

ANNE MILGRAM  
Attorney General of New Jersey  
Attorney for Defendants  
R.J. Hughes Justice Complex  
PO BOX 112  
Trenton, N.J. 08625-0112

By: Michelle Lyn Miller  
Senior Deputy Attorney General  
(609) 984-8464

SUPREME COURT OF NEW JERSEY  
DOCKET NO. 42,170

RAYMOND ARTHUR ABBOTT, et al.,)

Plaintiffs, )

Civil Action

v. )

CERTIFICATION OF  
KATHERINE ATTWOOD

FRED G. BURKE, et al., )

Defendants. )

I, Katherine Attwood, of full age, hereby certify that:

1. I am the Assistant Commissioner of the Division of Finance, Department of Education ("Department"). In this capacity I am responsible for the administration of the State aid system for schools in accordance with applicable statutes; the development and maintenance of fiscal policy for all public school districts, including the annual school budget process and defeated budget process, and development of accounting and reporting guidelines; the specific fiscal monitoring and budget review of at-risk district budgets; oversight of DOE intervention under the School

District Fiscal Accountability Act, N.J.S.A. 18A:7A-54 et seq.; the maintenance of systems to plan for, acquire, award and manage federal and state grant funds; and development of regulations and procedures for safe and efficient student transportation services.

2. I have been employed at the Department since October 1998. Most recently, I held the position of Director of the Office of Fiscal Policy and Planning. In that capacity, I was involved in the fiscal accountability initiatives in the Abbott districts, including the use of auditor recommendations to inform and enhance the Department's review of Abbott district budgets.

3. I hold a bachelors degree in Mathematical Economics from Brown University and a Masters in Governmental Administration from the University of Pennsylvania.

4. The School Funding Reform Act of 2008 (SFRA or Act) was developed to ensure that every child in New Jersey has an opportunity for an education based on academic standards that satisfy constitutional requirements regardless of where the child resides. The Act also recognizes that the previous funding formula has not been used to calculate state aid for public schools since 2001-2002 and therefore there was need for a formula to account for changes in enrollment and community wealth. Finally, the SFRA recognizes that there are high concentrations of students at-risk outside of Abbott districts and that appropriate supports need to be in place for those students.

5. Moreover, as recognized in the SFRA's legislative findings, the State's approach to funding Abbott districts in the past resulted in litigation and a "fragmented system of funding under which limited resources cannot be distributed equitably to all districts where at-risk pupils reside." L. 2007, c. 260, §2f.

6. There is broad consensus that the manner of funding schools in the years leading up to the SFRA resulted in the Abbott districts receiving the greatest proportion of state aid increases, in the face of extraordinarily difficult budget constraints at the State level. For example, while almost no non-Abbott districts saw an increase in aid in FY2003, aid to Abbott districts increased by more than \$200 million. See Total State Aid To Abbott Districts: FY1997 to FY2009, attached hereto at Exhibit A.

7. Since the Court's decision in Abbott v. Burke, 149 N.J. 145 (1997) ("Abbott IV") the State has directed billions of additional dollars to the Abbott districts. Exhibit A indicates the Total State Aid payments to each Abbott district from FY1997 to FY2007, and projected payments for the current fiscal year and FY2009. State aid to the Abbott districts at the start of this period was \$1.96 billion and by FY2006 had climbed to \$4.19 billion. Even with budgetary constraints in FY2007 and FY2008, State aid to these districts increased \$250 million in that period. With very few exceptions, State aid to each of the Abbott districts has dramatically increased every year since 1997.

- a. By FY2003, State aid to Abbott districts increased to \$3.45 billion, bringing the percentage increase in State aid over FY1997 in excess of 75%.
- b. By FY2005, Abbott districts received \$4.01 billion, which represents almost an 105% increase in aid over FY1997 awards.
- c. By FY2008, the Abbott districts received \$4.44 billion, a 126% increase in aid over FY1997

8. Parity Aid: FY1998 to FY2008, attached hereto as Exhibit B, indicates parity aid payments to each Abbott district since FY1998 -- the first year the State provided aid to ensure per pupil spending at an amount equal to the average per pupil spending in the I & J districts following the Court's decision in Abbott IV. The aid amounts reflected are actual awards with subsequent year adjustments for enrollment and I & J district spending. It is noted that parity aid and supplemental funding have been combined as education opportunity aid the annual Appropriations Act since FY2005. Parity aid to the Abbott districts in the first year of distribution was \$216 million and grew to \$819 million in FY2005. By FY2007, parity aid reached \$977 million and by FY2008 parity reached \$1.04 billion.

9. Supplemental Funding: FY2000 to FY2008, attached hereto as Exhibit C, sets forth supplemental funding payments to each Abbott District. This aid category was created following the

Court's decision in Abbott v. Burke, 153 N.J. 480 (1998) (Abbott V). This category of aid has had the most dramatic increases over the last five years and is the primary contributor to the ever-increasing levels of State aid going to the Abbott districts.

- a. The total additional Abbott v. Burke Aid payments in FY2000 were \$81,921,010. In FY2002, the total additional Abbott v. Burke Aid payments were \$348,619,569, an increase of 325.6% in only two years.
- b. By FY2005, the total amount of supplemental funding payments in FY2005 was \$553 million, which represents an approximate 575% increase over five years.
- c. By FY2008, the total amount of supplemental funding awarded is \$676 million, which represents an approximate 726% increase over eight years.

10. Preschool Expansion Aid: FY2003 to FY2008, attached hereto as Exhibit D, indicates the Preschool Expansion Aid (PSEA) payments in FY2003 through FY2007 and projected to be paid in FY2008. This aid category was created in FY2003 and is specifically designed to fund increases in Abbott preschool quality and enrollment over the base year of 2001-2002. The Department anticipates awarding nearly \$260 million in this aid in FY2008. The funding amounts for FY2008 are subject to adjustment by the

Commissioner based on actual need.

11. In addition to State aid, Abbott districts also have the benefit of various types of federal aid. Looking solely at funds provided under Title I of the No Child Left Behind Act, Abbott districts received an average of \$540 per pupil in this federal aid in 2007. In total more than \$150 million in Title I funds were available in the Abbott districts in 2007 to support the needs of disadvantaged students. See Exhibit E, Federal Funding For Title I through the Improving America's Schools Act (1994) and No Child Left Behind (2001).

12. Dramatic increases in State aid have an obvious and direct correlation to increases in available per pupil revenues. As set forth in the Revenues Per Pupil comparative charts, attached hereto as Exhibit F, when districts' local school tax levy per pupil is combined with State revenues per pupil ("revenues per pupil"), the average Abbott per pupil revenue grew from \$9,559 in FY1998 to \$16,407 in FY2008 -- a per pupil amount well in excess of the FY2008 District Factor Group (DFG) I and J per pupil revenue average of \$13,703.

13. Comparing the average Abbott district per pupil revenue to the State average per pupil revenue (exclusive of Abbott districts) is also illuminating. See Exhibit F. As set forth in ¶12, *supra*, from FY1998 to FY2008, the average Abbott district per pupil revenue grew almost 72%. In contrast, over the same period,

the State average per pupil revenue grew only 55%.

14. In fact, for FY2008, 17 of the 25 highest spending K-12 districts in the State are Abbott districts. See Exhibit G, Fiscal Year 2008 Revenues Per Pupil, Highest Spending Districts (K-12 only).

15. Moreover, until FY2007, Abbott districts had not been required to raise their local school tax levies since FY1998. Collectively, their equalized school tax rates are substantially below the State average. As indicated in Exhibit H, Abbott Equalized School Tax Rates: Calendar Year 2006, 29 of the Abbott districts have an equalized school tax rate below the State average. As a group, the Abbott districts' average equalized school tax rate, 0.552, is 40% below the State average equalized school tax rate of 0.927.

16. In FY2007, Abbott districts were required to raise a school tax levy equal to that raised in FY2006 except that some districts were required to raise additional school tax levy such that the districts' total equalized tax levy was, at minimum, 110% of the State average total equalized tax rate unless such increase would result in an increase in the average household's tax liability of more than \$125 when using the 2005 tax data published by the Department of Community Affairs. Eight districts were impacted and were required to raise their tax levies for a total contribution of \$23 million.

17. Similarly, in FY2008, Abbott districts were required to increase their school tax levy such that the total equalized tax levy was, at minimum, 120% of the State average, unless such increase would result in an increase in the average household's tax liability of more than \$125 when using the 2006 tax data published by the Department of Community Affairs or would result in an increase that exceeded the cap on district tax levy increases (4%) imposed by L. 2007, c. 62. Fifteen districts were impacted and were required to raise their tax levies for a total contribution of \$15.5 million.

18. With the exception of the mandated increases described in ¶¶16 and 17 above, where the balance of the State has seen significant growth in their school tax levies per pupil, school tax levies per pupil in the Abbott districts have remained virtually flat. See Exhibit I, Abbott Districts Revenue vs. Levy. And see Exhibit F, Summary of Revenues Per Pupil Comparison.

19. The Department understands that SFRA represents a change for Abbott districts in terms of budget preparation and presentation of same to their communities as those districts are now required to develop budgets in the same manner as the rest of the State. All districts benefitted from meetings/training with the DOE to understand the SFRA impact along with the impact of implementing other recent laws, particularly the tax levy cap law and CORE reforms, on their budget and the budget development

process. The Department of Education held three meetings across the State in January (north, central and south) as well as participated in three regional New Jersey Association of School Business Officials--sponsors seminars in December, to discuss budget guidelines and protocol. This was in addition to the monthly meetings held by county office staff with their county districts to reemphasize the guidelines, answer questions and assist in budget development. These meetings/trainings help to ensure that all districts are provided consistent information and planning tools and allow for an open forum for questions and technical discussions. See Exhibit J, 2008-09 Budget Guidelines, Division of Finance, January 2008, Power Point Presentation. Many Abbott districts participated in those meetings. Additionally, a special meeting was scheduled for Abbott Business Administrators to address any specific question that they may have. That meeting took place on February 6, 2008. Most Abbott districts sent representatives.

20. One aspect of budget planning that was given particular attention in those meetings was the waiver process. Pursuant to L. 2007, c. 62, there is a 4% cap on local tax levies for school purposes plus automatic adjustments for enrollment increases, for health care cost increases and for a reduction in State aid (which was not applicable for FY2009 as all districts received at least a 2% increase in State aid under SFRA). However a district may request approval from the Commissioner for a waiver of its tax levy

growth limitation by the allowable amount in order to address extraordinary costs.

21. Extraordinary costs are specific expenditures that 1) are beyond what is customary and usual; 2) are beyond the control of the district, i.e., increases in the required PERS payment or increases in a sending district's tuition; 3) are necessary to achieve a thorough and efficient education as determined by the Commissioner; and (4) where the expenditures either were not included in the original budget of the pre-budget year or were increased by more than four percent of the amount included in the original budget of the pre-budget year. The burden is on the districts to make the requisite showing that the waiver is necessary. When considering the district's application, the Department will require the district to certify whether it is meeting specific efficiency standards in the district's business practices, i.e., operates the food service program on a self sufficient basis, overtime spending less than 10% of salaries by function, average class sizes for regular education exceeding 15 or more per class. The Department will also review the entire budget to identify any underbudgeted revenue or overbudgeted expenditures based on past and current spending patterns. In addition, the Department will identify any programs and services considered not necessary for a thorough and efficient education, i.e., courtesy busing, adult education, summer enrichment programs, that can be

either reduced or moved out of the base budget into a separate question.

22. Statewide, a total of \$8.429 billion in State aid for Preschool to Grade 12 will be provided under SFRA through a combination of equalized and categorical aids. See Exhibit K, School Funding Reform Act - 2008-2009, Percent Aid and Enrollment, Abbott and Non-Abbott Districts.

23. The budgets generated under the SFRA will result in the Abbott districts continuing to spend at a very high level. See Exhibit L, School State Aid Comparison of 2007-2008 with 2008-2009. Total state aid to the Abbott districts under SFRA in 2008-2009 is \$4.65 billion, which represents an increase of \$200 million over 2007-2008. Viewed from a different perspective, of the \$8.429 billion in total state aid, 55% will be for the Abbott districts. These numbers are significant given that Abbott districts only enroll 23% of students statewide. See Exhibit K.

24. Assuming that Abbott districts do not increase tax levies beyond compliance with the required minimum tax levy, Abbott districts will have available an average of \$17,151 in revenues per pupil for the 2008-2009 school year. See Exhibit F. By way of comparison, assuming the I and J districts raise their tax levies for 2008-2009 by 4% (consistent with the local levy growth limitation of L. 2007, c. 62), they will spend an average of \$14,117 per pupil.

25. Additionally, the SFRA has adopted the Department's proposal for fiscal resources for at-risk, limited English proficient (LEP) and combination at-risk/LEP students as set forth in a Formula for Success. These fiscal resources significantly exceed the costed-out education resources that are known as the enhanced Professional Judgement Panel (PJP)- model. See Formula for Success at 38. With such fiscal resources built into the Adequacy Budget, there can be no question that the Abbott districts have significant resources with which to serve their at-risk population. See Exhibit M, Additional Resources Charts.

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

Katherine Attwood  
Katherine Attwood

Dated: March 17, 2008

**EXHIBIT A**

Total State Aid To Abbott Districts: FY 1997 to FY 2009

District	FY 1997 <sup>1</sup>	FY 1998 <sup>2</sup>	FY 1999 <sup>3</sup>	FY 2000 <sup>4</sup>	FY 2001 <sup>5</sup>	FY 2002 <sup>6</sup>	FY 2003 <sup>7</sup>	FY 2004 <sup>8</sup>	FY 2005 <sup>9</sup>	FY 2006 <sup>10</sup>	FY 2007 <sup>11</sup>	FY 2008 <sup>11</sup>	FY 2009 <sup>12</sup>
Asbury Park City	23,879,181	30,257,737	31,541,424	38,881,105	42,322,938	48,747,442	53,480,915	54,098,038	59,197,548	60,757,872	81,033,188	53,490,802	86,141,925
Bridgton City	30,458,172	35,722,815	38,887,519	38,802,859	42,160,526	49,859,144	45,601,966	52,187,112	57,932,298	61,142,289	83,742,954	87,318,785	99,991,155
Burlington City	5,990,485	8,045,818	7,829,740	8,475,412	9,145,828	11,358,737	12,216,987	13,112,208	14,593,823	16,299,805	17,589,025	18,782,735	19,338,080
Camden City	171,833,505	187,480,175	194,115,755	201,873,233	220,551,154	230,405,850	239,405,650	226,143,588	250,241,835	254,582,028	288,546,398	288,979,351	302,332,897
City Of Orange Twp	27,897,581	38,593,997	40,376,830	40,710,812	47,247,451	51,228,580	53,425,917	59,841,609	93,928,651	84,379,323	55,449,718	67,697,391	71,427,257
East Orange	89,174,998	102,718,041	105,107,650	111,591,442	125,457,988	139,897,009	142,389,423	154,444,394	169,309,882	172,784,409	174,102,240	191,561,793	197,928,154
Elizabeth City	115,078,728	147,050,532	155,839,108	167,933,609	183,977,528	215,304,325	213,157,218	237,115,393	357,110,772	273,095,971	286,117,062	302,140,644	315,594,582
Garfield City	9,367,584	18,339,812	18,471,953	22,029,215	24,228,418	27,175,927	33,513,503	34,800,410	35,818,983	39,890,440	44,360,432	40,140,644	53,125,199
GloUCESTER City	15,523,407	18,931,427	19,929,803	20,430,096	20,935,572	24,207,568	26,826,741	26,948,091	30,713,646	30,739,848	30,739,848	32,319,356	33,561,480
Harrison Twp	7,408,615	10,912,734	10,346,155	11,102,893	12,008,893	12,802,002	15,702,877	17,896,972	18,324,272	18,713,039	20,089,724	20,875,603	23,934,829
Hoboken City	9,604,482	8,845,163	7,948,202	7,915,638	9,058,013	8,193,044	10,127,103	12,488,210	12,493,137	12,213,898	12,203,316	12,528,227	14,868,012
Irvington Township	67,706,884	75,341,758	73,288,642	74,619,818	78,934,415	83,782,893	100,483,681	100,603,966	111,223,438	116,587,804	119,638,624	125,923,648	132,444,338
Jersey City	199,821,710	281,742,652	268,748,393	283,991,898	308,517,435	359,947,180	371,838,246	395,747,213	434,984,498	447,028,059	446,129,395	457,738,700	472,871,653
Keansburg Boro	11,728,028	15,828,088	16,193,008	19,195,043	21,835,498	26,314,881	28,468,847	24,959,822	28,144,820	30,080,148	30,080,148	30,776,274	32,035,160
Long Branch City	18,493,099	25,237,948	28,772,848	28,596,101	32,003,547	37,852,283	41,288,160	43,024,419	45,167,535	47,384,408	48,908,939	47,150,378	48,430,991
Millville City	35,365,418	43,043,137	44,568,584	46,091,483	48,837,816	56,929,895	59,898,953	57,680,214	59,381,975	68,612,969	69,651,665	74,507,126	78,943,445
Neptune Twp	15,158,978	15,092,308	15,528,895	19,141,193	19,493,754	25,387,259	30,527,182	31,186,805	34,138,780	36,898,632	37,378,138	37,349,478	39,913,308
New Brunswick City	22,897,074	30,459,188	31,295,778	41,181,780	52,825,852	68,843,363	84,178,151	75,734,485	95,219,891	98,147,478	97,698,826	103,617,974	118,207,672
Newark City	387,045,217	375,010,045	378,905,768	450,295,314	485,038,081	562,491,533	614,218,448	654,317,827	728,622,393	748,516,047	745,942,289	757,088,292	788,249,776
Passaic City	77,353,781	94,290,968	99,548,573	109,816,404	124,078,975	137,832,702	156,669,767	154,213,957	167,750,820	173,505,639	178,036,207	190,850,959	199,652,071
Paterson City	171,231,747	218,147,871	222,578,895	235,578,914	252,441,042	291,025,853	318,145,953	343,959,036	379,615,510	408,507,991	409,539,870	424,993,378	437,584,827
Pemberton Twp	44,950,904	53,493,476	53,801,410	55,761,788	58,849,688	66,304,454	68,744,922	71,284,331	79,028,141	82,007,894	85,099,780	87,434,950	89,438,039
Perth Amboy City	50,988,151	67,184,822	72,128,618	78,875,105	83,282,829	92,745,933	99,389,743	101,152,110	102,923,524	109,690,303	118,538,282	121,979,768	135,484,978
Phillipsburg Twp	16,320,850	21,178,781	20,982,997	25,051,770	28,551,575	30,578,327	30,998,575	30,113,469	38,050,310	39,072,468	40,587,750	41,370,935	42,528,496
Plainfield City	45,145,520	45,394,779	49,825,003	53,933,102	70,193,888	85,881,148	92,597,108	98,210,030	98,100,522	108,177,903	107,372,917	110,609,864	113,816,821
Plainsville City	21,744,884	31,889,858	35,732,843	40,437,979	47,690,891	45,004,477	47,828,484	59,324,993	61,078,689	69,718,939	70,048,928	72,187,576	74,176,176
Salem City	7,254,897	8,193,295	8,891,358	9,434,794	9,950,290	10,289,517	10,493,726	10,597,395	13,982,201	18,098,385	16,045,818	17,462,092	18,074,176
Trenton City	102,293,993	120,689,335	123,915,872	146,543,499	170,582,048	194,388,406	194,763,930	209,924,430	217,987,490	239,028,398	232,889,984	241,410,477	251,602,248
Union City	63,338,965	82,172,872	87,024,796	99,291,730	99,102,805	110,978,843	113,789,843	127,395,835	131,684,375	133,408,195	137,433,442	143,053,552	166,394,744
Vineland City	83,071,258	80,822,017	93,186,509	95,904,818	97,177,262	107,787,374	108,689,303	117,431,303	127,850,293	133,995,739	142,708,898	148,593,134	153,580,133
West New York Twp	37,502,172	51,482,282	50,717,904	57,308,280	55,568,100	59,898,884	68,712,347	72,839,619	78,844,889	84,275,691	84,928,529	87,372,267	89,908,983
Total	1,984,931,112	2,329,973,127	2,389,904,045	2,818,368,360	2,878,612,837	3,259,816,693	3,454,888,749	3,650,842,819	4,013,959,439	4,187,923,147	4,263,525,521	4,437,585,956	4,648,716,739

<sup>1</sup> Included: Foundation Aid; Transportation Aid; Aid for At-Risk Pupils; Bilingual Education Aid; County Vocational Program Aid; and Transition Aid. Debt service aid is not included.

<sup>2</sup> Included: Abbott v. Burke Parity Remedy Aid; Core Curriculum Content Standards Aid; Supplemental Core Curriculum Content Standards Aid; Transportation Aid; Special Education Aid; Early Childhood Program Aid; Demonstrably Effective Program Aid; Stabilization Aid; Academic Achievement Award Aid; Additional Supplemental Stabilization Aid and School Tax Reduction Aid; and other aids such as Bilingual, County Vocational, Distance Learning Network, Aid, Adult and Post-Graduate, Full-Time Post-Vocational and Instructional Supplemental Aid. Debt service is not included.

<sup>3</sup> Included: Abbott v. Burke Parity Remedy Aid; Core Curriculum Content Standards Aid; Supplemental Core Curriculum Content Standards Aid; Transportation Aid; Special Education Aid; Early Childhood Program Aid; Demonstrably Effective Program Aid; Stabilization Aid; Academic Achievement Award Aid; Additional Supplemental Stabilization Aid and School Tax Reduction Aid; and other aids such as Bilingual, County Vocational, Distance Learning Network, Aid, Adult and Post-Graduate, Full-Time Post-Vocational and Instructional Supplemental Aid. Debt service is not included.

<sup>4</sup> Included: Abbott v. Burke Parity Remedy Aid; Core Curriculum Content Standards Aid; Supplemental Core Curriculum Content Standards Aid; Transportation Aid; Special Education Aid; Early Childhood Program Aid; Demonstrably Effective Program Aid; Stabilization Aid; Academic Achievement Award Aid; Additional Supplemental Stabilization Aid and School Tax Reduction Aid; and other aids such as Bilingual, County Vocational, Distance Learning Network, Aid, Adult and Post-Graduate, Full-Time Post-Vocational and Instructional Supplemental Aid. Debt service is not included.

<sup>5</sup> Included: Abbott v. Burke Parity Remedy Aid; Core Curriculum Content Standards Aid; Supplemental Core Curriculum Content Standards Aid; Transportation Aid; Special Education Aid; Early Childhood Program Aid; Demonstrably Effective Program Aid; Stabilization Aid; Academic Achievement Award Aid; Additional Supplemental Stabilization Aid and School Tax Reduction Aid; and other aids such as Bilingual, County Vocational, Distance Learning Network, Aid, Adult and Post-Graduate, Full-Time Post-Vocational and Instructional Supplemental Aid. Debt service is not included.

<sup>6</sup> Included: Abbott v. Burke Parity Remedy Aid; Core Curriculum Content Standards Aid; Supplemental Core Curriculum Content Standards Aid; Transportation Aid; Special Education Aid; Early Childhood Program Aid; Demonstrably Effective Program Aid; Stabilization Aid; Academic Achievement Award Aid; Additional Supplemental Stabilization Aid and School Tax Reduction Aid; and other aids such as Bilingual, County Vocational, Distance Learning Network, Aid, Adult and Post-Graduate, Full-Time Post-Vocational and Instructional Supplemental Aid. Debt service is not included.

<sup>7</sup> Included: Abbott v. Burke Parity Remedy Aid; Core Curriculum Content Standards Aid; Supplemental Core Curriculum Content Standards Aid; Transportation Aid; Special Education Aid; Early Childhood Program Aid; Demonstrably Effective Program Aid; Stabilization Aid; Academic Achievement Award Aid; Additional Supplemental Stabilization Aid and School Tax Reduction Aid; and other aids such as Bilingual, County Vocational, Distance Learning Network, Aid, Adult and Post-Graduate, Full-Time Post-Vocational and Instructional Supplemental Aid. Debt service is not included.

<sup>8</sup> Included: Abbott v. Burke Parity Remedy Aid; Core Curriculum Content Standards Aid; Supplemental Core Curriculum Content Standards Aid; Transportation Aid; Special Education Aid; Early Childhood Program Aid; Demonstrably Effective Program Aid; Stabilization Aid; Academic Achievement Award Aid; Additional Supplemental Stabilization Aid and School Tax Reduction Aid; and other aids such as Bilingual, County Vocational, Distance Learning Network, Aid, Adult and Post-Graduate, Full-Time Post-Vocational and Instructional Supplemental Aid. Debt service is not included.

<sup>9</sup> Included: Abbott v. Burke Parity Remedy Aid; Core Curriculum Content Standards Aid; Supplemental Core Curriculum Content Standards Aid; Transportation Aid; Special Education Aid; Early Childhood Program Aid; Demonstrably Effective Program Aid; Stabilization Aid; Academic Achievement Award Aid; Additional Supplemental Stabilization Aid and School Tax Reduction Aid; and other aids such as Bilingual, County Vocational, Distance Learning Network, Aid, Adult and Post-Graduate, Full-Time Post-Vocational and Instructional Supplemental Aid. Debt service is not included.

<sup>10</sup> Included: Abbott v. Burke Parity Remedy Aid; Core Curriculum Content Standards Aid; Supplemental Core Curriculum Content Standards Aid; Transportation Aid; Special Education Aid; Early Childhood Program Aid; Demonstrably Effective Program Aid; Stabilization Aid; Academic Achievement Award Aid; Additional Supplemental Stabilization Aid and School Tax Reduction Aid; and other aids such as Bilingual, County Vocational, Distance Learning Network, Aid, Adult and Post-Graduate, Full-Time Post-Vocational and Instructional Supplemental Aid. Debt service is not included.

<sup>11</sup> Included: Education Opportunity Aid; Final Preschool Expansion Aid; Core Curriculum Content Standards Aid; Supplemental Core Curriculum Content Standards Aid; Transportation Aid; Special Education Aid; Early Childhood Program Aid; Stabilization Aid; Consolidated Aid; and other aids such as Bilingual, County Vocational, Adult and Post-Graduate, Full-Time Post-Vocational, Instructional Supplemental, Regionalization Incentive and School Choice Program Aid; Final Preschool Expansion Aid; Core Curriculum Content Standards Aid; Supplemental Core Curriculum Content Standards Aid; Transportation Aid; Special Education Aid; Early Childhood Program Aid; Stabilization Aid; Consolidated Aid; and other aids such as Bilingual, County Vocational, Adult and Post-Graduate, Full-Time Post-Vocational, Instructional Supplemental, Regionalization Incentive and School Choice Program Aid; Final Preschool Expansion Aid; Core Curriculum Content Standards Aid; Supplemental Core Curriculum Content Standards Aid; 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Early Childhood Program Aid; Stabilization Aid; Consolidated Aid; and other aids such as Bilingual, County Vocational, Adult and Post-Graduate, Full-Time Post

**EXHIBIT B**

Parity Aid: FY 1998 to FY 2008\*

District	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Abury Park City	2,837,483	3,568,968	3,193,992	4,227,140	432,849	1,792,852	3,544,184	6,355,773	3,166,873	1,330,080	
Bridgeton City	4,855,934	3,863,770	4,425,730	6,631,599	6,347,967	8,102,857	11,722,128	13,821,436	19,317,530	19,536,164	22,443,737
Burlington City	1,326,854	1,047,930	630,981	431,314	850,143	1,286,695	2,127,477	3,198,598	3,741,710	5,171,764	4,985,280
Camden City	20,035,112	16,608,133	21,316,146	20,903,135	26,635,520	28,678,059	37,173,374	44,353,316	46,967,440	55,583,744	53,830,553
City Of Orange Twp	7,287,453	6,735,689	3,379,044	7,479,980	9,073,282	8,315,878	9,626,570	12,775,298	14,714,305	16,919,237	18,310,875
East Orange	9,280,899	13,190,477	10,317,813	13,983,950	13,585,649	19,870,360	25,057,394	26,662,852	26,470,056	26,055,325	26,911,560
Elizabeth City	19,004,720	23,442,450	23,665,050	32,173,295	31,560,047	42,066,675	52,555,242	59,478,804	63,488,714	75,736,870	83,182,190
Garfield City	4,851,329	3,836,475	3,211,494	3,055,435	5,565,399	8,128,675	10,900,781	13,141,255	14,336,980	17,243,166	18,510,598
Gloucester City	2,404,667	1,517,000	3,981,438	3,473,390	5,211,330	5,746,328	6,275,358	7,158,664	8,159,022	8,591,244	9,688,755
Harrison Town	890,952	1,108,930	1,481,781	2,508,500	3,662,796	4,832,987	5,958,866	6,584,166	6,136,463	7,406,112	7,558,972
Hoboken City	0	0	0	0	0	0	0	0	0	0	0
Inverton Township	2,382,107	7,179,920	7,929,743	10,043,913	11,007,588	15,420,983	19,392,020	22,050,792	19,657,922	22,348,024	23,479,440
Jersey City	26,758,812	31,352,546	33,782,825	48,259,750	54,958,868	71,671,845	86,131,890	95,006,898	103,795,692	108,368,923	110,789,315
Keansburg Boro	423,132	1,643,340	1,537,729	2,543,335	1,728,324	2,730,427	3,397,421	4,141,008	3,331,280	3,961,266	6,231,474
Long Branch City	658,381	1,671,488	678,590	3,678,119	2,916,663	3,311,557	3,839,669	5,330,925	4,581,694	2,427,563	2,523,411
Millville City	4,368,478	2,957,638	7,324,416	10,537,055	13,037,610	15,394,380	17,090,029	18,965,623	22,957,086	27,175,298	27,494,401
Neptune Twp	0	0	373,039	1,099,707	5,524,321	7,120,499	7,208,850	8,844,192	8,411,936	9,921,364	11,168,756
New Brunswick City	0	874,800	0	1,785,483	277,218	6,586,388	14,080,898	20,517,852	24,560,084	29,534,560	29,873,652
Newark City	18,968,894	26,984,157	29,274,906	48,126,700	56,982,142	73,366,572	107,475,420	123,244,240	147,734,907	158,001,233	168,918,579
Passaic City	8,006,583	11,154,582	11,854,015	17,065,305	17,908,204	25,275,030	33,417,058	39,935,123	43,542,236	50,121,110	55,721,512
Paterson City	27,304,119	25,104,688	27,957,958	34,669,150	36,326,143	56,807,582	73,818,919	86,727,454	86,087,375	93,792,118	101,885,088
Pemberton Twp	5,011,461	4,202,176	5,396,926	5,289,920	9,093,301	10,584,301	12,800,258	13,226,153	13,468,169	13,657,907	11,837,956
Perth Amboy City	10,987,394	10,829,779	9,569,040	14,377,257	11,564,555	15,267,038	19,388,538	23,455,601	27,106,299	32,079,957	35,124,105
Phillipsburg Town	2,658,803	2,299,613	2,559,304	4,404,400	6,235,020	6,620,133	8,821,246	9,226,004	10,447,313	12,477,329	12,592,481
Plainfield City	0	3,109,889	3,109,889	7,158,956	11,951,797	16,813,566	19,948,743	22,944,645	23,493,738	26,011,454	27,857,669
Pleasantville City	3,798,350	3,854,358	3,966,788	4,401,359	3,154,345	5,370,781	7,802,250	9,369,234	8,631,226	11,129,796	15,291,938
Salem City	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Trenton City	9,725,141	15,350,518	16,181,945	21,901,797	20,058,168	19,782,445	28,688,835	36,846,628	34,414,976	39,843,044	43,336,715
Union City	7,793,832	9,432,346	9,802,854	15,093,005	13,404,027	15,652,122	24,239,332	28,846,290	30,435,532	33,102,033	35,386,016
Vineland City	9,354,057	11,277,591	13,471,913	18,033,768	18,427,409	21,699,172	27,119,500	32,538,537	36,075,940	40,749,801	44,384,525
West New York Town	5,438,152	2,716,365	8,487,529	7,749,017	9,911,160	14,272,640	18,114,401	20,728,692	21,629,225	25,088,415	26,443,924
Total	216,210,099	243,515,681	269,234,478	371,026,411	404,169,846	532,538,517	697,716,651	818,794,387	877,166,162	977,309,660	1,039,796,422

\* All amounts are based on actual I&J districts' spending and actual enrollments.

**EXHIBIT C**

**Supplemental Funding: FY 2000 to FY 2008\***

District	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Asbury Park City	3,964,000	6,960,245	8,999,600	9,215,314	11,167,896	12,626,378	17,450,801	18,705,623	21,466,726
Bridgeton City	0	0	0	0	0	2,852,878	3,595,460	2,320,017	1,967,658
Burlington City	0	0	2,007,867	2,007,873	1,655,721	2,007,660	3,008,304	2,795,944	3,866,164
Camden City	609,500	20,584,882	16,551,128	30,926,304	6,389,768	24,210,093	27,056,599	30,140,295	50,849,107
City Of Orange Twp	0	0	3,122,089	315,182	6,891,607	6,891,607	5,755,117	3,550,185	3,865,120
East Orange	0	4,999,392	10,278,846	10,460,062	19,653,743	32,866,773	36,857,014	37,610,920	53,264,685
Elizabeth City	0	0	17,348,990	0	7,284,225	20,356,052	29,174,239	26,387,274	29,455,350
Garfield City	0	0	0	2,509,952	735,548	0	1,616,313	856,811	1,102,138
Gloucester City	0	1,252,601	3,159,278	3,947,160	5,654,488	8,536,736	7,536,378	7,164,156	7,491,364
Harrison Town	0	0	0	0	0	0	447,703	191,131	999,221
Hoboken City	0	0	28,260	0	0	0	0	0	0
Irvington Township	0	1,488,617	0	610,647	0	7,760,700	17,442,699	15,090,490	19,566,665
Jersey City	0	10,695,507	49,966,854	34,545,499	37,049,889	77,412,166	78,575,195	72,062,151	78,521,224
Keansburg Boro	1,088,703	2,514,971	5,831,099	5,079,355	3,546,946	6,988,557	8,733,613	8,103,627	6,529,545
Long Branch City	710,000	1,210,861	6,665,671	8,528,948	9,233,799	9,885,629	12,049,824	13,215,005	13,154,246
Millville City	0	0	4,487,518	2,503,325	8,845,867	4,854,404	4,854,404	1,731,066	5,275,431
Neptune Twp	0	0	1,596,884	5,151,498	5,756,684	7,074,297	12,266,425	9,234,503	7,866,859
New Brunswick City	4,997,101	8,518,868	17,235,845	21,223,794	4,404,293	17,449,836	17,498,790	11,060,594	15,223,401
Newark City	53,599,972	67,208,904	105,000,000	114,517,094	112,168,801	171,704,747	158,774,175	146,156,356	153,773,017
Passaic City	3,164,198	6,259,622	13,472,824	3,939,050	4,241,853	11,260,451	12,872,498	8,818,967	15,292,314
Paterson City	0	0	18,426,615	8,759,747	17,554,873	40,302,812	67,175,461	59,470,718	62,403,247
Pemberton Twp	0	1,197,678	8,796,815	9,324,798	9,461,094	16,505,947	18,955,426	21,866,338	25,463,448
Perth Amboy City	0	0	0	0	0	0	-33,188	1,819,775	1,202,532
Phillipsburg Town	2,812,393	4,901,303	5,359,712	4,052,179	1,526,824	8,835,203	8,674,708	7,531,175	8,256,065
Plainfield City	0	5,269,585	9,431,599	6,355,292	7,040,392	5,934,982	13,627,048	11,109,332	12,268,786
Pleasantville City	0	3,844,668	953,967	1,822,127	12,311,078	12,500,770	19,214,005	16,715,435	14,410,445
Salem City	0	0	0	0	0	0	1,715,845	1,128,545	2,569,915
Trenton City	10,775,143	21,846,921	26,770,702	27,966,123	24,274,542	23,637,409	37,691,326	33,965,179	36,851,336
Union City	0	0	0	0	0	0	-39,386	0	1,023,748
Vineland City	0	8,193,331	12,792,616	4,811,204	8,091,265	13,091,188	15,566,476	18,226,045	18,815,363
West New York Town	0	0	63,000	0	0	3,323,983	6,548,105	3,230,915	3,558,741
<b>Total</b>	<b>81,921,010</b>	<b>176,947,976</b>	<b>348,619,569</b>	<b>318,572,436</b>	<b>309,203,692</b>	<b>553,058,720</b>	<b>644,664,377</b>	<b>590,078,572</b>	<b>679,412,861</b>

\* All amounts listed represent the difference between Education Opportunity Aid and Adjusted Parity Aid.

**EXHIBIT D**

**Preschool Expansion Aid \***

District	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Asbury Park City	3,159,862	3,183,618	2,123,495	2,058,294	2,905,584	3,886,109
Bridgeton City	0	2,489,029	4,190,648	4,161,963	4,819,437	5,587,074
Burlington City	205,553	752,114	629,016	788,242	842,768	1,172,742
Camden City	2,871,370	6,553,624	5,803,377	4,962,938	4,947,305	6,212,632
City Of Orange Twp	2,508,965	2,998,658	2,881,662	2,927,817	4,002,212	4,493,302
East Orange	2,055,575	3,256,690	3,413,621	3,092,700	4,061,359	4,743,382
Elizabeth City	4,781,654	5,789,154	10,864,771	14,023,873	17,581,773	23,091,959
Garfield City	1,248,530	1,845,252	1,166,048	2,426,467	2,905,294	3,236,016
Gloucester City	0	0	0	0	23,243	0
Harrison Town	1,589,359	1,908,513	2,579,065	2,967,802	3,331,440	3,146,569
Hoboken City	811,511	2,170,933	2,768,819	2,489,548	2,710,080	2,750,194
Ivington Township	8,753,154	7,261,147	8,297,256	8,342,493	9,083,320	8,705,024
Jersey City	10,482,036	11,059,723	14,525,975	16,617,710	17,655,862	20,061,242
Keansburg Boro	0	0	0	0	0	0
Long Branch City	1,428,028	917,176	1,633,986	2,435,893	2,849,270	3,115,767
Millville City	0	1,365,576	2,405,560	2,636,854	2,780,876	3,572,671
Neptune Twp	0	0	0	0	0	0
New Brunswick City	4,982,068	4,847,333	7,636,856	7,476,187	7,489,236	8,574,393
Newark City	26,020,909	34,503,188	42,364,235	49,697,794	49,475,523	51,917,140
Passaic City	1,304,807	9,142,371	11,254,641	11,790,500	13,797,725	14,543,425
Paterson City	15,896,166	15,561,306	17,201,445	19,661,356	20,893,235	25,211,362
Pemberton Twp	1,119,189	1,632,967	1,814,180	2,102,238	2,283,674	2,651,325
Perth Amboy City	0	3,302,546	2,354,243	5,503,512	7,542,870	8,340,779
Phillipsburg Town	1,027,217	963,771	1,200,954	1,162,298	1,261,097	1,734,141
Plainfield City	4,642,917	4,688,825	6,373,914	6,210,136	7,404,850	8,036,498
Pleasantville City	353,433	893,058	1,679,310	1,344,253	1,856,644	2,818,088
Salem City**	N/A	N/A	N/A	0	88,467	33,366
Trenton City	8,566,780	8,964,764	11,717,882	14,353,525	13,696,190	15,148,675
Union City	1,149,931	5,888,800	7,069,822	7,274,787	8,599,146	10,689,650
Vineland City	3,631,680	4,312,837	5,185,140	4,985,925	6,697,424	8,259,068
West New York Town	4,539,801	4,162,572	5,168,169	6,473,316	6,983,154	7,745,547
<b>Total</b>	<b>113,130,495</b>	<b>150,396,545</b>	<b>184,304,089</b>	<b>208,168,421</b>	<b>228,569,058</b>	<b>259,578,140</b>

\*\* These numbers reflect final payments with the exception of 2008

\*\*\* Due to the recent designation of Salem City as an Abbott district, the 2004-2005 school year is considered the "base year" for the district for purposes of calculating PSEA.

**EXHIBIT E**

Federal Funding for Title I through the Improving America's Schools Act (1994) and No Child Left Behind (2001)

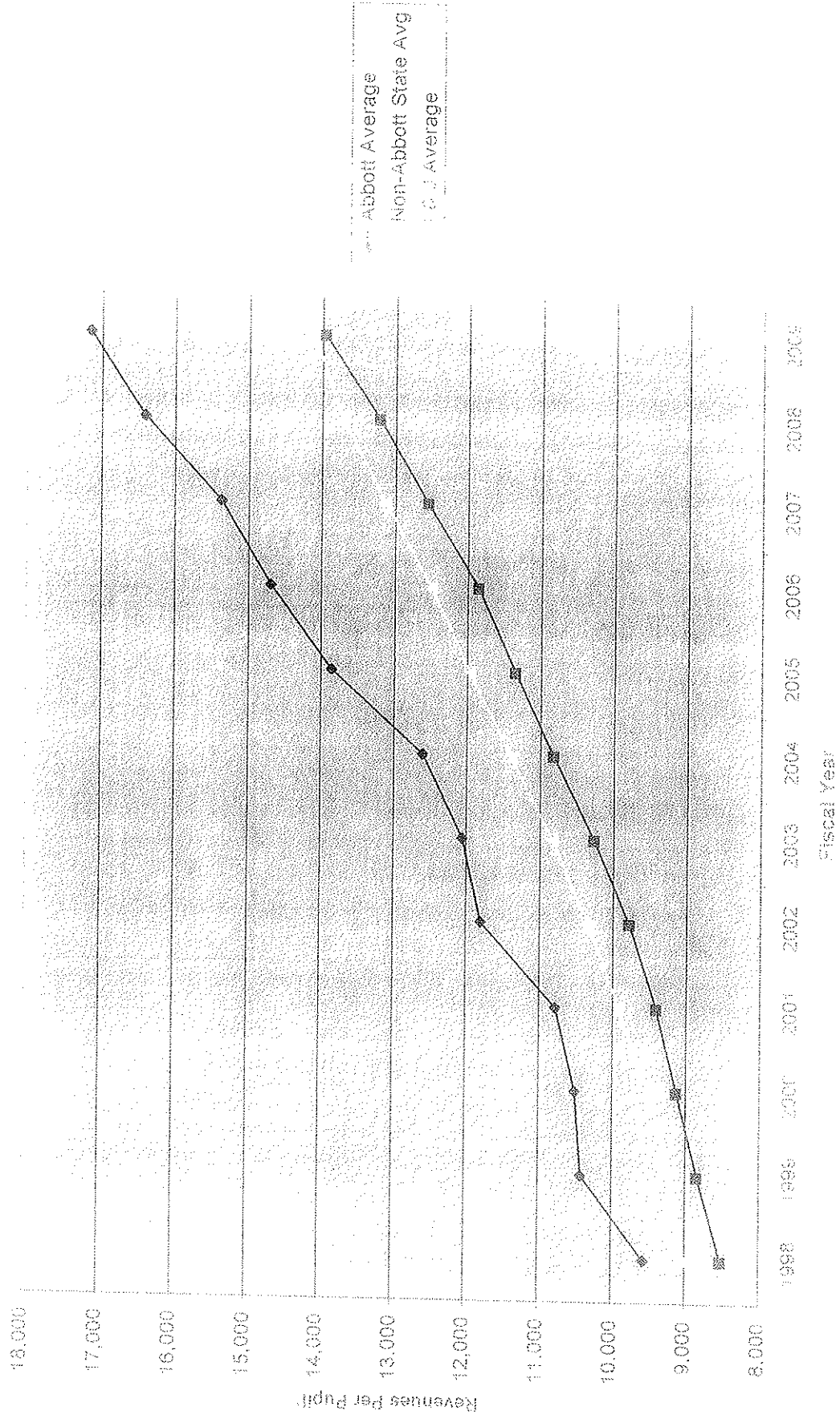
Total Title I funding by District

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Asbury Park City	1,474,993	1,455,564	1,642,230	1,720,420	1,786,282	2,830,884	3,491,236	3,844,436	2,537,702	3,292,133
Bridgeton City	1,575,069	1,648,588	1,388,888	1,908,204	2,609,973	3,311,715	3,561,604	2,763,751	3,427,275	2,104,092
Burlington City	209,792	257,040	271,894	434,379	388,535	393,395	451,444	408,248	460,271	442,407
Camden City	9,057,628	9,615,359	10,684,325	11,490,989	13,288,368	14,780,907	16,212,929	14,668,672	16,393,098	13,306,471
East Orange	3,741,437	4,163,970	3,541,835	4,154,447	3,787,145	4,470,214	4,806,954	4,559,774	5,688,825	4,942,718
Elizabeth City	5,138,313	5,281,801	4,975,403	4,824,740	6,945,664	8,991,813	8,410,317	8,543,131	8,955,968	9,119,751
Garfield City	736,140	934,036	764,432	964,756	878,957	869,976	852,137	715,391	741,255	724,402
Gloucester City	484,021	469,933	478,960	440,600	620,883	800,240	920,056	721,590	729,304	676,579
Harrison Town	245,642	227,786	349,120	202,949	575,281	544,831	898,935	849,736	620,051	774,360
Hoboken City	1,871,143	1,789,409	1,664,544	1,888,058	1,789,117	2,029,172	1,909,064	1,748,702	1,963,190	1,910,968
Irvington Township	1,771,785	1,620,982	3,752,421	2,542,618	3,293,734	2,858,841	2,220,575	2,150,969	2,952,642	2,851,384
Jersey City	11,405,330	11,800,702	11,345,221	12,396,082	13,341,374	15,856,305	16,665,806	16,429,360	18,484,998	18,140,771
Keansburg Boro	453,771	497,811	608,807	593,659	885,563	964,383	1,005,365	1,028,501	1,198,755	1,050,545
Long Branch City	1,284,590	1,599,400	1,457,817	1,581,373	1,738,001	2,295,082	2,566,001	2,184,647	2,112,602	1,674,379
Millville City	654,600	704,661	694,185	712,848	877,245	963,714	1,340,390	1,519,843	1,574,177	1,631,186
Neptune Twp	746,026	855,132	742,119	857,214	817,412	790,030	1,055,347	1,035,610	1,017,004	969,334
New Brunswick City	1,421,354	1,605,131	2,110,520	1,640,472	1,943,006	2,457,325	2,293,515	2,694,803	2,023,499	2,402,574
Newark City	23,089,001	22,763,701	22,706,448	22,369,715	9,913,812	31,186,428	27,766,409	32,686,915	34,564,999	34,645,960
City Of Orange Twp	1,591,844	1,819,097	1,404,555	2,077,778	1,786,198	1,963,971	1,857,668	2,124,858	1,956,070	1,834,227
Passaic City	3,076,225	3,910,142	3,306,562	3,442,091	3,570,437	4,766,082	7,783,491	5,287,740	5,403,188	5,441,439
Paterson City	8,023,135	8,401,447	8,617,849	9,846,850	9,985,312	13,565,457	13,157,740	13,541,644	14,047,890	15,896,773
Pemberton Twp	687,079	706,957	714,646	780,234	1,156,731	1,462,739	1,180,866	1,199,135	1,156,890	1,061,711
Perth Amboy City	2,238,138	2,199,665	2,741,646	3,129,743	2,480,750	3,757,472	3,678,877	4,523,414	4,441,072	4,190,001
Phillipsburg Town	394,276	409,966	488,109	621,550	957,863	1,050,864	921,888	1,136,758	1,172,310	1,146,395
Plainfield City	1,345,283	1,933,646	1,267,699	1,825,264	1,770,239	2,386,170	2,535,767	2,789,306	3,504,486	4,065,183
Pleasantville City	706,634	736,139	872,579	1,468,017	1,884,159	1,767,797	1,738,050	1,503,585	2,629,394	1,830,070
Salem City	583,409	715,782	712,723	707,567	954,755	1,115,710	1,471,858	1,530,406	1,448,837	1,106,751
Trenton City	4,726,162	3,550,291	4,919,759	4,223,606	5,307,053	6,422,338	6,828,333	6,726,639	7,148,979	6,000,000
Union City	3,067,984	3,015,863	3,337,887	3,210,452	3,574,051	4,031,430	3,931,827	3,566,705	4,728,591	4,409,328
Vineland City	1,496,647	1,895,313	1,710,130	1,787,878	2,117,660	2,204,905	2,987,822	2,547,647	2,920,455	2,223,079
West New York Town	1,593,286	1,588,427	1,664,481	1,686,315	1,732,124	2,155,805	2,059,801	2,223,253	2,676,676	2,688,195
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Title I	94,890,747	98,193,731	100,937,774	105,510,344	102,697,584	143,045,995	146,552,272	147,255,166	158,682,433	152,555,166
Average Per Pupil	342	350	356	368	355	489	499	507	554	540

\* Title I is a school-level allocation based on school characteristics. The numbers are shown here aggregated at the district level.  
 \*\* Title I revenues are divided by the district's resident enrollment less 0.5 of the half-day K enrollment

**EXHIBIT F**

### Revenues Per Pupil Comparison



\* Enrollment is the resident enrollment less 0.5 of the half-day Kindergarten enrollment; enrollments for FY 2009 are projected based on ASSA submissions as of Feb 16, 2008.

**Summary of Revenues Per Pupil Comparison\***

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007**	2008	2009
<b>Abbott Average</b>												
Revenue Per Pupil***	9,559	10,419	10,510	10,701	11,800	12,052	12,603	13,853	14,692	15,371	16,407	17,151
Levy Per Pupil	1,999	1,972	1,972	1,952	1,939	1,949	1,951	1,985	2,037	2,155	2,284	2,337
Rev Increase from 1998		9.0%	9.9%	12.8%	23.4%	26.1%	31.3%	44.9%	53.7%	60.8%	71.6%	79.4%
Levy Increase from 1998		-0.8%	-0.8%	-1.8%	-2.5%	-2.0%	-1.9%	0.2%	7.4%	8.6%	14.8%	17.5%
Annual Change in Avg Levy Per Pupil		-0.8%	0.0%	-1.0%	-0.7%	0.5%	0.1%	0.3%	7.6%	8.3%	15.5%	2.3%
<b>Non-Abbott State Average</b>												
Revenue Per Pupil***	6,524	6,642	6,127	6,401	6,774	10,266	10,813	11,345	11,847	12,545	13,209	13,956
Levy Per Pupil	6,446	6,632	6,809	7,031	7,371	7,813	8,343	8,813	9,323	9,954	10,426	10,819
Rev Increase from 1998		3.7%	7.1%	10.3%	14.7%	20.4%	26.9%	33.1%	39.0%	47.2%	55.0%	63.7%
Levy Increase from 1998		2.9%	5.6%	8.1%	14.3%	21.2%	29.4%	36.7%	44.5%	54.4%	61.7%	67.8%
Annual Change in Avg Levy Per Pupil		2.9%	2.7%	6.3%	4.8%	6.0%	6.6%	6.7%	5.8%	6.8%	4.7%	3.8%
<b>I &amp; J Average</b>												
Revenue Per Pupil***	9,026	9,214	9,460	9,909	10,329	10,831	11,394	11,963	12,497	13,121	13,793	14,117
Levy Per Pupil	5,174	5,337	5,573	5,933	6,331	6,814	7,396	7,992	8,416	8,966	9,588	10,029
Rev Increase from 1998		2.1%	4.9%	9.8%	14.4%	20.0%	26.2%	32.5%	36.3%	45.4%	51.8%	56.5%
Levy Increase from 1998		2.0%	4.9%	9.3%	14.2%	20.1%	27.2%	33.2%	39.7%	47.6%	54.0%	58.3%
Annual Change in Avg Levy Per Pupil		2.0%	2.8%	4.2%	4.5%	5.2%	5.9%	6.8%	7.7%	8.7%	9.3%	2.7%

\* Excludes county vocational districts, ESCs, CSSDs and non-operating districts. Enrollments for FY 2009 are projected based on OSSE submissions as of February 19th.

\*\* 07-08 Revenues based on projected payments as of December 2007 updated for the 3/6/08 agreement on Camden's 2007-08 BEOM.

\*\*\* Revenue per pupil is the sum of the local levy and total aid (except transportation, preschool, & debt service) less transfer (less transfer to resident enrollment reduced by 1/2 of the half-day Kindergarten student count).

**EXHIBIT G**

**Fiscal Year 2008 Revenues Per Pupil  
Highest Spending Districts (K-12 only)**

District	Revenues Per Pupil
Asbury Park City	23,308
Wildwood City	19,548
Pemberton Twp	19,480
Hoboken City	19,427
East Orange	18,740
Englewood City	18,465
Teaneck Twp	18,139
Ocean City	18,082
Morris School District	17,888
Newark City	17,535
Princeton Regional	17,501
Atlantic City	17,403
Camden City	17,235
Keansburg Boro	17,222
Gloucester City	17,202
West Orange Town	17,116
Trenton City	17,072
Irvington Township	16,987
Long Branch City	16,805
Pleasantville City	16,783
Paterson City	16,501
Burlington City	16,498
Phillipsburg Town	16,421
Salem City	16,407
New Brunswick City	16,309

**EXHIBIT H**

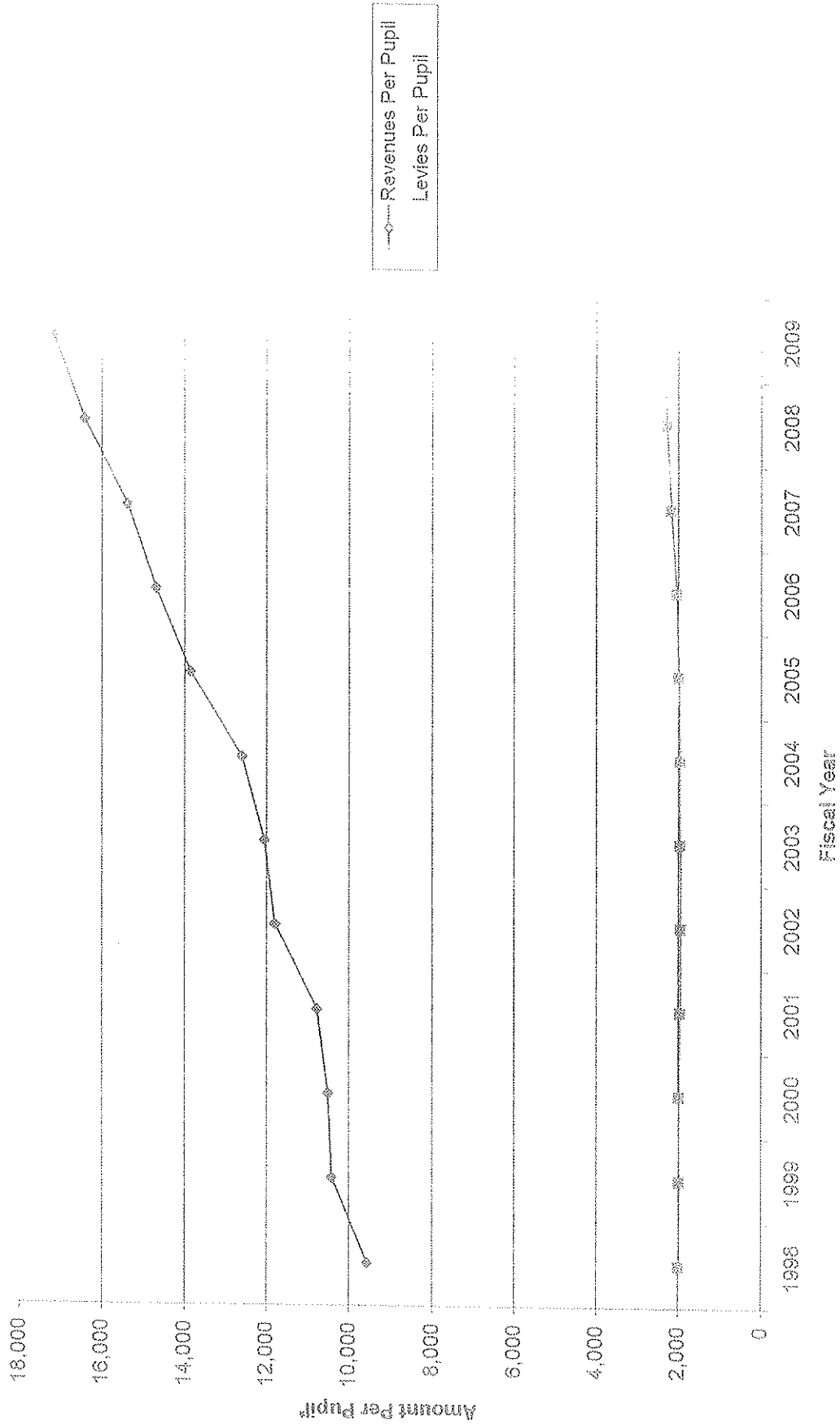
ABBOTT EQUALIZED SCHOOL TAX RATES: CALENDAR YEAR 2006

District	Equalized School Tax Rates	Percent Above/Below State Average
Asbury Park City	0.426	-54.00%
Bridgeton City	0.691	-25.50%
Burlington City	1.109	19.60%
Camden City	0.625	-32.60%
City of Orange Twp	0.543	-41.40%
East Orange City	0.696	-24.90%
Elizabeth City	0.448	-51.70%
Garfield City	0.802	-13.50%
Gloucester City	0.644	-30.50%
Harrison Town	0.692	-25.40%
Hoboken City	0.420	-54.70%
Irvington Town	0.718	-22.50%
Jersey City	0.421	-54.60%
Keansburg Borough	0.599	-35.40%
Long Branch City	0.601	-35.20%
Millville City	0.573	-38.20%
Neptune Twp	0.768	-17.20%
New Brunswick City	0.809	-12.70%
Newark City	0.558	-39.80%
Passaic City	0.434	-53.20%
Paterson City	0.505	-45.50%
Pemberton Twp	0.729	-21.40%
Perth Amboy City	0.523	-43.60%
Phillipsburg Town	0.630	-32.00%
Plainfield City	0.571	-38.40%
Pleasantville City	0.703	-24.20%
Salem City	1.196	29.00%
Trenton City	0.833	-10.10%
Union City	0.467	-49.60%
Vineland City	0.568	-38.70%
West New York Town	0.549	-40.80%
ABBOTT AVERAGE	0.552	-40.50%
STATE AVERAGE	0.927	

SOURCE: DEPARTMENT OF COMMUNITY AFFAIRS

**EXHIBIT I**

### Abbott Districts Revenue vs. Levy



\* Enrollment is the resident enrollment less 0.5 of the half-day Kindergarten enrollment; enrollments for FY 2009 are projected based on ASSA submissions as of Feb 19, 2008.

**EXHIBIT J**

# 2008-09 Budget Guidelines



**BUDGET  
PLANNING**

Division of Finance

January 2008



# 2008-09 Update

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- Budget Calendar
- Key Changes for FY08 School Budget Submission and Approval
  - Chapter 62 – Tax Levy Waiver Requests
  - Chapter 53 – User Friendly Budgets
  - Chapter 260 – “School Funding Reform Act of 2008” or SFRA
  - Chapter 63 – Executive County Sup Budget Approval
- Budget Software Download



# 2008-09 Budget Calendar

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- February 15 - Preliminary Budget Submission to Support Waiver Requests
- March 6 – Final Budget Submission
- March 19 to March 27 – Public Hearings
- March 29 – Deadline to Submit Public Question to County Clerk
- April 12 – School Election

# 1. Tax Levy Waiver Requests

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- New for 08-09 is ability for districts to submit a “tax levy cap waiver” to exceed the allowable tax levy growth for “extraordinary costs”
- Extraordinary cost” for a waiver is defined as:
  - *“Costs beyond customary and usual in the operation of a public school, beyond the control of the district, necessary to achieve T&E as determined by the Commissioner, and the expenditure was not included in the original budget of the prebudget year or increased by more than 4% of the amount included in the original budget of the prebudget year”*

# Tax Levy Waiver Requests

- There are specific "extraordinary cost" waiver requests allowed in the law which include:
  - Increases in cost in excess of 4%;
  - Capital outlay increases in excess of 4%;
  - Significant recurring revenue in current year budget;
  - Increases in insurance (excluding health) in excess of 4%;
  - Increases in hazardous business in excess of 4%;
  - Increases in special ed costs over \$40k/pupil in excess of 4%;
  - Increases in tuition in excess of 4%;
  - Incremental increases in costs for opening a new school in the budget year; and
  - Not meeting the CCCS criteria for 18-19 and 19-20.

# Tax Levy Waiver Requests

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- Waivers are NOT automatic
- Executive County Superintendent will review and approve waivers as part of budget approval and may make budgetary reallocations up to the total amount of the waiver request
- Reallocations will include non-T&E items & areas for efficiency reductions
- Accounts approved for waivers restricted during the year
- Transfers out of restricted accounts during budget year require Executive County Superintendent approval
- Surplus amount of budget year for district may be used for waiver approval must be reserved to offset future waiver requests (in amount of waiver approved)

# Software - Waiver Requests

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- ☐ Software includes the complete calculation of the maximum permitted tax levy -- *no separate excel worksheets*
- ☐ “Tax Levy Cap Calculation”
- ☐ Software includes new SFRA calculations and data entry screens for *extraordinary cost waiver requests*
- ☐ Software also includes the required amount of state aid to offset the allowable levy increase (20 districts impacted)

# Software - Cap Calculation

## TAX LEVY CAP SAMPLE REPORT

Line A PRELOADED BASE TAX LEVY CALCULATION

Line B (DOE WILL PROVIDE CALC ON SEPARATE FORM)  
AUTOMATIC ADJUSTMENT – REDUCTION IN STATE  
FORMULA AID – N/A for 2008-09

Line C AUTOMATIC ADJUSTMENT – INCREASE IN HEALTH  
CARE COSTS – *still waiting on increase from Pensions*

Line D REDUCTION IN LEVY FROM STATE WAIVER 2.89%  
PRELOADED INTO CALCULATION

Lines E-N INDIVIDUAL WAIVER REQUESTS

Line O MAXIMUM TAX LEVY = SUM OF A THRU N, Less D

# SFRA Required Tax Levy Offset

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## Use of State Aid Increase if Over Adequacy

- Impacts 20 districts
- Districts Spending above adequacy and their local fair share must use the increase in state aid over 2.89% to offset levy increase
- District may still apply for waiver or use separate proposal to increase levy
- In sum, every district subject to provision will receive full increase in state aid and be able to grow budget by same 4% plus adjustments, waivers and separate proposals. In addition, these district can grow budgets by increase in aid up to 2.89%.



## “Other” Waiver Requests

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- Software also includes “Other Waiver Request” but department foresees very few, if any, circumstances of extraordinary costs that meet the definition and are not one of the aforementioned costs
  - Costs to fund contracts that exceed 4% would not be considered an extraordinary cost eligible for a waiver
  - Costs to maintain class size would not be considered an extraordinary cost as the automatic adjustment is available to address class size concerns

# Waiver Submission Requirements

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- Preliminary Budget and Supporting Documents due February 15, 2008 to the executive county supervisor
  - Includes completed waiver requests and additional documentation unique to request that will provide "clear and convincing" evidence that the district qualifies for the waiver(s) and that the amount of expenditure is reasonable
- Completed efficiency questionnaire, trend analysis and comparative analysis to the adequacy budget;
- Support of encumbered funds and available balances through the end of the fiscal year
- Latest Board Secretary Report



# Waiver Submission Requirements

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- Efficiency Standards Questionnaire and Trend Analysis worksheet
- Handout
- Word document/Excel Spreadsheet to be posted on web
- There is not an absolute amount of “no” answers that will disqualify a district from receiving a waiver
- Comparative Analysis of Resources and Costs to Adequacy Model
- Handout

Resource model posted on website as Appendix E to Funding Formula Report “All Children, All Communities”

Executive County Superintendent Reallocations

In considering waiver request, the Executive County Superintendent, in consultation with the Division of Finance, must review the entire budget for potential budgetary reallocations up to the total amount of the waiver request.

The executive County Superintendent will consider the following reallocations:

Reallocations from proposed deposits to reserves.

Reallocations from existing reserves specific to budgeted appropriations where sufficient balances exist;