

Spotlight on Education:

Why Are Lakewood's Public Schools Doomed to Continue Failing?

How much is this Costing Children in our Mosdos?

Rabbi Meir N. Hertz, Lakewood, September 2012.



In the new school year, a confluence of five factors has brought some unprecedented challenges to Lakewood's deeply troubled school district. These 5 factors are as follows:

1. Beginning with the 2012-13 school year, New Jersey is operating under a waiver of many of the 'No Child Left Behind' (NCLB), requirements, giving NJ's school districts much greater operational flexibility.^{i; ii; iii}
2. The federal 'supplement not supplant' rule mandates that school districts use federal funding to add to (supplement), and not replace (supplant), the state and local funds they spend on education. This provision is intended to ensure that the true beneficiaries of the federal funding are the educationally at-risk students. However, this year, all six (6) Lakewood public schools are approved for the Title 1 'school-wide' program.^{iv} As a result, the basic requirement of 'supplement not supplant' is trumped.^v
3. Due to a change this year in the federal definition of 'low-income' for Title 1 eligibility, Lakewood's total Title 1 allocation increased by 77%, from \$8,727,354 in 2012, to \$15,433,376 in 2013.^{vi; vii} Also, Lakewood is unique. No other NJ school District has: (a) such a rapidly-growing school population, (b) such a high level of impoverished student population in *both* the nonpublic and public school sectors, and (c) such a high ratio of nonpublic-to-public Title 1 funding entitlement: 76.65% NPS to 23.35% PS, more than 3-to-1. If Lakewood's schools were not failing, and the District's total Title 1 allocation of \$15,433,376 was proportionately divided, the eligible NPS students would receive \$11,829,683 in Title 1, and the eligible PS students would receive \$3,603,693.
4. Four out of Lakewood's 6 public schools are failing.^{viii} Lakewood High School has the lowest graduation rate in all of New Jersey.^{ix}
5. In the April 2012 BOE elections, a slate of tax advocates gained control of the Board under the guise of seeking long overdue school reform, an end to pervasive corruption, and more and better special education and related services for eligible, struggling students. Since the elections, however, the new majority has shown its true colors. The facts show that most (not all), are driven by a short-sighted, single-minded agenda of budget slashing, with little concern for genuine educational reform or for addressing the needs of children with special needs, and even less concern for transparency and accountability. No structural educational reforms and no significant personnel changes have been introduced; it's business as usual. Even worse, several District staff members previously complicit in the culture of impunity have been retained, some were even promoted.

Since 4 out of 6 Lakewood public schools are failing, 30% of this year's Title 1 allocation—\$4,630,012 of the \$15,433,376 — must be taken 'off-the-top' and reserved for fixing the failing schools. Furthermore, since Lakewood won approval for a 'school-wide' program, the reserved funds do not have to benefit a targeted population of educationally disadvantaged children. Worse, the funds are fungible—they can be used to supplant, rather than supplement, the District's school budget. In other words, the taxpayers are the real beneficiaries, not the educationally disadvantaged students, nor even the general student population. Small wonder that parents and other stakeholders were never consulted on the 'school-wide' program, though such consultations are mandated by law.^x

Take for example, the August 14 LBOE approval to purchase core curriculum textbooks for the entire K-5 school population with Title 1 funds.^{xi} Absent the 'school-wide' program, such use of Title 1 funds would almost certainly run afoul of 'supplanting' prohibition. Even with the 'school-wide' program, a question remains as to whether the District's Title I funds must still be used - along with other funds - for upgrading the entire school-wide instructional program, rather than for basic needs. Is this an isolated case? Consider another recent example:

Last month, NJ Dep't of Education officials had to intervene to stop the Lakewood BOE members' purchase of iPads for themselves using money from the \$8 million Chapter 192/193 State grant intended for NPS supplemental education. Not content with just blocking the use of the funds in this manner, State officials referred the matter to the Office of Fiscal Accountability and Compliance for further investigation.^{xii}

Such Board actions are well-scripted and carefully orchestrated. The outcomes are neither coincidental nor inconsequential. Lakewood's 'school-wide' program was specifically-designed and carefully-crafted to provide – first and foremost - taxpayer relief, by supplanting local taxpayer funding with Title 1 funds. In short, to use federal funds to subsidize the local tax levy portion of the school budget.

“Very clever. Sounds good. What’s wrong with that?” you may ask. The answer is simple. Consider the following five consequences:

- (1). The most obvious problem is that for the first time, starting this year, the LBOE is balancing the local school budget on the backs of Lakewood's most vulnerable, educationally-disadvantaged children, both public and non-public. Lakewood's nonpublic students will lose 30% of their Title 1 funding this year (\$3,518,810 / \$11,829,683), due to the District's failing schools, and the mandatory 30% 'off-the-top' Reserve. But Lakewood's educationally-disadvantaged public school students are hit even harder. They stand to potentially lose 100% of their Title 1 allocation due to the 'school-wide' program, and not to see any benefit from the Title 1 funding they generated. *Only* the taxpayers will benefit from the Reserve, and from the 'school-wide' program – potentially up to \$8.4 Million. How much of their funding will Lakewood's educationally-disadvantaged students actually lose? By now it is clear that this depends only on how closely the BOE is monitored and audited. Not too perturbed about that? Read-on.
- (2). The current majority on the LBOE was elected on a platform of fiscal restraint and fiscal responsibility. However, the leadership of the LBOE has now tossed all that out the window. Instead, they are 'balancing the budget' by siphoning-off funding from federal and State grants intended for educationally disadvantaged students. In short, they are spending more – not less – and covering it up by exploiting funds intended for Lakewood's most vulnerable children, in *both* the public and nonpublic schools. In the process they've deprived these students of their basic educational opportunities, effectively robbing them of their futures.
- (3). Once the LBOE members took the bait, and used federal Title 1 funds to subsidize the local budget, they are 'hooked'. They now have an inherent dependency on federal Title 1 funding. They can only maximize Title 1 funding by maintaining the District's public schools' failing status. If Lakewood did not have failing public schools this year, the District would “lose” the \$3,548,905 in off-the-top Title 1 'Reserve' taken from NPS students.^{xiii} The LBOE now has a built-in incentive to ensure Lakewood's schools continue to fail, so as not to lose the off-the-top reserve they need to “balance” their budget. So the mouse took the irresistible bait, only to be trapped.
- (4). But that's only the beginning. There's more. The 'school-wide' program, gives the LBOE the flexibility to combine this NPS \$3.6 Million 'Reserve', with an additional PS \$4.8 Million Title 1 funding, to supplant local taxpayer funds. In short, the combination of NCLB 'Waiver', Title 1 'Reserve', and the new 'school-wide' program, nets the LBOE a whopping \$8.4 Million to supplant, not supplement, the local tax budget. The majority of this BOE find that bait - irresistible.
- (5). And, here's the kicker. With the majority of the LBOE members now single-mindedly obsessed with 'balancing the budget' by tapping into federal and State grants – *with little actual cost cutting* – the result is a myopic waste of Lakewood's *entire* \$140 Million annual budget - by ensuring a failing education for 5,500 public school students - just to qualify for an \$8.4 Million Title 1 grant to offset the local tax levy.

What a BARGAIN!



Encl. (Lakewood's Title 1, 2013 Application), and Endnotes, on following pages.

Endnotes:

ⁱ See <http://www2.ed.gov/policy/eseaflex/secretary-letters/nj.html>

ⁱⁱ http://www.northjersey.com/news/140110843_New_Jersey_waived_from_NCLB.html

ⁱⁱⁱ http://www.washingtonpost.com/blogs/answer-sheet/post/why-obamas-nclb-waivers-arent-what-he-says-they-are/2012/02/09/gIQA3Mbw2Q_blog.html

^{iv} See <http://www.nj.gov/education/title1/program/programs.shtml>

^v “The federal supplement not supplant provision requires that federal funds be used to augment the regular educational program. They must not be used to substitute for funds or services that would otherwise be provided during the time period in question. The statute requires that state and local educational agencies (SEA’s and LEA’s) use federal funds received under Title I only to supplement the amount of funds available from nonfederal sources for the education of students participating in Title I services.” See full discussion at: <http://www.nj.gov/education/title1/accountability/audit/supplement.pdf>

^{vi} <http://njdoe.ewegp.mtwgms.org/NJDOEGMSWeb/logon.aspx> Click on Public Access, enter Lakewood> NCLB.

^{vii} The definition changed from “Free and Reduced” lunch eligibility, to “Below Poverty Level”.

^{viii} Under the new NCLB ‘Waiver’; according to the previous rating method, all 6 Lakewood public schools were designated as failing.

^{ix} The Class of 2010 had a 37.6 percent graduation rate, the lowest in the state, while the state average was 94.7 percent, according to data from the state Department of Education’s annual School Report Card. Lakewood’s Class of 2008 also ranked lowest with a 43.6 percent graduation rate compared with the state average of 92.8 percent. The Class of 2009 was second lowest in the state at 37.5 percent, with the state average of 93.3 percent. Numbers for the Class of 2011 class will be released in February, state officials said.

^x See 34CFR, §200.27 and 200.28.

^{xi} See BOE 8-14-12 Agenda, Addendum #3, at <http://www.lakewoodpiners.org/domain/29>. The Addendum was not made available online until 9 days after the Board Meeting, and only after persistent requests.

^{xii} <http://www.app.com/article/20120828/NJNEWS/308280125/State-disputes-school-board-s-use-grant-iPads?odyssey=nav%7Chead>

^{xiii} The PS portion of the Reserve, \$1,081,108, is not a net gain. It would have been in the PS account in any case, and ‘lost’ via the ‘school-wide’ program, like the other PS Title 1 funds.