



Lakewood Board of Education

200 Ramsey Avenue, Lakewood, NJ 08701

Main Office: (732) 364-2400 Fax: (732) 905-3687

Laura A. Winters, Superintendent of Schools

Regina Robinson, Interim Business Administrator

May 10, 2017

Kimberley Harrington
Acting Commissioner of Education
New Jersey Department of Education
PO Box 500
Trenton, NJ 08625

Dear Commissioner Harrington:

The Lakewood School District is a high poverty district in Ocean County with a high concentration of "at risk students." The district will have an estimated deficit of \$10,600,000 for the fiscal year ending June 30, 2017. The district has been in a budgetary deficit position since June 30, 2014, at which time the deficit amounted to approximately \$6,000,000 and has grown to the current deficit amount.

The district has incurred significant transportation and special education costs due to the unique circumstances of Lakewood. While Lakewood Public Schools has a resident student enrollment of about 6,000 students, the township also educates some 30,000 students and growing, in over 100 nonpublic schools. Legally the Lakewood public school district is responsible for the mandated student transportation and any special education needs of some 36,000 Lakewood resident students. The state's funding formula recognizes the public school district as a 6,000 student district and has never recognized the anomalies of Lakewood and the additional cost associated with 30,000 nonpublic students. That coupled with flat state funding the past 8 years, has created a situation where the Lakewood Public School District simply cannot provide the constitutionally required thorough and efficient education and its other State mandated services without additional state assistance over and above the regular state aid allocation.

For the original 2017-18 budget, the district found itself with a \$14.7 million revenue shortfall. After working collaboratively with the State Department of Education and Ocean County Executive Superintendent's Office, we were able to identify some \$3.5 million in budgetary reductions that were not considered necessary for T&E. At the same time, it was discussed that there would be an increase for one to one paraprofessionals in private schools for the handicapped, K-5 science textbooks were required for next year and that the district would be allowed to defer \$2 million in repayments to the state for prior advance state aid payments and audit adjustments. However, the district needs an additional \$10 million to maintain a thorough and efficient budget and avoid the layoff of 140 staff members, including 106 classroom teachers.



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The reduction of 106 classroom teachers would result in average class sizes of 50, far in excess of the legally required class sizes for districts with concentrations of “at-risk students” of 40% or more [N.J.A.C. 6A:13-3.1]

Additionally, the deficit and revenue shortfall will result in a severe cash flow crisis. Currently the district is relying on a cash surplus in fund 20 for payroll, benefits and to pay bills in fund 11. This surplus will dry up as fund 20 vendors are paid and unexpended funds are returned to the state for state funded non-public school programs.

Accordingly, I am requesting a \$10,000,000 advance state aid payment for the 2017-18 school year pursuant to the provisions of N.J.S.A. 18A:7A-56a. I am requesting that the additional advance payments of state aid not be disbursed prior to July 1, 2017 so that it may be recognized as revenue in 2017-18 and balance that budget. No part of the advanced state aid payment will be used for non-mandated (courtesy) transportation. Courtesy busing was eliminated from the district’s 2016-17 school year budget and not included in the 2017-18 school year budget. Also, there are no plans to restore it in subsequent budget years.

Pursuant to the provisions of N.J.S.A. 18A:7A-56b, I request the maximum 10-year repayment term, subject to the undesignated general fund balance provision of N.J.S.A. 18A:7A-56c. Additionally, I request that the first repayment installment be due in the 2018-19 school year, as any earlier repayment would create significant financial distress in the 2017-18 school year.

Your consideration of this request is greatly appreciated. Its approval will ensure that the students of Lakewood receive a thorough and efficient education.

Respectfully,

Laura A. Winters
Superintendent of Lakewood Public Schools

- c. Glenn Forney, Director of State Monitors
Judith DeStefano-Anen, interim Executive County Superintendent
Michael Azzara, State Monitor
David Shafter, State Monitor
Barry Iann, Board President
Marc Zitomer, Board Attorney
Regina Robinson, interim School Business Administrator/Board Secretary