

Bond Case Briefs

Municipal Finance Law Since 1971

SCHOOLS - NEW JERSEY

Borough of Seaside Park v. Commissioner of New Jersey Dept. of Educ.

Superior Court of New Jersey, Appellate Division - August 12, 2013 - A.3d - 2013 WL 4045309

Boroughs, their boards of education, and residents brought action seeking dissolution of school district, permission to withdraw from district, or alteration of district's funding formula following legislative mandate that regional school districts be funded through equalized valuation, rather than on a per-pupil basis.

The Superior Court, Appellate Division, held that:

- Failure to exhaust administrative remedies precluded relief;
- Borough failed to establish that exhaustion of remedies would have been futile;
- Circumstances did not warrant extraordinary equitable relief;
- Statutory remedies available were not illusory;
- Apportionment of cost system did not violate constitutional provision governing educational funding;
- Legislative funding mandate did not violate contracts clauses of federal and state constitutions;
- Funding mandate did not constitute an unconstitutional taking; and
- Mandate did not violate substantive due process rights of taxpayers.

Regional school district's apportionment of cost system, in which borough's taxpayers paid about the average State cost of education per pupil, did not violate state constitutional provision governing educational funding, which required a thorough and efficient education. Constitutional provision was focused primarily on the education of students, not with equality among taxpayers, there was no allegation that district's students were not receiving a thorough and efficient education, and the distribution of education costs among taxpayers was a policy decision to be made by the legislature.