numbers, and classification rates than children. Decisions are reportedly heavily influenced by data analysis rather than a comprehensive consideration of individual student needs. According to some, the identification process is long, and there are children who will go multiple grades without support. Their needs may be great by the time an evaluation occurs. There is a recognition, however, that it is a balance to implement MTSS with fidelity and not overidentify students as well.

The work of the CSTs is overseen by the Supervisor of CST. During the 2021-22, there were 33 CST members across the District, with FY22 actuals for CST expenses totaling $4,538,157.[95] According to focus group participants, these CST members only support students within Lakewood Public School District and do not work with nonpublic schools.

Early Childhood Special Education Services

Lakewood Public School District has the Lakewood Early Childhood Center (LECC) where most of its Preschoolers with Disabilities population is located. The District offers both general education, in-class resource (ICR), and separate class settings. In the separate class setting, it was reported that Applied Behavior Analysis (ABA) protocol is followed. Teachers reported they use the Creative Curriculum.

PCG visited two classrooms in the LECC. Both were bright, organized, and children were highly engaged. The LECC is in a complex of three campuses of modular-trailer classrooms, two of which are interconnected. Campus 1 has ABA and self-contained classes, and Campus 2 has 2 self-contained and transitional K. Campus 2 is not interconnected.

Within the interconnected trailers, the District has installed PT equipment in a separate setting and in a Snoezelen Multi-Sensory Room. The campus is also equipped with pre-school sized bathrooms. However, it was reported on multiple occasions that having the preschool program in modular trailers is not ideal. Staff said that they can easily become noisy, and the layout of the classrooms can be precarious because of the space limitations of a trailer.

One unique element of Lakewood Public School District's early childhood programming is the age of its students. Lakewood allows children at age four to exit preschool and start kindergarten. This is highly unusual as most other kindergarten students with disabilities across the state start preschool at age five, at the earliest.

[95] "CST Staff Data" provided by Lakewood Public School District. Funding information retrieved from the Lakewood User Friendly Budget book: https://www.nj.gov/education/finance/fp/ufb/2022/reports/29/2520/UFB23_2520.pdf

School Age Special Education Services

In New Jersey, several types of supplementary instruction and special class programs exist.

According to NJAC 6A:14-4.6, supplementary instruction "…is provided to students with disabilities in addition to the primary instruction for the subject being taught. The program of supplementary instruction shall be specified in the student's IEP."[96] It includes in-class resource programming, pull out resource programming and pull-out replacement programming:

- **In-Class Resource (ICR)**: In-class resource programs and pull-out replacement resource programs are programs of specialized instruction organized around a single subject and are provided to students with disabilities by an appropriately certified teacher of students with disabilities. Instruction in more than one subject may be provided in a pull-out resource program.
- **Pull-Out Replacement and Pull-Out Resource (POR)**: Pull-out replacement resource programs are programs of specialized instruction organized around a single subject and are provided to students with disabilities by an appropriately certified teacher of students with disabilities. Pull-out replacement resource programs are programs of specialized instruction organized around a single subject and are provided to students with disabilities by an appropriately certified teacher of students with disabilities. More than one subject may be provided in a pull-out resource program. In Lakewood Public Schools, Pull-Out Replacement occurs in the middle and high school settings; Pull-Out Resource occurs at the elementary schools.

According to NJAC 6A:14-4.7, a special class program shall serve students who have similar intensive educational, behavioral, and other needs related to their disabilities in accordance with their IEPs. Placement in a special class program shall occur when the IEP team determines that the nature and severity of the student's disability is such that no other school-based program will meet the student's needs. Special class programs shall offer instruction in the New Jersey Student Learning Standards unless the IEP specifies a modified curriculum due to the nature or severity of the student's disability. The general education curriculum and the instructional strategies may be modified based on the student's IEP.[97] The Administrative Code offers several settings that include requirements on the maximum number of students and as well as teachers and classroom aides present. The following abbreviations for settings along the continuum are included below:

- **Language and Learning Disability (LLD).** Special class programs for students with learning and/or language disabilities may be organized around the learning disabilities or the language disabilities or a combination of learning and language disabilities.
- **Multiple Disabilities (MD).** Special class for students with multiple disabilities, when the combination of those disabilities causes such severe educational needs that they cannot be accommodated in a program designed solely to address one of the impairments.
- **Emotional Regulation Impairment (ERI).** Special class for students exhibiting one or more of the following characteristics over a long period of time and to a marked degree that adversely affects a student's educational performance due to: an inability to learn that cannot be explained by intellectual, sensory, or health factors; an inability to build or maintain satisfactory interpersonal relationships with peers and teachers; inappropriate types of behaviors or feelings under normal circumstances; a general pervasive mood of unhappiness or depression; or a tendency to develop physical symptoms or fears associated with personal or school problems
- **Autism (AUT).** Special class for students with severe to profound intellectual disabilities shall maintain a three to one student to staff ratio.
- **Visually Impaired (VI).** Special class for students that, even with vision correction, vision impairment adversely affects a student's educational performance.

[96] New Jersey code NJAC 6A:14-4.6 special education. (n.d.). https://www.nj.gov/education/code/current/title6a/chap14.pdf
[97] Ibid.

Continuum of Services

Of the settings specified in Code, Lakewood provides the following continuum within its schools.

TABLE 28: SPECIAL EDUCATION CONTINUUM MAPPING, GRADES PK-6

	LECC (PK)	Piner School	Spruce Street School	Oak Street School	Clifton Avenue School	Ella G. Clark School
Special Education Setting	*Grade: PK*	*Grade: PK-K*	*Grade: 1*	*Grades: 2-6*	*Grades: 2-6*	*Grades: 3-6*
General Education	✓	✓	✓	✓	✓	✓
Preschool Disabilities (ABA) – Separate Classroom	✓					
ICR	✓	✓	✓	✓	✓	✓
POR				✓	✓	
LLD		✓	✓	✓	✓	✓
AUT		✓	✓	✓		
MD				✓		
Related Services[98]	✓	✓	✓	✓	✓	✓

Note. Retrieved from "Master Schedule Data" provided by Lakewood Public School District.

TABLE 29: SPECIAL EDUCATION CONTINUUM MAPPING, GRADES 7-12

	Lakewood Middle School	Lakewood High School
Special Education Setting	*Grades: 7-8*	*Grades: 9-12+*
General Education	✓	✓
ICR	✓ Math 7 and 8 ✓ ELA 7 and 8 ✓ Science 7 A 1, 7 A2, 7 A3, 7 B1, 7 B2, 7 B3, 8 D1, 8 D2 ✓ Social Studies 7 A1, 7 A2, 7 A3, 8 D1, 8 D2, 8 D3	✓ Geometry ✓ Algebra I ✓ Biology ✓ Horticulture ✓ English I ✓ English II ✓ English III
POR	✓ Math 7A, 7B, 8A, 8B ✓ ELA 7A, 7B, 8A, 8B ✓ Science 7A, 7B ✓ Social Studies 7A, 7B, 8A, 8B	✓ Geometry ✓ Algebra I ✓ Algebra II ✓ Physical Science ✓ Environmental Science
LLD	✓ ELA 7A and 7B ✓ ELA 8 ✓ Social Studies 7A, 7B	✓ Geometry L10 ✓ Algebra I L9 ✓ Algebra II L11 ✓ Physical Science ✓ English L9, American History ✓ World History
AUT	✓	✓ Language Arts ✓ Vocational/Career

[98] Includes OT, PT, and Speech

		✓ Science ✓ Math ✓ Social Studies ✓ Life Skills
MD	✓	✓ Language Arts ✓ Vocational/Career ✓ Science ✓ Math ✓ Social Studies ✓ Life Skills
Related Services[99]	✓	

Note. Retrieved from "Master Schedule Data" provided by Lakewood Public School District.

TABLE 30: SPECIAL EDUCATION PROGRAMS BY TYPE AND NUMBER OF CLASSES PER GRADE LEVEL

2023-24 Special Ed Programs	Program	# Classes	Program	# Classes	Program	# Classes	Program	# Classes	Program	# Classes	Program	# Classes	Program	# Classes
PreK	Autistic	0	MD	0	LLD	0	ICR	3	POR	0	SELF CONTAINED	11	ICS	10
K	Autistic	2	MD	0	LLD	3	ICR	2	POR	0	SELF CONTAINED	0	ICS	3
Gr. 1-3	Autistic	4	MD	1	LLD	9	ICR	8	POR	1	SELF CONTAINED	0	ICS	10
Gr. 3-4	Autistic	1	MD	0	LLD	1	ICR	0	POR	2	SELF CONTAINED	0	ICS	0
Gr. 3-5	Autistic	0	MD	0	LLD	1	ICR	0	POR	0	SELF CONTAINED	0	ICS	0
Gr. 4-6	Autistic	1	MD	1	LLD	5	ICR	8	POR	5	SELF CONTAINED	0	ICS	9
Gr. 7-8	Autistic	1	MD	1	LLD	5	ICR	5	POR	5	SELF CONTAINED	0	ICS	0
Gr. 9-12	Autistic	2	MD	2	LLD	5	ICR		POR		SELF CONTAINED	4 (See Autistic & MD)	ICS	

Note: Retrieved from Special Education Class Data provided by Lakewood Public School District.

Lakewood Public School District reportedly does not have programming for Emotional Regulation Impairment, Visual Impairment, Intellectual Disabilities in its schools.

Interviews and focus groups with administrators said that they believe the District's continuum is tailored to the specific needs of its student population. One possible explanation for the relatively fewer Multiple Disabilities settings, as well as the absence of Emotional Regulation Impairment and Intellectual Disability settings, could be attributed to a significant number of students with more profound needs receiving their education in nonpublic schools or through out of District placements. This determination is typically made either by the CST team or through parental placement. It raises the question as to whether, with additional planning and specific programming development, the District could bring some students with more significant needs back from out of District placements.

In the PCG staff survey, 54.0 percent of staff agreed that there is collaboration between the CST and building leadership to implement a robust continuum of services, and 38.6 percent of staff believe the central office is responsive to their school's requests for assistance with special education related issues. Further, just 68.6 percent of families agreed that their school effectively responds to the needs and concerns of families of students with IEPs. These low percentages indicate that the District will need to further focus on collaboration across stakeholders and improve its responsiveness to both schools and families.

Specialized Out-of-District Placements

The IDEA affords children with an IEP a Free and Appropriate Education in the Least Restrictive Environment. When a Child Study Team determines that a student with an IEP is unable to make academic and functional progress in the school and program they attend, the IEP team can determine the provision of FAPE and LRE is best suited in an out-of-District placement. When a CST makes this decision, they generally must choose an appropriate school that is also an Approved Private School for Students with Disabilities (APSD). This placement must be consistent with NJAC 18A:46-14, in which the CST must consider:

[99] Includes OT, PT, and Speech

A. A special class or classes in the District, including a class or classes in hospitals, convalescent homes, or other institutions;
B. A special class in the public schools of another District in this State or any other state in the United States;
C. Joint facilities including a class or classes in hospitals, convalescent homes or other institutions to be provided by agreement between one or more school Districts;
D. A jointure commission program;
E. A State of New Jersey operated program;
F. Instruction at school supplementary to the other programs in the school, whenever, in the judgment of the board of education with the consent of the commissioner, the handicapped pupil will be best served thereby;
G. Sending children capable of benefiting from a day school instructional program to privately operated day classes, in New Jersey or, with the approval of the commissioner to meet particular circumstances, in any other state in the United States, the services of which are nonsectarian whenever in the judgment of the board of education with the consent of the commissioner it is impractical to provide services pursuant to subsection a., b., c., d., e. or f. otherwise…[100]

Generally, the New Jersey Department of Education County Offices' Child Study Team Supervisor sign-off on this CST team decision to finalize the change in placement. The child's IEP must also be amended to reflect this placement and address other provisions within that are specific to out-of-district placements.

If the Child Study Team is unable to identify a placement that meets the requirements of sections A through G of the regulations:

> *"…that child may be placed in that academic program by the board of education, with the consent of the commissioner, or by order of a court of competent jurisdiction. An academic program which meets the requirements of the child's Individual Education Plan as determined by the child study team and which provides the child with a thorough and efficient education, shall be considered an approved placement for the purposes of chapter 46 of this Title, and the board of education shall be entitled to receive State aid for that child as provided pursuant to P.L.2007, c.260 (C.18A:7F-43 et al.), and all other pertinent statutes."*[101]

This kind of atypical placement is known locally as a Naples Placement. Such a placement is either a nonpublic school within the state or, in any other state in the United States, and determines that the identified program meets the requirements of the child's IEP. In this case, the approval of this Naples placement requires it be an accredited nonpublic school; the services of the placement are non-sectarian and the placement is approved by the board of education with consent of the Commissioner or by order of the Court. [102] As is noted elsewhere in this report, the District does not currently have any students in a Naples Placement.

During focus groups and interviews, it was consistently noted that a significant number of students placed out of District have complex needs, presenting challenges ranging from being non-verbal to requiring ventilators, having feeding tubes, or facing severe medical conditions. According to participants in the focus groups and interviews, they believe the District lacks the essential behavioral support resources needed to address these complex cases. Many believe meeting the medical needs of these students, especially those placed out of District, often exceeds the District's capacity. Some students have diagnoses that may be unfamiliar to educators, such as familial dysautonomia with approximately 13 cases reported in Lakewood.

[100] New Jersey code NJAC 6A:14-4.6 special education. (n.d.). retrieved from https://www.nj.gov/education/code/current/title6a/chap14.pdf
[101] Ibid.
[102] *PL 1989 chapter 152 naples placement instructions and forms.* (n.d.). State of NJ. https://homeroom.state.nj.us/exaid/doc/Chapter152NaplesForms.pdf

Teachers in the District expressed a lack of knowledge regarding the out-of-district placement process, indicating that they are not actively involved in that decision-making process. Additionally, there is a call for exploring the possibility of creating a program similar to what neighboring out of District schools have for students with significant needs. However, participants noted that limited funding poses a major obstacle to implementing such a program, representing a substantial struggle for the District. Many participants noted the need for additional resources and financial support to address the unique needs of students with complex medical and behavioral challenges.

According to the User-Friendly Budget, during the 2019-2020 school year, Lakewood spent $48,755,738 for 402 students in out of district placements. The average per pupil tuition for that year was $121,282.93.

The tuition total amount increased to $57,499,863 in 2021-2022, though the number of students decreased to 372. The average per pupil tuition for that year was $154,569.52.[103]

FIGURE 56. OUT OF DISTRICT TUITION AMOUNTS FOR COMPARABLE DISTRICTS, 2020 TO 2022

	2020 Actual			2021 Actual			2022 Estimate		
	Enrollment	Tuition Total	Per Pupil Tuition	Enrollment	Tuition Total	Per Pupil Tuition	Enrollment	Tuition Total	Per Pupil Tuition
Lakewood	402	$ 48,755,738.00	$ 121,282.93	372	$ 57,499,863.00	$ 154,569.52	389	$ 50,766,692.00	$ 130,505.63
Jackson	55	$ 4,731,339.00	$ 86,024.35	47	$ 6,265,760.00	$ 133,314.04	54	$ 5,059,139.00	$ 93,687.76
Brick	66.5	$ 4,681,305.00	$ 70,395.56	62.5	$ 4,697,215.00	$ 75,155.44	87.5	$ 4,291,708.00	$ 49,048.09
Toms River	86	$ 7,553,746.00	$ 87,834.26	77	$ 7,726,358.00	$ 100,342.31	77	$ 1,787,180.00	$ 23,210.13
Jersey City	139	$ 20,854,439.00	$ 150,031.94	129	$ 20,530,995.00	$ 159,155.00	129	$ 19,429,493.00	$ 150,616.22

Note: Retrieved from "Comparable District User Friendly Budgets" by Official Site of the State of New Jersey (https://www.nj.gov/education/finance/fp/ufb/2022/17.html)

Access to the General Education Curriculum

IDEA requires that all children with disabilities be provided with access to the general education curriculum (GEC).[104] The GEC is defined as the curriculum used by all students enrolled in the same grade, including students with disabilities, and is based on a state's academic content standards. As described in the Curriculum and Instruction section of this report, Lakewood has developed standard pacing guides across the District; however, this structure has raised additional questions about how to meaningfully include students with disabilities.

For students with disabilities to improve their academic achievement and reduce the achievement gap with their nondisabled peers, they need to be included in the core curriculum and receive evidence-based interventions that are targeted and implemented with fidelity. As was noted earlier in this section, for the past three years, the District has not met state targets for preschool or school age students being educated in the least restrictive environment. As such, this is an area that will continue to benefit from focused attention to ensure Lakewood continues to meet the targets in the future. According to PCG's classroom visits, schools within the District appear to vary with respect to the extent to which students are educated in general education classes, and the extent to which special and general educators co-teach to educate these students. The variance ranges from a very high degree of inclusivity where almost all students are educated within general education classes to very little inclusiveness in terms of accessing the materials.

Embedded within this approach is the expectation that students with disabilities have access to grade-level content and can achieve at high levels. A relatively high percentage (82.1%) of staff on the survey agreed with the statement "Building administrators (principals, assistant principals, etc.) in my school have high expectations of students with IEPs." Similarly, 87.1% of staff survey participants believe that school staff (teachers, related service providers, paraeducators, coaches, social workers, counselors, etc.) in their schools have high expectations for students with IEPs.

[103] *User friendly budgets*. (2022-2023). State of New Jersey Department of Education. https://www.nj.gov/education/finance/fp/ufb/2022/17.html

[104] Individuals with Disabilities Education Act, 20 U.S.C. § 1400 (2004), retrieved from https://sites.ed.gov/idea/statuteregulations/

During information gathered from focus groups, teachers shared concerns over time constraints and pressures to follow the curriculum while meeting the individual needs of students with IEPs. They overwhelmingly expressed frustrations with pacing guides and their incongruence with the demands of following students' IEPs. Teachers also shared these concerns for students who are both English Learners as well as having an IEP. A quick roll-out of the ELA curriculum, known as CommonLit 360, in addition to its prescriptiveness, was also cited as problematic. Many teachers shared concerns that they do not work in an environment where they can express these concerns without experiencing retribution, such as building transfers or non-renewal of their contracts if they are non-tenured.

Specially Designated Instruction and Individualized Supports

According to the Individuals with Disabilities Education Act, "special education" means "specially designed instruction, at no cost to parents, to meet the unique needs of a child with a disability including (a) instruction in the classroom in the home, in hospitals, and in other settings; and (b) instruction in physical education."[105]

Students can receive specially designed instruction (SDI) throughout a continuum of special education services which are provided in the Least Restrictive Environment (LRE), where, to the maximum extent appropriate, a student with a disability is educated with peers who are not disabled.[106]

SDI is "adapting, as appropriate to the needs of an eligible child under this part, the content, methodology or delivery of instruction (i) to address the unique needs of the child that result from the child's disability; and (ii) ensure access of the child to the general curriculum, so that the child can meet the educational standards within the jurisdiction of the public agency that apply to all children"[107] (34 CFR §300.39(b)(3).

PCG learned about SDI in Lakewood by evaluating data gathered from interviews, focus groups, and surveys as well as classroom visits.

INTERVIEWS, FOCUS GROUPS, AND STAFF SURVEYS

Information gathered from interviews, focus groups, and staff surveys noted several concerns regarding access to the general education curriculum and the overall implementation of SDI in Lakewood. Many staff shared that teachers are expected to use general education materials but face challenges in modifying them. Almost all teachers shared that the curricula used by the District require strict adherence to the instructional materials that accompany it, specifically slide presentations and worksheets. Furthermore, it was shared that pacing guides also present challenges in providing SDI to students because teachers have limitations in their time. Several teachers voiced significant concerns that these create barriers to individualized learning for students. Even in situations where two teachers are in the room, such as ICR, teachers believe the pacing is too fast and the curriculum is too prescriptive to meet individual student needs.

Teachers expressed frustration with a lack of say in curriculum decisions and their impact on instruction, particularly in ELA and Math classrooms K-12 for students with disabilities. Many teachers voiced a belief that the District's instructional focus is more focused on the curricular materials than students' needs. Changes in the overall curriculum occur frequently, leading to a lack of continuity. They shared their lack of knowledge on how to modify the curriculum to meet students' needs with constant changes to the curriculum.

In Lakewood, according to focus group participants, decisions on curriculum and instruction are made by Curriculum Supervisors. In some cases, coaches create the curricular tools on their own, in other cases they procure curriculum and play a critical role in training and implementation. In addition, curriculum coaches are responsible for creating pacing guides. These guides prompt teachers on what content and

[105] Individuals with Disabilities Education Act, 20 U.S.C. §1401(29), retrieved from https://sites.ed.gov/idea/statuteregulations/
[106] Individuals with Disabilities Education Act, 20 U.S.C. §1412(a)(5), retrieved from https://sites.ed.gov/idea/statuteregulations/
[107] Code of Federal Regulations, 34 CFR §300.39(b)(3), retrieved from https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-300/subpart-A/subject-group-ECFR0ec59c730ac278e/section-300.39

materials they should be working on and when. Administrators shared that teacher can request adjustments to the guide if they seek permission.

ICR teachers indicated that the District recently determined that parallel teaching, a form of co-teaching, is a primary focus. In parallel teaching, each teacher leads half of the class teaching the same content or addressing instructional objectives; it is distinct from station teaching in that the groups do not switch.[108] The District engaged a consulting company to provide professional development for the 2023-24 school year to provide training on parallel teaching. According to contents within the training provided by the District for the 2023-24 school year, parallel teaching in Lakewood is the following: "The general education teacher provides instruction to the majority of students while the ICR teacher provides a parallel lesson to a small group of students, who are unable to participate in the whole group lesson as determined by the data." The training indicates: "This model should be used daily, across all subject areas." The training also defined team teaching as the following: "When the whole group lesson effectively meets the instructional needs of all students in the class, the ICR teacher co-teaches with the General Education teacher. This approach involves both teachers delivering instruction at the same time." This training notes that team teaching "…should be used sparingly (1-5% of the time)" and that it "…should only be used if all students' data shows that they can effectively participate in the whole class lesson."[109]

Many teaching staff shared they do not understand how to parallel teach given the structure of the curriculum, materials, and pacing. Some teachers shared frustration that this may be temporary until the next change is made because of so many frequent changes to instructional practices and expectations.

Others reported that parallel teachers are expected to adhere to the pacing guide, hindering the inclusive atmosphere that characterized classrooms before this shift. The once indistinguishable roles of general education teachers and special ed teachers have given way to a clear division, with a distinct "back table group" replacing the inclusive approach. This change, according to teachers, has resulted in a lack of collaboration among co-teachers and diminished support for newer teachers. Some also expressed concerns that there is not enough, or no, common planning time and noted that the special educator in the room frequently gets pulled to either provide coverage for other special education teachers or has to leave because of meetings.

Concerns were raised by teachers who support both English Learners who also have IEPs. Specifically, teachers expressed concerns that these students have limited elective options at the high school level due to scheduling constraints.

CLASSROOM VISITS

PCG visited classrooms where students with IEPs are receiving their special education services. In total, PCG visited all subject areas across all grade-bands where students were receiving special education services (**Table 31**). PCG visited a total of 33 classrooms where instruction was provided by at least one special education teacher. These visits occurred on December 11 and 12, 2023 and January 3, 2024. Classroom visits were 20-25 minutes each. PCG made every effort to visit a representative sampling of Lakewood's continuum of special education services across the District. The PCG team met with a principal or designee at each school where they were presented with the list of classrooms to be visited. Staff checked to ensure that teachers were present. If not, substitutions were made where possible. In addition to the classrooms visited, PCG also visited related service spaces.

TABLE 31: CLASSROOMS/PROGRAMS VISITED FOR SPECIAL EDUCATION

Grades	In Class Resource (ICR)	Language/ Learning Disability (LLD)	Multiple Disabilities (MD)	Pull-out Resource (POR)	Autism (AUT)	TOTAL

[108] Friend, M. (2019). Co-Teaching: Strategies to Improve Student Outcomes, Second Edition.
[109] The power of 2: refining the inclusive model to promote LRE. (2023). Magnolia Consulting Group.

Preschool	1				1	2
K-6	2	3	1	1	3	10
7-8[110]			1		1	2
9-12+	3	3	5	5	3	19

AREA I: FOCUS ON LEARNERS

Student Engagement

- **Disengaged Learning.** Rote fill-in-the-blank prompts dominated most classrooms, with limited checking for understanding or mastery. The emphasis appears to be on completing pages rather than grasping concepts, or students working on computers individually. In multiple instances, students did not respond to direct teacher questioning. This was most notable in high school LLD, POR, and ICR settings. In the majority of LLD, POR, or ICR classrooms visited, student engagement was limited. These patterns coincided in settings where there was heavy use of worksheets, teachers were pacing the instruction in a manner that appeared too fast, and paraprofessionals appeared underutilized and disengaged.
- **Active Engagement**. Isolated classrooms demonstrated active student engagement in discussions, note-taking, project completion, and problem-solving. This was seen in high school life skills and an ICR classroom as well as in some of the elementary school classrooms. This was also apparent in all of the early childhood classrooms visited.

Student Activity

- **Routines.** Consistent routines were noted in a small handful of self-contained classrooms, contributing to a predictable and organized learning atmosphere, which can positively impact student behavior and engagement. Routines were most notable in the high school MD, Autism, and life skills settings, as well as throughout early childhood, elementary and middle school classrooms visited.
- **Communication Challenges in Autism Classes**. PCG noted students of limited verbal ability in these classrooms. Without Augmentative and Alternative Communication (AAC) systems present in classrooms, many appeared to struggle to communicate. When asked about those options, teachers reported that no student IEPs required Augmentative Communication Systems. Additionally, while ABA and BCBA services and supports were reported, there were unclear reinforcement systems, and occasional issues with compliance; almost no parings of visual information to support verbal communication; no visual communication schedules; and no examples of alternative communication systems such as picture exchange systems, communication boards, or communication devices in instances exhibited of limited student verbal communication skills. Teachers noted they seemed unnecessary. In these settings, student communication and engagement were highly variable and often nonexistent. In addition, there was also inconsistent application of strategies to reinforce appropriate communication and engagement. The most noted strategies were simply verbal inducements. There were no data sheets or evidence of data collection relative to academics or behavior. PCG did observe examples of staff providing students edible reinforcements (gummy bears, cookies) to induce alternative behaviors in a manner that did not appear to follow any established formal reinforcement protocol.

AREA II: FOCUS ON INSTRUCTIONAL PRACTICES

Lesson Design

[110] Scheduled to attend 6; however, fire drill and school assembly disrupted schedule.

- **Challenges Implementing Specialized Instruction.** In classrooms where students were receiving special education services, teachers followed the general education curriculum using instructional materials provided to them such as worksheets and slide presentations; however, there were limited visible individualization, adaptation, differentiation, personalization, or use of modifications. These challenges coincided with apparent challenges in pacing, whereby the teachers were moving too fast relative to the students' understanding. These challenges most notably occurred in the majority of high school POR, LLD, and ICR classrooms visited and nearly all elementary school classrooms visited.
- **Structured Lessons**. There were a few instances of structured lessons with clear objectives, warm-up activities, and guided notes were observed.
- **Instructional Technology**. Teachers consistently used technology to enhance lesson delivery such as Smart boards, laptops, and interactive slides. In every classroom visited, instructional technology was a critical component of the lesson. Teachers used this technology with ease. While most students also used the technology with ease, they often appeared not to be engaged in the activities or lessons.

Checks for Learning/Understanding

- **Lack of Checks for Understanding.** Several classrooms lacked checks for understanding, with teachers moving through material without ensuring student comprehension or mastery. There was limited reciprocal communication in the instructional environment between students and teachers. In almost all the high school LLD, POR, and ICR classrooms, there were inconsistent checks for understanding that appeared to align with teachers need to meet pacing guide requirements. In elementary and middle schools, teachers more frequently used both formal and informal checks such as thumbs up, thumbs down or verbal questioning. PCG saw very few examples of data collection happening in real-time during instructional activities. In many of these instances, there were underutilized paraprofessionals in the room who could have been collecting data and were not.

Subject Mastery

- **Subject Mastery**. Teachers in some classrooms displayed a strong command of the subject matter, using relevant vocabulary and making connections to real-life scenarios. It was observed in high school life skills and LLD classrooms but was not evident across all high school instruction. This mastery was also observed throughout most of the elementary and middle school classrooms.

Co-Teaching

- **ICR Predominately Followed One-teach, One-Observe Co-Teaching Model**. One-teach, one-observe was the predominate co-teaching model used in ICR settings. There was very little team teaching evident during visits. There was some parallel teaching observed in elementary school settings. It was notable that in about half of the ICR classrooms visited, the ICR teacher was either not present or was planning to leave due to classroom coverage issues or having to leave to attend meetings. What was observed during classroom visits was inconsistent with the District's definition of parallel teaching.
- **Lesson Objectives**. In almost all but one or two isolated classrooms PCG visited, there were lesson objectives posted. These objectives were almost universally a repeat of a specifically referenced New Jersey educational standard. While the standard was noted, in most instances, if was difficult to ascertain if posted objectives actually linked to the instruction observed. While the instruction matched the academic subject under observation, it was only in one or two classrooms that there was a directly observable connection between the objective and instruction. Since PCG did not have lesson plans for the classrooms observed, it was difficult to ascertain further correlation. While PCG may have observed instruction related to a subset of a standard, which then did meet the posted objective, it was just not readily apparent without additional data.

Levels of Student Work

- **Pacing Challenges**: Pacing issues were evident in multiple classes, with lessons moving too fast relative to student responses. In these instances, teachers often asked questions which either went unanswered by students or the teacher verbally answered the questions themselves. In almost all classrooms visited, aside from Autism, MD, and early childhood, teachers were notably moving through material quickly. It appeared to be an impediment in nearly all LLD, POR, or ICR high school classrooms. In many of the elementary school classrooms, pacing was uneven. In all of these situations, teachers were using pre-made slides or materials.

Instructional Materials

- **Workbook/Worksheet Use.** Many classrooms heavily relied on workbooks, leading to rote fill-in-the-blank activities without sufficient emphasis on higher order thinking, topic understanding or topic mastery. In nearly all high school LLD, POR, or ICR classrooms, students were working entirely from worksheets and engaged in activities where an activity was focused on worksheet completion.
- **Curriculum Materials.** Classroom materials were largely part of a curricular program such as Common Lit 360 for high school English Language Arts. Teacher-presented slides were either part of a curricular program or created internally by the District.
- **Underutilization of Paraprofessionals.** In multiple instances, paraprofessionals were observed as disengaged or not actively participating in supporting students. In several instances, paraprofessionals appeared uncertain of their roles and were in the back of the room and circulated. This was especially true in settings where the paraprofessionals were there to support classroom instruction. In half of the high school LLD, POR, or ICR classrooms, this was observed.

AREA III: FOCUS ON CLASSROOM ENVIRONMENT

Classroom Appearance

- **Neat and Organized Classrooms**. All classrooms were consistently clean, neat, and organized.

Classroom Management

- **Compliant Students in Instruction**. Students were consistently compliant in engaging in appropriate and safe school behaviors such as remaining seated at their desks, communicating politely with teachers, and not talking or arguing with each other or adults. However, in several instances, students were not following directions when asked to answer questions or complete instructional tasks. In these situations, there was limited redirection by teachers or paraprofessionals.
- **School Security**. Security officers throughout buildings, with apparently positive rapport with students and teachers.

Classroom Culture

- **Compliant Students in Safe and Appropriate School Behavior**. Students were consistently compliant in engaging in appropriate and safe school behaviors such as remaining seated at their desks, communicating politely with teachers, and not talking or arguing with each other or adults. PCG only saw two instances among the 33 classrooms visited where students were non-compliant. In both instances, teachers redirected students and the students became compliant.
- **Routines.** Consistent routines were noted in some classrooms, contributing to a predictable and organized learning atmosphere, which can positively impact student behavior and engagement.

Space and Equipment

- **Related Service Space and Equipment**. PCG visited all Speech, OT, and PT rooms in all buildings across the District. The rooms were large and well equipped with state-of-the-art

equipment such as Therapy Cages. There was equipment for students with significant fine and gross motor skill needs as well as mobility needs. However, it was noted that no students in the Districts buildings presently use wheelchairs. In addition, much of the newer equipment has not yet been used.

- **Snoezelen Multisensory Environments**. The District has Snoezelen Multisensory Rooms in its schools. These rooms are used for students who need support in a calming environment. Many of these rooms are relatively new to the District and appeared to be in use.

Related Services

During focus groups and interactions with related service providers, they also spoke to the positive collaboration between administration, staff, and parents, in the support of students on their caseloads. Many related service providers shared their concerns, however, about the amount of time students are outside of the classroom receiving services and expressed their desire to provide more push-in services.

Participants spoke favorably to the District's efforts to procure new equipment when needed. During site visits, PCG saw all occupational therapy (OT), physical therapy (PT), and speech therapy spaces in all school buildings across Lakewood Public School District. Each of these spaces were very well equipped. Many elementary speech spaces had doll houses, kitchens, and books. Some of the spaces had brand new climbing walls. Additionally, many of the OT and PT spaces contained Therapy Cages – state of the art therapy equipment often used to support people with significant needs in a medical setting. Rooms also had trikes, mobility equipment, and Riften chairs. PCG noted the amount of equipment to support students with mobility issues and the few students within the District's buildings with significant mobility issues. For example, there are no students in the District who presently use wheelchairs. The District shared that Elementary and Secondary School Emergency Relief (ESSER) grant funding was used to purchase and upgrade the newer equipment.

Therapy spaces were large with significant room for therapies to occur. Building administrators noted there have been no recent capacity issues with the delivery of related services in their respective therapy spaces.

Positive Behavior Supports

Lakewood Public School District is a participant in the New Jersey Positive Behavior Supports in Schools (NJ PBSIS) project which is a collaboration between the New Jersey Department of Education, Office of Special Education and the Boggs Center at the Rutgers Robert Wood Johnson Medical School. The initiative is funded through IDEA Part B. In the 2022-23 school year, Lakewood Middle School achieved "implementation fidelity" as determined by the program.

According to the NJ PBSIS website:

> NJ PBSIS provides comprehensive professional development to support the implementation of tiered interventions that provide equitable access to a range of school intervention needs including conduct, behavior and social and emotional wellness. Since 2003, NJ PBSIS annually enrolls a cohort of schools whose personnel participate in a three-year professional development experience to design and implement a plan for their tiered intervention system. [111]

Although Lakewood is a participant in the program, there appears to be a disconnect between the program and District staff as it relates to supporting students with IEPs. Staff at elementary schools, middle school, and high school shared there is a reliance on school counselors to support behavioral needs. Some staff indicated there are very few programs in the District to support positive behavior. During focus groups and interviews, Lakewood participation in NJ PBIS was not raised.

[111] "NJ PBSIS" (n.d.). pbsisnj.org

When PCG visited the middle school, there was a school-wide assembly on behavior. Throughout PCG's classroom and building visits, children were polite and well behaved. School security officers and school staff in the hallways were familiar with the students.

ADDRESSING BEHAVIORAL NEEDS

Teachers expressed concerns that there are not enough programs in the District for children who need behavioral interventions. Many teachers believe the Board-Certified Behavior Analysts (BCBAs) in the District are supportive, it was also shared that BCBA support for classroom varies and they are not always accessible.

PCG visited both Autism classrooms as well as classrooms where it was shared that Applied Behavior Analysis protocols were occurring. PCG saw multiple instances of edible reinforcement being used (from gummy bears to cookies); however, it did not appear that data was being collected on use of the edible reinforcers or if they were part of a behavior protocol. PCG also saw instances when use of visual social stories may have been helpful but were not apparent. It was reported that the addition of LLD programming is initiated to support students with behavioral challenges in District.

Transition Activities

Starting at age 14, teachers and CST members reported they engage in the process of creating transition goals and completing the transition sections within IEPs. Staff reported that transition is a "team approach" and that students are involved in the process.

PCG visited MD and Autism programs where the focus is on functional reading, life skills, and pre-vocational training. Students in these programs have classes in rooms that include ovens/kitchens, a bed, and tables. Staff indicated the District collaborates with government agencies such as the Division of Vocational Rehabilitative Services to support the transition of students in its post-graduate program (ages 18-21) into adult life after their time at Lakewood High School.

Lakewood has four community-based instruction sites. The District also has a coffee cart program and a program called "Piner Diner" where students shop in the community for food and engage in a food service program in the high school.

IEP Development

According to the New Jersey guidance on IEP Development:

> The cornerstone of the IDEA is the entitlement of each eligible child with a disability to a free appropriate public education (FAPE) that emphasizes special education and related services designed to meet the child's unique needs and that prepare the child for further education, employment, and independent living. 20 U.S.C. §1400(d)(1)(A). Under the IDEA, the primary vehicle for providing FAPE is through an appropriately developed IEP that is based on the individual needs of the child.[112]
>
> An IEP must take into account a child's present levels of academic achievement and functional performance, and the impact of that child's disability on his or her involvement and progress in the general education curriculum. IEP goals must be aligned with grade-level content standards for all children with disabilities. The child's IEP must be developed, reviewed, and revised in accordance with the requirements outlined in the IDEA in 34 CFR §300.320 through §300.324.[113]

While requirements in IDEA delineate when and how an IEP is developed, it is essential for all members of the team to work in a collaborative manner on behalf of each student. Parents have valuable information to

[112] Individuals with Disabilities Education Act, 20 U.S.C. §1400(d)(1)(A), retrieved from https://sites.ed.gov/idea/statuteregulations/
[113] Code of Federal Regulations, 34 CFR §320-324, retrieved from https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-300/subpart-A/subject-group-ECFR0ec59c730ac278e/section-300.39

share about their child. As a team, families and practitioners need to develop a partnership in which each team member feels trusted, valued, understood, and respected.[114]

To support the perception of collaboration between parents and educators, 75.0 percent of staff surveyed agreed that the IEP process involves collaboration between general educators, special educators, and parents. Of parents surveyed, 79.3% believe they are given a meaningful opportunity to participate in IEP meetings.

Using the Golden Thread framework and Quality Indicator Review protocol, PCG randomly selected and reviewed approximately 25 student IEP files to assess the overall quality of the content of IEPs developed by Lakewood Public School District. Files reviewed were a representative sample of preschool, general education, and specialized programming IEPs throughout the District. More information about the Golden Thread Framework and the indicators used for the evaluation can be found in the Appendix.

A narrative summary is included below as evidence for each indicator.

Quality Indicator Review Findings

PRESENT LEVELS OF ACADEMIC AND FUNCTIONAL PERFORMANCE (PLAAFPS)

Strengths

- A variety of in-depth data was provided to paint a clear picture of the students' current areas of strength and areas of need.
- There were bilingual evaluations for students that required them.

Opportunities

- Only two student records included rating scales which should be part of a comprehensive evaluation for some of the students based on their disabilities. Only the teacher scale that was included and not the parent. There was no note as to whether the parent input was sought.
- Some files reviewed only included the score report that is generated for specific assessments, not a report that provided student background or interpretation of scores and how this impacted the student academically.
- Only a few of the IEPs reviewed included parent input. Most did not have a section included for it.

MEASURABLE ANNUAL GOALS

Strengths

- The majority of goals were written in SMART goal format.
- The goals and objectives were aligned to grade-level/meaningful standards for students.

Opportunities

- There appear to be many formatted goals that are plugged into IEPs. There were several grammatical errors, missing student names, and redundancies of statements throughout the IEPs reviewed.
- There are inconsistencies with IEP development especially related to measurable objectives relating to the goal.
- In some cases, goals only focused on academics and there were no goals to address the student's challenges with organization and attention.

[114] *Supporting parent participation in the individual family service plan or individualized education program process.* (2018). PACER Center. https://www.pacer.org/parent/php/PHP-c259.pdf

- Goals and objectives did not seem to fully align with students' needs, in some cases. While they were aligned to standards, they lacked specificity to the students' needs for reading and written expression.
- Goals were generally aligned with PLAAFP areas; however, with some goals, it would be hard to measure progress or understand how the student was going to improve in these areas based on how the goals were written.

SERVICES AND PLACEMENT

Strengths

- The statements for the justification of removal from general education were detailed and provided a rationale for students being removed from the general education setting.
- The support for school personnel section was clearly outlined in every IEP reviewed, so it was clear how the team was working together to support the student and what support was needed.
- Some IEPs have pages of accommodations and modifications, the volume of which are very hard to implement and could be eliminated given good teaching practices or strong Universal Design for Learning (UDL) implementation.

Opportunities

- Assistive Technology was not a widely used consideration for students in the IEPs reviewed despite many of the students having more moderate disabilities. There were accommodations in some IEPs, mostly low-tech options, but this was not checked under Special Considerations.

PROGRESS REPORTS

Strengths

- Progress reports were completed for students whose files were reviewed.

Opportunities

- Progress reports were inconsistent, in that some were blank, some had only ratings for student progress, and others included ratings with supporting data as to how the teacher arrived at the rating.
- Progress reporting does not appear to have District-wide requirements to include both qualitative and quantitative data sources.

Overall, IEP paperwork generally does not align with grade level requirements stipulated for an IEP. For example, a preschool IEP includes state testing and transition paperwork required for older students.

BUILDING CAPACITY AND MATERIALS

PCG visited all school buildings at Lakewood Public Schools. Overall, PCG had the following impressions:

1. **Physical Plant Space**: Appropriate and appear sufficient for all service delivery needs, including storage.
2. **Accessibility**: Accessible options in each school, including ramps, stair lifts, elevators, restrooms, and hallways.

3. **Resources**: Extensive and well-resourced schools in terms of materials, including cutting-edge OT and PT therapy gyms, therapy cages, climbing walls, sensory rooms, mobility devices, treadmills, rowing machines, ellipticals, trikes, bikes, therapy tables, slides, climbing/tumbling equipment, and technology for speech services.
4. **Facility Maintenance**: Facilities are well-maintained, clean, with inviting decor, color-coded wings aiding in security.
5. **Security**: School security is highly diligent, accounting closely for all who enter and exit buildings.
6. **Related Service Delivery Spaces**: Spaces for related service delivery are located close to areas of student need, ensuring minimal classroom to service transition time. Related service staff have sufficient space to store materials, provide therapy, and office space. Almost all spaces are equipped with state-of-the-art equipment, including climbing walls, Snoozelen Rooms, and new PT Cages, typically found in medical settings.
7. **Instructional Technology**: Every classroom in every building visited had modern instructional technology that was in use. This included interactive white boards, student laptops, and teacher laptops. Students and staff throughout the buildings and in all grade levels used technology in both teaching and learning.

During interviews and focus groups, information was shared about the facilities. The first is that the facilities house only a fraction of the school children who reside in Lakewood and receive their education in private schools. Some staff spoke of a belief that the programs within buildings are over capacity. However, administrators and staff within the District, especially those who have been in the District for many years, acknowledged that capacity issues are much less a problem now than years ago. The most notable concern about facilities shared by teachers and administrators is the facilities for the LECC, which is spread across three campuses in modular trailer classrooms. Staff shared concerns about noise within the trailers and moving between the trailers. Others had concerns about making capital improvements on facilities that have a notably shorter useful lifespan than permanent structures.

Building Visits

At the **Early Childhood Campuses (LECC)**, with integrated and separate special education preschool, there are three campuses with a trailer system, and most of the staff work in cubicles. There is not much technology in classrooms, but teachers have computers. Campuses 1 and 3 are connected with integrated trailers and have a new accessible playground. The OT/PT space has a new therapy gym, Snoozelen sensory room, trampoline, climbing wall, adapted mobility equipment, Rifton chairs, trampolines, trikes, and various storage options. The Speech space has engaging materials like a play kitchen, dollhouse, puzzles, and games. Campus 2 has a playground and multiple trailers with similar resources. As this is a single-story building, there is no elevator. The classrooms visited were clean, well appointed, bright, and were at or under capacity. There are presently no students at this school who use a wheelchair for mobility access. School administration noted that there are no known capacity issues in any of the building's special education classrooms and/or related service spaces. All spaces throughout the building were notably clean. School Security was present and processed all adults entering and exiting the building. Facilities information such as date of construction and capacity were not available.

The **Piner Elementary School,** grades preschool and kindergarten, is a single-story building. The classrooms visited were clean, well appointed, bright, and were at or under capacity. The OT/PT related service space is well-equipped with standing swings, mats, ramps, slides, trikes, tumble rollers, bean bag seating, and more. Speech has two rooms for individual and group sessions with Rifton Chairs and lots of therapeutic materials stored in cabinets. As this is a single-story building, there is no elevator. Piner has ADA bathrooms. There are presently no students at this school who use a wheelchair for mobility access. School administration noted that there are no known capacity issues in any of the building's special education classrooms and/or related service spaces. District administration noted they are renting this space from a local church. The facility once housed a parochial school. All spaces throughout the building were notably clean. School Security was present and processed all adults entering and exiting the building. Facilities information such as date of construction and capacity were not available.

The **Spruce Street School,** grade 1, is a one-story building with accessible restrooms. The OT/PT space is well-supplied with tables, Rifton chairs, standing swings, treadmill, slides, climbing equipment, sensory room, and they follow the District policy for adult presence. Speech has two therapy rooms with a dollhouse, classroom library, and therapy tables with adapted seating. There are presently no students at this school who use a wheelchair for mobility access. School administration noted that there are no known capacity issues in any of the building's special education classrooms and/or related service spaces. All spaces throughout the building were notably clean. School Security was present and processed all adults entering and exiting the building. According to the Lakewood Township School District Annual Comprehensive Financial Report for the Fiscal Year Ended in June 30, 2021, this building was constructed in 1960 and has a capacity for 799 students. The building is 49,724 square feet.

At the **Clifton Avenue School**, grades 2-6, there are ADA bathrooms, an elevator, and a new stair lift. The classrooms visited were clean, well appointed, bright, and were at or under capacity. There are two related service rooms—one for speech and one for OT/PT. The OT/PT space is smaller than a regular elementary classroom but filled with useful things like standing swings, mats, balls, climbing equipment, adapted seating, Rifton Chairs, kidney tables, fine motor materials, and a new Smartboard. The Speech room is also smaller but has lots of technology, therapy materials, play equipment, and storage. There are presently no students at this school who use a wheelchair for mobility access. School administration noted that there are no known capacity issues in any of the building's special education classrooms and/or related service spaces. There are presently no students at this school who use a wheelchair for mobility access. All spaces throughout the building were notably clean. School Security was present and processed all adults entering and exiting the building. According to the Lakewood Township School District Annual Comprehensive Financial Report for the Fiscal Year Ended in June 30, 2021, this building was constructed in 1923 and has a capacity for 782 students. The building is 79,039 square feet.

At the **Oak Street School**, for grades 2-6, the OT/PT related service space is large with a state-of-the-art therapy cage, new climbing wall, standing swing, treadmill, elliptical, mats, bean bag chairs, sensory ball pit, trampoline, and various play-based therapy options. Speech is in a shared space for two therapy groups with extensive materials stored in cabinets and a counseling-designed play therapy space. The Oak Street School is a multi-level building and has an elevator. There are presently no students at this school who use a wheelchair for mobility access. The classrooms visited were clean, well appointed, bright, and were at or under capacity. School administration noted that there are no known capacity issues in any of the building's special education classrooms and/or related service spaces. All spaces throughout the building were notably clean. School Security was present and processed all adults entering and exiting the building. According to the Lakewood Township School District Annual Comprehensive Financial Report for the Fiscal Year Ended in June 30, 2021, this building was constructed in 1983 and has a capacity for 799 students. The building is 70,659 square feet.

At **Ella G. Clark Elementary School**, for grades 3-6, they have three related service rooms—two for speech and one for OT/PT. The OT/PT space is large and feels like an auxiliary gym. It has a climbing wall, new flooring, standing swings, therapy cage, trikes, mats, balls, bean bag toss, climbing equipment, slides, therapy tables, treadmill, and balance beams. Three therapists work on speech, and they have dedicated spaces with lots of resources. Clark has ADA bathrooms. The classrooms visited were clean, well appointed, bright, and were at or under capacity. There are presently no students at this school who use a wheelchair for mobility access. School administration noted that there are no known capacity issues in any of the building's special education classrooms and/or related service spaces. All spaces throughout the building were notably clean. School Security was present and processed all adults entering and exiting the building. According to the Lakewood Township School District Annual Comprehensive Financial Report for the Fiscal Year Ended in June 30, 2021, this building was constructed in 1946 and has a capacity for 432 students. The building is 61,370 square feet.

At the **Lakewood Middle School**, grades 7-8, the building is multi-level and has an elevator for student access. The OT/PT related service space is in the process of getting a new, state-of-the-art therapy cage and has standing swings, bean bag chairs, climbing options, ramps, balance beam, Rifton chairs, benches,

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

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

STAFFING, LEADERSHIP, AND COLLABORATION

Staffing Ratios

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

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

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

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

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

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

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

Recruitment and Retention

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

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

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

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

Leadership

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

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

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

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

Written Procedures and Policy

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

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

MEDIATION AND DUE PROCESS

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

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

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

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

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

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

---

[115] *New Jersey special education due process hearing decisions.* (n.d.). State of New Jersey Department of Education. https://www.nj.gov/education/legal/specialed/.
[116] "Due Process Spreadsheet" (n.d.). Lakewood Public School District.

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

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

FAMILY ENGAGEMENT

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

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

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

Accessible Communication and Resources

Information in Preferred Language

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

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

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

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

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

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

Advocacy and Collaboration

Special Education Parent Advisory Group (SEPAG)

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

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

TABLE 33: SEPAG MEETING TOPICS FOR 2022-23

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

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

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

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

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

Early Childhood

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

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

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

Student Services

Parent Input and Communication

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

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

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

High Expectations and Inclusivity

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

NONPUBLIC SCHOOLS

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

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

Demographics

School Age

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

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

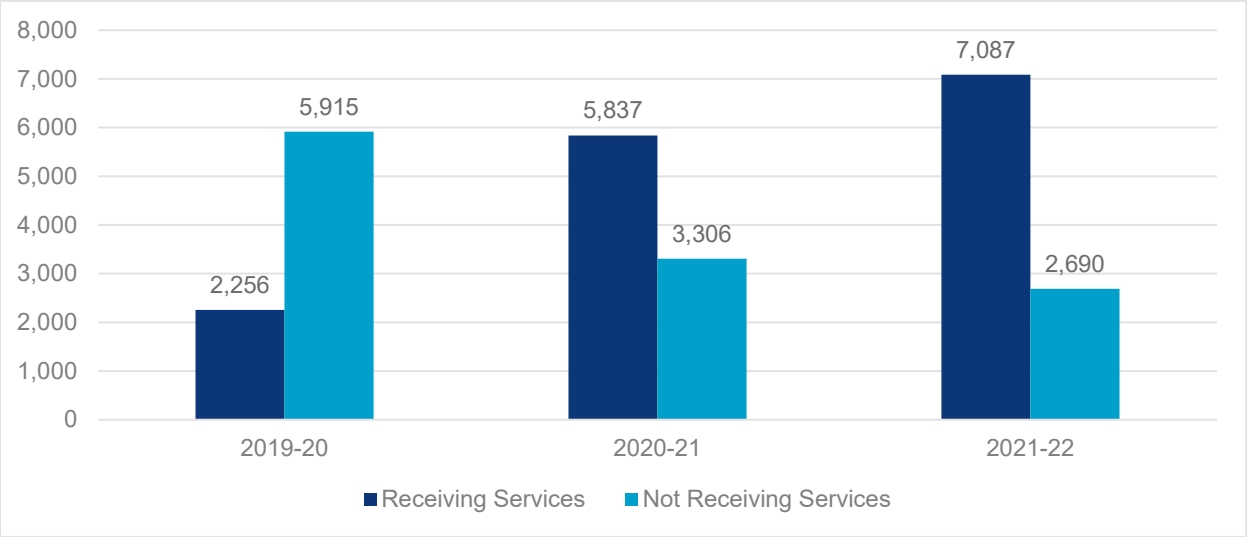
Year	Student Count
2019-20	8,171
2020-21	9,143
2021-22	9,777

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

[119] List of 2022-23 Nonpublic Schools. (n.d.). Lakewood Public School District.
[120] As of the October 2022 child count, 9,686 students were identified as eligible for special education services.

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

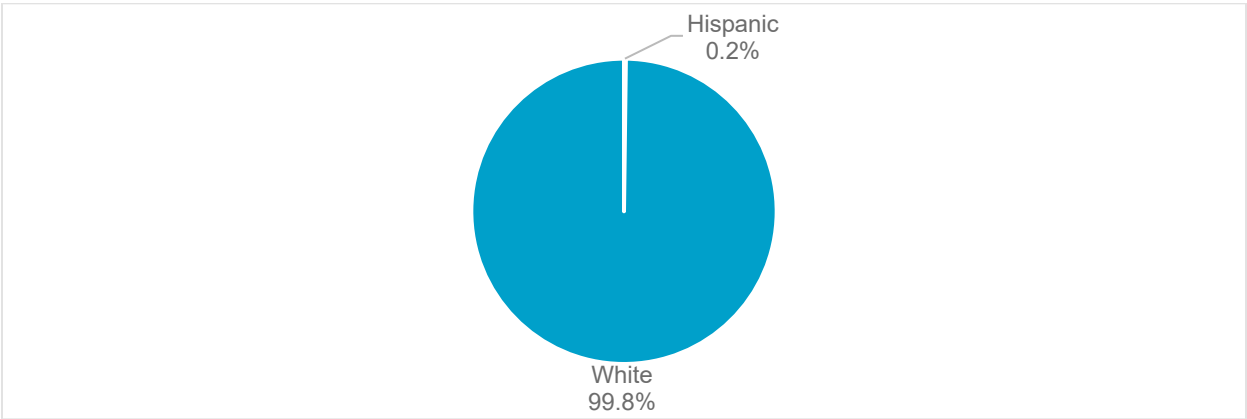
FIGURE 57: NUMBER OF NONPUBLIC PLACEMENTS (AGES 5-21), 2020-22



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

Of eligible students ages 5-21 in nonpublic schools, 98.2% are White and 0.2% Hispanic (**Figure 58**).

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



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

Preschool

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

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

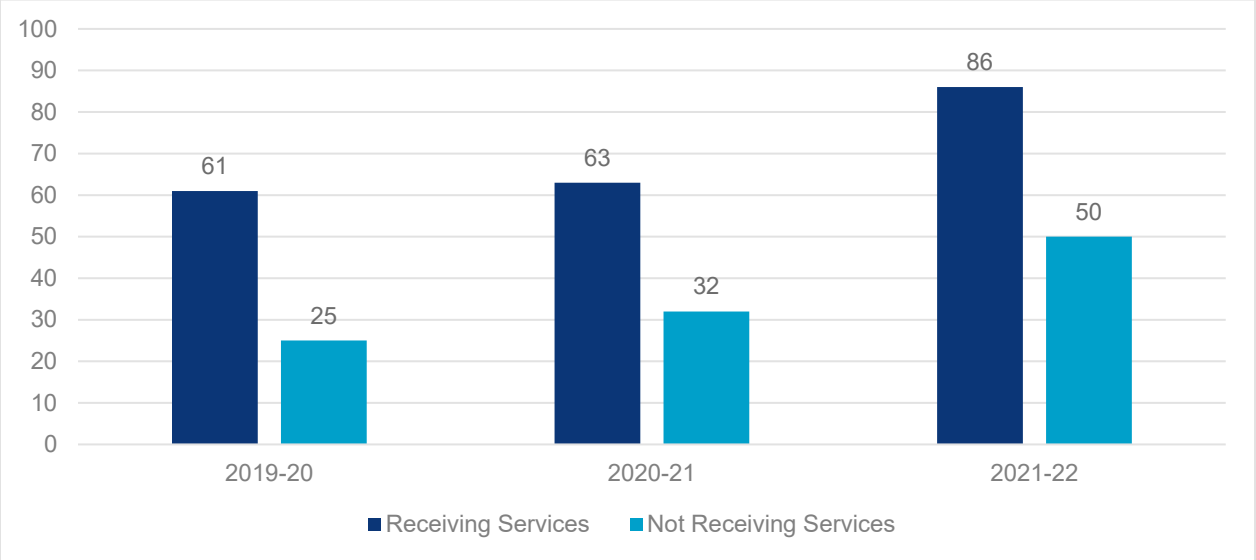
Year	Student Count

2019-20	86
2020-21	95
2021-22	136

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

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

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



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

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

Chapters 192 and 193

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

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

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

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

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

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

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

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

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

District Practices and Expenditures

The District contracts with external agencies for Chapter 192 and Chapter 193 services, as evidenced by the release of two competitive Request for Proposals (RFPs) in the July 2022.[124]

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

[121] Auxiliary and Remedial Services for Nonpublic Schools (Chapters 192 and 193) (nj.gov)
[122] *Guidelines for auxiliary and remedial services (chapters 192 and 193) for nonpublic school students.* (2014, February). New Jersey Department of Education. from https://www.nj.gov/education/nonpublic/forms/192193man.pdf
[123] Ibid.
[124] Lakewood Public Schools Request for Proposals. https://www.lakewoodpiners.org/cms/lib/NJ01001845/Centricity/Domain/4/CC%2006-2223%20final-%20rebid%20of%20CC%2005.pdf; https://www.lakewoodpiners.org/cms/lib/NJ01001845/Centricity/Domain/4/CC%2004-2223%20FINAL.pdf

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

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

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

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

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

Idea Equitable Services

Equitable services are special education and related services, including direct services, provided to parentally placed private and homeschool students with disabilities in accordance with the provisions of IDEA and its implementing regulations in 34 C.F.R. §§ 300.130 through 300.14.[125] Services are provided in accordance with a service plan for eligible students following consultation with private schools and homeschool parents.

Child Find and Eligibility

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

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

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

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

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

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

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

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

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

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

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

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

Funding Calculation and Allocation

As cited on the NJDOE website:

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

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

TABLE 39: EXAMPLE OF REQUIRED IDEA GRANT APPLICATION NONPUBLIC STUDENT INFORMATION[127]

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

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

[126] *Legal protections and responsibilities.* (n.d.). New Jersey Department of Education. https://www.nj.gov/education/specialed/home/docs/3.13.17NPFAQ.shtml
[127] *New Jersey policies and procedures in special education.* (n.d.). New Jersey Department of Education. https://www.nj.gov/education/specialed/policy/

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

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

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

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

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

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

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

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

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

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

[128] *Legal protections and responsibilities.* (n.d.). New Jersey Department of Education. https://www.nj.gov/education/specialed/home/docs/3.13.17NPFAQ.shtml
[129] Ibid.
[130] *Questions and answers on serving children with disabilities placed by their parents in private schools* (PDF). (2020, December). United States Department of Education. https://sites.ed.gov/idea/files/qa-parentally-placed-private-schools-12-2020.pdf

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

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

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

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

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

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

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

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

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

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

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

FINANCIAL PRACTICES ANALYSIS

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

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

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

SUMMARY

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

FINANCIAL DATA ANALYTICS – CASEWARE IDEA TESTING

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

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

either. AAFCPAs did not note any duplicate checks. AAFCPAs ran a Benford's Law[131] analysis on each GL, with each of the tests resulting in acceptable conformity, meaning there were no instances of the first two digits of a number appearing more than expected in the analysis.

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

TABLE 42. IDEA EXCEPTIONS SMART ANALYZER

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

[131] Gill, J. (2019, May 16). *What Is Benford's Law and Why do Fraud Examiners Use it?.* ACFE Insights. https://www.acfeinsights.com/acfe-insights/what-is-benfords-law
*Fraud examiners use Benford's Law tests on natural numbers, like payment amounts. Benford's Law provides an extra method for fraud examiners to test data for potentially fraudulent activity.

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

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

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

Vendor to Employee Comparison – IDEA Testing

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

INTERNAL CONTROLS TESTING

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

Procure to Pay Testing Cycle

TABLE 43. RESULTS OF PROCURE TO PAY TESTING CYCLE

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

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

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

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

Overall Conclusion

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

HR and Payroll Testing Cycle

TABLE 44. RESULTS OF HR AND PAYROLL TESTING CYCLE

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

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

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

Overall Conclusion

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

Financial Close Controls Testing Cycle

TABLE 45. RESULTS FOR FINANCIAL CLOSE CONTROLS TESTING CYCLE

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

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

Overall Conclusion

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

Governance and IT Testing Cycle

TABLE 46. RESULTS FOR GOVERNANCE AND IT TESTING CYCLE RESULTS

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

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

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

Overall Conclusion

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

TRANSPORTATION

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

SUMMARY

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

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

SCHOOL TRANSPORTATION IN NEW JERSEY

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

Public School Students

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

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

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

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

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

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

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

Nonpublic School Students

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

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

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

State Transportation Aid

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

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

Coordinated Transportation Services Agency (CTSA)

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

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

LAKEWOOD PUBLIC SCHOOL DISTRICT TRANSPORTATION

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

[133] Ibid
[134] Sarlo, P.A. (2023, June 28). *State of New Jersey. NJ Legislature.* https://pub.njleg.state.nj.us/publications/budget/S2024.pdf
[135] Ibid
[136] Ibid

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

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

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

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

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

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

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

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

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

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

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

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

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

Lakewood Student Transportation Authority (LSTA)

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

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

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

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

[138] *Bill S2049 Session* (2016-2017). New Jersey Legislature. https://www.njleg.state.nj.us/bill-search/2016/S2049/bill-text?f=PL16&n=22_
[139] *Lakewood Student Transportation Authority LLC.* (2020, July). ProPublica. https://projects.propublica.org/nonprofits/organizations/813531813

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

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

Recent Legislation

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

Transportation Contract Vendor Analysis

[140] *Executive Summary, Lakewood Transportation Analysis, 2020, HFA CPA*. (2023, May 8). Lakewood Public School District.
[141] Assembly no. 5412 state of New Jersey 220th legislature. (2023, May 8). State of New Jersey. https://pub.njleg.state.nj.us/Bills/2022/A5500/5412_R2.PDF
[142] Bill S2049 session 2016-2017. (n.d.). State of New Jersey. https://www.njleg.state.nj.us/bill-search/2016/S2049/bill-text?f=PL16&n=22_
[143] *Contract extension between Lakewood Board of Education and the Lakewood Student Transportation Authority*. (2023, August 30). Provided by Lakewood School Transportation Authority.

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

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

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

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

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

Transportation Route Analysis

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Staff Salaries

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

Lakewood Public School District Transportation Administration

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

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

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

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

Lakewood Student Transportation Authority Senior Officers

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

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

Potential Dual Employment

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

---

[144] *2023-24 school district budget summaries/salaries & benefits.* (n.d.). https://www.nj.gov/education/finance/fp/ufb/
[145] *Meeting of the Lakewood Board of Education held on Wednesday, May 12, 2021*. (2021, May 12). https://www.lakewoodpiners.org/site/handlers/filedownload.ashx?moduleinstanceid=77&dataid=1590&FileName=May%2012%202021.pdf
[146] *Lakewood Student Transportation Authority LLC*. (n.d.). Propublica. https://projects.propublica.org/nonprofits/organizations/813531813

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

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

Transportation Funding

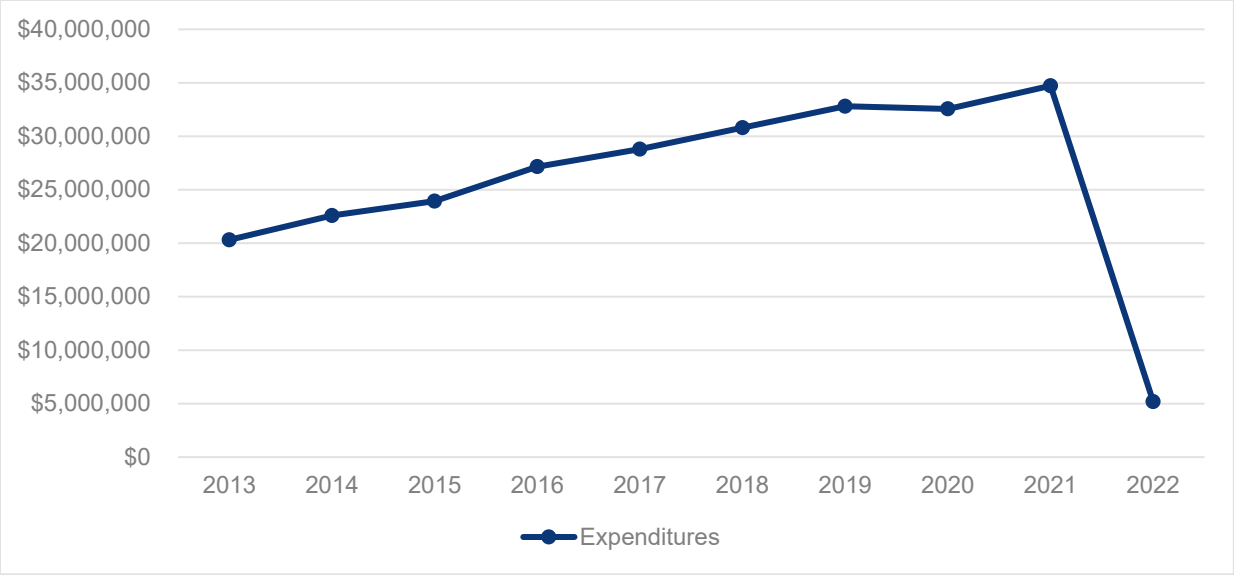
Analysis of the October 2023 DRTRS files showed that the total value of bus routes for Lakewood Public School District was $43,900,195.14. Average expenditure per student based on that figure ($43,900,195.14 divided by 40,958 students) is $1,071.83, including IEP-required transportation and AIL. Looking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

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

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

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

[147] *Contracting student transportation services*. (2014). New Jersey Department of Education. Retrieved from https://www.nj.gov/education/finance/transportation/contracts/contracting.pdf
[148] *Lakewood board of education.* (n.d.). https://www.straussesmay.com/seportal/Public/districtpolicyTOC.aspx?id=69d917eec73348b88ae66af620e165e5



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

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

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

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

Lakewood Student Transportation Authority Funding

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

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

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

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

FINDINGS

PCG reports the following findings:

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

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

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

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

APPENDIX

A. STAKEHOLDER ENGAGEMENT

Interviews held with Lakewood Public School District Stakeholders

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

Focus groups held with Lakewood Public School District Stakeholders

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

Virtual follow-up conversations with Lakewood Public School District Stakeholders

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

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

Financial Controls Walkthrough Participants

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

B. DATA AND DOCUMENTATION RECEIVED

Received from Lakewood Public School District

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

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

Data Received from New Jersey Department of Education

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

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

Data Received from "Everyone Alcantara" Listserv

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

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

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

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

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

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

C. PARTICIPATION IN STATE-SPONSORED PROFESSIONAL LEARNING

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

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

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

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

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

D. CODE LIST FOR QUALITATIVE ANALYSIS

Code List for Focus Groups and Interviews

Domain Category	Codes Used
Governance	• Communication • Leadership • Policies and Practices
Curriculum & Education	• Access to Advance Coursework • Career Planning • Curriculum Development • Curriculum Materials/Resources • Instructional Strategies • Lesson Scripts • Pacing Guides • Standards Alignment • Commitment to Students • Communication

	○ Efficacy ○ Transparency • Extracurricular Activities • Morale • Professional Development • Services for Bilingual Learners • Teacher and Leadership Dynamics
Special Education	• Family and Community Engagement ○ Access ○ Advocacy ○ Collaboration ○ Communication ○ Community Partnerships ○ Resource Center and Training • Human Capital ○ Flexible Career Pathways ○ Quality Professional Learning ○ Recruitment ○ Retention ○ Staff Wellness • High Expectations ○ Culturally Relevant Practices ○ Growth Mindset ○ Inclusivity ○ Positive Learning Environment ○ Presumed Competence ○ Student Engagement and Voice • Learning Environment and Specialized Services ○ Access to General Education Curriculum ○ Early Childhood, Transition Activities ○ Eligibility, evaluation Criteria, processes ○ IEP Development ○ Individualized Supports ○ Learning Environment ○ Positive Behavior Supports • Leadership ○ Vision and Strategic Plan ○ Collaboration ○ Shared Accountability ○ Student-centered Decision Making ○ Team Building and Morale • Systems and Structures ○ Data quality, culture, capacity ○ Equitable funding and staffing ○ Organizational Structure and Role ○ Policy, Procedure, Compliance

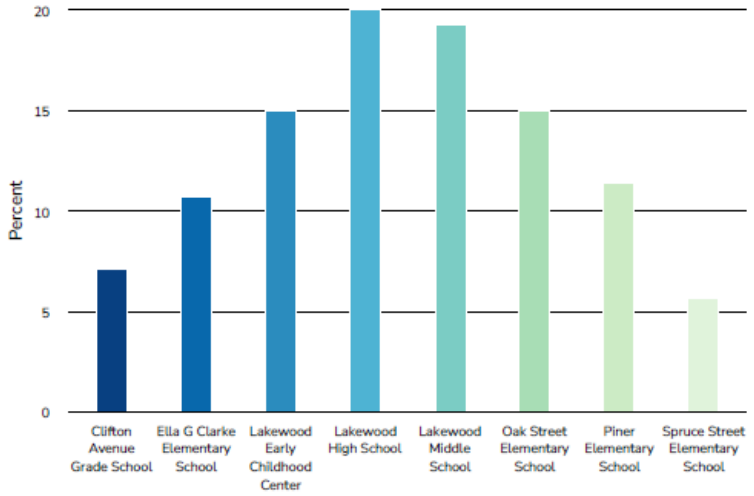
	○ Space and Materials
Transportation	• Non-Public • Public
Finance	• Contracts • Non-Public Services • Public Services • Routes

E. SURVEY RESULTS

Lakewood Public School District Staff Survey

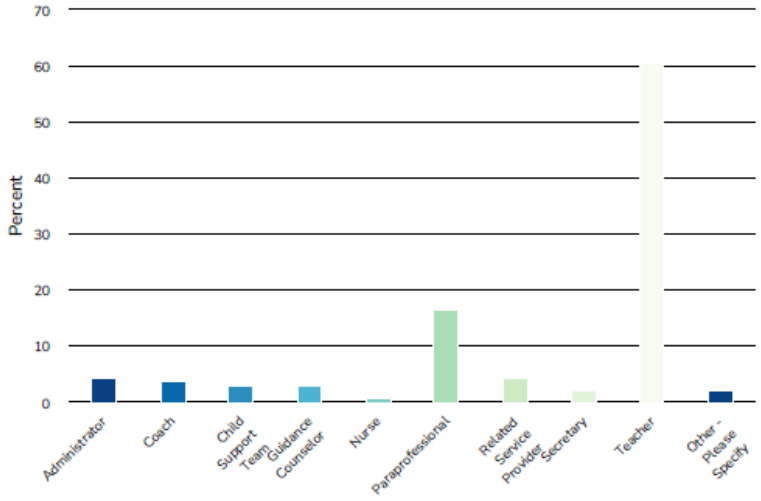
PCG conducted a virtual survey for school-based staff in Lakewood Public School District. Results of the survey are shared below.

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

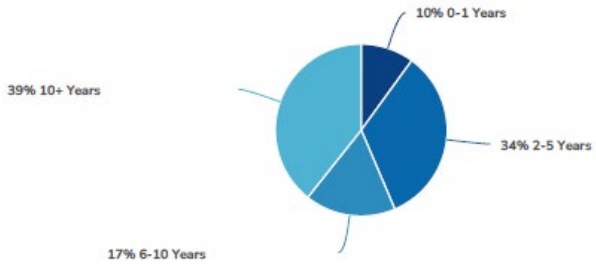


Value	Percent	Responses
Clifton Avenue Grade School	7.1%	10
Ella G Clarke Elementary School	10.7%	15
Lakewood Early Childhood Center	15.0%	21
Lakewood High School	20.0%	28
Lakewood Middle School	19.3%	27
Oak Street Elementary School	15.0%	21
Piner Elementary School	11.4%	16
Spruce Street Elementary School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

2. Please select your role within Lakewood Public Schools.



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



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

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

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

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

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

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

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

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

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

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

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

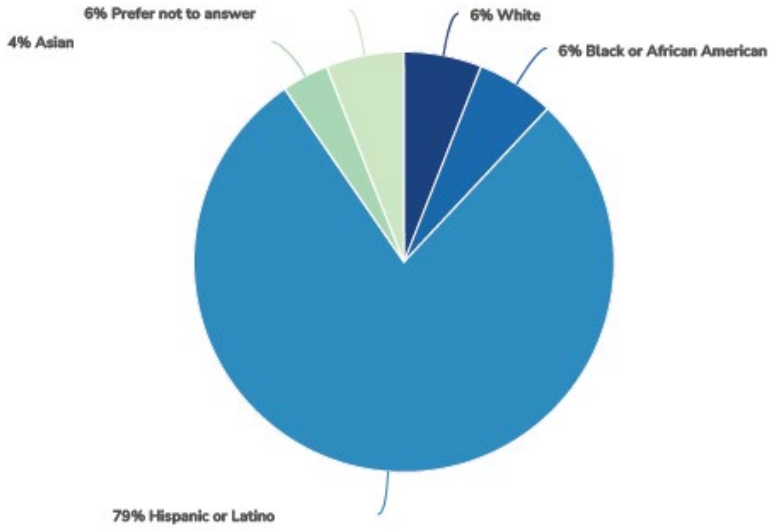
9. Please indicate your level of agreement with the following statements regarding Leadership and High Expectations

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

Lakewood Public School District Parent & Family Survey

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

1. Please select your race/ethnicity.



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

Totals: 84

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



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

Totals: 84

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



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

Totals: 84

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

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

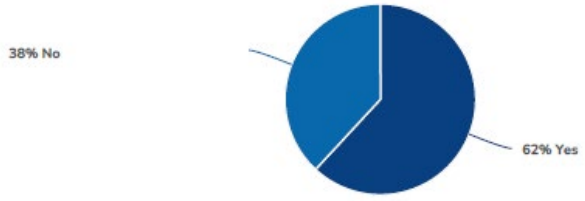
5. Please indicate your level of agreement with the following statements regarding Supporting Student Success.

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

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

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

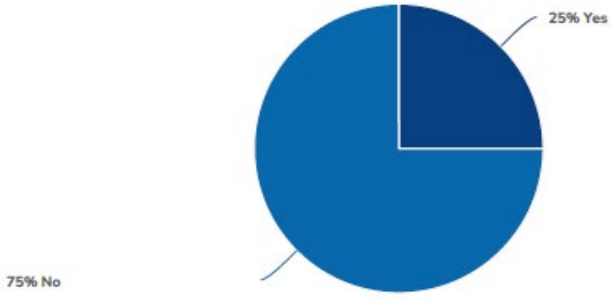
7. Is your child receiving English Language Learner (ELL) services?



Value	Percent	Responses
Yes	61.9%	52
No	38.1%	32

Totals: 84

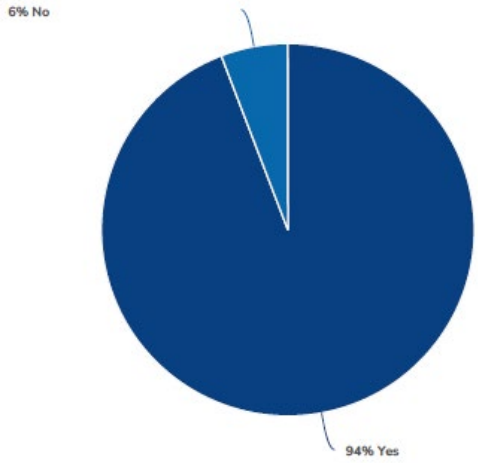
8. Do you have a child that requires Special Education services?



Value	Percent	Responses
Yes	25.0%	21
No	75.0%	63

Totals: 84

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



Value	Percent	Responses
Yes	94.2%	49
No	5.8%	3

Totals: 52

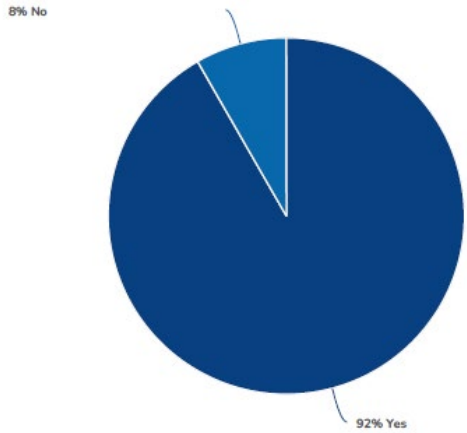
10. Do you require language translation services to better understand your child's educational needs?



Value	Percent	Responses
Yes	57.1%	12
No	42.9%	9

Totals: 21

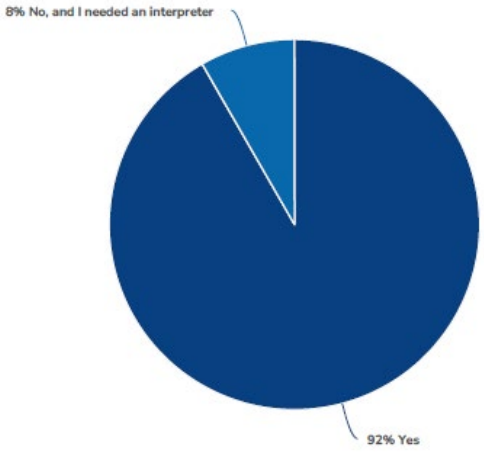
11. Were you asked if you would like to have an interpreter in IEP meetings?



Value	Percent	Responses
Yes	91.7%	11
No	8.3%	1

Totals: 12

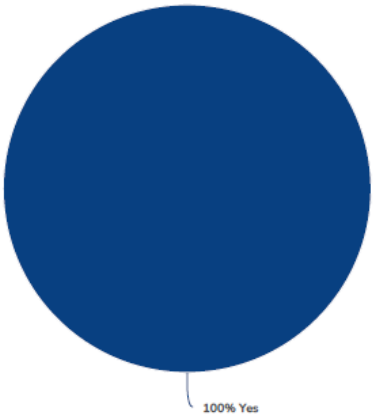
12. Was in interpreter provided at IEP meetings?



Value	Percent	Responses
Yes	91.7%	11
No, and I needed an interpreter	8.3%	1

Totals: 12

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



Value	Percent	Responses
Yes	100.0%	8
		Totals: 8

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

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

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

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

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

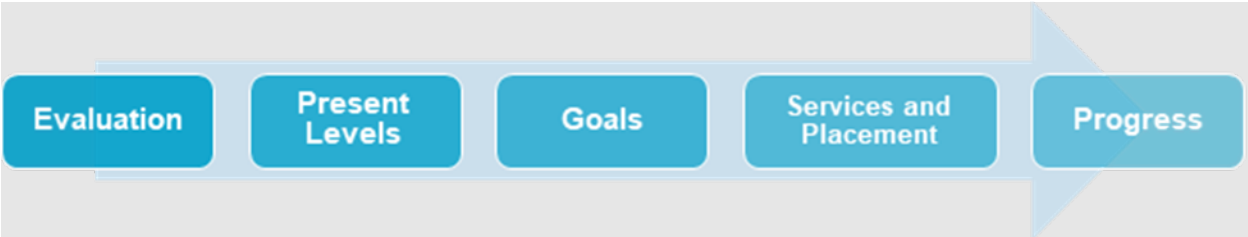
	Agree	Disagree	I Don't Know	Responses
There are enough staff to implement my child's IEP with consistency. Count Row %	17 81.0%	4 19.0%	21	
Totals Total Responses				21

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

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

F. GOLDEN THREAD FRAMEWORK

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



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

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

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

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

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

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

Quality Indicator Review

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

The quality indicators are based on these foundational assumptions:

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

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

Indicator	Evidence
1. Results of individual evaluations provide the information the Evaluation Team needs to make its recommendations.	• Evaluation results are reported in a manner that provides sufficient basis for: present levels of performance (PLP); comparison to typically developing peers and grade-level expectations; unique learning characteristics and educational needs of the student; development of IEP annual goals and, as appropriate, short-term instructional objectives and benchmarks; and transition activities. • Evaluation results provide sufficient baseline information for future determination of progress in all areas of the suspected disability. • Evaluation reports are written in clear, precise, and easily understood language that is: jargon free, succinct, and provided in a language/mode of communication understood by the parent. • Evaluation reports identify the nature and extent to which the student may need environmental modifications or accommodations; human and material resources to support learning in the general education curriculum and environment. • Evaluation reports provide instructionally relevant information that provides insight into the student's learning characteristics and needs and supports development and provision of instruction likely to result in achievement of the student's IEP goals.

	• The Evaluation Team reviews, discusses, analyzes, and evaluates the student's progress in order to address his/her unique needs related to the disability.
2. The IEP Team considers the interrelationship of the impact of the student's disability and present levels in the IEP.	• PLAAFPs establish a measurable baseline of student's abilities and needs for determining progress. • Parent input is solicited and included in the development of the IEP. • Clear, concise PLAAFP statements are written in user friendly language, and are a thorough description of student strengths and needs.
3.Annual goals are identified to enable the student to progress in the general education curriculum and meet other disability related needs.	• Annual goals focus on the knowledge, skills, behaviors and strategies to address the student's needs. • Goals are developed in consideration of the student's need to progress toward the State standards by identifying the foundation knowledge (e.g., reading/math) necessary to meet the standards and/or the learning strategies that will help him or her to learn the curriculum content. • Targeted learning outcomes/goals are closely aligned to the general education curriculum and aligned with the age/developmental level of the class or grade level. • Annual goals define the path from the student's present level of performance to a level of performance expected by the end of the year. • IEP goals and objectives are: instructionally relevant; measurable, aligned with identified targeted needs; reasonably achieved in the period covered by the IEP; congruent with the student's ability/disability; and designed to support participation and success in the general education curriculum.
4.The IEP Team determines how student needs will be met in the least restrictive environment.	• The IEP Team uses knowledge of the continuum of appropriate academic and behavior intervention strategies for subject areas and age/developmental levels. • The IEP includes support for school personnel (professional development or technical assistance) as needed to implement the IEP. • The IEP Team considers issues of access, participation and progress in relation to each individual student's needs, including, but not limited to, consideration of: curriculum content; modifications to instructional materials; rate of learning; physical environments; demonstration of learning; instructional approaches; instructional supports; and behavioral supports. • Recommended special education program and services, accommodations, and modifications needed for student to achieve goals are discussed. • The IEP Team actively considers and recommends accommodations or modifications to instruction and/or the use of assistive technology as necessary to ensure access to the general education curriculum. • A student's performance on classroom, state, and/or and District-wide assessments is discussed, considered and documented. • Placement is the last recommendation made in consideration of the least restrictive environment in which the student's IEP can be implemented.

E. BOARD MEETING EVALUATION RUBRIC

Evaluator Name:_____

Meeting Date:_____

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

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

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

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

F. AUDIT VENDOR FINDINGS

				Testing					
Vendor #	Vendor #	Remit to name	Index name	Board Apprvoal	W9 and BRC	Last year of activity	Response from Lakewood		
1	10993	TZIPPA WEINBERGER	WEINBERGER, TZIPPA	No	No	2008/2009	There are no Pos against this vendor		
2	11235	THE PRINCETON PACKET INC.	PRINCETON PACKET INC. ,THE	No	No	2011/2012	Documents not available		
3	8133	NJASBO	NJASBO	No	Yes		Attached		
4	1542	OCEAN MENTAL HEALTH SVCS	OCEAN MENTAL HEALTH SVCS	No	Yes		Attached		
5	11468	CHANA ZIONS	ZIONS, CHANA	No	No	2012/2013	No BRC- under the threshold	W9 Not available	
6	5750	BATA INC.	BATA INC.	No	Yes		Attached		
7	1137	FRANKMAN, EDWARD	FRANKMAN, EDWARD	No	No	2007/2008	No BRC- under the threshold	W9 Not available	
8	10122	CHAVA GOLDING	GOLDING, CHAVA	No	No	2009/2010	No BRC- under the threshold	W9 Not available	
9	8954	RACHEL COHEN	COHEN, RACHEL	No	No	2013/2014	No BRC- under the threshold	W9 Not available	
10	6679	APPLAUSE THEATER & CINEMA	APPLAUSE THEATER & CINEMA	No	No	2008/2009	No BRC- under the threshold	W9 Not available	
11	10541	CUSTOM COACH & LIMO, INC.	CUSTOM COACH & LIMO, INC.	No	No	2009/2010	No BRC- under the threshold	W9 Not available	
12	1701	C. SANDER'S EMBLEMS, LP	C. SANDER'S EMBLEMS, LP	No	No	2008/2009	No BRC- under the threshold	W9 Not available	
13	12887	SINAI SPECIAL NEEDS INSTITUTE	SINAI SPECIAL NEEDS INSTITUTE	No	Yes		Attached		
14	8177	ROCHEL ROTKIN	ROTKIN, ROCHEL	No	No	2006/2007	No BRC- under the threshold	W9 Not available	
15	13434	GLENDALE PARADE	GLENDALE PARADE	No	No	2016/2017	Attached		
16	9002	INDOFF, INC	INDOFF, INC.	No	No	2007/2008	No BRC- under the threshold	W9 Not available	
17	12616	ROCHEL COHEN	COHEN, ROCHEL	No	No	2014/2015	No BRC- under the threshold	W9 Not available	
18	14872	GF SUPPLIES LLC	SIGO SIGNS	No	Yes		Attached		
19	9912	YURY'S BUS SERVICE	YURY'S BUS SERVICE	No	No	2008/2009	No BRC- under the threshold	W9 Not available	
20	13038	TRI FURNITURE DESIGN LLC	TRI FURNITURE DESIGN LLC	No	Yes		Attached		
21	11120	FOX EQUIPMENT	FOX EQUIPMENT	No	No	2011/2012	No BRC- under the threshold	W9 Not available	

Response from Lakewood

I am unsure of what you mean by "Evidence of approval for these vendors" The Board approves the Bills List so if any payments are being made the Board approves the payment to the vendor.

Most of these vendors have not been accessed for many years. Some as much as 16 years ago. We would not have that documentation any longer.

EXHIBIT E

EXECUTIVE SUMMARY

LAKEWOOD PUBLIC SCHOOL DISTRICT
July 1, 2018 to September 30, 2023

We found the financial transactions included in our testing were related to the district's programs, were reasonable, and were recorded properly in the accounting system. However, in making these determinations, we noted certain issues meriting management's attention regarding loan repayments and State Aid withholdings, a potential conflict of interest, special education and related services, noncompliance with various statutes and administrative code, and a lack of internal controls. We also made observations related to IDEA funds, professional development training for nonpublic schools, and legal services.

AUDIT HIGHLIGHTS

- The district did not apply its excess surplus funds to its loan balance, as required by statute. As a result, the district owes $32.6 million towards its loans balance, and its State Aid should be reduced by the same amount.
- A conflict of interest may exist with an employee who is also the director of a contracted vendor.
- Special education students missed approximately 20 percent of service sessions because of staff absences and school closures.
- General Counsel's $50,000 monthly retainer invoices were not supported by hours worked. In addition, litigation service hours were not limited. There were 22 days billed for more than 12 hours per day totaling more than $150,000, including one billed at 21 hours totaling $10,000.
- Total spending for legal services exceeded the statewide average by 456 percent, an average of $1.1 million per year.
- The district had confirming orders totaling $1.3 million and improperly increased existing contracts by $1.1 million prior to renewal.
- The district paid over $410,000 in overtime to employees exempt from receiving overtime.
- Background checks were not obtained for four employees, including one convicted of a third-degree crime.
- The district violated the New Jersey First Act by allowing an employee to work out of state without an exemption to do so.

AUDITEE RESPONSE

The district generally concurs with our findings and recommendations but has provided substantive comments.

For the complete audit report or to print this Executive Summary, click on the attached files.

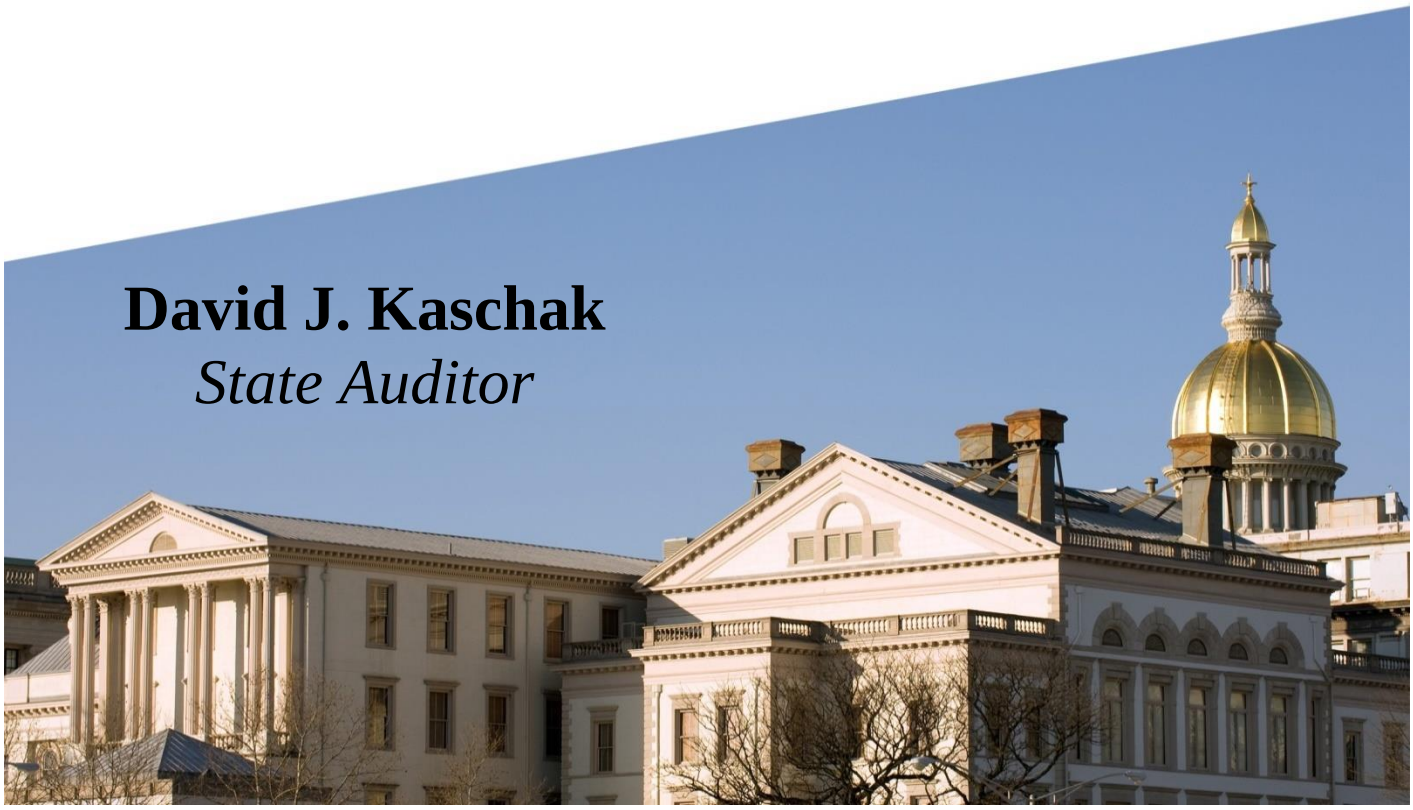
New Jersey Legislature

Office of LEGISLATIVE SERVICES

OFFICE OF THE STATE AUDITOR

Lakewood Public School District

July 1, 2018 to September 30, 2023



LEGISLATIVE SERVICES COMMISSION

SENATE
Anthony M. Bucco
Kristin M. Corrado
Linda R. Greenstein
Joseph Pennacchio
M. Teresa Ruiz
Nicholas P. Scutari
Robert W. Singer
Shirley K. Turner

GENERAL ASSEMBLY
Craig J. Coughlin
Christopher P. DePhillips
John DiMaio
Louis D. Greenwald
Antwan L. McClellan
Nancy F. Muñoz
Verlina Reynolds-Jackson
Shanique Speight

NEW JERSEY STATE LEGISLATURE
Office of LEGISLATIVE SERVICES

OFFICE OF THE STATE AUDITOR
125 SOUTH WARREN ST. • P.O. BOX 067 • TRENTON, NJ 08625-0067
www.njleg.state.nj.us

OFFICE OF THE STATE AUDITOR
609-847-3470
Fax 609-633-0834

David J. Kaschak
State Auditor

Brian M. Klingele
Assistant State Auditor

Thomas Troutman
Assistant State Auditor

The Honorable Philip D. Murphy
Governor of New Jersey

The Honorable Nicholas P. Scutari
President of the Senate

The Honorable Craig J. Coughlin
Speaker of the General Assembly

Ms. Maureen McMahon
Executive Director
Office of Legislative Services

Enclosed is our report on the audit of the Lakewood Public School District for the period of July 1, 2018 to September 30, 2023. If you would like a personal briefing, please call me at (609) 847-3470.

David J. Kaschak
State Auditor
August 6, 2024

Table of Contents

Scope 1

Objectives 1

Methodology 1

Data Reliability 2

Conclusions 2

Background 2

Findings and Recommendations

- Additional Loan Repayment and Withholding of State Aid 5
- Conflict of Interest 5
- Special Education and Related Services 6
- Compensation for General Counsel 7
- Taxpayer's Guide to Education Spending for Legal Services 8
- Expenditures 9
- Multiyear & Tuition Contracts 10
- Overtime Pay 11
- Segregation of Duties 12
- Monthly Reconciliation of Bank Account Statements 13
- Criminal Background Checks 14
- Annual Confirmation of District Residency 15

Table of Contents

Nonpublic School Transportation 16

New Jersey First Act 17

Observations

Nonpublic Students Classified and Serviced with IDEA Funds 19

Professional Development Workshops for Nonpublic Schools 20

Legal Services 20

Appendix

Methodologies to Achieve Audit Objectives 22

Auditor's Note Regarding District's Response 24

Auditee Response 25

Scope

We have completed an audit of the Lakewood Public School District (district) for the period July 1, 2018 through September 30, 2023. Our audit included financial activities accounted for in the district's General Fund (GF) and Special Revenue Fund (SRF), as summarized below:

Fiscal	General Fund		Special Revenue Fund	
Year	Expenditures	Revenues	Expenditures	Revenue
2019	$ 168.2	$ 182.5	$ 70.8	$ 73.4
2020	175.1	188.6	56.3	58.6
2021	208.9	223.7	83.5	85.7
2022	159.3	175.8	166.8	168.5
2023	211.3	209.0	145.3	147.7
Total	**$ 922.8**	**$ 979.6**	**$ 522.7**	**$ 533.9**

Note: Amounts in millions

Objectives

The objectives of our audit were to determine whether financial transactions were related to the district's programs, were reasonable, and were recorded properly in the accounting system. Additional objectives were to determine compliance with applicable state laws and regulations over certain district programs.

This audit was conducted pursuant to the State Auditor's responsibilities as set forth in Article VII, Section I, Paragraph 6 of the State Constitution and Title 52 of the New Jersey Statutes.

Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In preparation for our testing, we studied legislation, the administrative code, contracts, and policies of the New Jersey Department of Education (DOE) and the district. Provisions we considered significant were documented, and compliance with those requirements was verified by interview, observation, and through our review of financial transactions and trends. We also read the district's board minutes, analyzed enrollment trends and the district's Annual Comprehensive Financial Reports (ACFR) issued by public school accountants, and interviewed district personnel to obtain an understanding of the district's programs and the internal controls. In order to achieve our objectives, we performed various tests and analyses as we determined necessary.

Additional detail regarding our methodology and work performed can be found in the Appendix, as well as in the finding section when testing resulted in a reportable condition.

A nonstatistical sampling approach was used. Our samples were designed to provide conclusions on our audit objectives, as well as internal controls and compliance. Sample populations were sorted, and transactions were judgmentally and randomly selected for testing. Because we used a nonstatistical sampling approach for our tests, we cannot project the results to the respective populations.

Data Reliability

We assessed the reliability of the district's financial data by reviewing existing information about the data and the system that produced them, interviewing district officials knowledgeable about the data, and performing certain statistical analyses on the data. We determined that the data were sufficiently reliable for purposes of this report. Certain other data in our report were used to provide background information. Data used for this purpose were obtained from the best available sources. *Government Auditing Standards* do not require us to complete a data reliability assessment for data used for this purpose.

Conclusions

We found the financial transactions included in our testing were related to the district's programs, were reasonable, and were recorded properly in the accounting system. However, in making these determinations, we noted certain issues meriting management's attention regarding loan repayments and State Aid withholdings, a potential conflict of interest, special education and related services, noncompliance with various statutes and the administrative code, and a lack of internal controls. In addition, we made observations related to the number of students classified with IDEA funds, the costs of professional development trainings for nonpublic schools, and legal services.

Background

Forensic Audit

On May 12, 2022, we issued a forensic audit report of the district for the period July 1, 2017 through June 30, 2018. For additional information, please refer to the following link: https://pub.njleg.state.nj.us/publications/auditor/2022/34007020.pdf.

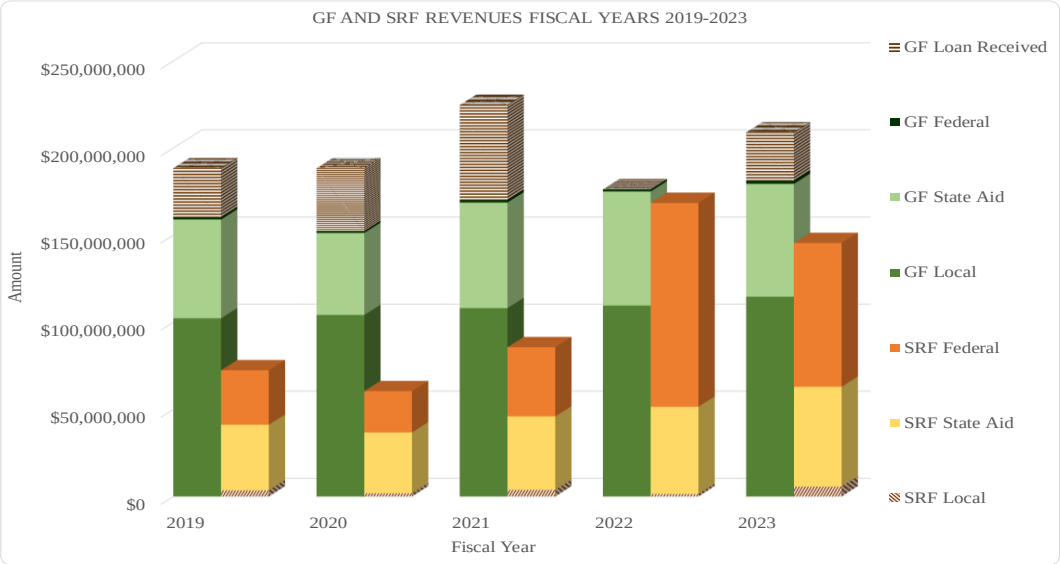
Recommendation of State Aid Advance Loan

Pursuant to N.J.S.A. 18A:7A-56, the Commissioner of Education shall recommend to the state treasurer whether a State Aid advance loan (loan) should be made to a district for which a state monitor has been appointed. A state monitor has been appointed to the district since April 2014. From fiscal years 2015 through 2023, the district received seven loans totaling $165.1 million.

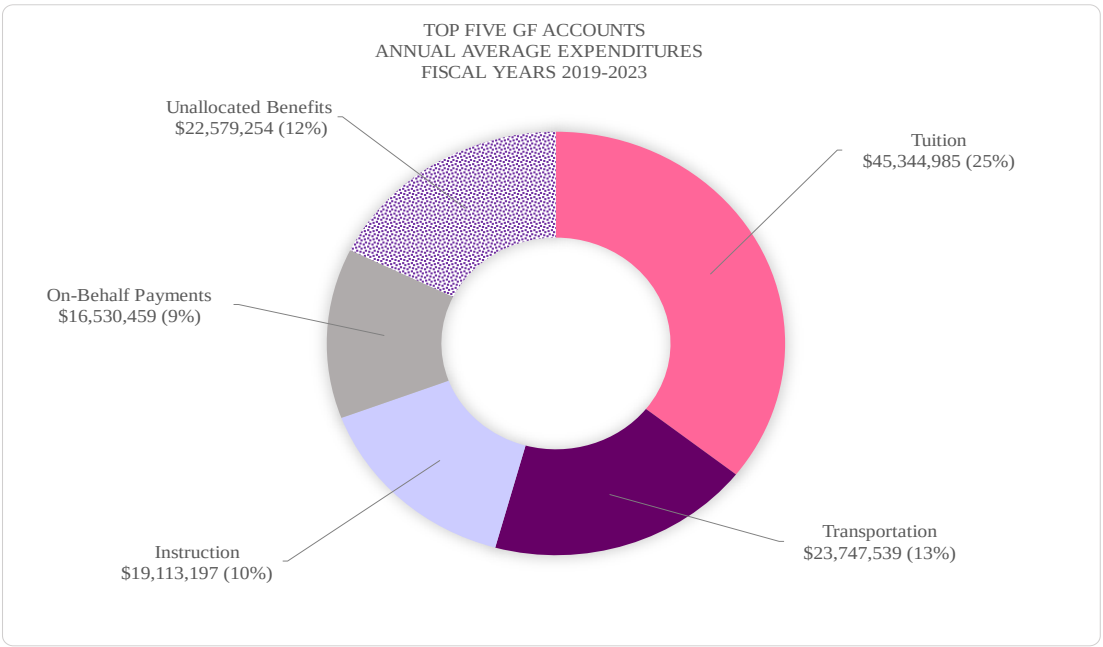
Supplemental Information

Please refer to the following supplemental information about the district.

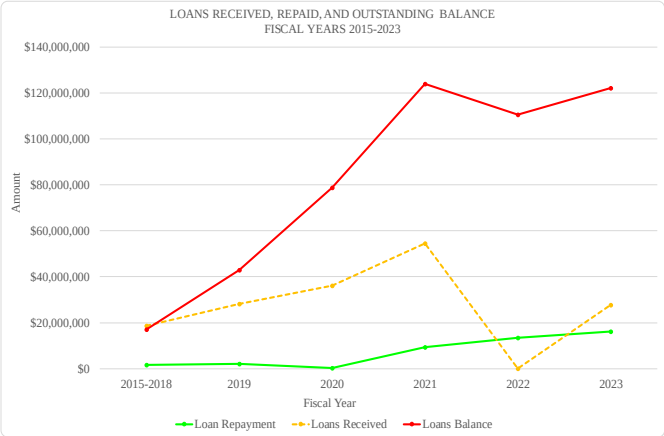
GF and SRF revenues by source for fiscal years (FY) 2019 through 2023 are shown below.



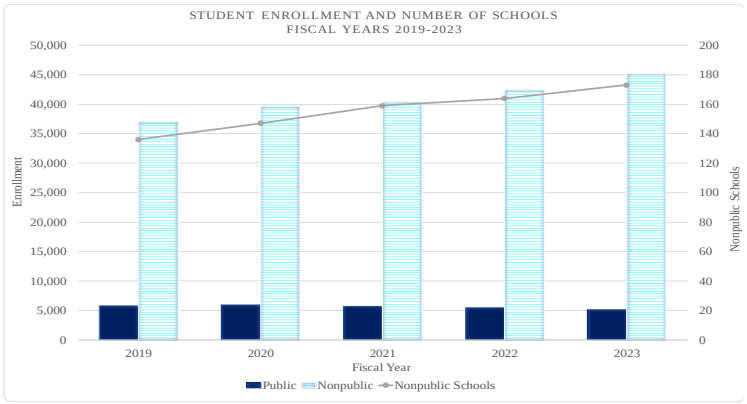
The top five GF expenditure categories for FY 2019 through 2023 are shown below.



District loans received, repaid, and outstanding balance due for FY 2015 through 2023 are shown below.

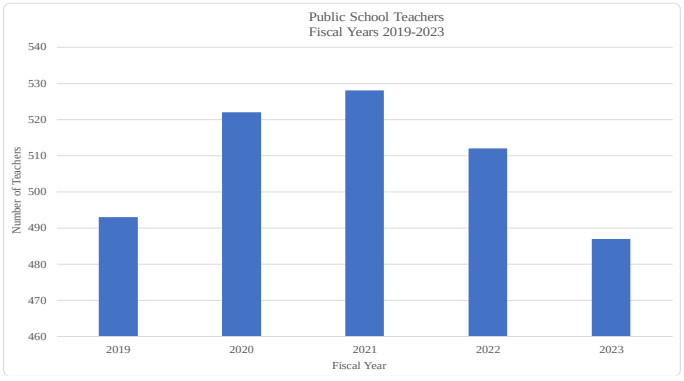


Public and nonpublic student enrollment and total schools for FY 2019 through 2023 are shown below.



*** The district includes 12 public schools**

The number of public school teachers for FY 2019 through 2023 is shown below.



Additional Loan Repayment and Withholding of State Aid

The district owes $32.6 million towards loan repayments, and its State Aid should be reduced by the same amount.

Pursuant to N.J.S.A. 18A:7F-7, public school accountants (PSA) are required to perform the annual calculation of excess surplus at June 30 for all regular and county vocational school districts. Additionally, pursuant to N.J.S.A. 18A:7A-56c, any year in which a school district's undesignated General Fund balance is greater than 1.5 percent of General Fund expenditures, the amount that exceeds 1.5 percent shall be an additional amount applied to the following year's loan repayments, and the district's State Aid shall be reduced by this additional amount in that following year. From fiscal years 2019 through 2023, the district received four loans totaling $146.5 million. During this period, the district never applied the amounts that exceeded 1.5 percent to the following year's loan repayments, nor was its State Aid reduced by these amounts. Based on our conversations with the DOE and the district, we determined that they came to agreements whereby the district would retain the excess to reduce subsequent years' loan needs. As of fiscal year 2023, the total excess surplus was $32,620,211.

Recommendation

The district should consult with the DOE and the state treasurer to determine how to apply the $32.6 million towards loan repayments and reduce its State Aid by $32.6 million.

⋙➤◀⋘

Conflict of Interest

A part-time employee of the district is also the full-time director of a contracted vendor and received total compensation of $1.1 million.

Pursuant to N.J.S.A. 18A:12-24, no school official shall engage in any business, transaction, or professional activity that is in substantial conflict with the proper discharge of their duties in the public interest, and no school official shall act in his official capacity in any matter where he has a direct or indirect financial involvement.

Furthermore, the district's Staff Policy Handbook prohibits an employee of the district from engaging or having a financial interest, directly or indirectly, in any activity that conflicts with their duties and responsibilities in the school district. For contracts with the board, an employee shall not obtain a direct benefit from a contract they are involved in making or administering on behalf of the board. An employee derives a direct benefit from a contract if they receive any income from the contract.

The district has a contract with a vendor to provide transportation services to nonpublic students. From fiscal years 2019 to 2023, this vendor was paid approximately $105.9 million. The vendor's full-time director is also a part-time district employee whose performance responsibilities include

preparing all bid specifications for transportation services and receiving all nonpublic school transportation applications (B6Ts) from which payment to the vendor is derived.

The DOE School Ethics Commission (SEC), which is a nine-member body with the power to issue advisory opinions, was created under N.J.S.A. 18A:12-27, commonly referred to as the School Ethics Act. Although the district requested and paid for the opinions of two law firms to determine if a conflict of interest exists, the district has never requested an independent opinion from the SEC.

The table below shows total compensation earned by this employee from the district and vendor. The vendor information is from Internal Revenue Service Form 990, which is available to the public.

Employer	2020	2021	2022	Total
District	$ 130,600	$ 142,250	$ 123,450	$ 396,300
Vendor	218,367	224,028	257,028	699,423
Total	**$ 348,967**	**$ 366,278**	**$ 380,478**	**$ 1,095,723**

This is a potential conflict of interest because the employee is receiving a direct financial benefit from the contract, as well as receiving and submitting applications to the district from which payment to the vendor is derived.

Recommendation

The district should request an independent opinion from the DOE SEC to determine if this is a conflict of interest.

Special Education and Related Services

Special education students missed 1,148 sessions because of school closures and staff absences.

Pursuant to N.J.A.C. 6A:14-3.7, the district board of education shall have an Individualized Education Plan (IEP) in effect for every in-district student receiving special education and related services. These services include but are not limited to occupational therapy, physical therapy, and speech therapy. The IEP shall identify the projected dates for the beginning and end of those services, as well as the anticipated frequency, location, and duration of those services.

We randomly selected 55 of 1,050 students scheduled to receive services from September 13, 2021 through November 22, 2022 and reviewed make-up sessions through June 15, 2023. We analyzed all 76 of their attendance reports and noted the following:

Student Attendance Reports	Count	Percentage
Total Sessions Scheduled	5,593	100%
Sessions Attended	3,820	68%
Missed Sessions due to School Closings	650	12%
Missed Sessions due to Student Absences	625	11%
Missed Sessions due to Staff Absences	498	9%
Make-up Sessions Scheduled	70 (4%)	

While the administrative code does not require missed sessions to be made up, 1,773 (32 percent) sessions were missed. A high percentage of missed sessions could hinder a student's ability to meet levels of academic achievement, functional performance, measurable annual goals, and objectives stated in the IEP. Furthermore, as the IEP is a legally binding document, the district could be exposed to potential litigation from parents of children not receiving these services.

While the district developed a corrective action plan subsequent to our testing, it had not been implemented and was not part of our review.

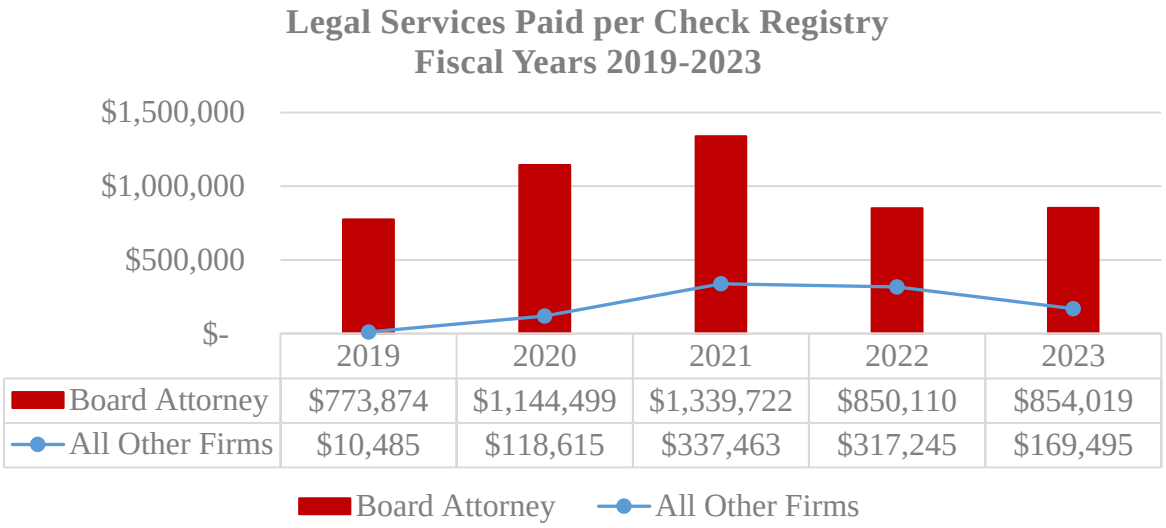
Recommendation

The district should ensure any corrective action plan addresses missed sessions caused by school closures and staff absences, including a provision for make-up sessions.

Compensation for General Counsel

General Counsel received compensation of $2.4 million that was not based on hours worked. Additionally, hours for litigation services were not limited.

Pursuant to the terms and conditions of legal services stated in General Counsel's contracts for fiscal years 2019 through 2022, the board attorney shall be compensated via a retainer of $600,000 annually, payable in equal monthly installments of $50,000. Actual payment for each month will be based on hours worked, and there will be no charge in excess of the monthly installments. During this period, the board attorney was compensated $2.4 million via retainer. Additionally, the board attorney shall be compensated at an hourly rate of $475 for litigation services, payable monthly, upon presentation of detailed logs for such services. For fiscal years 2019 through 2023, the chart on the next page shows total amounts paid for legal services to the board attorney and all other law firms.



For fiscal years 2019 through 2022, we reviewed all General Counsel's monthly invoices submitted for the retainer and litigation services and found the following:

- Regarding the annualized retainer, no invoices included hours worked. As a result, the district could have paid for more hours than actually worked.

- Regarding litigation services, there were 22 instances billed for more than 12 hours per day totaling $150,417, with one instance billed for 21 hours in one day totaling $10,054. The contract does not limit the number of hours charged for litigation services.

Recommendation

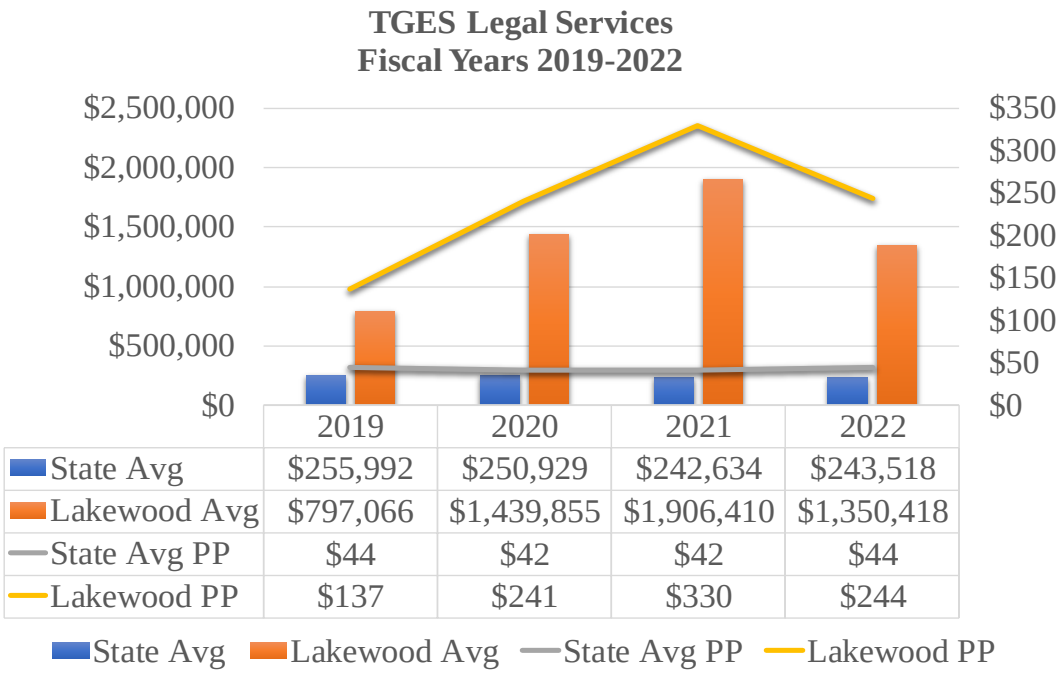
Payments for General Counsel's annualized retainer should be based on supporting documentation that details hours worked, and the board should modify future contracts to include a limit on hours worked for litigation services.

Taxpayer's Guide to Education Spending for Legal Services

Total spending for legal services exceeded the statewide averages by an average of $1.1 million per year, or 456 percent.

Pursuant to N.J.A.C. 6A:23A-5.2, school districts with legal costs that exceed 130 percent of the statewide average per pupil amount should establish procedures to minimize those costs and, if not established, provide evidence the procedures would not result in a reduction of costs. The district has not complied with these requirements.

For fiscal years 2019 through 2022, we analyzed the Taxpayer's Guide to Education Spending (TGES) and compared the statewide average per pupil (PP) amounts to the district's PP amounts for legal services. We identified a total variance of $4.5 million, or an annual average of $1.1 million (456 percent). The chart below depicts these variances:



The TGES provides a per pupil measurement of total legal services expenditures by comparing legal costs to student enrollment. That measurement includes the legal costs for both public and nonpublic students but includes only the number of public students in its calculation of enrollment.

Recommendation

The district should attempt to align its total spending per pupil for legal services with the statewide average by establishing policies or strategies to minimize the costs, and, if not established, provide evidence the procedures would not result in a reduction of costs.

Expenditures

Expenditures were not always properly authorized, and there were confirming orders totaling $1.3 million.

N.J.A.C. 6A:23A promotes financial accountability of district boards of education through enhanced state monitoring, oversight, and authority and establishes mechanisms to ensure the

efficient expenditure of budgeted funds. Although the district has a guide for standard operating procedures and internal controls that includes a purchasing section, it did not always follow these procedures.

We tested 87 non-payroll transactions totaling $14.2 million and their associated purchase orders totaling $146.1 million from fiscal years 2019 through 2022. We identified the following exceptions:

- 4 orders totaling $1.3 million were made prior to the purchase orders being approved (confirming orders). Two of these were for professional development training for nonpublic schools which is discussed in the observation section of this report.

- 43 lacked evidence of approval by the state monitor as required by N.J.S.A. 18A:7A-55.

Lack of approvals by the state monitor and confirming orders could result in a lack of financial accountability and an improper expenditure of budgeted funds.

Recommendation

The district should eliminate confirming orders and adhere to purchasing regulations and district procedures. This includes maintaining adequate documentation and properly approving each purchase order before the payment is made.

Multiyear & Tuition Contracts

The district allowed increases in certain multiyear contracts outside of a renewal period that resulted in improper payments of $1.1 million.

Multiyear Contracts

Pursuant to N.J.S.A. 18A:18A-42, contracts for the provision of goods or services shall be awarded for a period not to exceed 24 consecutive months. Any price change included as part of an extension shall be based upon the price of the original contract as adjusted pursuant to any previous adjustment or extension and shall not exceed the change in the index rate for the 12 months preceding the most recent quarterly calculation available at the time the contract is renewed. The index rate is the rate of annual percentage increase, rounded to the nearest half-percent, computed, and published quarterly by the United States Department of Commerce, Bureau of Economic Analysis.

We identified four multiyear contracts with contractual periods from September 1, 2020 through June 30, 2023 where two vendors requested and were paid annual price increases prior to the renewal period because management overrode internal controls, as summarized on the next page.

Vendor	Initial Cost of Contracts	Contracts With Index Rate Increase	Unallowable Increase
A	$ 7,367,850	$ 8,268,124	$ 900,274
B	2,456,200	2,664,977	208,777
Total	**$ 9,824,050**	**$ 10,933,101**	**$ 1,109,051**

Tuition Contracts

Pursuant to N.J.A.C. 6A:23A-18.5, an approved private school for students with disabilities (APSSD) shall use the commissioner-prescribed mandated tuition contract for each student received from a sending district board of education.

During fiscal years 2019 through 2022, the district paid a total of $158.7 million in tuition for approximately 370 students sent to APSSDs, or an average of $39.7 million per year. For school year 2022, we tested contracts for all 230 students from a May 2022 invoice sent to an APSSD. For three contracts, there were discrepancies between the dates on the signature page and the rest of the contract that indicated the contracts were not appropriately signed.

Recommendation

The district should adhere to the terms and conditions of multiyear contracts and only award price increases during the renewal process, as well as seek to recoup the $1.1 million in improper payments. In addition, the district should ensure all tuition contracts are appropriately signed.

Overtime Pay

The district paid $1.3 million in overtime, of which nearly $600,000 was in excess of the efficiency threshold.

Pursuant to N.J.A.C. 6A:23A-9.3, efficient administrative and non-instructional costs shall include overtime pay for any given function not exceeding 10 percent of regular wages for that function. From fiscal years 2019 through 2023, the district had 13 job functions for which overtime exceeded 10 percent of regular wages, totaling $592,575. The table on the next page summarizes the overtime pay in excess of the 10 percent threshold.

Job Function	Regular Wages	10% Threshold	Overtime Wages	In Excess of 10%
Transportation	$ 707,748	$ 70,775	$ 208,797	$ 138,022
Transportation Manager	580,332	58,033	166,249	108,216
Admin Secretary	1,811,453	181,145	286,267	105,122
Clerical Assistant	1,098,809	109,881	187,226	77,345
Warehouse	247,661	24,766	69,959	45,193
Other Functions	3,075,460	307,546	426,223	118,677
Total	**$ 7,521,463**	**$ 752,146**	**$ 1,344,721**	**$ 592,575**

Pursuant to N.J.A.C. 12:56-7.1, any individual employed in a bona fide executive, administrative, or professional role shall be exempt from overtime requirements.

- During fiscal years 2019 through 2023, the district paid $410,816 in overtime to eight executive secretaries exempt from receiving overtime.

- In fiscal year 2020, the top earner was an executive secretary who received $102,075. This individual worked 2,042 hours of overtime in that year, or an average of 5.6 extra hours per day.

Recommendation

The district should seek to attain efficient administrative and non-instructional costs by limiting overtime payments to 10 percent of regular wages for job functions and discontinue paying overtime to exempt individuals.

Segregation of Duties

Purchasing and accounts payable duties were not always segregated, leading to $384,042 in purchase orders created and paid by the same individual.

Pursuant to N.J.S.A. 18A:17-14.1, a board of education may appoint a school business administrator (SBA) to act as the chief financial officer for the district. Furthermore, N.J.A.C. 6A:23A-6.5 requires all school districts to evaluate business processes annually and allocate available resources to establish a strong control environment, and the SBA shall identify processes in violation of sound segregation of duties when performed by the same individual. Purchasing and accounts payable shall be segregated and completed by different employees in all school districts. While the district has made efforts to hire one, it has not employed a full-time SBA since September 26, 2017.

During fiscal years 2019 through 2023, the district created 30,596 unique purchase orders totaling $1.7 billion, with annual averages of 6,896 and $330.5 million, respectively. We analyzed purchase order reports during the same period and identified the following instances where a single individual in the accounts payable department created and paid purchase orders. Approximately 59 percent of these were to replace checks lost in the mail.

Fiscal Year	Purchase Orders	Sum of Amount Paid
2019	8	$ 82,852
2020	12	87,496
2021	11	173,061
2022	9	19,727
2023	13	20,906
Total	**53**	**$ 384,042**

According to a district report on system permissions and users who have been granted them, there were 217 permissions in total. The accounts payable clerks have been granted multiple incompatible permissions, including billing, purchase order process, and payment process. Failure to ensure complete segregation of duties over the purchasing and accounts payable functions increases the risk of fraud, waste, or abuse.

Recommendation

With consideration to the lack of an SBA, district administrators should adhere to the administrative code by evaluating business processes annually to identify processes in violation of sound segregation of duties. This includes examining the report on permissions and users who have been granted them and ensuring employees have the least restrictive access commensurate with job responsibilities. All transactions processed by a single individual should be reviewed by administration for propriety.

Monthly Reconciliation of Bank Account Statements

There were 13 instances where cash recorded balances were not reconciled to bank recorded balances prior to the completion of the board secretary's monthly reports.

Pursuant to N.J.S.A. 18A:17-9, the chief school administrator or board designee other than the secretary shall prepare the monthly reconciliation of bank account statements and, in conjunction with the board secretary, take any steps necessary to bring the cash record balance and reconciled bank balance into agreement prior to the completion of the board secretary's monthly report.

We reviewed 144 bank reconciliations with dates ranging from July 1, 2018 through June 23, 2023 that included the following accounts: student athletics, food service, referendum, student activities, payroll agency, and net payroll. We noted the following:

- 13 instances where bank balances, treasury reports, and the accounting system were not in agreement when presented to the board.

- One of those instances involved a missing bank reconciliation.

Failure by the district to take any steps necessary to bring cash and bank balances into agreement prior to the completion of the secretary's monthly reports could result in unresolved errors and other financial discrepancies that may indicate fraud, waste, or abuse.

Recommendation

The district should adhere to the statute by preparing bank reconciliations prior to completing the secretary's monthly reports.

Criminal Background Checks

The district employed four individuals who did not have a criminal record check and were not on the Office of Student Protection's list of approved applicants.

Pursuant to N.J.S.A. 18A:6-7.1, a school under the supervision of the Department of Education (DOE) that cares for or is involved in the education of children under the age of 18 shall not employ for pay or contract for the paid services of any staff member serving in a position involving regular contact with children without having their criminal history record on file. In addition, the Office of Student Protection (OSP) in the DOE maintains a list of approved applicants who have completed criminal background checks for positions in public schools.

For school years 2019 through 2023, we matched district payroll reports, which included an average of 1,178 employees, to the OSP's list of approved applicants. We found the following four individuals had been employed by the district and were neither on the OSP's list of approved applicants nor had a criminal background check on file with the district. One individual had been convicted of a third-degree crime prior to employment.

Employee	Job Title	Hire Date	Separation Date	Days Employed Without Criminal Background Check
A	Bus Driver	09/01/16	06/30/19	1,032
B	Paraprofessional	09/02/22	01/21/23	141
C	Paraprofessional	03/02/20	06/30/20	120
D	Paraprofessional	10/29/18	12/12/18	44

Failure to ensure that each employee serving in a position involving regular contact with children has received a criminal background check and is on OSP's list of approved applicants' prior to employment could pose a significant threat to children.

Recommendation

The district should adhere to the requirements of the N.J.S.A. 18A:6-7.1 by requiring all prospective employees to obtain a criminal background check prior to employment. This should be documented and maintained on file with the OSP and district.

Annual Confirmation of District Residency

The district did not consistently verify residency annually for 76 students enrolled in APSSDs or receiving settlements.

Pursuant to N.J.A.C. 6A:22-3, a student is eligible to attend a school district if he or she is domiciled within the school district, and a district board of education shall accept certain documentation from persons attempting to demonstrate a student's eligibility for enrollment in the school district. To ensure only Lakewood residents attend Lakewood schools, a district policy and memorandum require all students receiving settlements or registered in an APSSD to provide annual proof of eligibility and confirmation of district residency. Settlements are legally binding contracts between the district and parents or guardians of students with disabilities.

To determine whether each student's residency was verified annually, we tested all 230 students from a May 2022 tuition invoice for one APSSD totaling $2.8 million. We also tested all 68 students with active settlements as of July 2022 with a potential cost of $4.1 million. We found 76 students who had not had their residency verified annually because of a lack of internal controls, as summarized by the chart below:

Year Residency Last Confirmed	Exceptions
2014	1
2015	2
2016	17
2017	20
2018	8
2019	14
2020	7
2021	5
* Never	2
Total Exceptions	**76**

** These students have been enrolled in this APSSD since 2014*

Failure to verify student residency annually could result in improper payments as the district could be paying for ineligible students who are not Lakewood residents.

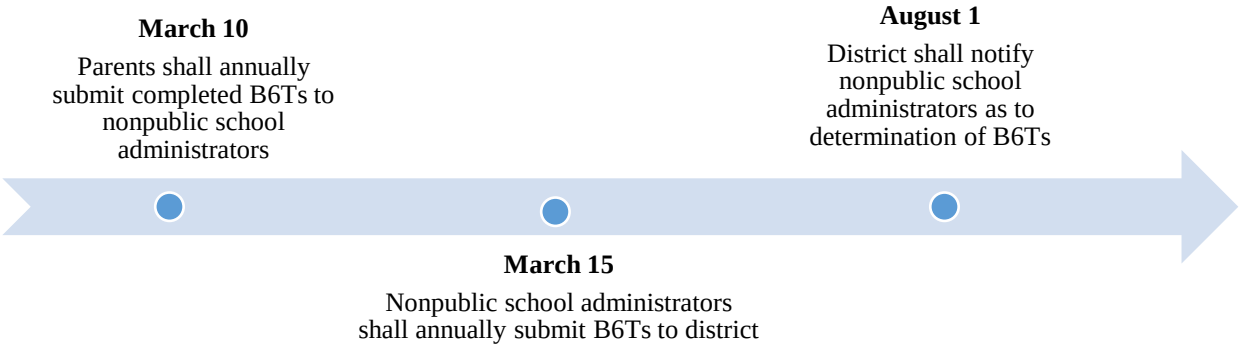
Recommendation

The district should improve internal controls in order to adhere to the requirements regarding annual confirmation of residency for all students enrolled in APSSDs or receiving settlements.

Nonpublic School Transportation

Nonpublic school transportation applications were received late, which could result in payments for ineligible students.

Pursuant to N.J.A.C. 6A:27-2 and nonpublic transportation procedures issued by the DOE, eligible students shall receive transportation based upon the date the district receives a Nonpublic School Transportation Application (B6T) for each student. It is the obligation of the district to date stamp all B6Ts upon receipt, and any B6T received late should be accompanied by a statement explaining the reason for lateness. Furthermore, parents, nonpublic school administrators, and the district shall adhere to the timeline of dates shown below.



From fiscal years 2019 through 2023, the vendor for nonpublic transportation was paid approximately $105.9 million. Payment is based on B6Ts received and shall be limited to the annual maximum statutorily established amount, which was $1,022 per pupil for fiscal year 2023.

In fiscal year 2023, there were 24,886 B6Ts received by the district. We reviewed 100 B6Ts from 20 nonpublic schools and found 46 that were received by the district after the March 15 deadline, ranging from 40 to 202 days late. These B6Ts were not date-stamped by the district. However, we were able to determine lateness based on application completion dates finalized by parents. Failure to receive B6Ts timely could result in the district paying for ineligible students to be transported.

Furthermore, based on administrative code, it is the responsibility of nonpublic school administrators to annually submit B6Ts directly to the district. However, the director of the vendor for nonpublic school transportation, who is also a part-time district employee, received and submitted these to the district instead. The director claims it is not feasible to send all B6Ts to the district by the deadline because of the large volume of mandated nonpublic students transported.

Recommendation

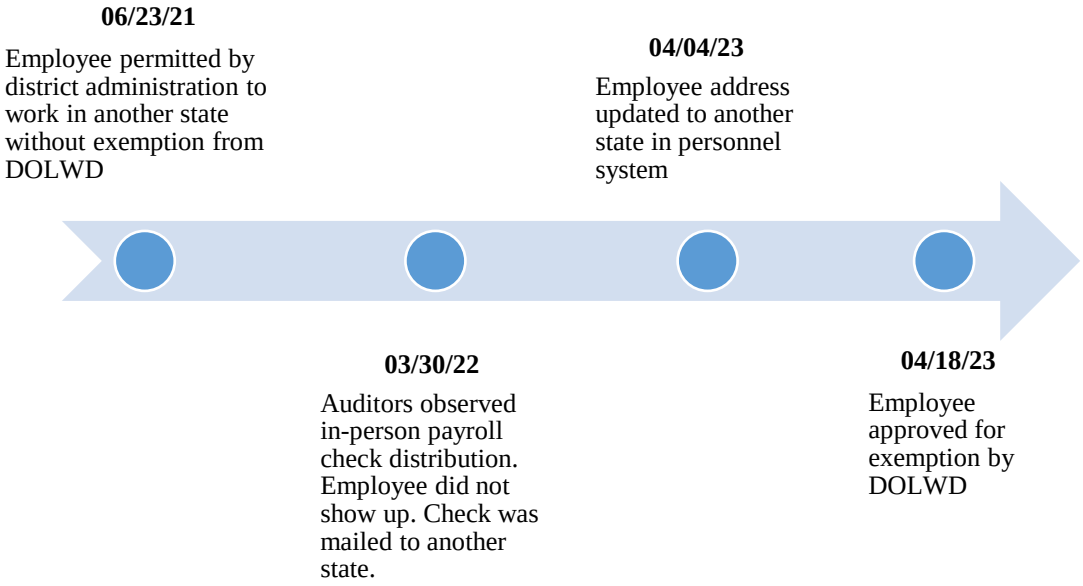
The district should collaborate with nonpublic school administrators to ensure all B6Ts are sent directly to the district by March 15. In addition, the district should date-stamp each B6T and require a statement of reason for those that are late.

New Jersey First Act

One full-time employee worked in multiple other states for 1.8 years without an exemption.

Pursuant to N.J.S.A. 52:14-7, every person holding an office, employment, or position in a school district shall have their principal residence in the State of New Jersey. A person may request an exemption from these provisions on the basis of critical need or hardship from the Employee Residency Committee within the Department of Labor and Workforce Development (DOLWD).

One full-time employee of the district maintained their principal residence out-of-state for 1.8 years without an exemption from the DOLWD, which is a violation of the act. A timeline of events is depicted below.



Recommendation

The district should ensure all employees who are permitted to work outside the State of New Jersey have received an exemption from the DOWLD prior to working in other states.

Observations

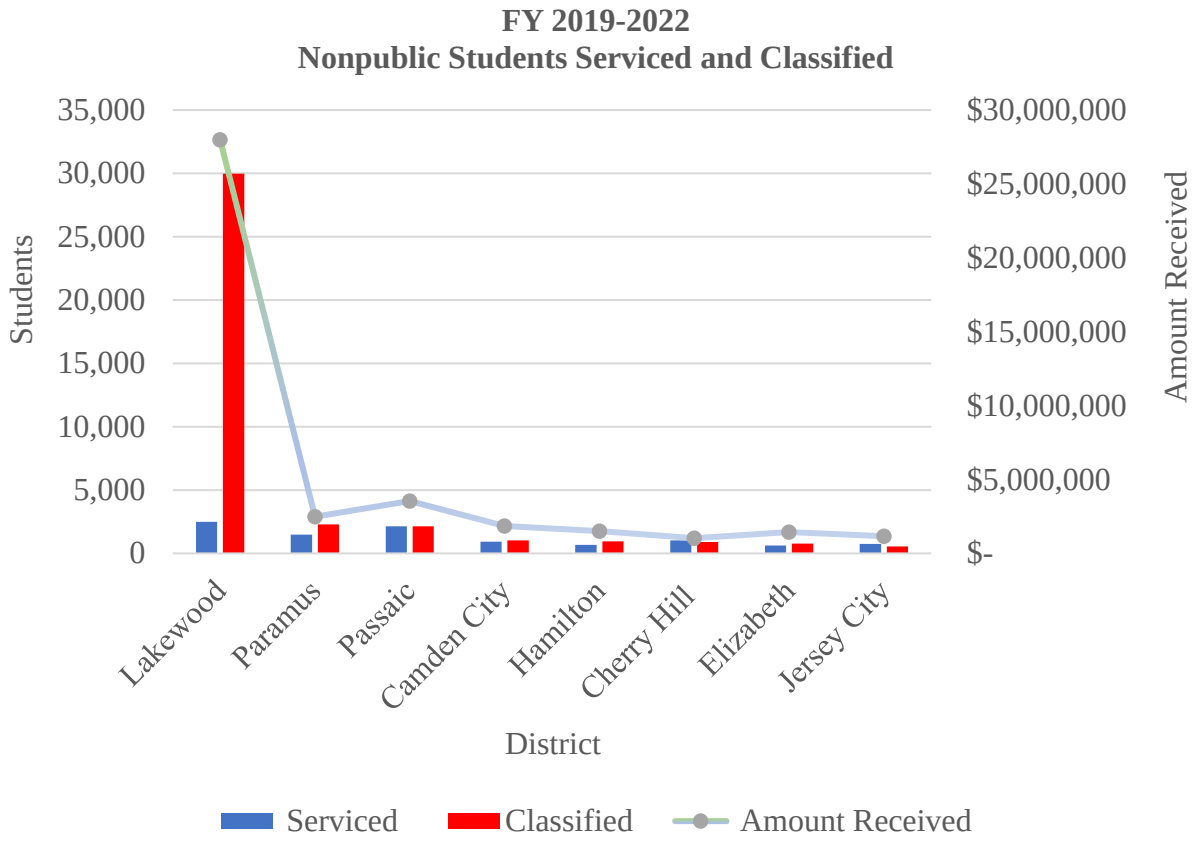
Nonpublic Students Classified and Serviced with IDEA Funds

The district serviced only eight percent of classified students.

As part of the Individuals with Disabilities Education Act (IDEA), school districts receive federal funds to administer special education and related services to nonpublic students based on the number of students classified as opposed to the number of students serviced.

According to IDEA reports from the DOE, during fiscal years 2019 through 2022, the district received $28.0 million in these funds based on the classification of 29,974 students, or $934 per pupil. However, the district only serviced 2,488 students (8 percent), equating to $11,254 per pupil.

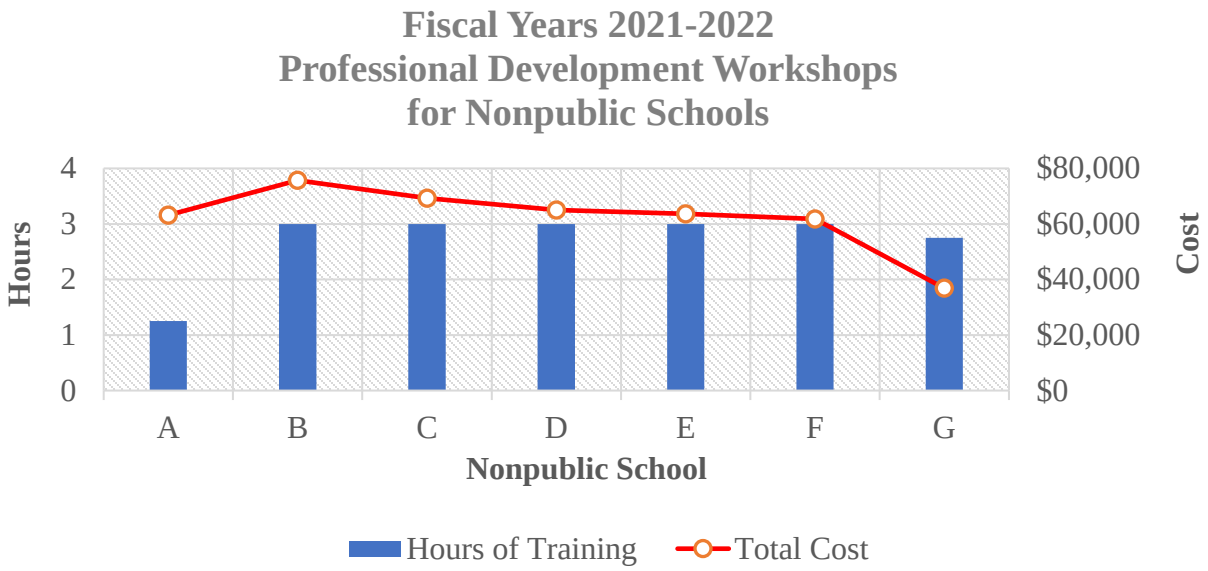
We compared IDEA reports from eight other districts that received this funding and found those districts serviced between 65 and 100 percent of their classified students, with costs per pupil ranging from $1,004 to $2,367. See the table below for more detail:



Professional Development Workshops for Nonpublic Schools

Some costs of professional development workshops for nonpublic schools seemed excessive.

The district contracts with the vendors that provide professional development workshops to teachers in nonpublic schools that include a variety of topics. For fiscal years 2021 and 2022, we reviewed a sample of 21 workshops given to nonpublic schools with a total cost of $605,856. The average cost of these workshops was $28,850 and ranged from $5,100 for a one-hour session to $75,698 for a three-hour session. The chart below shows hours and total costs for seven of these workshops given to nonpublic schools.



Legal Services

The district developed unrealistic budgets for legal services.

The district annually contracts with general counsel via retainer for $600,000 as well as with other legal firms. From fiscal years 2020 through 2023, the district increased the original budgets by more than $4.2 million, as summarized below.

Legal Services	2020	2021	2022	2023	Total
Original Budget	$ 100,000	$ 500,000	$ 600,000	$ 200,000	$ 1,400,000
Final Budget	1,377,185	1,783,135	1,271,295	1,168,886	5,600,501
Difference	$ 1,277,185	$ 1,283,135	$ 671,295	$ 968,886	$ 4,200,501

Pursuant to N.J.A.C 6A:23A-5.2, each district board of education shall establish policies to minimize the cost of professional services, including the establishment of annual maximum dollar limits with appropriate notification to the board if it becomes necessary to exceed those limits. We reviewed district board agendas to identify maximum budget amounts for legal services established by the board and compared these to actual amounts paid for legal services per the district's Annual Comprehensive Financial Report (ACFR). From fiscal years 2020 through 2023, the district increased the amounts established by more than $2.3 million, as summarized below.

Legal Services	**2020**	**2021**	**2022**	**2023**	**Total**
Maximum Budget Amount	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 3,000,000
ACFR Actual	1,341,172	1,709,478	1,184,741	1,032,441	5,267,832
Difference	$ 591,172	$ 959,478	$ 434,741	$ 282,441	$ 2,267,832

Appendix

Methodologies to Achieve Audit Objectives

In addition to the procedures outlined in the findings, we performed the following audit procedures to reach our conclusions:

Payroll & Personnel

To determine if retired employees were paid in excess of the $15,000 cap for unused sick leave, we analyzed custom payroll reports for fiscal years 2019 through 2023. During this period, the district paid 124 employees totaling $1.4 million.

To determine if employee payments for waivers of healthcare coverage were supported by adequate documentation for fiscal year 2020, we randomly selected 20 of 119 employees who received these payments and reviewed for pertinent documentation.

To determine if employees were paid in excess of the $5,000 cap for waiving health benefits coverage under the State Health Benefits Plan, we analyzed health benefits reports for fiscal years 2019 through 2023. During this period, the district paid 538 employees totaling $1.8 million.

To determine if employee leave time regarding vacation was allocated and carried forward properly, we analyzed contract days balance summary reports for fiscal years 2019 through 2023 that included 6,671 active and inactive employees. From this, we selected a sample of 174 employees to review.

Expenditures

To determine if employee reimbursement for travel expenditures exceeded the maximum annual amount of $1,500, we analyzed the travel reimbursement account for 2019 through 2023. During this time, 27 employees received $19,021.

To determine if outliers or deviations existed from expected values of frequencies in data, we performed Benford's Analyses for fiscal years 2019 through 2022 on purchase orders with a population of 27,540 totaling $1.1 billion, invoices with a population of 4,414 totaling $69.7 million, and check registry reports with a population of 91,182 totaling $1.3 billion. These populations did not include negative amounts or amounts less than $10.

To determine if duplicate payments existed, we performed "Same Same Same" analyses for fiscal years 2019 through 2022 on purchase orders with a population of 4,535 totaling $1.1 billion, invoices with a population of 991 totaling $69.7 million, and check registry reports with a population of 4,189 totaling $1.3 billion.

To determine if budgetary line-item accounts had over-expenditures of funds, we analyzed ACFRs for fiscal year 2019 through 2022 and compared the final budget to actual expenditures.

Information Technology

To determine if adequate controls exist over fixed assets, we reviewed an inventory sheet that included 10,871 assets and selected a sample of 18 assets to test for physical existence.

To determine if a contingency plan was in place in the event of a disaster, we obtained the most recent copy of the business continuity and disaster recovery plan for fiscal years 2023 and 2024.

To determine if user access is disabled timely upon separation, we compared the list of 741 separated users to the list of user permissions as of August 10, 2023.

To determine if physical access controls were in place for the server room, we conducted a tour of the server room during our fieldwork.

Transportation

To determine if mandated non-public students receiving transportation were paid for by the district, we reconciled 46,975 Non-Public Transportation Applications (B6T) to invoices and the District Report of Transported Resident Students (DRTRS) for fiscal years 2020 and 2023.

Public School Contracts

To determine adherence to the public school contracts law for advertising, bidding, and comptroller notification, we judgmentally selected 12 purchase orders for the period 2019 through 2023.

Tuition

To determine if contractual agreements were obtained and did not have discrepancies, we tested 100 out-of-district special education tuition students for school years 2020 and 2021.

Auditor's Note Regarding District's Response

The district's response begins on the subsequent page. We have included additional comments on some of the district's responses. While the district did not respond to all recommendations, our office will follow up on all recommendations during our Compliance Review during calendar year 2026. As is customary, the results of that review will be issued to the legislature.

Lakewood Board of Education
200 Ramsey Avenue, Lakewood, NJ 08701 Main Office: (732) 364-2400 Fax: (732) 905-3535
Laura A. Winters, Ed.D., Superintendent of Schools

July 17, 2024

David J. Kaschak, State Auditor
New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor
125 South Warren St.
P.O. Box 067
Trenton, N.J. 08625-0067

Dear Mr. Kaschak:

We are in receipt of the June 26, 2024 audit report ("Audit") from the Office of the State Auditor concerning the Lakewood School District ("Lakewood"). We thank you for the opportunity to comment upon the Audit because we believe that there are statements and findings that require clarification or suitable context to properly understand the underlying contentions. Each of the following points have previously been provided to your Office, together with supporting documentation.

Before identifying our substantive comments, we wish to formally acknowledge the many Auditors from your office who collectively spent hundreds of hours in Lakewood between August 2020 and September 2023 reviewing information, asking questions and analyzing the facts and details provided by the District. We believe that we answered all of those questions, and provided the requested documentation, promptly and thoroughly. We thus thank the Auditors for their professionalism and hard work in connection with the Audit.

1. **Loans and State Aid**

The Audit correctly identified the state loans received by Lakewood to provide full funding for the District. The Audit further acknowledged that Lakewood and the Department of Education reached an agreement whereby the District would retain the excess of $32.6 million to reduce the subsequent years' loan needs. The Audit identifies this issue as warranting further action and it also highlighted this as "warranting management's attention concerning loan repayments." However, our understanding from the State Monitor, who interacts with the Department of Education and the Treasury Department, is that this matter has been satisfied.

The recommendation is to determine how to apply the $32.6 million towards loan repayments *and* reduce State Aid by $32.6 million, as required by statute. These requirements have not been satisfied.

2. **Conflict of Interest**

The Audit identified an alleged potential conflict of interest involving one part-time employee of the District. The Audit recommended that the District obtain an independent opinion

from the Department of Education School Ethics Commission ("SEC") to help assess whether a conflict, in fact, exists. Following the Auditor's site visits, the District requested an opinion from the SEC. The SEC provided the District with an opinion, dated April 30, 2024, and the District provided same to the State Auditor. Similarly, as noted in the report, Lakewood had obtained the opinions from two law firms that analyzed the details of the alleged conflict and concluded that no conflict existed. Moreover, the District also advised the State Auditor that the employment contract for the part-time employee at issue has expired as of June 30, 2024 and has not been renewed by the District.

The SEC opinion was sought after the end of our field work. We reviewed the opinion. However, a potential conflict still existed.

3. **Special Education and Related Services**

The Audit stated that special education students "missed" 1,773 sessions for their respective Individualized Education Plans ("IEP") broken down into sessions missed due to school closings (650), student absences (625) and staff absences (498). The Audit then noted that 70 of these sessions were made up. The Audit recommended the District to adopt a corrective action plan to attempt to make up sessions from school closing and staff absences, but not from student absences.

The District disagrees with the usage of the term "missed" in this context, since many of the cited missed sessions are not the fault or responsibility of the District.. A "missed" IEP session should be a session that the District is obligated to provide and did not provide because of its action or omission, and thus has been "missed" by the District. The District believes that the focus here should be IEP sessions that did not occur due to acts or omissions of the District and which sessions ought to be made up. If no therapy session required by the IEP is to be provided to the student, or if the student fails to attend for any reason, then the session should not be considered "missed". As set forth below, the District has implemented corrective action plans to make up sessions that are actually "missed."

We considered a missed session to be any session scheduled that was not received, regardless of the reason.

First, an IEP is a contract between the school district and parents which sets forth that the student will not receive services due to school closures, field trips, school programs, state testing, or inclement weather. Therefore, IEP sessions that did not take place because of these events are not the fault of the District and should not be included in this category. All IEP sessions are subject to the school calendar (as provided in the IEPs) and, in this context, are no different from regular classes that do not occur because of these events, which similarly are neither "missed" nor "made up." In other words, IEP sessions that do not occur because of the school calendar do not need to be made up because they are not "missed." To characterize these sessions as "missed" implies wrongdoing or a deficiency, which is not warranted. Therefore, the District maintains that this largest group of allegedly "missed" sessions should not be included in this category.

We did not cite any specific "wrongdoing" by the district. We state in the finding that the administrative code does not require missed sessions to be made up. The finding shows that students were not receiving all required sessions.

Second, sessions that a student does not attend should also not be counted as "missed." Again, the IEP form provides that "Treatment sessions missed due to the excessive absences of students will not be made up." In addition, the IEP session still may have taken place, but the student simply was not present for it (ie., a group session). Therefore, in this circumstance, the District did not miss the session and it would be unfair to imply a deficiency on the District's part

by including this group. In fact, the Audit seemingly acknowledges that these sessions need not be made up, since the category was not included in the Audit's recommendations for a corrective action plan.

Third, the report claimed that there were 498 sessions missed due to staff absences. This figure is incorrect. There were, in fact, only 486 sessions missed due to staff absences, and 56 of those were made up. So the accurate number of sessions missed is 430. The District thus maintains that the correct number of missed sessions is 430 out of 6,720 total IEP sessions, which is the total number of therapy sessions scheduled. As a result, only 6% of the scheduled sessions were missed due to staff absences. Lakewood shared the documentation supporting these figures with the State Auditor.

Evidence provided by the district shows 498 occasions when a student missed a session because of staff absences; we have repeatedly reviewed these instances with the district. Furthermore, we note in the report that 70 sessions were made up. This amount includes the 56 sessions referenced by the district here.

Fourth, although the Administrative Code does not require missed sessions to be made up (as the Report acknowledges), the District, beginning in the 2022-2023 school year, enacted a plan that provided for scheduling of make-up sessions due to staff absences. Further, beginning in the 2023-2024 school year, the District scheduled IEP therapist sessions four days a week instead of five, so that one day per week would be available for make-up sessions. The District additionally hired seven more therapists so that make up sessions can occur weekly. The scheduling policy was made clear in the IEP forms with the addition of the following language:

> Related services to be provided according to the school calendar and may be affected by field trips, school programs, state testing, inclement weather and the therapy schedule which allows for scheduling and paperwork time in the beginning and end of the school year. Therapy sessions missed due to student absences may not be made up and therefore may not meet the yearly mandate. The IEP yearly mandate will be prorated and provided during the IEP year and not per segment dates and ESY.

Lakewood provided documentation demonstrating these changes to the State Auditor.

4. <u>Education Spending for Legal Services</u>

The Audit stated that Lakewood's total spending for legal services exceeded the statewide average, with a focus on the state average per pupil spending, and claiming that Lakewood greatly exceeded the statewide average per pupil. According to the calculations cited, Lakewood's average legal spending per pupil exceeded by three to eight times the statewide average per pupil during the four cited school years.

The District maintains that this conclusion is misleading because the Audit's calculations are based on a DOE methodology that applies the formula in a vacuum and does not consider – as it should -- the District's unique demographics. It is well known that over 85% of Lakewood's students attend non-public schools, so their exclusion from the calculations causes inflated results. Even if the DOE methodology is employed, the Audit report should also provide additional calculations based on the actual circumstances in the District.

We did not claim the district greatly exceeded the statewide average - it did. Using data from the Department of Education's Taxpayer Guide to Education Spending, we compared the district's per pupil spending to the statewide average per pupil spending and reported those amounts.

Some of the comments made by the district may give the impression we determined what to include in the calculations. This is not the case.

Furthermore, as our report notes, the administrative code requires the district to establish procedures to minimize legal costs and, if not established, provide evidence the procedures would not result in a reduction of costs.

The Audit acknowledged that to perform its calculations, the State Auditor calculated the total legal costs incurred with respect to both public and nonpublic students. However, when calculating the per pupil cost, the State Auditor only considered the number of public school students and excluded all nonpublic students, which resulted in inflated figures in its calculations. As applied to the District, this methodology is statistically unsound and unreliable.

To be fair, and to perform a meaningful calculation, if the total cost for legal services provided to both public and nonpublic students are included in the numerator, then the per pupil calculation must likewise include both public and nonpublic students in the denominator. The exclusion of nonpublic students from the calculations causes distorted and misleading results. Critically, the Audit results are statistically meaningless because of the large number of nonpublic students in Lakewood and because nonpublic students constitute over 85% of all the students in the District (and at least that same percentage of the total cost of legal services). No other school district in the State comes anywhere close to having such a significant number or significant proportion of its students attending nonpublic schools. New Jersey school districts average approximately 11% of its students in nonpublic schools.

In Lakewood, the exclusion of the nonpublic population from these calculations is a critical omission and makes a material difference in the calculations. For instance, for the 2021-2022 school year, the most recent year cited, the statewide average for legal spending per pupil is listed at $44 per student. For Lakewood, the Audit stated that total legal spending for all public and nonpublic students was $1,350,418, and that Lakewood's average cost per student (based only on the number of public school students) was $244. Lakewood had 5,534 public school students for that school year. But had the calculation included all Lakewood students, including the 44,078 nonpublic students, then Lakewood's per pupil spending for legal services would be only $27.22 per pupil, well below the $44 state average for the 2022-2023 school year.

The calculations for the other years cited in the Audit are similarly inflated, and had the calculations been performed based on the entire student population, including all nonpublic students, the average per pupil spending for legal services in Lakewood would have been below the state average for each of the cited years. Performing the calculations based on Lakewood's entire school population would have resulted in average legal spending per pupil as being $19.68, $33.12 and $41.53 for the 2018-2019, 2019-2020, and 2020-2021 school years, respectively.

The following is a chart setting demonstrating Lakewood's per pupil cost for legal services is less than the state average, when considering all Lakewood students, including nonpublic students.

Fiscal Year	Student Enrollment Public	Nonpublic Students attending Lakewood Schools	**Total Number of Lakewood Students**	Legal Fees (Multiple Attorneys)	**Cost Per Pupil (rounded)**
2021-22	5,534.5	44,078	49,612	$1,350,418	**$27.22**

2020-21	5,777.0	40,129	45,906	$1,906,410	**$41.53**
2019-20	5,974.5	37,502	43,476	$1,439,855	**$33.12**
2018-19	5,818.0	34,688	40,506	$797,066	**$19.68**

Source: Realtime, Versa Trans (LSTA) & Audit Report

In sum, had the State Auditor performed these calculations based on the total school district population – as it should have -- as opposed to only a small fraction of that population, the District would have been well under the State average for each of the cited school years.

5. Expenditures

The Audit report asserted that not all expenditures were properly authorized and identified 43 purchase orders as lacking approval from the State Monitor. However, all purchases orders were approved by the State Monitor. The 43 purchase orders cited by the Auditors were all approved, but the District only lacked a writing that confirmed that approval. The State Monitor has confirmed his prior approval of the cited orders. Further, the District has implemented a Level 4 and 5 approval system to ensure that written approvals are obtained for all purchase orders.

We do not consider verbal approval provided to us by the district to be acceptable audit evidence.

6. Overtime Pay

The Audit stated that the District paid $1.3 million in overtime pay and that $600,000 was in excess of the "efficiency threshold." However, as the District explained to the State Auditor, the District required the extra services and the District determined (and the Board of Education and State Monitor agreed) that it would be significantly cheaper, and save the District monies, to pay overtime as opposed to hiring additional personnel to perform the needed duties. The District thus saved monies by strategically utilizing overtime instead of attempting to hire additional staff.

In addition, On September 20, 2023, the Board of Education resolved this issue with a resolution stating:

> Individual employees who work in a bona fide executive, administrative or professional or outside sales capacity shall be exempt from the overtime requirements of N.J.A.C 12:56-6.1 Therefore, as per N.J.A.C. 6A:23A-9.3, overtime pay for any given function may not exceed 10% of the employee's regular wages for that function.

7. Segregation of Duties

The Audit Report stated that there were $384,042 in purchases where orders were created and paid by the same individual. While ideally there should be zero of such purchases, the District notes that the number of purchases at issue, and the dollar value of such purchases, is miniscule in

the context of the overall number of purchase orders and value of those orders made by Lakewood. More specifically, the State Auditor identified 53 purchase orders out of 30,596 total purchase orders, or a nominal error rate of .001732. Additionally, if the same calculation was applied based on the amount paid as applied to the dollar value of the purchases issued it would be even smaller. Further, Lakewood addressed this issue by removing permissions of accounts payable staff, which will ensure complete segregation of duties.

8. **Monthly Reconciliation of Bank Account Statements**

The State Auditor identified 13 instances over a four-year period when bank account statements were not reconciled and recommended that Lakewood prepare the monthly reconciliation each month. Lakewood advised the State Auditor that this issue has been addressed and resolved because monthly reports are now reconciled and provided to the Board the same month.

9. **Criminal Background Checks**

The State Auditor stated that Lakewood had hired four employees who did not have a criminal background check. While this figure ideally should be zero, it should be noted that these four employees were out of approximately 1,178 employees, over a four-year period, who did not have a criminal background check on file. Lakewood advised the State Auditor that this issue has been addressed because new employees may not begin employment until all paperwork is approved and cleared by the District's Human Resources department. The Board of Education approved the following Corrective Action Plan at its September 20, 2023 meeting and shared it with the Legislative Auditors.

Action	Who is Responsible
All new employees must receive a criminal background check prior to starting their first day of employment with the Lakewood School District.	Human Resource Manager
Human Resources must clear all new employees prior to the start of their first day worked.	Human Resource Manager
Human Resources will notify the Principal of each school when they have received clearance and of the employees first day of work.	Human Resource Manager
Human Resources will notify Payroll and Health Benefits of the new employees' start date.	Human Resource Manager

10. Annual Confirmation of District Residency

The State Auditor advised that Lakewood did not consistently verify residency for 76 students receiving APSSDs or receiving settlements. Lakewood advised the State Auditor that pursuant to Board Policy #5111, all students attending Lakewood Public Schools, Charter Schools, Out-of-District Schools, etc. must confirm residency each year through Central Registration. A Corrective Action Plan was Board approved on September 20, 2023

11. Nonpublic students classified and services with IDEA funds

In an observation, as opposed to a finding, the Audit noted that the District received $28 million of federal IDEA monies to be used for special education and related services for nonpublic students. The Audit then pointed out that the District "only services 2,488 students (8 percent), equating to $11,254 per pupil" in comparison to seven other cited school districts, who each apparently serviced in excess of 65% of their student population, but spent far less (between $1,004 and $2,367) on average per pupil. While the Audit does not make any findings on this topic, the language used, including that the District "serviced only eight percent of classified students" may inadvertently give the impression of impropriety, though none occurred.

Several points warrant clarification. First, none of the other school districts are fair comparisons with respect to the numbers of nonpublic students being entitled to special education services. Lakewood averaged nearly 30,000 of such students, whereas none of the other school districts exceeded 2,500 students. Indeed, Lakewood has more nonpublic students receiving special education services than the seven cited school districts, combined.

Second, in its judgment, Lakewood decided to use the funds to assist fewer students who had greater needs as opposed to spreading the funds out to a greater number of students, but having a much lesser benefit for each student.

Third, all of the monies were appropriately utilized for the benefit of the nonpublic students and there are no statutes or regulations that dictate the amount of spending per pupil or the percentage of students that a district is to spend monies to benefit.

Respectfully submitted,

Dr. Laura A. Winters

Dr. Laura A. Winters
Superintendent of Schools

Moshe Bender

Moshe Bender
Board President

cc:
Kevin Campbell, Assistant Business Administrator
Robert Finger, State Monitor
Members of the Board of Education
General Counsel Michael I. Inzelbuch, Esquire

EXHIBIT F

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES
OFFICE OF SPECIAL EDUCATION PROGRAMS

DIRECTOR

December 5, 2024

Ms. Kimberly Murray
Director
Office of Special Education
Division of Educational Services
New Jersey Department of Education
100 Riverview Plaza
Trenton, New Jersey 08625

Dear Director Murray,

This letter responds to the August 13, 2024, inquiry from the New Jersey Department of Education (NJDOE), Office of Special Education to the U.S. Department of Education (Department), Office of Special Education Programs (OSEP) regarding how to address a local educational agency (LEA), Lakewood Township School District, that has been identified by NJDOE as having significant disproportionality under the Individuals with Disabilities Education Act (IDEA) and its implementing regulations at 34 C.F.R. §§ 300.646 through 300.647. Through this letter, OSEP is providing a response to NJDOE's question regarding significant disproportionality, described in further detail below; and is also requiring NJDOE to provide evidence of how it is exercising its general supervision responsibility to ensure that Lakewood Township School District is implementing IDEA Part B requirements.

NJDOE Question Regarding Significant Disproportionality

Under section 618(d)(2)(B) of the IDEA and 34 C.F.R. § 300.646, any LEA that has been identified as having significant disproportionality is required to reserve the "maximum amount of funds under section 613(f) [of IDEA]" to provide comprehensive coordinated early intervening services (CCEIS).[1] Section 613(f) of IDEA states that an LEA "may not use more than 15 percent of the amount such agency receives under [Part B] for any fiscal year . . . to develop and implement coordinated, early intervening services."[2] Therefore, when an LEA has been identified as having significant disproportionality and must provide CCEIS, the "maximum amount of funds" to be reserved by the LEA is typically 15 percent of the LEA's IDEA Part B (sections 611 and 619) funds for a given fiscal year.

However, IDEA also requires LEAs to reserve and spend a proportionate share of its IDEA Part B funds for parentally-placed private school children with disabilities.[3] IDEA specifies how to

[1] 34 C.F.R. § 300.646(d). See also IDEA Part B Regulations-Significant Disproportionality (Equity in IDEA). Essential Questions and Answers. (PDF) (ed.gov) (March 2017).
[2] See also 34 C.F.R. § 300.226(a).
[3] IDEA section 612(a)(10)(A)(i)(I) and 34 C.F.R. § 300.133(a).

calculate the proportionate share – i.e., for children aged 3 through 21, an amount that is the same proportion of the LEA's total section 611 subgrant as the number of private school children with disabilities aged 3 through 21 who are enrolled by their parents in private, including religious, elementary schools and secondary schools located in the school district served by the LEA, is to the total number of children with disabilities in its jurisdiction aged 3 through 21 (and a similar calculation for the proportionate share of an LEA's section 619 subgrant). After both of the reservations have occurred (for proportionate share and for any required CCEIS (or voluntary CEIS)[4]), the remainder of an LEA's subgrant must be used to pay the excess costs of providing special education and related services to children with disabilities, consistent with the requirements of IDEA Part B.[5] The statute does not provide an exception to, or flexibility in meeting, either the proportionate share requirement or the CCEIS requirement for LEAs identified as having significant disproportionality.

In the August 13, 2024, correspondence to OSEP, NJDOE indicated that it had identified an LEA, Lakewood Township School District, as having significant disproportionality under 34 C.F.R. §§ 300.646 through 300.647. Because this LEA must spend most of its IDEA Part B subgrant on fulfilling its IDEA proportionate share obligation, it does not have enough IDEA funds remaining to spend the typical 15% on CCEIS under 34 C.F.R. § 300.646(d). Specifically, based on information provided by NJDOE, the proportionate share of Federal fiscal year (FFY) 2024 IDEA Part B funds that this LEA is required to spend on the provision of equitable services for parentally-placed private school children with disabilities under 34 C.F.R. § 300.133 totals approximately 85.8% of the amount of the LEA's FFY 2024 IDEA Part B subgrant. Therefore, the maximum amount remaining for this LEA for funding CCEIS is only 14.2% of its FFY 2024 IDEA Part B subgrant. This is 0.8% short of the typically 15% of IDEA Part B funds that an LEA identified with significant disproportionality otherwise would be required to reserve and spend on CCEIS.[6]

In OSEP's view, because an LEA that has been identified as having significant disproportionality must reserve the "maximum amount of funds," where an LEA identified with significant disproportionality has less than 15% of its IDEA Part B subgrant available for a given fiscal year because the LEA's mandatory spending on proportionate share is greater than 85% of its IDEA Part B subgrant, the "maximum amount of funds" it could reserve for CCEIS would therefore be the entire remaining amount of its IDEA Part B subgrant. Although this amount would be less than the typical 15% maximum, the term "maximum amount of funds" would allow for such adjustment where another ***mandatory*** use of Part B funds reduces the maximum available funds to less than 15%. However, discretionary uses of Part B funds (e.g., excess costs of special

[4] IDEA section 613(f). If an LEA is not identified with significant disproportionality, the LEA may voluntarily use up to 15 percent of its IDEA Part B funds to provide CEIS to children in kindergarten through grade 12 (with a particular emphasis on children in kindergarten through grade 3) who have not been identified as needing special education or related services but who need additional academic and behavioral support to succeed in a general education environment.

[5] 34 C.F.R. § 300.202.

[6] This is a very unique situation resulting from a large number of parentally-placed private school children with disabilities in this particular LEA – i.e., children with disabilities who are enrolled by their parents in private elementary or secondary schools located in the school district served by the LEA. Because the majority of children with disabilities served in the LEA are parentally-placed private school children with disabilities, the LEA's proportionate share obligation under 34 C.F.R. § 300.133 amounts to $10,274,581 of the LEA's $12,174,958 FFY 2024 IDEA Part B subgrants.

education and related services) could not be used to reduce the 15% typically required to be reserved and used for CCEIS by an LEA identified with significant disproportionality.

Therefore, as with any LEA identified with significant disproportionality, Lakewood Township School District is required to reserve the "maximum amount of funds" of its IDEA Part B grant for CCEIS in a year in which it is identified with significant disproportionality. In the particular situation raised in your letter, the "maximum amount" for Lakewood Township School District is $1,701,438, which equates to 14.2% of its FFY 2024 IDEA Part B allocation and is the total amount remaining of its FFY 2024 IDEA Part B allocation. While $1,701,438 equates to 14.2%, not 15%, of Lakewood Township School District's IDEA Part B funding, it represents the "maximum amount" that Lakewood Township School District can spend on CCEIS and is therefore the amount that it must reserve and spend on CCEIS.

Concerns Regarding Compliance with IDEA

OSEP reminds NJDOE and Lakewood Township School District that, regardless of the amount of IDEA Part B funds an LEA has available to pay the excess costs of providing special education and related services to children with disabilities, a free appropriate public education (FAPE) must be available to all eligible children with disabilities residing in the State between the ages of 3 and 21, with limited exceptions.[7]

OSEP is aware of an August 6, 2024, audit report issued by the New Jersey Legislature, Office of Legislative Services, Office of the State Auditor of Lakewood Public School District for the period of July 1, 2018, to September 30, 2023. This report included a finding related to FAPE for students with disabilities.[8] Specifically, based on a randomly selected sample of files for students with disabilities receiving special education and related services in accordance with an individualized education program (IEP) during the period from September 13, 2021, through November 22, 2022, as well as a review of make-up services scheduled through June 15, 2023, the auditor found that 9% of the 5,593 scheduled sessions were missed due to staff absences and 12% were missed due to school closings. The auditor noted that the LEA had developed a corrective action plan subsequent to the audit testing, but that the corrective action plan had not been implemented and was not part of the auditors' review. The auditor recommended that the LEA ensure any corrective action plan addresses missed sessions caused by school closures and staff absences, including a provision for make-up sessions.

NJDOE has general supervision responsibilities under 34 C.F.R. §§ 300.149 and 300.600 to ensure that the requirements of IDEA Part B are carried out and that each educational program for children with disabilities administered within the State meets the educational standards of the SEA. As part of its general supervision responsibility, NJDOE is required to ensure that an LEA identified with noncompliance with IDEA requirements corrects the noncompliance as soon as possible, but no later than one year after the identification of the noncompliance, consistent with 34 C.F.R. §§ 300.149 and 300.600(e) and OSEP QA 23-01, *State General Supervision*

[7] IDEA section 612(a)(1)(A); 34 C.F.R. §§ 300.101, 300.102, and 300.201.
[8] See New Jersey Legislature, Office of Legislative Services, Office of the State Auditor: Lakewood Public School District July 1, 2018 to September 30, 2023. (August 6, 2024) https://pub.njleg.state.nj.us/publications/auditor/2024/34010121.pdf

Responsibilities Under Parts B and C of the IDEA (July 2023). In order to demonstrate that noncompliance has been corrected, NJDOE must verify that the LEA: (1) is correctly implementing the specific regulatory requirements (i.e., achieved 100 percent compliance with the relevant IDEA requirements) based on a review of updated data and information, such as data and information subsequently collected through integrated monitoring activities or the State's data system (systemic compliance); and (2) if applicable, has corrected each individual case of child-specific noncompliance, unless the child is no longer within the jurisdiction of the LEA and no outstanding corrective action exists under a State complaint or due process hearing decision for the child (child-specific compliance). NJDOE must maintain any documentation and evidence demonstrating that the LEA has corrected each individual case of the previously noncompliant files, records, data files, or whatever data source was used to identify the original noncompliance (child-specific compliance), as applicable, and that the review of updated data and information did not reveal any continued noncompliance (systemic compliance).

Required Next Steps

- Within 90 days of the date of this letter, the State must provide to OSEP any available information and existing documentation of whether, and how, NJDOE has exercised its general supervision responsibility over Lakewood Township School District, as required by 34 C.F.R. §§ 300.149 and 300.600, including but not limited to any monitoring report(s), resolved State complaint decisions, and due process hearing decisions involving Lakewood Township School District and conducted or issued between September 2021 and the date of submission to OSEP.

- Within 90 days of the date of this letter, the State must provide to OSEP evidence of how NJDOE is exercising its general supervision responsibility under 34 C.F.R. §§ 300.149 and 300.600 and OSEP QA 23-01 to ensure Lakewood Township School District corrects the IDEA-related noncompliance identified in the August 6, 2024, State audit report regarding missed special education and related services for children with disabilities in accordance with their IEPs, as soon as possible but no later than one year after the identification of the noncompliance. NJDOE may submit documentation that it has verified correction of the noncompliance consistent with OSEP QA 23-01, or, if the noncompliance has not yet been verified as corrected, submit a plan for NJDOE's verification of correction by Lakewood Township School District of the identified noncompliance. If NJDOE does not have documentation regarding the child-specific noncompliance because the finding was not identified by NJDOE, NJDOE may verify Lakewood Township School District's correction of the child-specific noncompliance through ensuring that the LEA implements a corrective action plan, and submits evidence to NJDOE of the implementation, to correct each individual case of child-specific noncompliance, consistent with 34 C.F.R. §§ 300.149 and 300.600(e) and OSEP QA 23-01.

Both NJDOE and Lakewood Township School District are required to comply with IDEA and ensure that any identified noncompliance is corrected in a timely manner. OSEP is available to provide technical assistance as needed. If you have any further questions, please contact Angela Tanner-Dean at angela.tanner-dean@ed.gov.

Sincerely,

/s/

Valerie C. Williams
Director
Office of Special Education Programs

EXHIBIT G

State of New Jersey
DEPARTMENT OF EDUCATION
PO BOX 500
TRENTON, NJ 08625-0500

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

KEVIN DEHMER
Acting Commissioner

February 25, 2025

Dr. Laura A. Winters, Superintendent
Lakewood Public Schools
200 Ramsey Avenue
Lakewood, New Jersey 08701

Subject: Investigative Report of Legal Services Contract- Lakewood Public Schools
OFAC Case #INV-67-24

I. Introduction

The Office of Fiscal Accountability and Compliance (OFAC) conducted a review of the legal services contract between the Lakewood Board of Education (Board) and its general counsel, Michael Inzelbuch, Esq. (Inzelbuch), following concerns raised by the Office of Legislative Services, Office of the State Auditor. The State Auditor's August 2024 report covered the period from July 1, 2018, through September 9, 2023, and highlighted significant issues regarding the district's legal costs and compliance with state regulations.

As part of this comprehensive review, interviews were conducted with Moshe Bender, Board President, and Inzelbuch. OFAC also reviewed Inzelbuch's past and present contracts, a sampling of billing invoices, and letters between the Board and outside agencies. In addition, OFAC reviewed the State Auditor's report concerning the Lakewood School District.

II. Historical Perspective

The District has contracted with Inzelbuch continuously since August 17, 2017, through the current contract period expiring on June 30, 2025[1]. The terms of the contract have remained relatively constant from the 2017-2018 school year through the contract approved for the 2024-2025 school year and include services for acting as general counsel, as well as litigation services. The contract provisions most relevant to this review are detailed below:

- Paragraph 1: Duties

[1] Inzelbuch previously served as Board counsel in the district from 2002-2012.

- Provide legal representation at all regularly scheduled meetings of the Board, and special and emergency meetings upon request;
- Unlimited legal consultation with the Board, the Superintendent, the Board Secretary/Business Administrator, and other such staff members as the Superintendent shall designate;
- Unlimited preparation of oral and written legal opinions unless there is a need for an independent opinion and/or technical expertise in a narrow and highly specialized subject;
- Provision of legal representation for the Board, and such individual Board members or staff members as the Board or the Superintendent shall designate;
- Unlimited conferences, meetings and in-service sessions with the Board, Board committees and other such staff members as the Superintendent shall designate;
- Unlimited review of, and legal advice with respect to, existing and proposed contracts between the board and third parties; and
- Such other duties as may be set forth and mutually agreed upon by the board president and General Counsel.

- Paragraph 2: Compensation
  - Annualized retainer of $600,000, and payable in equal monthly payments of $50,000 plus costs, paid monthly on the first day of each month starting with August 1. There are no charges for hours worked in excess of the $50,000 retainer, except as provided herein.
  - Hourly rate of $475.00 per hour for any litigation services payable monthly, upon presentation of detailed logs documenting litigation services.

The Board approved Inzelbuch's most recent contract for the 2024-2025 school year via resolution dated January 24, 2024. Prior concerns had been raised by the Department and outside observers, including the Education Law Center ("ELC"), about both the amount of compensation included in this contract, as well as the use of a monthly retainer amount for legal services.

In 2017, ELC raised concerns to the Department that the contract violated the following provisions of N.J.A.C. 6A:23A-5.2:

- 5.2(a): Requires boards to adopt policies minimizing professional service costs.
- 5.2(a)(3): Prohibits advance payments for legal services.
- 5.2(a)(4): Mandates payments only for services actually rendered and supported by itemized invoices.

The concerns noted that the contractual provision for monthly installment payments totaling $600,000 per year as base compensation contemplated payment without regard to the actual legal services provided, which conflicts with the regulatory prohibition on advance payment contracts.

In response to a request from the State as to the Board's position on the contract, outside counsel for the Board responded setting forth the Board's procurement process, (Request for Proposal/RFP

due April 4, 2017), which anticipated two contracts: (1) Board attorney, and (2) Litigation services to a firm with at least five New Jersey licensed attorneys. The Board attorney would be paid on a monthly-basis and litigation services paid on an hourly basis. The Board modified its RFP and removed the five-attorney minimum requirement. Subsequently, eight law firms responded, but Inzelbuch was unanimously accepted by the Board to provide both services set forth in a single legal services contract. In addition, the Board's position is that the monthly retainer amount is not an advance payment for services because his payment is received after submission of an invoice the month following the month when services are rendered.

Similarly, counsel for the State Monitor assigned to the District at the time sent a response letter justifying the practice of flat rate billing to encourage "preventative lawyering," namely, seeking legal advice at an early stage to limit longer term financial exposure.

Thereafter, on April 24, 2018, the Department sent a letter to the Board expressing concerns regarding noncompliant invoices submitted by Inzelbuch, citing discrepancies between billed amounts and itemized services. The Department had determined that "the invoices and requests for payment submitted by Board Counsel do not meet the regulatory requirements." Further, this letter stated that any invoices that did not meet the requirements to itemize lists of legal services on the invoice would not be approved for payment by the State Monitors.

At the time of the Department's April 2018 letter, the invoices submitted to the Board by Inzelbuch contained a single paragraph listing generally the legal services Inzelbuch provided during the invoice period. Although the invoices submitted after receipt of the April 2018 letter did result in the more detailed bullet lists of services provided, there was still no inclusion of the hours spent on each service that would enable the District to determine whether the time spent accurately reflected the service provided. The same format is currently in use by Inzelbuch.

III. State Auditor's August 6, 2024 Report

On August 6, 2024, the Department received a report from the Office of Legislative Services, Office of the State Auditor (the "Auditor's Report"), with respect to an audit conducted of the Lakewood Public School District (District) for the period of July 1, 2018, through September 9, 2023. The Auditor's Report outlined the following conclusions regarding the District's professional services agreement for general counsel:

1. For the annualized retainer, the invoices did not include the number of hours worked. As a result, the district could have paid for more hours than actually worked.

2. Regarding litigation services, there were 22 instances billed for more than 12 hours per day, with one instance billed for 21 hours in one day and the contract does not limit the number of hours charged for litigation services.

3. The school district's average per-pupil legal costs from 2019 through 2022 exceeded the statewide average by 456%. Specifically, during this time frame, the audit identified a total

variance of $4.5 million dollars between the District's total legal expenditures and the Statewide average, an average variance of $1.1 million dollars per year.

4. The District lacked information about policies or procedures adopted to minimize legal costs or provide evidence that such measures would not reduce costs.

Following receipt of these findings, OFAC instituted its own review of whether the District's legal services contract complied with Department regulation.

IV. Relevant Statutory and Regulatory Framework

The Department adopted amended regulations in 2008 to ensure the effective and efficient expenditure of school district funds and to promote greater oversight and transparency in school district budgets. Included in these new rules was the requirement for districts to establish a policy to minimize the cost of public relations and professional services.

The relevant regulations regarding the use and procurement of legal services is set forth below.

- **N.J.A.C. 6A:23A-5.2(a)2:** District policy shall contain procedures to ensure the prudent use of legal services by employees and district boards of education members and the use of those services are tracked.

- **N.J.A.C. 6A:23A-5.2(a)3:** School districts with legal costs that exceed 130 percent of the Statewide average per pupil amount should establish the following procedures and, if not established, provide evidence the procedures would not result in a reduction of costs:
    i. A limitation on the number of contact persons with the authority to request services or advice from contracted legal counsel;
    ii. Criteria or guidance to prevent the use of legal counsel unnecessarily for management decisions or readily available information contained in school district materials such as policies, administrative regulations, or guidance available through professional source materials;
    iii. A provision that requests for legal advice shall be made in writing and shall be maintained on file in the school district offices and a process to determine whether the request warrants legal advice or if legal advice is necessary; and
    iv. A provision to maintain a log of all legal counsel contact, including name of legal counsel contacted, date of contact, issue discussed, and length of contact. Legal bills shall be compared to the contact log and any variances shall be investigated and resolved.

- **N.J.A.C. 6A:23A-5.2(a)4:** A provision that requires contracts for legal services to comply with payment requirements and restrictions pursuant to N.J.S.A. 18A:19-1 et seq. and as follows:
    i. Advance payments shall be prohibited;
    ii. Services to be provided shall be described in detail in the contract;

iii. Invoices for payment shall itemize the services provided for the billing period; and
iv. Payment shall be only for services actually provided.

- **N.J.A.C. 6A:23A-5.2(a)5:** Professional Services contracts are issued in a deliberative and efficient manner that ensures the school district receives the highest quality services at a fair and competitive price or through a shared services arrangement. This may include, but is not limited to, issuance of such contracts through a request for proposals (RFP) based on cost and other specified factors or other comparable process.

V. Findings:

A. Advance Payments Prohibited

Pursuant to N.J.A.C. 6A:23A-5.2(a)(4)(i), advance payments for legal services are prohibited. Although Inzelbuch submits invoices after services are rendered, the guaranteed $50,000 monthly retainer functions as an advance payment since it is not based on the actual hours worked or itemized services performed, but is approved by the Board well in advance of the submission of an invoice. The $50,000 is listed as a "flat fee" in the contract and is not predicated on an hourly rate, number of hours worked, or number of days worked.

Inzelbuch's submission of an invoice for the $50,000 portion of his compensation does list the dates in a month he provided services and lists the services provided. Typically, the description of the services are listed as "communications" with a particular named person or someone identified by initials. A comparison of the invoices submitted for litigation services ($475 hourly) and invoices submitted for General Counsel services ($50,000 monthly) reveal there is, at times, an overlap of services on the same dates, but it cannot be determined by Inzelbuch's method of billing if the hours for the services between the Litigation and General Counsel services overlap.

During a November 14, 2024, interview, Mr. Bender, in response to questions about the amount of services provided by Inzelbuch, expressed that Inzelbuch is a highly regarded professional and Inzelbuch's proactive involvement within the Lakewood community has quelled some of the chaos that previously existed between the Board and community. As a result, he asserted that the District has a better education program and saves money. Mr. Bender said that not only did he rely upon the advice of legal experts in the field regarding Inzelbuch's qualifications, but he also relied upon the opinions of the State Monitors who have the authority to override the Board.

Concerning the $50,000 retainer, Mr. Bender stated that Inzelbuch receives numerous calls from himself and others in the community and if he had to document all the calls, he would spend more time doing that than providing services and, overall, it could be detrimental to selectively take calls.

N.J.A.C. 6A:23A-5.2(a)(4) clearly prohibits the use of any advance payments. The Board's position that Inzelbuch is paid his monthly retainer on the first day of the following month does not cure this issue, since he is guaranteed that payment under the contract without being required

to demonstrate the work he did to earn the compensation. It is important to note that this review does not seek to explore Inzelbuch's qualifications or the quality of Inzelbuch's legal services to the District, but rather to determine whether the regulatory requirements designed to minimize the costs of the professional services have been followed. The retainer amount is decided for the year, in advance of the service, regardless of when payment is actually issued and irrespective of the actual work performed. Accordingly, this type of payment arrangement is contrary to the regulatory prohibition against advance payments and the Board shall ensure that payment for all professional service agreements, including legal services, are made based on itemized and detailed invoice submissions.

B. Payments for Services Rendered

In accordance with N.J.A.C. 6A:23A-5.2(a)(4)(iii) and (iv), invoices for payment must itemize services provided for the billing period and payment shall only be made for services rendered. The flat-fee arrangement does not provide sufficient documentation to verify that services rendered align with the monthly retainer amount. Without a breakdown of hours worked for specific tasks completed, it is impossible to assess the fairness of the compensation. The lack of adequate documentation evidencing the actual hours spent makes it impossible to determine whether the services rendered equaled the amount billed.

In contrast, Inzelbuch's invoices for Litigation Services are submitted monthly and do reflect a level of detail consistent with typical legal billing practice. The invoices make clear the rate of pay, the number of hours worked, and a detailed description of services performed on each date. The Board must ensure that all invoices received for legal services comply with the regulatory requirements and are fully itemized.

C. Inadequate Cost-Control Measures:

The school district's legal costs significantly exceed the Statewide average. The discrepancy may be due in part to its unique demographic profile, which includes a large nonpublic student population excluded from per-pupil cost calculations and may skew comparisons to public school districts of similar sizes. The demographic profile, however, does not account for the entire percentage difference in the District's legal costs; neither the District nor Inzelbuch have explained why his services as General Counsel to the District would be so disproportionately impacted by the size of the nonpublic student population. Moreover, regardless of possible causes, the school district remains responsible for addressing excessive costs and demonstrating cost-effectiveness. The District has not implemented the cost-control measures required under N.J.A.C. 6A:23A-5.2(a)(3). As set forth above under section IV, districts with legal costs that exceed 130 percent of the Statewide average per pupil amount should establish procedures to curtail those costs or provide evidence why those procedures would not result in cost reductions.

In summary, the procedures are:

- Limiting the number of authorized contacts for legal counsel.
- Establishing criteria to avoid unnecessary legal counsel use.

- Requiring written requests for legal advice.
- Maintaining a contact log to ensure billing accuracy.

The District failed to provide evidence that it complied with these cost-control measures, instead claiming that if the per pupil costs were based on the total student enrollment, including nonpublic students, it would not exceed the Statewide average. However, due to the significant discrepancy between the statewide average per pupil amounts as compared to the District's amounts for legal services, as identified in the Auditor's Report, that is an insufficient basis for failing to comply with the cost-control measures required by regulation.

D. Compliance with Procurement Procedures.

The Board has not issued a public Request for Proposals (RFP) for legal services since 2018, which limits opportunities to assess competitive options. The Board's last public posting of a Legal Services Request for Proposal (RFP-1819) had a due date of July 31, 2018.

On April 21, 2021, outside counsel for the board provided an opinion that there was no obligation to engage in an RFP process for the reappointment of Inzelbuch due to the sensitivity and credentials needed for this service. As such, the Board's position is that discussion between Board members regarding contracted legal services fulfills the obligation of a deliberative process.

During the interview with Inzelbuch on December 3, 2024, when asked to explain the special credentials referred to by outside counsel, Inzlebuch stated that he has "special education knowledge and experience with parents who sue districts. I also believe it was my credentials in dealing with Covid." Inzelbuch went on to state that, "[s]pecifically, I am one of the only attorneys in the State whose private practice focuses on special education matters and who represents parents "against" districts (other than Lakewood). This has allowed many Lakewood parents, for example, who are suing Lakewood to believe me as to the quality of Lakewood district programs." Inzelbuch further explained that "many nonpublic issues and Title issues have been proactively resolved due to my unique knowledge of the Lakewood nonpublic community. In addition, my significant knowledge of the district's unique finances for the last 20 plus years has allowed me to successfully represent the district in the legal arena."

While Inzelbuch's long history with the District and the Lakewood community has provided him with unique insight into its legal needs, the District failed to demonstrate through the course of this review how it complies with the regulatory requirement to issue a legal services contract in a deliberative and efficient manner to ensure a fair and competitive price. Although there is no requirement to utilize a specific procurement process, the regulations do require a deliberate process, which may be satisfied through a request for proposals (RFP) *or other comparable process.*

In addition to the requirements set forth at N.J.A.C. 6A:23A-5.3, in determining whether a school district has implemented all potential administrative efficiencies and/or eliminated all excessive non-instructional costs, the executive county superintendent shall review the efficiency standards set forth at N.J.A.C. 6A:23A-9.3(c). Specifically, subsection N.J.A.C. 6A:23A-9.3(c)11 states that

"[e]fficient administrative and non-instructional costs shall include the school district solicits competitive proposals with fee quotes or uses a comparable process to ensure the school district receives the highest quality services at a fair and competitive price prior to the award of contracts for professional services."

Reviewing the rates for other legal services approved by the Board at the January 24, 2024, board meeting reveals the following rates of the District's other contracted legal service providers:

- Special Counsel Agreement with Methfessel & Werbel, P.C: $180 for partners and $175 for associates.
- Special Counsel Agreement with David B. Rubin, P.C., Attorney at Law: $180 per hour
- Special Counsel Agreement with Greenberg, Dauber, Epstein & Tucker: $350 per hour

The hourly rates noted above for the first two firms reflect rates comparable to other law firms providing services to school boards similar to the services Inzelbuch provides. Inzelbuch's $475 hourly rate is not only not comparable to other firms who represent public school districts, it significantly exceeds the rates charged by these firms. When this fact is coupled with a lack of evidence of an RFP, the solicitation of competitive quotes, or other comparable processes at any point since 2018, it is clear the District failed to comply with the requirements of N.J.A.C. 6A:23A-5.2(a)(5) and N.J.A.C. 6A:23A-9.3(c)11.

V. Conclusion and Required Actions

Based on the information set forth above, OFAC finds the following:

- The District violated **N.J.A.C. 6A:23A-5.2(a)(4)** by failing to ensure that payments are based on services rendered and supported by detailed documentation.
- The District violated **N.J.A.C. 6A:23A-5.2(a)3** by failing to establish cost-control measures.
- The Board violated **N.J.A.C. 6A:23A-5.2(a)5** and **N.J.A.C. 6A:23A-9.3(c)11** by failing to provide evidence that it used a deliberative and efficient manner for procuring legal services, either using an RFP or other comparable process.

Corrective Actions Required:

Utilizing the process outlined in the attached "Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process," pursuant to N.J.A.C. 6A:23A-5.6, the Lakewood Board of Education is required to publicly review and discuss the findings in this report at a public board meeting no later than 30 days after receipt of the report. Within 30 days of the public meeting, the board must adopt a resolution certifying that the findings were discussed at a public meeting and the board approved a corrective action plan which addresses the findings raised in the report and/or submits an appeal of any findings in dispute. A copy of the resolution and the approved corrective action plan and/or notice of intent to appeal must be sent to this office within 10 days of adoption by the board. Direct your response to my attention.

Also, pursuant to N.J.A.C. 6A:23A-5.6(c), you must post the findings of the report and the board's corrective action plan on your school district's website. Should you have any questions, please contact Thomas C. Martin, Manager, Investigations Unit, at (609) 376-3606, Thomas.martin@doe.nj.gov.

Sincerely,

Dr. Jamar E. Purnsley, Director
Office of Fiscal Accountability and Compliance

Attachment
c: Kevin Dehmer
Laura Console
Ambrose Duckett
Samantha Price
Paula Bloom
Susan Naples

EXHIBIT H

State of New Jersey
DEPARTMENT OF EDUCATION
PO BOX 500
TRENTON, NJ 08625-0500

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

KEVIN DEHMER
Acting Commissioner

October 4, 2024

Dr. Laura Winters
Lakewood School District
200 Ramsey Avenue
Lakewood, NJ 08701

Dear Dr. Winters:

This letter is to inform you of the appointment of Ms. Louise B. Davis to serve as the state monitor for the Lakewood School District from October 7, 2024, through October 6, 2025. Enclosed is the new contract for Ms. Louise B. Davis.

If you should have questions concerning this appointment, please contact Stephanie Kuntz, Director, Office of State Monitors at (609) 376-3839.

Sincerely,

Kevin Dehmer
Acting Commissioner

KD/DC/SK
Enclosure
c: David F. Corso
Stephanie Kuntz
Executive County Superintendent
Kevin Campbell, Interim BA, Lakewood
Louise B. Davis

EXHIBIT I

February 25, 2025

Sent via email: lwinters@lakewoodpiners.org
Dr. Laura A. Winters
Superintendent of School
Lakewood Board Board of Education
200 Ramsey Avenue
Lakewood, NJ 08701

RE: Denial of 12/11/24 BOE Item #73 and 1/8/25 BOE Item #42 - Attorney Contract Renewal 7/1/25- 06/30/26

Dear Dr. Winters,

Please be advised that I am denying the above-referenced actions for the renewal of the legal services contract for the 2025-2026 school year. I am taking this action after reviewing the FY 2025-2026 budget build process and documents presented. Specifically, while the stated recommendation to renew the contract was based on "comparable" contract renewals, no comparable contract rates were presented for review. In fact, the only information considered for the renewal were letters received from local education attorneys advising that the contract award could proceed without a competitive process. As the minutes of the December 11, 2024 board meeting will reflect, there was much discussion of the necessity for an RFP for all contracted district professionals considering the continuing financial constraints Lakewood suffers. The advice provided at the time was that the contract renewal was "subject to FY 25-26 Budget approval". The item was again put forth at the Reorganization meeting, as is more commonly done by boards of education and while it passed, I now deny the award of the legal services contract to Michael Inzelbuch, Esq. as there are continuing funding concerns in the district exacerbated by the terms of the contract and the proper paperwork for the renewal was never provided.

In addition, I am now in receipt of a report from the New Jersey Department of Education, Office of the Fiscal Accountability and Compliance, dated February 24, 2025, finding that the legal services contract between the board and its general counsel for FY 24-25 was not

compliant with State regulations. Specifically, the contract failed to provide evidence that it used a deliberative and efficient manner for procuring legal services, either using an RFP or other comparable process. In addition, the contract failed to ensure that payments are based on services rendered and supported by detailed documentation. The Board of Education followed a similar process for the 2025-2026 school year. As noted above, the Board of Education failed to consider comparable contract rates evidencing a deliberative and efficient procurement of legal services before proposing the renewal of Mr. Inzelbuch's contract for the 2025-2026 school year.

In consideration of the above, I am constrained to deny the award of the legal services contract to Michael Inzelbuch, Esq. for the 2025-2026 school year. Consistent with the practice for other professional service contracts, it is my recommendation that a competitive process be used to award the legal services for the next school year.

Thank you for your attention to this matter.

Respectfully,



Louise B. Davis
State Monitor
New Jersey Department of Education

Cc:
Kevin Kehmer, Acting Commissioner of Education
David Corso, Assistant Commissioner of Education
Stephanie Kuntz, Director DOE State Monitors

EXHIBIT J

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

State of New Jersey
DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

KEVIN DEHMER
Commissioner

May 12, 2025

Sent via email: lwinters@lakewoodpiners.org
Dr. Laura A. Winters
Superintendent of School
Lakewood Board Board of Education
200 Ramsey Avenue
Lakewood, NJ 08701

RE: March 12, 2025 Board of Education Action Item # 48
Award of Contract A. Matthew Boxer, Esq. Lowenstein Sandler - Under Advisement

Dear Dr. Winters,

After careful consideration, I have made the decision to deny the Board's adoption of the Resolution # 48 to appoint Matthew Boxer, Esq. of the Lowenstein Sandler firm to "provide legal advice and litigation representation at the hourly rate $ 1,075." Trustee approved March 12, 2025.

I certainly respect the Board's ability to hire legal counsel, including matters involving litigation against the Department. However, as the State Monitor, I am required to assess whether the Board action is fiscally responsible. This includes reviewing whether the price is fair and reasonable, and whether a procurement process was appropriately structured to achieve a competitive rate. In this instance, I have no evidence that either standards have been met and so I must overturn the Board's approval. Other than the executed Agreement, I have no documents that confirm either an RFP or deliberative and efficient process was conducted in selecting this attorney. Additionally, the proposed hourly rate of $ 1,075. Is well above what is typically charged by attorneys who represent Boards of Education.

As you know, the District recently received a Report from the Office of Fiscal Accountability and Compliance (OFAC) finding the District noncompliant in the manner in which it procured its current legal counsel, necessitating the implementation of a Corrective Action Plan. As you know, my recommendation for the FY 25-26 fiscal year is to utilize the Request for

Proposal (RFP) process as the District has relied on the deliberative and efficient process for over eight (8) years.

As the State Monitor, I am responsible for oversight of the fiscal management and expenditures of Lakewood's funds. Without seeing evidence of an RFP to support it, the proposed expenditures of $ 1,075. per hour for legal services in this matter is not an efficient use of the District funds and unnecessarily strains the Districts budget.

It is recommended that any Special Counsel retention by the Board for the challenge to the OFAC Report or any other legal matters, must be conducted so that a rate comparable to the rates charged by outside counsel representing Boards of Education is awarded. Specifically the Board should issue an RFP or at the very least a deliberative and efficient process.

Respectfully,



Louise B. Davis
State Monitor

Cc:
Kevin Campbell, SBA/BS
MembersLakewood Board of Education
Susan Naples, Executive Superintendent, Ocean County
Tina Trueba, Executive SBA, Ocean County
Kevin Dehmer, NJ Commissioner of Education
Dave Corso, NJ Assistant Commissioner of Education
Stephanie Kuntz, NJ Director of State Monitors
Michael I. Inzelbuch, Esq. Lakewood General Counsel

EXHIBIT K

State of New Jersey
DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

KEVIN DEHMER
Commissioner

June 11, 2025

Sent via email: lwinters@lakewoodpiners.org
Dr. Laura Winters, Superintendent
Lakewood Board of Education
200 Ramsey Avenue
Lakewood, New Jersey 08701

RE: Response to Correspondence of May 14, 2025
Denial of May 28, 2025 Board of Education Agenda Item "U"
Award of Professional Service Contract for Lowenstein Sandler,LLC

Dear Dr. Winters,

I am in receipt of your letter of May 14, 2025, sent on behalf of the Board regarding my May 12, 2025 determination not to approve the appointment of Lowenstein Sandler. While I appreciate the concerns raised, it is important to reaffirm the purpose and scope of my role. As the State-appointed Fiscal Monitor it is my responsibility to ensure that public funds are managed responsibly and that all District decisions comply with applicable laws, regulations, and sound fiscal practices. The decision to "Deny" the March 12, 2025 Resolution approving Agenda item # 48 "A. Matthew Boxer, Esq., Lowenstein Sandler" has nothing to do with the specific law firm in question or the matters they are handling for the District. The core issue is the firm's billing rate of $ 1,075. Per hour and whether the District complied with legal requirements and best practices in procuring their services at that rate.

In accordance with N.J.A.C. 6A:23A-5.2(a)(5), all professional services must be procured through a deliberative and efficient process and at a fair and competitive price. Further, N.J.A.C.6A:23A-9.3(c)11 requires that prior to the award of professional services contracts, the Board shall solicit competitive proposals with fee quotes or use a comparable process to ensure a fair and competitive price. Prior to their retention by the Board I have not received any documentation demonstrating that this process was followed. In fact, instead of following the regulatory process referenced in my May 12th denial letter, the Board acted to approve a second Resolution, Item "U", appointing Lowenstein Sandler, LLC at the May 28th Board Meeting, at the same hourly rate of $ 1,075.

At this point in time, I have not been provided with any justification that the rate charged is consistent with those paid by other Boards of Education for comparable services, or that the Board used a deliberative and efficient process to ensure that it has obtained a fair and

competitive price for legal services. For the reasons previously set forth in my May 12th denial letter and reiterated again here, I am constrained to Deny Resolution "U" appointing Lowenstein Sandler, LLC to provide professional services at the rate of $ 1,075.00 per hour. Accordingly, no legal bills from this firm submitted after my May 12th letter will be approved for payment.

Prior to the Board placing another Resolution appointing Lowenstein Sandler to provide professional legal services to the District, I had requested the School Business Administrator to provide comparative data from other Boards of Education across New Jersey and specifically, Ocean County, and the rates approved for professional legal services. The attachment you provided me dated June 25, 2013, entitled "Analysis of Legal Fees Paid by NJ Local Governments" confirms the necessary actions required. Please be advised that no further Resolutions for this firm or other legal service providers will be approved unless and until the Board demonstrates a deliberative and efficient process was used to ensure that the Board has obtained a fair and competitive price for legal services in compliance with N.J.A.C. 6A:23A(a)5 and N.J.A.C. 6A:23A-9.3(c)11.

Let me end by reiterating that I remain committed to working collaboratively with the Board and Administration. I fully support the District receiving the legal services it needs, but that must happen within the framework of the law and in a fiscally responsible manner. The fact that a law firm has worked well with the District in the past or is believed to possess specialized expertise does not justify the Board's failure to comply with regulatory requirements or sound fiscal practices.

I look forward to continuing our work together to strengthen the District's financial operations and compliance.

Respectfully,

Louise B. Davis
State Monitor

Cc: Kevin Campbell, SBA/BS
Kevin Dehmer, Commissioner of Education
Dave Corso, Assistant Commissioner
Stephanie Kuntz, Director Monitors
Michael Inzelbuch,Esq.

EXHIBIT L

State of New Jersey
DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

KEVIN DEHMER
Commissioner

September 30, 2025

Sent via email: lwinters@lakewoodpiners.org

Dr. Laura A. Winters, Superintendent
Lakewood Board of Education
200 Ramsey Avenue
Lakewood, New Jersey 08701

RE: Denial of September 18, 2025 Board Action - Award of Legal Services Contract

Dear Dr. Winters:

I am writing to formally notify you of my decision to deny the Board of Education's award of the legal services contract to Michael Inzelbuch, Esq., as approved at the September 18, 2025 Board meeting. This decision is made pursuant to my authority as State Fiscal Monitor and is based on serious concerns regarding the Board's process.

Background and History

The history related to this award demonstrates a concerning pattern of the Board's resistance to implementing proper competitive procurement processes for legal services. As you are aware, the Lakewood Board of Education has operated under persistent financial distress, requiring annual advances of state aid from the New Jersey Department of Education to balance its budget. Over the past decade, the District has been advanced more than $215 million in state aid, with another $100 million requested for the 2025-2026 school year. Due to these ongoing fiscal challenges, I was appointed by the Department of Education to oversee the District's business operations and personnel matters.

Since 2017, the Board has retained the same attorney to serve as its legal counsel without issuing a Request for Proposals (RFP) to solicit competitive bids from other attorneys or law firms. During the 2024-25 school year, the Board twice voted to approve a contract for legal services with Mr. Inzelbuch for the period July 1, 2025 through June 30, 2026, calling for an annualized retainer of $600,000.00 and a $475 hourly rate for litigation services.

In a letter dated February 25, 2025, I overturned the Board's award of this legal services contract due to the Board's failure to utilize a competitive procurement process. The Board had not conducted an RFP for its most expensive professional service since 2017, despite repeated discussions about the need for a competitive bidding process and the District's ongoing financial constraints. I issued this decision four months before the existing contract's expiration, providing ample time for the Board to conduct a proper RFP process.

Following my February 25, 2025 decision, the District did not issue an RFP until July, following ALJ Susan Scarola denying the Board's request to retain Mr. Inzelbuch after his legal services contract expired on June 30, 2025. Thereafter, RFP 02-2526 for legal services was issued. On July 10, 2025, I sent you a detailed letter outlining concerns with the RFP specifications and strongly recommending that it be withdrawn and re-issued with revised specifications to allow for an expansive pool of potential law firms. My concerns included: (1) that OFAC found retainer agreements to be unlawful and that "it does not make sense to move forward with an award that includes a retainer until the current case is resolved, as it could subject the Board to further litigation or action by the DOE/OFAC;" and (2) retainers for all general services "is not the norm for how New Jersey School Districts award legal service contracts, so moving forward with the current RFP could discourage law firms that specialize in education law from applying, thereby limiting competition."

Despite these serious concerns, the only Addenda the Board issued for the RFP sought to change the proposal opening date. The inclusion of the retainer requirement in the RFP appeared to have caused confusion among respondents to the RFP. Of the seven proposals received, three did not include a retainer, while four did. It remains unclear how many additional firms did not submit a proposal due to the inclusion of a retainer requirement for general counsel services. The Board ended up awarding the contract to Mr. Inzelbuch, despite his proposal not including a retainer. Strictly speaking, under the terms of the RFP, his proposal should have been disqualified for failing to include a retainer. Moreover, Mr. Inzelbuch's proposal had the highest hourly rate at $350 per hour -- $200 per hour (133%) higher than the lowest proposal and $100 per hour (46%) higher than the second-highest proposal. For a District facing serious financial constraints, selecting a proposal significantly higher than other qualified proposals raised serious concerns about the evaluation process and fiscal responsibility.

Based on these fundamental flaws in the RFP process, I denied the award of RFP 02-2526 to Mr. Inzelbuch on August 8, 2025, and directed the District to develop and issue a revised RFP without the retainer requirement and with clear distinctions between general counsel and litigation services.

Current RFP and Award

The District subsequently issued RFP 03-2526, which removed the retainer requirement and separated general counsel from litigation services. Given the District's financial struggles, and considering that the prior scoring rubric resulted in the selection of a vendor whose rates were $200 per hour (133%) higher than the lowest proposal and $100 per hour (46%) higher than the second-highest proposal, I recommended revising the scoring rubric to reflect Cost 50%, Technical 25%, and Management 25%, increasing the weight given to cost, while maintaining strong consideration of technical and management factors (combined 50%). The District also

incorporated this recommendation into RFP 03-2526 by way of an addendum. The Board's RFP committee scored the five responsive proposals with the following results:

First Place:	Marmero Law: $150/hour for both general counsel and litigation
Second Place:	Kenney, Gross, Kovats & Parton (2nd place): $165/hour for both services
Third Place:	Decotiis, Fitzpatrick, Cole & Giblin (3rd place): $205/hour for general counsel and $225/hour for litigation services
Fourth Place:	Michael I. Inzelbuch (4th place): $350/hour for both services
Fifth Place:	Dasti & Staiger (5th place): $160/hour for both services

The RFP recommendations were placed on the Board's September 10, 2025 meeting for approval. Despite the RFP process being complete with clear scoring results, the Board instead chose to table the award at that meeting. The purported reasoning provided by the Board to table the award was that it would like to conduct interviews with the candidates.

The interview process was conducted on September 15-16, 2025, with limited participation from the RFP Committee members. On September 15th, only one Board member from the RFP Committee attended in person, with another participating briefly via Zoom while travelling to his teaching job. On September 16th, the same limited participation occurred.

The interview notes revealed some concern about the highest-scoring vendor (Marmero Law), noting that while the attorney was "impressive" and "professional," he operated "a small, single-practitioner operation supplemented by per diem attorneys" that lacked "the infrastructure and experience necessary for our current demands." The second-place vendor (Kenney, Gross, Kovats & Parton) received highly favorable comments, being described as having "43 years of continuous service," "extensive experience in special education law," and being "a seasoned, stable, and deeply embedded firm." The third-place vendor (Decotiis, Fitzpatrick, Cole & Giblin) was noted as "a large firm with 53 attorneys, offering institutional depth and broad legal capacity."

Based on the RFP scoring and interview feedback, I advised the Board in executive session at the September 18, 2025 special meeting that I would be comfortable approving either of the two highest-scoring vendors: Marmero Law at $150/hour or Kenney, Gross, Kovats & Parton at $165/hour. Both firms offered significantly lower rates than Mr. Inzelbuch's $350/hour proposal.

Notwithstanding this recommendation and the clear results of the competitive RFP process, the Board voted in public session to approve the fourth-ranked vendor, Michael I. Inzelbuch, at $350/hour for both general counsel and litigation services -- more than double the rate of the top two vendors. It is worth noting that Mr. Inzelbuch also runs a "single-practitioner operation," one of the primary concerns raised by the interviewer regarding Marmero Law. No justification was provided by the Board for passing the three higher rated vendors -- all of whom had lower rates -- and selecting the fourth highest rated vendor.

Reasons for Denial

I am denying the Board's award of the legal services contract to Mr. Inzelbuch for the following reasons:

1. **Cost Concerns**

   The costs for the selected vendor are not in line with industry standards for board counsel. This is demonstrated in the fact that Mr. Inzelbuch's rate of $350/hour is more than double the rate of the two highest-scoring vendors ($150/hour and $165/hour). The fiscal accountability regulations, *N.J.A.C.* 6A:23A-5.2, require that professional services contracts be "issued in a deliberative and efficient manner that ensures the school district receives the highest quality services at a fair and competitive price." The cost differential noted in these proposals does not align with this requirement, particularly given the District's serious financial concerns as noted above.

2. **Failure to Provide Clear Justification**

   The Board failed to provide clear reasons why Mr. Inzelbuch was selected, considering that he scored fourth out of five vendors on the RFP scoring rubric and was the most costly of the five proposals. There was no discussion as to why the firms that scored first through third were not selected, despite the interview process revealing positive assessment of these firms. Notably, the second-place firm in particular was highly rated during interviews at a much lower rate, yet no discussion occurred as to why this firm was not recommended or selected. Instead, the discussion focused largely on a disagreement with the recommendation by the Monitor to increase the Cost component of the scoring rubric and a belief that the Board had an absolute 'right' to select whatever attorney it wanted. This failure further violates *N.J.S.A.* 18A:18A-5 of the public school contracts law, which requires that the Board state supporting reasons for its action when awarding a professional service contract. The failure to provide any clear reason, in public or in executive session, is concerning.

3. **Risk of Legal Challenge**

   The Board's failure to identify how Mr. Inzelbuch's firm was the most advantageous, considering his 4th place position in the scoring rubric could expose the District to litigation from the other firms who participated in good faith in the competitive process. For example, in accordance with the RFP, the Board chose to use the competitive contracting process under the Public School Contracts Law, N.J.S.A. 18A:18A-4.5, to award this contract, in which the Business Administrator and/or a committee evaluates each proposal and submits a report to the Board. In accordance with the Public School Contracts Law, there only are limited grounds for the Board to reject the highest scoring vendor when using the competitive contracting process, none of which have been identified by the Board in its decision.

4. Process Deficiencies

The selection of the 4th place vendor and the lack of meaningful participation by the RFP committee in the interview process do not demonstrate fidelity to the requirements of *N.J.A.C.* 6A:23A-5.2 and instead suggests that the Board did not allow for a full and free competition between vendors and that the selection was predetermined, undermining the integrity of the entire procurement process. It further could dissuade qualified vendors from submitting proposals in the future.

As State Monitor, I possess broad statutory authority under *N.J.S.A.* 18A:7A-55 to oversee the fiscal management and expenditures of school district funds and to override Board decisions that impact the District's financial welfare. I do not take the role lightly. Despite my repeated efforts to infuse a fair and competitive process, the Board has continued to ignore proper procurement procedures and instead choose the same candidate regardless of cost or competitive ranking. Such a pattern cannot continue.

Moving Forward

The Board has indicated to me, both in writing and verbally, that the District has an immediate need for the assistance of a general counsel. Based on this representation, the Board is permitted, and strongly encouraged, to select one of the top vendors from the RFP process, such as Marmero Law at $150/hour or Kenney, Gross, Kovats & Parton at $165/hour, both of which I remain prepared to approve as I indicated during the September 18th executive session. If the District believes it requires the assistance of general counsel prior to the Board's next regularly scheduled meeting on October 22nd, the Board should hold a special meeting to approve one of these law firms.[1]

In addition, in accordance with *N.J.S.A.* 18A:7A-55(b)(2), which grants me the authority "hire, promote, and terminate employees," I am directing the District administration to post for a full-time, in-house counsel position to assist the District with its legal needs and with its day-to-day legal questions. Several school districts across the State have a full-time employee who serves as in-house counsel to assist them and who can manage the outside law firms engaged for litigation. Based on the District's current legal expenditures and its historic use of, and heavy reliance on, legal counsel, I believe it is fiscally prudent for the District to pursue this option.

Conclusion

This decision is made in the best interests of the District's fiscal health and in accordance with my statutory obligations to ensure responsible use of public funds and the implementation of appropriate processes and procedures. The District conducted a RFP process that identified qualified legal counsel at competitive rates. The Board's decision to disregard this process and select the highest-cost vendor without adequate justification cannot be approved. As State Fiscal Monitor, I simply cannot approve an award that undermines competitive principles, ignores cost considerations during a period of financial constraint, and fails to provide adequate justification for the selection.

I remain committed to working collaboratively with the Board and its Administration to ensure the District receives the legal services it needs within the framework of the law and in a

fiscally responsible manner. I look forward to the Board's prompt action consistent with this communication.

Thank you for your attention to this matter.

Respectfully,

Louise B. Davis
Fiscal State Monitor

Cc: Kevin Campbell, SBA/BS
Kevin Dehmer, Commissioner of Education
David Corso, Assistant Commissioner of Education
Stephanie Kuntz, Director DOE State Monitors
Patricia Blood, Governance/Personnel Assistant State Monitor
Kelly Lindenfelser, Special Education Assistant State Monitor
Ingrid Reitano, Transportation Assistant State Monitor

[i] Of course the Board always has the option available to pursue another RFP.

EXHIBIT M

STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION

Guidance on Application for Additional Expenditures Pursuant to Language Provision Included in Proposed FY 2026 State Budget

March 28, 2025

In anticipation of the FY2026 Appropriations Act including specific authorization, the Department of Education is opening an application to certain school districts to request authority from the Commissioner of Education to increase expenditures. Under this provision, the Commissioner may direct certain school districts to increase expenditures in order to satisfy the thoroughness and efficiency standards established pursuant to N.J.S.A. 18A:7F-46.

Please note that final approval of all applications is subject to the FY2026 Appropriations Act.

A district, other than a county vocational school district, is eligible to apply for the authority to increase expenditures if it is both: 1) taxing below its local fair share (defined as having a general fund tax levy in the 2024-25 school year that is less than the local fair share in the 2025-26 school year, as calculated pursuant to N.J.S.A. 18A:7F-52); and 2) spending below adequacy, as defined pursuant to N.J.S.A. 18A:7F-70.

An application will only be approved if the district demonstrates that it will exercise all statutory taxing authority that does not require voter approval and, after doing so, will continue to spend below adequacy. Additionally, the district will be required to demonstrate why the additional expenditure is necessary to satisfy the thoroughness and efficiency standards, which must include a showing that it has undertaken all necessary and available budget reductions and reallocations concerning items not related to providing a thorough and efficient education.

A successful application will be eligible to receive an allocation of Tax Levy Incentive Aid to assist in meeting the expenditure needs to satisfy the thoroughness and efficiency standards. The allocation shall not exceed the lesser of $1 million or five percent of any tax levy raised that is above the otherwise statutorily authorized amount for the 2025-26 school year. The Commissioner will not approve an amount of total additional expenditure that would cause a district to exceed its adequacy budget.

Applications must be submitted by April 14, 2025.

Filing an Application to Increase Expenditures

When a board of education or board of school estimate is deciding whether to file an application to increase its expenditures, the board should be aware the application will be thoroughly reviewed by the Department to determine that the additional expenditures are necessary to satisfy the thoroughness and efficiency standards. The applications will be subject to a thorough review of the entire preliminary 2025-26 budget for any areas of reallocation. This will be a rigorous process during which the district may be required to submit additional information. Any district applying to increase expenditures is required to submit all applicable items mentioned in the "Required Submissions" file. This reporting package is available through the Expenditure Increase Application page on NJDOE Homeroom. The district Homeroom Administrator must establish user links for access to the Expenditure Increase Application system.

To access the system, select the "Expenditure Increase Application" on the NJDOE Homeroom portal. Enter the 4-digit LEA code in the district ID, then enter the username and password as assigned by the district Homeroom Administrator. Click the Sign In button to open the system.

There are four sections that will appear on the screen in the Expenditure Increase Application system.

1. *Receipt*. This button in the menu at the top of the screen contains a list of the documents that have been successfully uploaded by the district into the Expenditure Increase Application system. The list contains the uploaded file names with a date and time of upload. The district should compare this list to the Required Submission list to ensure that all required documents have been submitted.
2. *Guidance*. This section contains two guidance files for the district to download.
    a. The first file is the guidance for applications for an expenditure increase (this document).
    b. The second file is a list of required submissions that constitute the application for an expenditure increase. The files uploaded in the expenditure increase application system must use the file names listed in this document. Files that are required to be in department-established format are listed in the Required Submission Templates section of the system.
3. *Required submission templates*. This section contains submission files that must be uploaded in the Department-established format. The district will download these files, complete all the requested information, and upload the files in the Department-established format. Note that the file names and formats must not be changed from the download version, or the file upload will not be accepted. This section contains only those files with a required format.
4. *Uploads*. This section will be used by the district to upload all the required submission files as listed in the Required Submissions guidance file. The uploaded files must use the file names and formats as listed in the Required Submissions guidance file. If a file name or format does not agree with the Required Submission list, it will not be accepted in the upload process. Select the button to choose a file, then select the file to be uploaded.

The file name will display next to the "Choose File" button. Click the "Upload" button to upload the selected file. Only one file may be uploaded at a time. All files uploaded as PDF document must be in a searchable PDF format.

In order to be considered, a district's application must be complete, appropriately titled, and in the prescribed format (where applicable).

Finally, to provide the Department sufficient time to conduct a thorough assessment, applications and supporting documentation must be submitted to the Department on or before April 14, 2025. District boards of education or district boards of school estimate may be required to submit additional documentation to the Department beyond what is specifically identified in the "Required Submissions."

Questions regarding the application process should be submitted to levy_incent@doe.nj.gov.

EXHIBIT N

STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION

Eligibility to Apply for Additional Expenditures Pursuant to Language Provision Included in Proposed FY 2026 State Budget

A language provision included in the proposed FY 2026 State Budget provides certain school districts the opportunity to apply to the Commissioner of Education (Commissioner) to increase expenditures, including an allocation of Tax Levy Incentive Aid, in order to satisfy the thoroughness and efficiency standards established pursuant to N.J.S.A. 18A:7F-46. Specifically, a school district is eligible to apply to the Commissioner if the district: 1) has an FY 2025 general fund tax levy that is less than its FY 2026 local fair share, as calculated pursuant to N.J.S.A. 18A:7F-52; and 2) is spending below adequacy as determined pursuant to N.J.S.A. 18A:7F-70.

Based on the Department of Education's review of the relevant data, your district is eligible to apply for this additional authority. If you are interested, you can find more detailed application information by selecting the "Expenditure Increase Application" on the NJDOE Homeroom portal. Enter the 4-digit LEA code in the district ID, then enter the username and password as assigned by the district Homeroom Administrator. Click the "Sign In" button to open the system.

Questions regarding the application process should be submitted to levy_incent@doe.nj.gov.

EXHIBIT O

State of New Jersey
DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

KEVIN DEHMER
Commissioner

April 4, 2025

Dr. Laura A. Winters, Superintendent
Lakewood Public Schools
200 Ramsey Avenue
Lakewood, NJ 08701

Re: Appointment of Assistant State Monitors to the Lakewood School District

Dear Dr. Winters,

As you are aware, the Commissioner issued a decision in July 2021, which ordered the New Jersey Department of Education (Department) to conduct "a comprehensive review of Lakewood's organization, structure, and policies to assess its compliance with quality performance indicators and to determine how it could improve its educational program." As a result, the Department retained an education consultant to complete a comprehensive review to provide updated information regarding the District's performance. The Comprehensive Report, issued on March 1, 2024, reviewed the following five areas: governance, curriculum & instruction, special education, finance, and transportation.

To address the fiscal concerns present in the district, the Department previously appointed a series of State Monitors to assess the fiscal and operational health of the District. However, it has become clear through the Comprehensive Report that more intensive and targeted supports are needed. Accordingly, and as part of the Department's ongoing efforts to remedy the education needs in the District, the Department intends to appoint additional staff to address the operational deficiencies identified in the Comprehensive Report.

Since transportation and special education costs account for more than half of the District's budget, the Department intends to appoint Assistant State Monitors, in accordance with *N.J.S.A.* 18A:7A-55, to make recommendations for improving policies and practices in these areas, with particular focus on increasing efficiencies with regard to the provision of transportation and special education services.

In addition, to address the findings and recommendations in the Comprehensive Report in the area of governance, including improving policy-setting and oversight of board practices with respect to business operations, the Department intends to appoint an Assistant State Monitor

to improve and increase local capacity in the area of governance as identified through the comprehensive review.

Once these individuals are appointed, we will provide further information about the scope of their responsibilities in assisting the district improve its fiscal and operational practices. We fully expect the District to cooperate with these individuals and to comply with the guidance and support provided to improve overall school district effectiveness.

Sincerely,

David F. Corso, Assistant Commissioner/CFO
Division of Finance and Business Services

KD/LC/DC/SP/sk
c: Kevin Dehmer, Commissioner
Laura Console, Chief of Staff
Samantha Price, Assistant Commissioner
Stephanie Kuntz, Director
Louise Davis, State Monitor

EXHIBIT P

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

State of New Jersey
DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

KEVIN DEHMER
Commissioner

June 18, 2025

Dr. Laura Winters
Lakewood School District
200 Ramsey Avenue
Lakewood, NJ 08701

Dear Dr. Winters,

This letter is to This letter is to inform you of the appointment of Ms. Kelly Lindenfelser to serve as the assistant state monitor for the Lakewood School District from **July 1, 2025,** through **June 30, 2026**. Enclosed is the new contract for Ms. Lindenfelser.

If you should have any questions concerning this appointment, please contact Stephanie Kuntz, Director, Office of State Monitors, at (609) 376-3839.

Sincerely,

Kevin Dehmer
Commissioner

KD/DC/sk
Enclosure
c: Dave Corso
Susan Naples
Kevin Campbell

New Jersey Is An Equal Opportunity Employer • Printed on Recycled and Recyclable Paper

EXHIBIT Q

State of New Jersey
DEPARTMENT OF EDUCATION
PO BOX 500
TRENTON, NJ 08625-0500

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

KEVIN DEHMER
Commissioner

June 18, 2025

Dr. Laura Winters
Lakewood School District
200 Ramsey Avenue
Lakewood, NJ 08701

Dear Dr. Winters,

This letter is to inform you of the appointment of Ms. Patricia A. Blood to serve as the assistant state monitor for the Lakewood School District from **July 1, 2025,** through **June 30, 2026**. Enclosed is the new contract for Ms. Blood.

If you should have any questions concerning this appointment, please contact Stephanie Kuntz, Director, Office of State Monitors, at (609) 376-3839.

Sincerely,

Kevin Dehmer
Commissioner

KD/DC/sk
Enclosure
c: Dave Corso
Susan Naples
Kevin Campbell

EXHIBIT R

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

State of New Jersey
DEPARTMENT OF EDUCATION
PO BOX 500
TRENTON, NJ 08625-0500

KEVIN DEHMER
Commissioner

July 9, 2025

Dr. Laura Winters
Lakewood School District
200 Ramsey Avenue
Lakewood, New Jersey 08701

Dear Dr. Winters,

This letter is to This letter is to inform you of the appointment of Ms. Ingrid Reitano to serve as the assistant state monitor for the Lakewood School District from **August 1, 2025,** through **July 31, 2026**. Enclosed is the new contract for Ms. Reitano.

If you should have any questions concerning this appointment, please contact Stephanie Kuntz, Director, Office of State Monitors, at (609) 376-3839.

Sincerely,

Kevin Dehmer
Commissioner

KD/DC/sk
Enclosure
c: Dave Corso
Susan Naples
Kevin Campbell

EXHIBIT S

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

State of New Jersey
DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

KEVIN DEHMER
Commissioner

November 14, 2025

Ms. Laura A. Winters
Chief School Administrator
Lakewood Township School District
200 Ramsey Avenue
Lakewood, New Jersey 08701

Mr. Moshe Bender
Board President
Lakewood Township School District
200 Ramsey Avenue
Lakewood, New Jersey 08701

RE: Corrective Action Plan To Address Findings And Recommendations In The Comprehensive Review

Dear Ms. Winters and Mr. Bender:

As you are aware, the Superior Court of New Jersey, Appellate Division, issued a published decision in the matter of *Alcantara v. Allen-McMillan*, wherein the Court held that the parties must ensure the Lakewood School District (District) "meets its obligations to protect, not continue to harm, the constitutional rights of … Lakewood public school children" and "navigate a timely path forward to guarantee and safeguard the right of all Lakewood schoolchildren to a thorough and efficient education."

As you are also aware, a Comprehensive Review of the District was previously ordered to "identify the root causes that led to the educational deprivations" of the public-school children in Lakewood. This Comprehensive Review was completed on March 1, 2024; however, instead of the District implementing any of the measures identified in the report to improve District operations, the District chose to challenge the validity of the report's findings via letter dated March 11, 2024. Consistent with the Appellate Division's decision, and to ensure there is a timely path forward to provide the students of Lakewood a thorough and efficient education, the District must take immediate steps to implement the recommendations in the Comprehensive Review.

Accordingly, the New Jersey Department of Education (Department) is directing the District to submit a plan **within thirty (30) days** of the date of this letter describing how the District has or will address the recommendations set forth in the Comprehensive Review. This expedited turnaround time is reasonable and necessary to avoid further delays as the District has had these recommendations for more than 18 months and providing students in Lakewood a thorough and efficient education is an urgent need. The plan should include, in detail, the specific action steps that will be taken to address each recommendation, the individual responsible for completing the action step, the timeframe for completion, and how progress will be tracked, measured and reported. If the District has taken steps to implement any of the above-mentioned recommendations, please describe, in detail, the remedial measures taken, the date the measures were implemented, and the current status of the recommendation.

The remedial plan shall address the following components identified in the Comprehensive Review in the areas of Governance, Curriculum and Instruction, Special Education, Finance, and Transportation (pages 22 through 30), as set forth below:

A. With respect to ***Governance,*** the plan shall detail efforts the District has made, to date, as well as what additional efforts the District will make on a going-forward basis to achieve the following recommendations set forth in the Comprehensive Report:

- Improve communications with internal and external stakeholders.
- Develop a strategic plan.
- Establish the roles, processes, and procedures for board meetings and board member participation.
- Develop a process for onboarding and exiting staff members.

B. With respect to ***Curriculum and Instruction***, the plan shall detail efforts the District has made, to date, as well as what additional efforts the District will make on a going-forward basis to achieve the following recommendations set forth in the Comprehensive Report:

- Adjust the entrance age for kindergarten students to align with state law.
- Update the administrative reporting structure to create efficiency and reduce the number of direct reports to the superintendent and create necessary leadership positions in Curriculum and Instruction and Pupil Services.
- Ensure curriculum development is a team approach and that scripts and pacing guides are consistent across the District.
- Perform a resource audit to ensure materials being used in the classroom are evidence-based and research-aligned, and update materials as necessary.

New Jersey Is An Equal Opportunity Employer • Printed on Recycled and Recyclable Paper

- Ensure all district-developed curriculum is aligned to the current NJ Student Learning Standards.
- Reassess the use of classroom walkthroughs to improve teacher and student performance.
- Perform a review of the differentiated supports for students.
- Ensure multilingual support techniques are offered across all grade levels.
- Improve access and communication about career pathways that exist for high school students.
- Review the current professional development plan and delivery to limit teacher time out of the classroom and create Professional Learning Community time.

C. With respect to ***Special Education***, the plan shall detail efforts the District has made, to date, as well as what additional efforts the District will make on a going-forward basis, to achieve the following recommendations set forth in the Comprehensive Report:

- Establish a clear plan for addressing the findings of significant disproportionality and disproportionate representation of racial/ethnic groups in special education.
- Investigate and evaluate the costs associated with creating programming in-District, as compared to the costs being spent on out-of-district placements.
- Adjust schedules at the building level to ensure students can participate with their typically developing peers to the maximum extent possible.
- Establish clear policies and procedures for parental involvement in the IEP development and review process.
- Ensure that IEP goals are specific, not generic, and are measurable and aligned to individual student needs.
- Reduce the amount of time special education teachers are pulled from classrooms where they are providing services.
- Ensure Augmentative and Alternative Communication (ACC) systems are in place in classrooms to support students who struggle with communication.
- Develop a process for both general education and special education teachers to maintain data sheets relative to academics and behavior.
- Review the use of consultants providing support in special education.
- Develop a process to ensure all students are included in student enrollment counts. Students should not be disenrolled from the District when placed in an out-of-district placement.

New Jersey Is An Equal Opportunity Employer • Printed on Recycled and Recyclable Paper

- Develop consistent policies and procedures for residency checks, as well as a system for tracking and reporting students.
- Create a professional development plan for teachers and paraprofessionals.
- Create a reporting and tracking system for nonpublic students being serviced across all nonpublic schools and consider bringing the management of equitable services back into the District rather than outsourcing it.

D. With respect to ***Finance***, the plan shall detail efforts the District has made, to date, as well as what additional efforts the District will make on a going-forward basis, to achieve the following recommendations set forth in the Comprehensive Report:

- Examine staffing inefficiencies and address accordingly to reduce costs.
- Review expenditures for the Board attorney to ensure that position is not being paid as a board attorney and for communication work.
- Develop a plan to shift to zero-based budgeting.
- Post all budget documents and reports in a single, publicly accessible, place on the District website.
- Maintain evidence of pre-payroll register and checklist.
- Maintain evidence of the monthly reviews of the cash flow statements with the State Monitor.
- Create a user-friendly budget.

E. With respect to ***Transportation***, the plan shall detail efforts the District has made, to date, as well as what additional efforts the District will make on a going-forward basis, to achieve the following recommendations set forth in the Comprehensive Report:

- Ensure there is sufficient separation between the District and the management of the Lakewood Student Transportation Authority (LSTA).
- Conduct a bus route analysis to identify inefficiencies and potential cost savings and bid tiered-routes as packages rather than individually.
- Improve data quality and reporting systems in transportation management.
- Analyze transportation staff salaries in comparison with other in-district operations in New Jersey and compare LSTA salaries with salaries at Coordinated Transportation Services Agencies (CTSA).
- Add student ID numbers for all nonpublic students in the District Report of Transported Resident Students (DRTRS).

- Create a systematic process for legal, procurement, and financial reviews to ensure that there are no errors when reviewing/processing bid documents.
- Explore status of funding sources, accounting practices, and other issues related to transportation to highlight inefficiencies and to determine potential areas for shifts in practice.
- Investigate the use of ESSER funds budgeted in FY23 ($14,043,275) for nonpublic transportation vs. learning initiatives.
- Ensure LSTA unused funds are being returned to the district and not used to offset salaries.
- Maximize the potential school tax rates each year.

Please send the response to the items identified herein to State Monitor, Louise Davis, at louise.davis@doe.nj.gov, on or before December 15, 2025. Based on the District's response, the Department will determine whether additional remedial measures should be implemented, including but not limited to, additional State oversight.

Sincerely,



Kevin Dehmer
Commissioner

KD/SP/hl
c: David Corso
Samantha Price
Stephanie Kuntz
Louise Davis

www.nj.gov/education
New Jersey Is An Equal Opportunity Employer • Printed on Recycled and Recyclable Paper

EXHIBIT T

Lakewood Board of Education
200 Ramsey Avenue, Lakewood, NJ 08701 Main Office: (732) 364-2400 Fax: (732) 905-3535

Dr. Laura A. Winters, Superintendent of Schools / **Kevin Campbell**, Business Administrator/Board Secy.
Kristie Sussino, Assistant B.A. /Assistant. Board Secy.

December 15, 2025

Kevin Dehmer
Commissioner, New Jersey Department of Education
P.O. Box 500
Trenton, NJ 08625-0500

RE: Corrective Action Plan in Response to the PCG Comprehensive Review Dated March 1, 2024

Dear Commissioner Dehmer:

I acknowledge receipt of your letter dated **November 14, 2025**. However, I must express significant concern regarding multiple assertions you presented, as they are factually inaccurate and mischaracterize the actions taken by the Lakewood School District.

Your letter states that:

> *"The Comprehensive Review was completed on March 1, 2024; however, instead of the District implementing any of the measures identified in the report to improve District operations, the District chose to challenge the validity of the report's findings via letter dated March 11, 2024."*

This statement is incorrect on several fronts:

1. The District received the PCG Comprehensive Review on March 1, 2024 and was afforded only ten (10) days to respond.
2. On March 7, 2024, the District formally notified the NJDOE of substantial concerns with the report, identifying numerous inaccuracies, unsupported conclusions, and opinions lacking factual, expert, or methodological justification.
3. On March 11, 2024, the District submitted a comprehensive response with specific evidence refuting the erroneous statements contained within the PCG review. This response was not merely a "challenge," but rather a factual correction of misleading information, submitted expressly to ensure accuracy and integrity in any decisions affecting the students and taxpayers of Lakewood.

It is deeply troubling that the District's obligation to correct demonstrably incorrect information is described as a refusal to implement improvement measures or as an alleged unwillingness to provide students with a "thorough and efficient education."

Lakewood Board of Education
200 Ramsey Avenue, Lakewood, NJ 08701 Main Office: (732) 364-2400 Fax: (732) 905-3535

Dr. Laura A. Winters, Superintendent of Schools / **Kevin Campbell**, Business Administrator/Board Secy.
Kristie Sussino, Assistant B.A. /Assistant. Board Secy.

To misstate the record in this manner is both misleading and inappropriate. The District has consistently and proactively worked to implement research-based, legally compliant, and fiscally responsible practices, while simultaneously protecting our students from the harm caused by inaccurate reporting and unsupported recommendations.

As clearly evidenced in the enclosed **Corrective Action Plan**, many of the cited recommendations were already implemented prior to March 1, 2024. In addition, concerns raised in your November 14, 2025 correspondence have been addressed with documentation, data, or established procedural action.

Respectfully, Lakewood should not be faulted for insisting on factual accuracy. Ensuring that decisions impacting children are based on valid data is not obstruction—it is responsible governance.

The District remains committed to achieving full transparency, maintaining compliance with state and federal requirements, and delivering a high-quality, *thorough and efficient* education to all students in Lakewood. We ask that the Department extend the same level of accuracy and fairness when referencing the District's actions.

If there are additional specific concerns not already addressed in our action plan, we request they be articulated in writing with supporting documentation so they can be responsibly reviewed and corrected where appropriate.

Respectfully,
Dr. Laura A. Winters

Dr. Laura A. Winters
Superintendent of Schools
Lakewood School District

c:

Kevin Campbell, Business Administrator
Members of the Board of Education
Louise Davis, State Monitor
Dave Corso, Assistant Commissioner of Education
Samantha Price, Assistant Commissioner of Education
Stephanie Kuntz, Director of State Monitors
Joshua Forsman, Esquire, General Counsel

Lakewood School District's

Response to Address the Findings & Recommendations made in the Comprehensive Review (PCG) dated March 1, 2024. as Directed by Kevin Dehmer, the Commissioner of Education on November 14, 2025

Dated: December 15, 2025

Lakewood Remedial Plan Letter (Nov 2025).pdf
PCG - Comprehensive Review - Dated March 1, 2024.pdf
Kevin Dehmer, PCG Response - March 7, 2024 LW.pdf
Response to PCG Comprehensive Review - FINAL - March 11, 2024 (1) (1) (1).pdf
Elizabeth Keenan - Review of the PCG Review.pdf
Elizabeth Keenan - Board Presentation on April 17 2024.pdf

BOOKMARKS:

Governance
Curriculum and Instruction
Special Education
Finance
Transportation

Dr. Laura A. Winters, Superintendent

GOVERNANCE					
NJDOE Comments Independent Report March 1, 2024	**District's Response & Status**	**Time Frame**	**Next Steps**	**Person Responsible**	**Evidence**
1. Improve communications with Internal and External stakeholders	Board approved Parent Liaisons in every school Ukrainian/Russian Parent Liaison and Hub on district website *Piner Press Monthly* is sent to all families, staff, & students via email, Social Media, & BOE text message Bilingual / ESL Monthly Newsletter sent to all staff. Special Education Parent Advisory Group Facilitator Board of Education Monthly Updates Bi-Weekly LEA Meeting with the Superintendent Monthly Grievance Committee Meeting Monthly Health Committee Meetings Monthly LEA meetings with building	Since 2010 2025-2026 2024-2025 2022-2023 Ongoing 2025-2026 Ongoing Ongoing Ongoing Ongoing	Continue to communicate with all stakeholders.	Superintendent	Scanned from a Xerox Multifunction Printer - 2025-11-17T164650.637.pdf Scanned from a Xerox Multifunction Printer - 2025-11-17T164639.234.pdf Scanned from a Xerox Multifunction Printer - 2025-11-17T164639.234.pdf Scanned from a Xerox Multifunction Printer - 2025-11-17T164627.463.pdf Piner Press #4 English Piner Press #4 Spanish 2025 November

	principals Monthly Climate & Culture Meetings with Principals Various Parent / Student Events at Each School Parent Academy and Latino Family Literacy Project programs	 Ongoing Ongoing Ongoing since 2018			Bilingual ESL & World Languages Newsletter.pdf Board Updates - November 5, 2025.pdf ECAC flyer Parent training flyer BOE agenda (p. 18) Flyer
2. Develop a Strategic Plan	2025-2028 Strategic Plan 2025-2026 Superintendent's Goals	2025-2028 Ongoing	Continue to work towards goals as outlined.	Superintendent	2025 - 2028 Strategic Plan.pdf 2025-2026 Superintendent's Goals & Objectives August 20 2025.pdf 2024-2025 Goals, Vision & Mission of LPS.pdf 2022-2023 District Goal Presentation - August 10, 2022.pdf
3. Establish the roles, processes and procedures for board	District Policy # 0164 Updated on November 12, 2025	2025-2026	Continue to work with Board members on process and	Board Secretary	NJSBA Training has been scheduled for January 7, 2025 at

meetings and board member participation	Work with Board members on process and procedures for Board participation		procedures for Board participation. Schedule additional training. January 2026 - Presentation on Special Education / LRE February & March of 2026 - Highlighting Special Education Programs (In-House)	Assistant Board Secretary Superintendent	7:30 p.m. on Ethics & Roles and Responsibilities Policy 0164 - FINAL - Conduct of Board Meeting.pdf
4. Develop a Process for onboarding and exiting staff members.	All new hires are processed through the Human Resource Manager. New employees cannot start until all paperwork is received and approved by HR. Exiting staff members are released as per their contract. An Exit survey is sent to all staff.	Ongoing	Continue to follow all onboarding and exiting procedures.	Human Resource Manager Business Administrator Assistant Business Administrator	10-18-2023 Super #3 - Corrective Action Plan - Criminal Background.pdf Exit Survey Feedback Emails (1).pdf

CURRICULUM AND INSTRUCTION					
NJDOE Comments Independent Report March 1, 2024	**District's Response & Status**	**Time Frame**	**Next Steps**	**Person Responsible**	**Evidence**
5. Adjust the entrance age for Kindergarten students to align with State law.	The district will change the entrance age for Kindergarten students from December 31st to October 1st for the 2026-2027 school year.	Introduce change in 2025-26. Implement change in 2026-27.	December 10, 2025 - The district will submit Board of Education approval for Policy #5112. Parents will be notified immediately of the change via a letter from the Superintendent via BOE text.	Superintendent	Policy 5112 - FINAL - Entrance Age_Decemb 2025.pdf Parent Guardian Letter Regarding Entrance Age_Policy 5112_December 12, 2025.pdf

6. Update the administrative reporting structure to create efficiency and reduce the number of direct reports to the Superintendent and create necessary leadership positions in Curriculum and Instruction and Pupil Services.	The Organizational Structure for the 2025–2026 school year strategically reduced the number of direct reports to the Superintendent to improve operational efficiency, strengthen accountability, and align with best practices for effective district leadership. To ensure high-quality teaching, learning, and pupil support, the Superintendent collaborates with instructional and student service leaders through a structured reporting model, which has proven to be effective: *Curriculum & Instruction:* Curriculum Supervisors meet with the Superintendent at least once per month, and more frequently when instructional needs, assessment data, or programmatic changes require expedited collaboration. These focused sessions allow for monitoring curriculum implementation, reviewing instructional outcomes, and aligning professional development with district goals. *Pupil Services & Special Education:* The Superintendent meets regularly with the Supervisor of Child Study Teams, Supervisor of Special Education, Supervisor of Related Services, and Supervisor of Early	2025-2026	Continue to strategically reduce the number of direct reports to the Superintendent as vacancies arise through retirements, resignations, and attrition.	Superintendent	See attached organization charts from 2024-2025 and 2025-2026 Organizational Chart-2025-2026 Revised & BOE Revision 12-10-2025 (1).pdf Organizational Chart-2024-2025 Revised & BOE Revision 9-25-2024 (3).pdf Curriculum Agenda Samples below: Agenda - Curriculum Meeting - November 12 2018.pdf Agenda - Curriculum Meeting 01.09.17.pdf Agenda - Curriculum & Instruction - April 29, 2025.pdf Meeting Schedules: 2024-2025 Curriculum & Instruction Meetings

	Childhood Education. These meetings ensure proactive planning related to student services, individualized program needs, compliance preparation, and due process matters, while strengthening interdisciplinary communication. This streamlined reporting structure reflects national best practices in school district leadership, fostering systems-level collaboration to support improved student achievement, operational accountability, and strategic oversight.				October of 2024.pdf 2025-2026 Curriculum & Instruction Meetings July 18, 2025 UPDATED.pdf 2022-2023 Curriculum & Instruction Meetings.pdf 2017-2018 Walkthrough, Leadership & Business Operation Meeting Schedule.pdf Special Education Meeting Schedules for the Year: 2024-2025 Special Education Meeting Schedule August 23, 2024.pdf 2025-2026 Special Education Meeting Schedule July 18, 2025.pdf 2022-2023 Special

					Education Meeting Schedule July 23, 2022.pdf Sampling of Special Education Agendas: Agenda - Special Education leadership Meeting - November 29 2022.pdf Agenda - Special Education Leadership Team - February 3, 2023 (1).pdf Agenda - Special Ed Leadership Team October 24 2025.pdf
7. Ensure curriculum development is a team approach and that scripts and pacing guides are consistent across the district.	District curriculum teams meet for the following purposes: write curriculum, review/revise curriculum; adjust pacing guides; collect and provide feedback, and make suggestions for revisions. Soft scripts and pacing guides have been consistent and uniform within grade levels. The new district/school-level reorganization will enhance alignment and communication around	Ongoing since at least 2016	Continue to meet regularly with curriculum teams. Continue to provide teachers with soft scripts and pacing guides that are consistent across the	Curriculum Supervisors Superintendent	Meeting Minutes/Notes Gr. 3 Curriculum Team Meeting Notes, 02/09/23 First Grade ELA Curriculum Team Meeting Minutes Nov. 18, 2024

	their use.		district.		ESL Curriculum Team Notes (1-25-24) K-1 Math Curriculum Committee Sign-In (6-4-24) K-1 Math Curriculum Committee Notes (6-4-24) 2-6 Math Curriculum Committee Notes (6-4-24) Grade 6 Sample Math Lesson Sample Math Pacing Guide Sample Preschool Teaching Guide Sample Preschool Lesson Plan
8. Perform a resource audit to ensure materials being used in the classroom are evidence-based and research-	The district conducted a limited resource audit during the 2024-2025 school year. The district will conduct a comprehensive audit as needed to	Ongoing	Resource audits will be conducted for each core content area from grades K-12 as needed.	Curriculum Supervisors	K-2 ELA Curriculum Audit 3-5 Curriculum Audit Case Study Report:

aligned, and update materials as necessary.	ensure materials are evidence and research-based.				CommonLit 360 at LMS 2024-2025 TEXTBOOK INVENTORY, KINDERGARTEN - GRADE 12 2025-2026 TEXTBOOK INVENTORY, KINDERGARTEN - GRADE 12 Preschool Committee Copy NJ Approved Preschool Curriculum
9. Ensure all district-developed curriculum is aligned to the current NJ Student Learning Standards.	QSAC Reports confirm that the district-developed curriculum is aligned to the NJSLS. The current curriculum reflects the latest updated NJSLS and state mandates.	Ongoing	Continue to ensure that the district-developed curriculum is aligned with the NJSLS.	Superintendent	QSAC Chart for 2023 lw.pdf New-Jersey-Birth-5-to-GOLD-4.18.17.pdf

10. Reassess the use of classroom walkthroughs to improve teacher and student performance.	Classroom walkthroughs conducted by both building and district administrators are essential to ensuring that every student has access to a highly effective teacher. These informal observations allow administrators to monitor instructional quality, assess the implementation of curriculum, and identify trends in student engagement and learning. National best practices support the use of structured classroom walkthroughs as a continuous improvement tool to: Provide timely, actionable feedback to teachers. Strengthen instructional consistency across grade levels and content areas. Identify professional development needs based on real-time instructional data. Promote a culture of shared accountability for teaching and learning. Ensure that instructional decisions are aligned with district priorities and student achievement goals. The district will continue to use classroom walkthroughs as a	Ongoing	Continue to ensure that classroom walkthroughs are conducted consistently to strengthen instruction and enhance student learning outcomes.	Superintendent	Classroom Walkthroughs.pdf 2025-2026 Walkthroug Form Template.pdf

	collaborative, data-driven approach to elevate instructional practices and improve academic outcomes. This strategy reinforces our commitment to quality teaching and to ensuring that every student receives rigorous, appropriate, and engaging instruction every day.				
11. Perform a review of the differentiated supports for students.	The Lakewood School District has established a comprehensive, research-based Multi-Tiered System of Supports (MTSS) designed to ensure that all students receive differentiated, data-driven interventions in the areas of academics, social-emotional/behavioral development, and attendance/absenteeism. This system reflects national best practice and is aligned with NJDOE guidance, federal IDEA expectations, and effective school improvement frameworks. **1. Academic MTSS Supports** The District has implemented a cohesive academic tiered system that provides: **Tier I – Universal Instruction**	Ongoing	To further enhance the comprehensive tiered system currently in place and ensure that all academic, behavioral, social emotional and attendance supports are effectively implemented, the District will take the following next steps: **Engage an MTSS Consultant to Conduct a Districtwide Audit** Contract with a qualified MTSS expert to perform a thorough review of all differentiated supports currently offered	MTSS Director	Preschool Children With Disabilities - Teaching Strategies.pdf Support Children with Disabilities V.6 FINAL MTSS Three Part Workflow 25-26 SY.pdf 2025-2026 MTSS Academic, Behavioral Health & Wellness & Attendance.pdf

	High-quality, standards-aligned instruction for all students. Universal screeners administered three times annually to identify strengths and gaps. Core curriculum aligned to NJSLS, with ongoing professional development for staff. **Tier II – Targeted Small-Group Interventions** Evidence-based interventions provided in small groups to students identified as needing supplemental support. Regular progress monitoring every 2–3 weeks to determine the effectiveness of interventions. Collaborative data-team meetings to analyze academic performance trends. **Tier III – Intensive Individualized Interventions** One-to-one or very small-group interventions for students demonstrating significant academic gaps. Increased frequency of progress		across Tier I, Tier II, and Tier III. The audit will include analysis of instruction, interventions, data systems, staffing structures, progress-monitoring tools, and fidelity of implementation. **Develop a Comprehensive Report of Findings and Recommendations** The Consultant will provide a detailed written report outlining areas of strong practice as well as opportunities for improvement. Recommendations will include additional evidence-based interventions, staffing considerations, enhanced progress-monitoring systems, and improved alignment between general education,		

	monitoring and individualized plans driven by student data. Close collaboration between interventionists, teachers, Child Study Team members, and administration. **2. Social-Emotional & Behavioral MTSS Supports** A districtwide SEL/Behavior MTSS framework has been created to proactively support student well-being and positive behavior: **Tier I – Universal Supports** School wide Code of Character, Conduct, and Support with clear expectations. Restorative practices and trauma-informed strategies used across all schools. SEL lessons embedded into classroom routines and behavior expectations taught explicitly. **Tier II – Targeted Supports** Check-In/Check-Out systems, social skills groups, and small-group counseling. Restorative circles facilitated by		Special Education, ESL, and counseling services. The report will also highlight ways to streamline processes, reduce redundancy, and ensure equity of access to supports across all schools. **Expand and Strengthen Differentiated Supports for Students** Based on audit findings, the District will implement additional targeted and intensive supports in academics, social-emotional development, behavior, and attendance. This may include new intervention programs, expanded SEL curricula, improved attendance monitoring		

	trained school-based support staff. Referral processes for targeted interventions based on behavioral data patterns (e.g., office discipline referrals, teacher referrals). **Tier III – Intensive Supports** Individualized Behavior Intervention Plans Intensive counseling supports through school counselors, SACs, and social workers. Wraparound and crisis services. **3. Attendance & Chronic Absenteeism MTSS Supports** The District has created and implemented a robust tiered framework to address absenteeism: **Tier I – Universal Prevention** Clear attendance expectations communicated to all families. Daily attendance monitoring and early outreach to reinforce the importance of regular attendance. School-wide incentives and recognition programs to encourage		procedures, enhanced restorative practice structures, and refined Tier II/Tier III systems. Building-level MTSS teams will receive professional development to improve data-based decision making and intervention fidelity. **Strengthen the Role of School-Based MTSS Teams** Ensure each school's MTSS Team regularly reviews student data, monitors interventions, and makes timely decisions about student movement between tiers. Implement standard MTSS documentation tools districtwide to ensure consistency and transparency. Increase collaboration among academic,		

	strong attendance habits. **Tier II – Targeted Intervention** Personalized attendance action plans for students showing emerging attendance concerns. Staff-initiated parent meetings, home contacts, and supportive conferences. Collaboration with counselors, SACs, and building administrators. **Tier III – Intensive Intervention** Case management for students with chronic absenteeism.		SEL/behavior, and attendance teams to provide integrated, student-centered support. **Monitor Progress and Adjust Supports as Needed** Establish an ongoing cycle of data collection, review, and reflection. Conduct quarterly progress checks on the MTSS system's effectiveness, including student outcomes, intervention fidelity, and staff feedback. Adjust programs, interventions, and processes annually based on data and consultant recommendations.		

12. Ensure multilingual support techniques are offered across all grade levels.	SIOP and SEI training has been provided by the district since at least 2016 Bilingual, ESL, and SEI classes are provided at all grade levels and all schools The district employs ML Instructional Coaches at the elementary and secondary levels to support teachers with ML strategies and techniques Common PLC time for bilingual and ESL teachers The consolidation of elementary schools for the 2025-2026 SY has allowed for consolidation of services	Ongoing	Continue to provide SEI/SIOP training each year Continue to provide support for teachers through instructional coaching and professional development Tier 3 Intervention services have expanded to include an in-person delivery model for ELP level 1 and 2 bilingual ML students in the 2025-2026 SY	Bilingual / ESL Supervisor	Preschool Teacher PD Strategies for Multilingual Learners with The CReative Curriculum for Preschool.pdf Preschool Para PD Strategies to Support Multilingual Learners ML Resources for Teachers Supporting MLs in Secondary Content Classes (Teacher Resources)
13. Improve access and communication about career pathways that exist for high school students.	Lakewood High School has expanded its guidance resources and increased its hands-on exposure through the guidance counselors, CST team, and the College and Career Counselor Advisor. Lakewood High School's plan includes, but not limited to, providing students and families with clear, consistent information about available pathways such as the CTE programs, dual enrollment, apprenticeships and credential opportunities are offered beginning in 9th grade. Lakewood High School offers regular	Ongoing	Continue to improve access and communication about career pathways that exist for High School Students	High School Principal	Lakewood High School Program of Studies Handbook Sample Pathways Letter to Parents (English) Sample Pathways Letter to Parents (Spanish) Perkins Course / Pathway - 21st Century Life and

	informational sessions, career fairs, and parent workshops, which make sure that counselors, teachers, and support staff are aligned in sharing the same messages. Using multiple communication platforms (school website, social media, newsletters, Honeywell alerts, and classroom visits) we ensure that all families, including multilingual families, receive accessible information. Finally, continued partnerships with local businesses, colleges, trade unions, military branches, and community organizations helps students understand the full range of options and see real world connections between coursework and careers.				Career Program 2025-26 Lakewood High School Perkins Classes and Video Military, police, law enforcement visits high school throughout school year (monthly) Vocational School Fair (here students can meet teachers, see student work, and learn about pathways (Spring) Special Education Job Fair (Spring) After School Clubs (CTE) T, W, Th Providing classroom presentations by counselors regarding CTE programs offered throughout school year 9th Grade Student Orientation including CTE programs during freshmen orientation

					to explain available pathways and program expectations. Beginning earlier this year the high school ran career interest surveys to elicit student interests, send newsletters, emails, and digital brochures highlighting CTE options, certifications, and success stories to students and families. Organize campus visits to CTE labs (engineering, culinary, health, etc.) so students can see equipment and meet instructors. Bring in guest speakers which increases student-awareness of career fields and real-world application (supported by Perkins).

					Use social media and school websites to feature CTE student achievements, competitions, and pathway descriptions. Hold parent information nights about CTE opportunities, certifications, and post-secondary pathways. Collaborate with school counselors to provide one-on-one scheduling guidance so students understand how to enter or continue in pathways.
14. Review the current professional development plan and deliver to limit teacher time out of the classroom and create Professional Learning Community time.	Professional development has been restructured so that it primarily takes place during non-instructional time. The Lakewood School District follows all contractual timelines. As per the LEA contract: *"Teaching staff members must*	Ongoing	The District will continue to limit teacher time out of the classroom and create Professional Learning Community time.	Superintendent Curriculum Supervisors Principals	Preschool SSS PLC Schedule 2025-2026 2025-2026 Mandatory Safe Schools Training.pdf 2025-2026 First three

	participate in Professional Leaming Communities (PLC) during their prep time at least six (6) times per month whether they are asked to work with the Literacy Coach, Math Coach, Assistant Principal, Principal, Master Teacher, Teacher Leader or asked to work with their grade level peers. These meetings will be held in the months of October through May and scheduled as follows: One (1) meeting during the first and third week of the month. Two (2) meetings during the second and fourth week of the month. This is in addition to afterschool Professional Development."				days of School LW.pdf 2022-2023 First Three Days of School Schedule.pdf 2022-2023 Mandatory Safe Schools Training.pdf District PDP 2023-2024 District PDP 2024-2025 District PDP 2025-2026

SPECIAL EDUCATION					
NJDOE Comments Independent Report March 1, 2024	**District's Response & Status**	**Time Frame**	**Next Steps**	**Person Responsible**	**Evidence**

15. Establish a clear plan for addressing the findings of significant disproportionality and disproportionate representation of racial/ethnic groups in special education.	The District's response to the disproportionality notice was both immediate and thorough. With regard to the findings related to discipline of Black students and the less-than-40% attendance rate of Hispanic students, the District implemented targeted corrective measures that resulted in no disproportionality in either area for the current school year. The disproportionality indicator involving White students receiving special education services is a statistical outcome that the District cannot directly correct because the denominator used by the State does not reflect the actual student population of Lakewood. The public-school enrollment is significantly smaller than the nonpublic-school enrollment of more than 50,000 students, almost all of whom are White and receive early intervention support funded through State and Federal allocations (e.g., Comp Ed, SI, IDEA). While many students benefit from these services, the most significantly impacted students requiring intensive special education and related services ultimately attend the Lakewood School District, as these services are not available in nonpublic schools. Consequently, this reality results in an artificially elevated proportion of White	Ongoing	White separate settings findings of disproportionality is unique to Lakewood and there is no amount of CCEIS funds that can solve this issue unless the NJDOE calculates significant disproportionality based on Lakewood's total student population. Continue ongoing monitoring and reviewing	Supervisor of CST Supervisor of Special Education Supervisor of Related Services Child Study Teams	**NJDOE CCEIS Plan 2024-2025 (1).pdf** Lakewood-Rutgers Equity Lab Tier One Special Education Monitoring Closeout NJDOE CCEIS Plan Culturally Responsive Practices Learning Strategies to Reach all Learners Dispropo Training and Technical Assistance

	students classified and served in more restrictive settings in the public district. To strengthen our understanding and responses to disproportionality, the District took proactive professional development steps. District Supervisors participated in a comprehensive three-part, cohort-based training series on disproportionality delivered by Dr. Ed Fergus at Rutgers University. In addition, the District attended all mandated NJDOE webinars and successfully demonstrated compliance during the targeted review.				
16. Investigate and evaluate the costs being spent on out-of-district placements.	The district restructured and reorganized buildings allowing for the Preschool program to be moved out of trailers (which could not service a wide array of challenges) and moved to a new building. The move has allowed the district to service a wide profile of students with more intense needs. In addition, ongoing training for CST is	Ongoing		Business Administrator Supervisor of Special Education Supervisor of CST	February 19, 2025-Board Executive & Public Agenda for In-Person Meeting (3).pdf Lakewood Reconsideration 2022-2023 (2) (4).pdf

	held monthly to discuss district options and to allow for more students to be educated in district.			Supervisor of Early Childhood Supervisor of Related Services	
17. Adjust schedules at the building level to ensure students can participate with their typically developing peers to the maximum extent possible.	The district continues to ensure that students participate with their typically developing peers to the maximum extent possible. Sample student schedules demonstrate inclusion during electives, specials, and lunch. In addition, the district is promoting inclusive opportunities to the maximum extent appropriate, as evidenced in the LRE logs.	Ongoing	Continue to promote Inclusive opportunities to the maximum extent appropriate. Continue to hold data meetings with our SE coaches and teachers to review student data / progress and identify potential inclusive opportunities.	Principals Supervisor of Special Education	Sample schedule Sample Schedule Sample Schedule Sample Schedule Sample Schedules
18. Establish clear policies and procedures for parental involvement in the IEP development and review process.	Per Child Procedural Manual *Expectations for Child Study Team Members And Child Study Team Secretaries* the Child Study Team Secretaries notify parents of meetings with written notice via email and/or regular mail. Additionally, Child Study Team Secretaries phone parents to schedule meetings and remind parents of scheduled meetings at least 2 days prior to the meetings.	Ongoing	Continue to ensure that policies and procedures for parental involvement in the IEP development and review process are a priority by reviewing procedures at monthly Child Study Team Meetings. Continue to update	Supervisor of Child Study Team	Special Services Staff Manual Guidance on Additional Annual IEP Meeting Notice Requirements Child Study Team Agenda September 3, 2025 Guidance on Additional Annual IEP Meeting Notice

	The District implemented the practice that parents are allotted 2 no-shows or reschedules. After which, the Supervisor of the Child Study Teams will be notified and will have a hand delivery to contact the parent for the 3rd rescheduled meeting. In September 2025, per *Guidance on Additional Annual IEP Meeting Notice Requirements* the District implemented sending PLAAFPs to parents 2 days prior to the meeting. The District will continue to utilize monthly SEPAG meetings to ensure parents are aware of the importance of their role parental involvement in the IEP development and review process.		and review the Procedural Manual *Expectations for Child Study Team Members And Child Study Team Secretaries* with the Child Study Team. The information will be reviewed with the Child Study Team at the December 2025 monthly CST meeting. The Procedural Manual *Expectations for Child Study Team Members And Child Study Team Secretaries* the Child Study Team Secretaries will be updated. Continue to collaborate with the SEPAG facilitator regarding policies and procedures for parental involvement in the IEP development and review process.		Requirements SEPAG Flyer 2023-24 SEPAG Flyer 2024-25

19. Ensure that IEP goals are specific, not generic, and are measurable and aligned to individual student needs.	The District provides ongoing PD to assist teachers in developing IEP goals that are specific, and aligned to individual student needs. The District utilizes Goalbook as a resource to support teachers in writing IEP goals that are specific and measurable. The District established an IEP review committee.	Ongoing	The District will continue to provide support to teachers to help ensure IEP goals are specific and measurable.	Principals Supervisor of Special Education	IEP Training- Best Practices Goalbook Resource
20. Reduce the amount of time special education teachers are pulled from classrooms where they are providing services.	The District continues to ensure that SE teachers are not pulled from classrooms. The District provides building subs to ensure coverage.	Ongoing	Continue to evaluate staffing and coverage needs.	Principals	
21. Ensure Augmentative and Alternative Communication (ACC) systems are in place in classrooms to support students who struggle with communication.	The District has a Speech Therapist with expertise specifically in AAC and has developed that students who struggle with communication are evaluated and provided AAC systems.	Ongoig	Continue to evaluate the communication needs of students and provide AAC systems to include low tech and high tech based on student's individualized needs.	Supervisor of Related Services	**AAC Visuals** 

					
22. Develop a process for both general education and special education teachers to maintain data sheets relative to academics and behavior.	Teachers/administrators maintain academic and behavioral data in Realtime and eduCLIMBER Teachers maintain behavior data sheets for students with targeted behaviors or replacement skills outlined in the IEP. The District administers the VB-MAPP Milestones and Barriers Assessment a minimum of three times per year to monitor progress and identify gaps in foundational language, learning, social, and academic skills.	Ongoing	The district will continue to collect data to determine students strengths and weaknesses and plan interventions accordingly. Based on VB-MAPP results, teachers and the BCBA will continue to develop individualized Discrete Trial Training (DTT) programs targeting skill deficits. Teacher and BCBA will continue to collaboratively review graphs to determine next steps for students.	Supervisor of MTSS Principals	Sample Data sheets and graphs **Sample Development and Learning Report** **Sample Individual Child Report** eduCLIMBER Interactive district-level to whole-child data management that strengthens MTSS implementations, including student need identification and intervention effectiveness eduCLIMBER Student Data Profile Summary

					eduCLIMBER Class Data Wall Incident Data Sheet
23. Review the use of consultants providing support in special education.	The district reviews the use of consultants and employs consultants when specific expertise is needed.	Ongoing	The District will continue to employ consultants when specific expertise is needed.	Superintendent Supervisor of Special Education	
24. Develop a process to ensure all students are included in student enrollment counts. Students should not be disenrolled from the District when placed in an out-of-district placement.	The District has not disenrolled students placed in NJ Approved Private Schools for the Disabled.	Ongoing	The district will continue to not disenroll students placed in NJ Approved Private Schools for the Disabled.	Director of Technology Central Registration	
25. Develop consistent policies and procedures for residency checks, as well as a system for tracking and reporting students.	As per District Policy, Residency checks are conducted annually via Central Registration	Ongoing	The District will continue to conduct Residency Checks as per District Policy	Central Registration Business Administrator	Policy 5111 - RESIDENCY UPDATED June 19, 2024 lw (2).pdf
26. Create a professional	The District creates a Professional Development Plan each summer for	Ongoing	The District will continue to create	Superintendent	2025-2026 First three days of School

development plan for teachers and paraprofessionals.	the upcoming school year.		Professional Development Plans for teachers and Paraprofessionals		LW.pdf 2025-2026 Mandatory Safe Schools Training.pdf 24-25 PDP.pdf 25-26 PDP.pdf 23~24 PDP.pdf
27. Create a reporting and tracking system for nonpublic students being serviced across all nonpublic schools and consider bringing the management of equitable services back into the district rather than outsourcing it.	The Grants Department maintains a tracking system for nonpublic students being serviced across all nonpublic schools who receive grant-funded services.	Ongoing	Continue to maintain and update nonpublic school student-data and discuss ways to manage equitable services in-district instead of through outsourcing.	Director of Grants Business Administrator Assistant Business Administrator	Sample: Copy of 24/25 Services

FINANCE					
NJDOE Comments Independent Report March 1, 2024	**District's Response & Status**	**Time Frame**	**Next Steps**	**Person Responsible**	**Evidence**
28. Examine staffing inefficiencies and address them accordingly to reduce costs.	The district closed three school locations on June 30, 2025 (EGC, Piner &LECC) and has greatly reduced staff over the past three years based on lower enrollment numbers and student need. See chart attached. **School closures:** Ella G. Clarke School Piner Elementary School LECC, Campus 1, 2 & 3	Approved by the BOE in February of 2025 Staff Reductions approved by the Board in April of 2025 Implemented for the 2025-2026 School Year	Continue to identify and address staffing inefficiencies in order to reduce operational costs while maintaining the highest standards of teaching and learning for all students.	Superintendent	Staff Reductions Chart: **Staff Efficiency Chart.pdf**
29. Review expenditures for the Board attorney to ensure that the position is not being paid as a board attorney and for communication work.	The Business Administrator & In-House Counsel (2025) reviews all Attorney bills/invoices. Payment is not made to any Attorney for Communication work.	Ongoing	The District will continue to review expenditure for the Board Attorney in order to ensure compliance.	Business Administrator	10-22-2025 Super Appointments f #2 - Joshua Forsman Esq.pdf 10-22-2025 Super #106 - Kenny, Gross

			The District hired in-house General Counsel on October 22, 2025. In-house General Counsel started on November 10, 2025 Attorney Log will be utilized for outside counsel		- Litigation.pdf Attorney Log
30. Develop a plan to shift to zero-based budgeting.	The district already follows a budgeting approach that reflects zero-based budgeting principles. Each year, budget development begins by identifying the anticipated costs for major operational areas such as transportation, tuition, athletics, and facilities based on projected, documented needs rather than prior-year allocations. Once these core expenses are analyzed, the district reviews Fund 15 and works to determine school-level needs from the ground up. This process ensures that budget decisions are based on current requirements and priorities rather than automatic rollovers.	Ongoing	Continue utilizing zero-based budget principles when creating the budgeting	Business Administrator	

31. Post all budget documents and reports in a single, publicly accessible, place on the District website.	Budget documents are posted on our Homepage under district information.	Ongoing	Continue to post Budget Documents on the DIstrict's website.	Business Administrator Director of Technology	Homepage
32. Maintain evidence of pre-payroll register and checklist.	The district has an established process for maintaining required payroll documentation. A standardized payroll checklist is completed and signed off for each payroll cycle, attached to the corresponding payroll documentation, and uploaded to FileBank for recordkeeping. Beginning in the 2024–2025 school year, the district also generates a pre-payroll check journal for every pay period, reviews it for accuracy, and saves the file as part of the payroll documentation process.	Ongoing	Continue to utilize current processes	Payroll Manager Payroll Coordinator	Payroll Checklist Payroll Check Journal (This is the final page with signature and redacted employee info)
33. Maintain evidence of the monthly reviews of the cash flow statements with the State Monitor.	The Business Office creates a weekly cash flow report that is shared with the State Monitor and NJDOE.	Ongoing	Continue to create weekly cash flow reports that are shared with the State Monitor and NJDOE	Business Administrator	Cash Flow Projecton 2024-2025 (9).xlsx
34. Create a user-friendly budget.	A User Friendly Budget is created every year and posted on the district website	Ongoing	Continue to create User Friendly budgets each year and post them on the district website.	Business Administrator	User Friendly Budget 5-7-24.pdf

TRANSPORTATION					
NJDOE Comments Independent Report March 1, 2024	**District's Response & Status**	**Time Frame**	**Next Steps**	**Person Responsible**	**Evidence**
35. Ensure there is sufficient separation between the district and the management of the Lakewood Student Transportation Authority (LSTA)	The district no longer utilizes the Director of the LSTA as a Transportation Consultant.	2024-2025	The district will continue to maintain appropriate separation from the LSTA management.	Superintendent	The LSTA Director was not renewed to consult with the District after June 30, 2024.
36. Conduct a bus route analysis to identify inefficiencies and potential cost savings and bid tiered-routes as packages rather than individually	Each year, the Transportation Manager conducts a comprehensive review and cost analysis of all public school bus routes and bids them in alignment with state procurement requirements and industry standards. Route bidding is intentionally structured to maximize competition, reduce costs, and ensure continuity of service for students. While tiered, package-based bidding has been explored in previous years, data and experience demonstrated that this approach is not cost-effective for the District. Bundling routes into	Ongoing	For the 2026-2027 school year the district's transportation department will bid two separate bid packages- one tiered and one individual to see which comes back more cost effective.	Transportation Manager Business Administrator	MOESC routes have been greatly reduced due to the excessive costs and administrative fees. **2023-2024** $1,423,821.83 **2024-2025** $148,939.38 **2025-2026** $11,564.91 **BIDT02-**

	multi-tier packages limits vendor participation, discourages smaller transportation companies from bidding, and ultimately reduces competitive pricing. Reduced competition directly increases costs and limits the District's ability to adapt routes as student needs change. Instead, bidding individual routes supports best practices in school transportation**,** particularly in districts with a transient or fluctuating student population. Individual route bidding: Increases vendor participation, leading to more competitive pricing. Allows greater flexibility to adjust routes annually based on student needs. Prevents vendor monopolies and protects the district from cost escalation. Supports equitable access to bidding for larger and smaller companies. The District will continue to conduct annual route analyses and bid routes to ensure cost efficiency, operational flexibility, and equitable access to transportation services for all students.				**2526FINAL.pdf** **BIDT05-2526FINAL.pdf** **BIDT03-2526FINAL.pdf** **BIDT01-2526FINAL.pdf**

37. Improve data quality and reporting systems in transportation management	The Transportation Manager maintains meticulous records. The District is in the process of implementing a new routing and software system which will improve the efficiency in Transportation for the 2026-2027 school year.	Ongoing	Implement the new Traversa System for the 2026-2027 School Year.	Transportation Manager Business Administrator Assistant Business Administrator	Traversa Implementation P.O's.pdf
38. Analyze transportation staff salaries in comparison with other in-district operations in New Jersey and compare LSTA salaries with salaries at Coordinated Transportation Agencies (CTSA)	The district will be reorganizing the Transportation Department in December of 2025, reducing the number of Transportation Managers.	2025-2026	The Transportation Manager will conduct a review of comparable districts, which will include the number of transportation staff employed, the number of students served and salaries. LSTA employee information is not available to the district. The district has no control over LSTA employees and/or salaries of employees.	Superintendent Business Administrator Assistant Business Administrator	As of December 1, 2025, the Transportation Department has 4 staff members: Transportation Manager Assistant Transportation Manager Routing Coordinator Transportation Compliance Officer
39. Add student ID numbers for all nonpublic students in	Nonpublic Students do not have ID Numbers.	N/A	N/A	N/A	DRTRS Manual: 2025-2026 DRTRS_TECHNICA

the District Report of Transported Resident Students (DRTRS)	**Page 21 of the 2025-2025 DRTRS Manual states:** Student Identification Number (SID) Enter the student's 10-digit SID number assigned by the Department of Education. NOTE: This number will stay with the student as the student moves from school to school and school district to school district. DO NOT use a local district identification number in this field. Nonpublic school students **are not** issued SIDs so this field **must** be left blank.				L_MANUAL.pdf
40. Create a systematic process for legal, procurement, and financial reviews to ensure that there are no errors when reviewing/processing bid documents.	The Transportation Department reviews all bids,procurement and financial reviews with the Purchasing Manager and Business Administrator	Ongoing	The Transportation Department will continue to review bids, procurement and financial reviews with the Purchasing Manager and Business Administrator	Business Administrator	
41. Explore status of funding sources, accounting practices, and other issues related to transportation to	The Transportation Department reviews funding sources and highlights inefficiencies with the Business Administrator each year.	Ongoing	The Transportation Department will continue to review funding sources and highlight inefficiencies	Business Administrator	

highlight inefficiencies and to determine potential areas for shifts in practice.			with the Business Administrator each year		
42. Investigate the use of ESSER funds budgeted in FY23 ($14,043,275) for nonpublic transportation vs. learning initiatives.	The utilization of ESSER Funds for nonpublic transportation was at the direction of the NJDOE's Office of Fiscal Accountability and Former State Monitor	2023	The District no longer receives ESSER Funds	N/A	N/A
43. Ensure LSTA unused funds are being returned to the district and not used to offset salaries.	The LSTA does not have unused funds, as they are short funds each year	Ongoing	The Transportation Manager will review the DRTRS to ensure all funding has been spent appropriately by reviews	Business Administrator	DRTRS DRTRS Data 2025.pdf
44. Maximize the potential school tax rates each year.	The Lakewood School District raises the tax levy to the maximum level in accordance with the law. State Monitors have received these calculations and agreed with all calculations. Any possible tax levy increases would have been addressed in the particular tax year.	Ongoing	Continue to maximize the potential school tax rates each year.	Business Administrator	2025~26_TaxLevyCertificationFormA.pdf