

**APPENDIX**

**Assembly Education Hearing on School Funding**  
**February 23, 2017**  
**Remarks by Assemblyman Wayne P. DeAngelo**

Good Afternoon, Chairwoman Jasey. Thank you for this opportunity to speak today to express the needs of my 14<sup>th</sup> Legislative District that begins just miles from the State House steps.

My district is like many others in New Jersey; largely suburban, working-class residents. We do not have an urban center but we are not the other end of the spectrum either with large sprawling rural areas.

The vast majority of our residents are middle-class who struggle with bills from time-to-time and wonder if living in New Jersey can truly be affordable.

We have all heard the complaint as elected officials. Property taxes. It's property taxes that drive up the cost of living in New Jersey; and it's the cost of school funding that is the driving force behind those very tax rates.

This Committee is now on its third public hearing so I'm sure you've heard similar stories several times over. Schools needing to build new facilities to accommodate growing class sizes. Districts struggling to keep the needed number of teachers. Increasing costs of security to keep students safe. Necessary classroom technology is expensive.

When I was first elected to the General Assembly almost 10 years ago, we were right here, in the same place facing the struggle of funding public education.

We made the hard choices and enacted the School Funding Reform Act of 2008 that sought to establish a better way to distribute funding. Was it perfect? No. There is no such thing. But, it put in place a better formula for the vast majority of New Jersey.

Then Governor Christie came into office and essentially threw the funding formula out. Towns faced not just minor adjustments. Their funding was slashed; cut to the bone.

In the last seven years, towns in the 14<sup>th</sup> District and throughout New Jersey have been reeling from the hatchet taken to their state aid.

School Districts in the 14<sup>th</sup> District are, unfortunately, the examples of the struggles that various suburban towns face.

Let's start with the largest town in our district: Hamilton Township. With approximately 90,000 residents, the town has 17 elementary schools; 3 middle schools and 3 high schools. Many of these schools could use significant upgrades as they are older and bursting with students.

A significant number of Hamilton students face the same challenges as those in neighboring Trenton but funding levels do not seem to reflect their need.

While the school district funding is almost on track with the funding put forth under SFRA, there is no room for many changes or the necessary improvements that the students deserve. It's a town essentially frozen until the freeze on funding thaws out.

Now, let's look at the regional district schools: West-Windsor-Plainsboro Regional is widely considered a top school district in the state, but being under funded by 29% could ultimately cost them that very distinction.

The District straddles Middlesex and Mercer Counties with residents on both sides of the county line paying significant property taxes to provide the base of aid necessary to the school. But when will it be too much for these residents?

Our other joint District -- East Windsor Regional -- that serves the donut hole town of Hightstown as well. The town strives to do what so many say the school districts should do, consolidate. Even so, the district is under funded by 15.8%

These towns are largely built out with little opportunity to add to the tax bases to provide more funding for township services or the school district needs.

Then we look one township over to Robbinsville that is still a swiftly growing community but has a similar level of under-funding at 14.8%.

Even with local residents approving an increase in tax levy for school improvements, they are a town that is keenly aware of the impact of growth on their school systems.

On the opposite end of the spectrum is Jamesburg and Cranbury. Both towns are very small and very built out with no room to grow even if the towns wanted to in order to widen the tax base.

Jamesburg, which is currently 15.8% under-funded, sends their high school students to Monroe Township High School. Just a few years ago, the town struggled to even pay their bill to Monroe for educating those students.

Cranbury similarly sends their high school students to another district. They are currently under-funded at the jaw-dropping rate of 38.1%. They are a one-building school district in a historic town. While residents have been willing to endure tax hikes in the past to preserve their sense of community, there is quickly approaching a point where no amount of cuts or hikes will be sufficient to sustain themselves.

And then there's the town that has been crying out the loudest for years: Monroe Township.

This 42 square mile town has more than one-third of its 40,000 residents who are senior citizens. Much of the town is made-up of closed, age-restricted senior communities. However, a portion of the town continues to be developed adding to the burden on the school system.

Failure to fully fund the SFRA has been devastating. At the current aid levels, Monroe Township is 39.3% under-funded.

There is no level cuts or efficiencies than can realistically close this drastic shortfall in Monroe, or any other school district.

I'm sure you will hear more later from Monroe Township school officials.

As their legislative representatives, my colleagues and I have done everything possible to help not only Monroe Township, but our entire district.

Over the recent years, we have met with officials from the Governor's office as well as the Commissioner of the Department of Education and other state officials.

We have devised special legislation that would re-establish the aid for towns with large senior citizen populations. A large majority of these residents live on fixed incomes. The strain of property taxes caused by lack of school funding makes them struggle to make ends meet.

I have submitted legislation that would reward high-performing school districts through a new source that would be called "efficiency school aid."

We have submitted budget resolutions urging any small modicum of relief to towns.

And time and time again, school officials and residents have come before legislative committees such as this one to practically beg for relief.

The tough choices are never easy, but nothing that is worth the fight comes easy either.

We need to dig deep and find a way to bring a level of state aid to our towns before our school systems and students face irreparable harm.

Thank you, and I am always willing to continue to help in working with my fellow colleagues working to fix the school funding formula in New Jersey.



**COMPARISON OF PROPOSED FY 2017 STATE SCHOOL AID AND FULLY FUNDED SFRA  
LEGISLATIVE DISTRICT 14**

County	District	Proposed Aid	Aid Under Fully Funded SFRA	Difference	
				\$	%
Mercer	East Windsor Regional	\$18,681,802	\$22,198,614	\$-3,516,812	-15.8%
Mercer	Hamilton Twp	\$73,888,102	\$73,248,192	\$639,910	0.9%
Mercer	Mercer County Vocational	\$2,432,638	\$2,892,478	\$-459,840	-15.9%
Mercer	Robbinsville Twp	\$2,491,756	\$2,924,471	\$-432,715	-14.8%
Mercer	W Windsor-Plainsboro Reg	\$7,593,152	\$10,690,743	\$-3,097,591	-29.0%
Middlesex	Cranbury Twp	\$476,041	\$769,042	\$-293,001	-38.1%
Middlesex	Jamesburg Boro	\$5,078,778	\$6,033,719	\$-954,941	-15.8%
Middlesex	Middlesex Co Vocational	\$13,302,416	\$15,824,894	\$-2,522,478	-15.9%
Middlesex	Monroe Twp	\$2,832,178	\$4,668,983	\$-1,836,805	-39.3%
Middlesex	Spotswood	\$6,130,274	\$7,286,056	\$-1,155,782	-15.9%
		\$132,907,137	\$146,537,192	\$-13,630,055	-9.3%

prepared by the Office of Legislative Services, Education Section, using data provided by the Department of Education.

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# Monroe Township School District (Middlesex)

HOW THE HOLD-HARMLESS PROVISION IS ACTUALLY HARMING MONROE  
TOWNSHIP

# Monroe Township Middle School



This picture shows that we do not have enough lockers for the number of students in our over capacity middle school. This is due to the overcrowded conditions as a result of our continued student growth. We had to cut our library in half so that we could add additional classrooms to house our students.

# Monroe Township High School



Our 6 year old high school is already over capacity due to our continued student enrollment. Yet, even though our enrollment is rapidly growing, our state aid remains flat.



# Monroe Township Board of Education

Mrs. Kathy Kolupanowich, Board President

Mr. Marvin Braverman, Vice President

Ms. Michele Arminio    Mr. Ken Chiarella    Ms. Jill DeMaio

Ms. Patricia Lang    Ms. Dawn Quarino    Mr. Steve Riback

Mr. Frank Russo    Mr. Paul Rutsky, Finance Chair

Dr. Michael Kozak-Superintendent

Dr. Dori Alvich-Assistant Superintendent

Mr. Michael Gorski, CPA-Business Administrator/Board Secretary



# STUDENT ENROLLMENT

The Monroe Township School District (MTSD) is experiencing unprecedented student growth. We have **added 1, 330 students** since 2008. In the next five years, our demographic report **predicts 1,535 students** entering our schools.

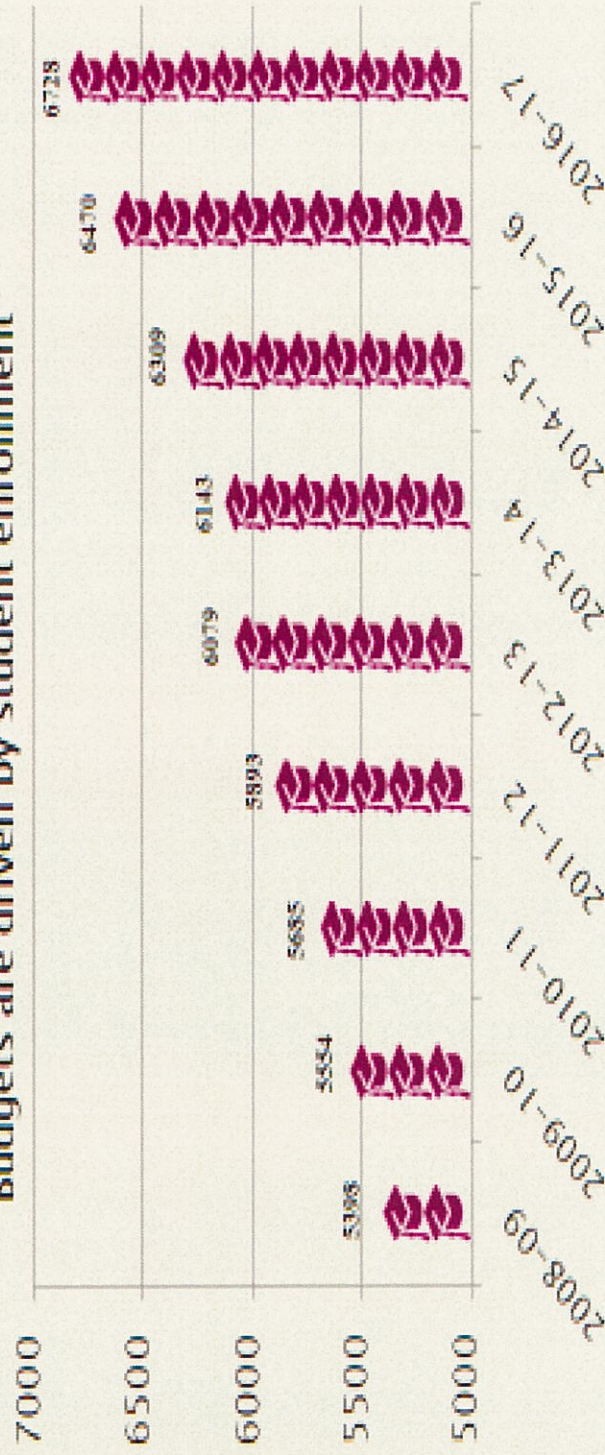
This increased student enrollment is forcing us to go back to the taxpayers in Monroe Township and ask them to fund the building of a new elementary school, a new middle school and an addition to our high school, which is only 6 years old.

Because of the Hold-Harmless provision, the MTSD is cutting quality educational programs and services to accommodate its new student enrollment. In addition, we have been cannibalizing our schools by converting libraries and other areas into classrooms.

Our enrollment projection of 476 students for the 2017-18 school year will cost an additional 7.1 million dollars (476 x 15,000).

# BUDGET APPROPRIATION CONSIDERATIONS

Budgets are driven by student enrollment



+ 1,330 students over the past eight years.

\* Projected by Ross Haber Associates March 2016

# STATE AID

In 2008, MTSD received \$5,467,365 in state aid

In 2016, MTSD received \$3,344,439 in state aid

That equals an 8 year cumulative decrease in state aid of **-\$2,122,926 (-39%)**

But, our 8 year cumulative student enrollment increased by +1,330 (+25%)

So, while some districts receive 30 million in state aid, Monroe receives a little over 3 million. Perhaps requiring housing developers to contribute to the building of new schools to equate with the number of houses built in a township could help the local school district avoid placing the burden on the taxpayers in the community.



# Increase in student population, Decrease in State Aid

8-year cumulative decrease in State Aid

(\$2,122,926.00) - 39%

8-year increase in enrollment from ASSA

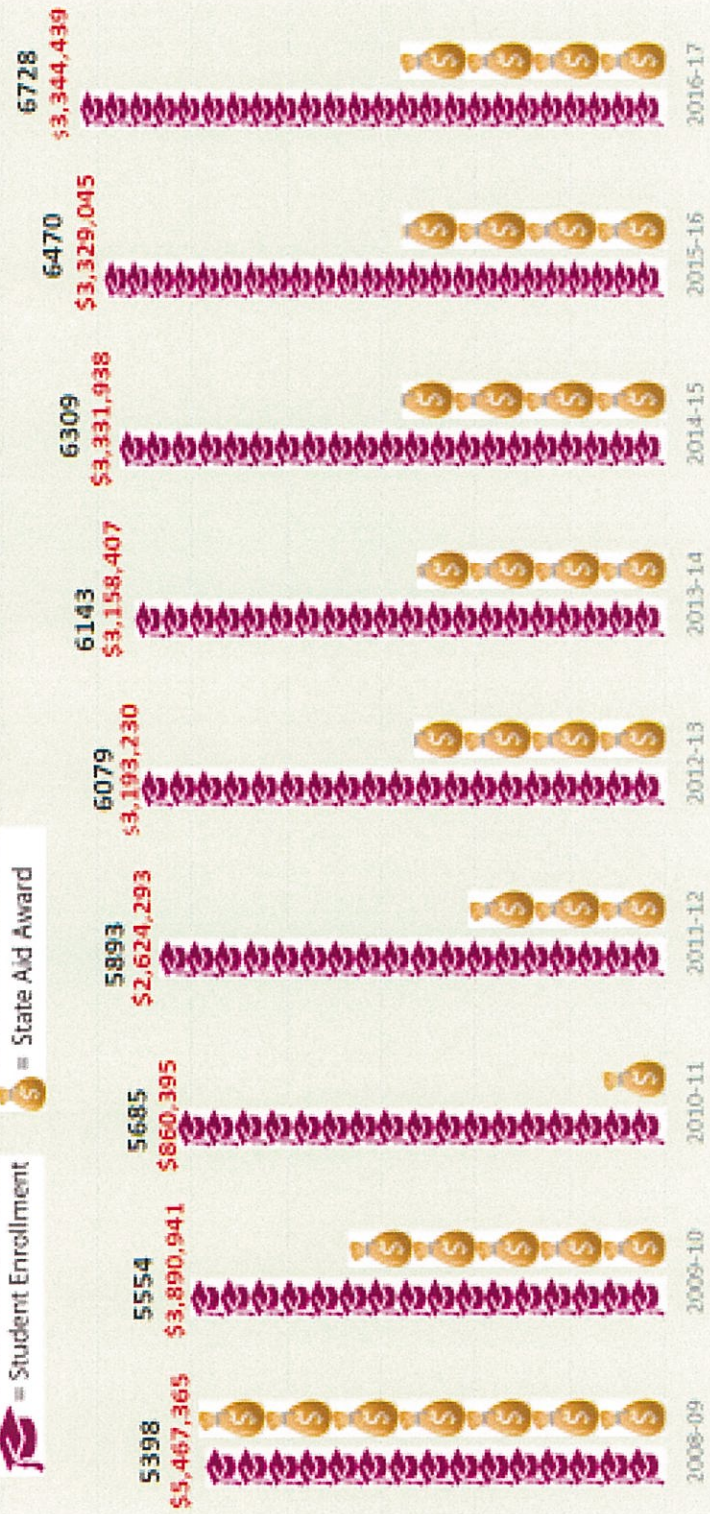
+ 1,330 students + 25%



= Student Enrollment



= State Aid Award





# CONCLUSION

Thank you for providing this opportunity to present our funding concerns to you.

On behalf of the Monroe Township Board of Education, the students, staff and the entire community of Monroe Township, **we respectfully ask that you begin to fund the MTSD, and all other underfunded school districts, beginning with the 2017-18 school year.**

# School Funding Figures & Comparison:

## Middlesex County

	Current Funding	Current Funding		2008 SFIRA 100% Funding (w/o Growth Cap)	
		% SFRA (w/ Growth Cap)	% SFRA (w/o Growth Cap)		
Carteret Boro	\$27,088,743	84%	63%	+\$15,844,830	100%
Cranbury Twp	\$476,041	93%	49%	+\$489,725	100%
Dimellen Boro	\$5,494,391	84%	49%	+\$5,760,547	100%
East Brunswick	\$17,995,272	92%	55%	+\$14,498,103	100%
Edison Twp	\$14,035,490	85%	38%	+\$23,015,540	100%
Highland Park	\$3,676,784	92%	47%	+\$4,180,164	100%
Jamesburg	\$3,078,778	84%	53%	+\$3,403,947	100%
Metuchen	\$1,079,208	93%	42%	+\$1,504,329	100%
Middlesex Boro	\$8,915,077	84%	61%	+\$5,694,699	100%
Middlesex Co Voc	\$13,302,416	84%	75%	+\$4,492,962	100%
Milltown Boro	\$1,145,246	92%	34%	+\$2,263,721	100%
Monroe Twp	\$2,832,178	93%	33%	+\$5,625,873	100%
New Brunswick	\$123,996,734	84%	81%	+\$29,460,040	100%
North Brunswick	\$11,862,491	84%	26%	+\$33,341,639	100%
Old Bridge	\$44,779,742	98%	98%	+\$807,341	100%
Perth Amboy	\$160,402,588	95%	95%	+\$8,256,427	100%
Piscataway	\$15,911,190	84%	43%	+\$21,250,048	100%
Sayreville	\$21,330,942	84%	48%	+\$22,704,862	100%
South Amboy	\$6,627,860	93%	93%	+\$179,334	100%
South Brunswick	\$23,651,279	84%	81%	+\$5,379,154	100%
South Plainfield	\$9,200,178	92%	30%	+\$2,240,375	100%
South River	\$13,036,888	84%	62%	+\$8,026,876	100%
Spotswood	\$2,145,021	84%	67%	+\$2,345,033	100%
Spotswood (Helmetta)	\$984,453	84%	70%	+\$420,151	100%
Woodbridge	\$23,934,460	84%	28%	+\$80,836,125	100%
Total	\$561,894,250	89%	66%	+\$283,521,705	100%

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## Steven Riback: Assembly Education Committee

I would first like to thank the Education Committee for hosting this meeting and Assemblymen Benson and DeAngelo for inviting me and my colleagues from the Monroe Twp.

(Middlesex County) school district to speak before you today.

The topic of state aid has been a hot button issue to say the least for quite some time. We, representing Monroe Twp, and I hope you as well, all agree that what is happening to districts like Monroe has been grossly unfair and must be rectified.

Unfortunately, the conversations have been ongoing, but the corrections needed, for various reasons, are left unaccomplished.

Monroe is undergoing a tremendous amount of development. As impact fees for developers are unlawful in our state, the taxpayers are left holding the bag. We currently need a new middle school, elementary school and expansion to the high school which is six years old. At this moment, we have 1000 unhoused students and in five years, expect that number to grow to 1500. Although we are currently planning a bond referendum, the increase in student population has been so rapid, we must plan to rent trailers for the start of the 2018-2019 school year. That will be another increase for taxpayers along with the cost of additional teachers and support staff; yet

no additional state aid is expected. Monroe's taxpayers currently fund 88% of the cost to provide for our schools. That is a staggering amount and needless to say, people are hurting. I think it's important to speak with constituents, and when I do, it is clear that taxes are their main concern as many of them are considering moving to a more tax friendly state. Approximately 60% of Monroe residents live in active adult communities; 1/3 of that demographic is over 65. These seniors are retired and looking to enjoy their savings, yet there is a limit on the growth aid formula which has cost Monroe millions of dollars in lost state aid. A number of years ago Senator Greenstein and Assemblymen Benson and DeAngelo supported bills, written by our district Business Administrator, Michael Gorski, which would have corrected this inequity. It never made it out of the Senate, but I believe it's still on the floor in the Assembly. That bill, does not mirror the prior Senior Supplemental Stabilization Aid because it asks for what the state's own model provides and no more.

The Stabilization/Hold-Harmless provision has been an added detriment to towns like Monroe with a growing student population. Of course towns where the student population is shrinking are benefiting financially and I might add, unfairly.

At the Senate Select Committee's Hearing on school funding held on February 2nd, our Business Administrator Michael

Gorski noted how in 2010-11 our school budget was handicapped by a 95% reduction in state aid of \$4.4 million leaving us with only \$238,000. This resulted in \$4.2 million being shifted from the state's obligation to the taxpayers. This is just an example of the ongoing problem caused by the lack of equalization aid resulting in residents using their savings to pay tax bills.

While our town sends the state \$39million from tax dollars, we get back only \$3 million. Does that sound equitable?

I know you are all very aware of the facts and I don't want to be repetitive so allow me to make a plea or even better, a challenge on behalf of our residents. This is an election year, so instead of making state aid a campaign issue, let's reach across the table and collectively and fairly solve this before November. Show your constituents that you've earned their votes. While the amount of state aid might differ between districts, we all deserve a fair share. I thank you.

**Monroe Township School District  
Assembly Education Committee  
on School Funding Fairness  
February 23, 2017**

**Michael C. Gorski, CPA  
Business Administrator/Board Secretary**

- Monroe has been harmed by the Stabilization/Hold-Harmless provision to the tune of one to two million dollars a year for the last couple of years. Additionally, the state's failure to fully fund their own formula subsequent to the 2008/2009 school year has cost Monroe approximately seven million dollars a year over the last eight years.
- Monroe's funding was handicapped with the 2010/2011 School Budget. Monroe received a 95% reduction in state aid of \$4.4 million leaving us with only \$238,000. \$4.2 million dollars was thereby shifted from what was formally the state's obligation to now that of the local taxpayers, where it has remained ever since. Monroe is one of the 3 districts in the county that receives no equalization aid, which is the most substantial type of state aid. Monroe is grossly underserved in terms of the state's obligation to fund education. Monroe taxpayers currently fund an unprecedented 88% of resources required to provide for the schools.
- Now, I would like to touch briefly on the state's adequacy calculation which also reduces Monroe's categorical state aid. Monroe is over 43 square miles, the largest land mass in Middlesex County. Sidewalks are not prevalent in most neighborhoods causing the district to spend millions annually in the transportation budget to safeguard students on hazardous routes. Special Education mandates plus many more factors beyond our control contribute to Monroe's over adequacy status which causes a direct phase out of eligible categorical aid. Monroe spends 30% of the General Fund Budget on 18% of the population representing classified students.
- Monroe has not qualified for equalization aid in the last decade. A districts Adequacy Budget, is designed to be funded by equalization aid. Districts' total Adequacy Budgets are supported by a combination of state and local funding. Under the formula, the calculation of each district's Local Fair Share is based on the wealth of each community as measured by aggregate income and property value. As should be expected under an equitable system, wealthy municipalities will still be expected to pick up a larger share of the cost of public education in their districts than poorer communities, **but every district should receive some state aid.** A district's calculation of equalization aid comes from a calculation called Local Fair Share. **There is no fairness in Local Fair Share that calculates no aid for districts like Monroe.**
- Now, I would like to discuss the demographics of our town, so you can better understand who bears the levy. 60% of the residents of Monroe reside in Monroe's Planned Retirement Communities. According to the decennial census, greater than 1/3 of Monroe's residents are 65 or older. These are the residents that are being asked to bear the cost of 88% of the revenues required for the school budget.
- So understanding the state's limitation in resources to provide state aid, I would like to provide a very reasonable solution, or an out, for the state.

**Proposal:**

**I propose that the state develop a more graduated scale to ensure every public school district receives some level of Adequacy Budget funding by modifying the Local Fair Share calculation to ensure that districts receive a minimal amount per pupil required to responsibly operate a school district. This is not the idea that each student receives the same amount of state aid, but a more responsible method of delivering the promise of SFRA 2008, that under an equitable system wealthy municipalities will still be expected to pick up a larger share of the cost of public education in their districts than poorer communities, but every district will continue to receive some equalization state aid.**

MONROE TOWNSHIP BOARD OF EDUCATION  
OFFICE OF BUSINESS ADMINISTRATION  
STATE AID HISTORY

STATE AID TYPE	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	EIGHT YEAR CHANGE	EIGHT YEAR % CHANGE
<b>EQUILIZATION AID</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>N/A</b>	<b>N/A</b>
CATEGORICAL SPECIAL ED AID	\$ 2,716,199.00	\$ 2,226,642.00	\$ 238,696.00	\$ 1,125,818.00	\$ 2,071,162.00	\$ 2,048,517.00	\$ 2,048,517.00	\$ 2,048,517.00	\$ 1,976,819.00		
MID-YEAR ADDITIONAL AWARD				\$ 887,122.00							
SECURITY AID	\$ 373,277.00	\$ 398,375.00	\$ -	\$ -	\$ 86,160.00	\$ 92,501.00	\$ 92,501.00	\$ 92,501.00	\$ 103,764.00		
TRANSPORTATION AID	\$ 1,579,507.00	\$ 2,043,966.00	\$ -	\$ -	\$ 480,206.00	\$ 496,510.00	\$ 496,510.00	\$ 496,510.00	\$ 570,717.00		
PARCC READINESS AID	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,980.00	\$ 58,980.00	\$ 58,980.00		
PER PUPIL GROWTH AID	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,980.00	\$ 58,980.00	\$ 58,980.00		
PROF. LEARNING COMMUNITY AID	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,515.00		
HOST DISTRICT SUPPORT AID	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 403.00		
LESS MID-YEAR REDUCTION	\$ -	\$ (1,580,572.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>TOTAL GENERAL FUND STATE AID</b>	<b>\$4,668,983.00</b>	<b>\$3,088,411.00</b>	<b>\$238,696.00</b>	<b>\$2,012,940.00</b>	<b>\$2,637,528.00</b>	<b>\$2,637,528.00</b>	<b>\$2,755,488.00</b>	<b>\$2,755,488.00</b>	<b>\$2,832,178.00</b>	<b>-\$1,836,805.00</b>	<b>-39.34%</b>
<b>ACTUAL RESIDENT ENROLLMENT</b>	<b>5,398</b>	<b>5,554</b>	<b>5,685</b>	<b>5,893</b>	<b>6,079</b>	<b>6,143</b>	<b>6,309</b>	<b>6,470</b>	<b>6,649</b>	<b>1,251</b>	<b>23.18%</b>
<b>STATE AID PER PUPIL</b>	<b>\$ 864.95</b>	<b>\$556.07</b>	<b>\$41.99</b>	<b>\$941.58</b>	<b>\$433.88</b>	<b>\$429.36</b>	<b>\$ 436.76</b>	<b>\$425.89</b>	<b>\$ 425.96</b>	<b>\$ (438.99)</b>	<b>-50.75%</b>

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Kathy Kolupanowich, President  
Monroe Township Board of Education

Thank you for giving us the opportunity to speak before you today regarding the fair funding formula.

My name is Kathy Kolupanowich, and I am President of the Monroe Township Board of Education. It has been my honor to serve the community as a board member for the past 18 years. During that time, our school district has gone from being a "good enough" district to an excellent district. That didn't happen overnight - it came with a vision, a plan to move us forward, and time. During the same period, we have grown approximately 250 students per year, and next year we expect 476 new students. That is equivalent to an elementary school.

Why are we adding so many students to our district? It's because of the reputation Monroe has for giving ALL students the educational opportunities needed for them to succeed. While we excel in many areas, it is in the area of special education that attracts families - many of them from out of State so that their children can take advantage of our excellent in-district special education programs. Eighteen percent of our student population is classified which affects 30% of our operating budget.

In the past few years Monroe has won State and National recognition for many of our programs including in the areas of technology and innovation. This past December our Monroe Township Marching Band was chosen to represent the State of NJ at the 75th Anniversary of Pearl Harbor in Hawaii. What an honor for our students and staff.

Monroe is a rural town that is quickly becoming suburban. At 43 square miles, we bus approximately 93% of our students since the majority of our schools are located on main roads with no infrastructure such as sidewalks. With a current student population of 6712, we transport 6235 students daily. We do so because it is a matter of safety and security of our children.

Sixty percent of our residents live in planned retirement communities. Our

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senior citizens have worked hard their whole lives to be able to enjoy the fruits of their retirement years. But as 88% of our school budget is funded through local property taxes, we have burdened them with yearly tax increases to cover the costs of educating our ever-increasing student population and decrease in State funding. With a much-needed upcoming referendum for new schools to accommodate 1000 unhoused students (and 1500 more expected in the next 5 years), we will again be asking our seniors for additional funding. We also ask them to foot the bill for unfunded mandates handed down by the State. A mandate from the State should be paid for by the State and not by our taxpayers.

Monroe needs help, and we need it now. As our Mayor recently stated, \$39M of Monroe tax dollars goes to Trenton and we receive back from the State only \$3M. That means that \$36M coming out of the pockets of Monroe residents goes to other districts. So our taxpayers are paying to educate students in other districts while also covering 88% of the costs of education Monroe children.

The hold harmless provision of the School Funding Reform Act of 2008 is hurting school districts like ours with growing student populations while benefiting those who have shrinking enrollments. This conversation has been going on for years, and it is now time for less talk and more action. We can't wait until November or next year to fix the unfair tax burden of our community. I ask that you please work together to fix this major issue now.

Thank you.

To : Chair Woman, Marlene Caride

Date : February 23, 2017

Assembly of Education Committee

Trenton, New Jersey

**Subject:** Request for Fair Funding to Monroe Township schools.

Dear Chairwoman and Education Committee Members,

We the citizens of Monroe Township, NJ, we fully endorse the testimony provided by Ms. Kathy Kolupanowich, President of Education Board, Monroe Township with respect to request for fair funding for our schools.

Our school budget for 2016/2017 is about 108 million dollars. About 30% (30 million dollars) of our budget goes to support special needs students which represent 18% of school children. We receive only about 3 million dollars from our state to support our special needs students. The State has mandated what we should provide for special needs students, so we expect State should fully fund our special needs students.

Our Township sends 39 million dollars to the State and we receive about 3 million dollars from the State to support our schools, this is not fair for Monroe Township citizens. We feel we are taxed twice. We request you to consider fair funding for our schools.

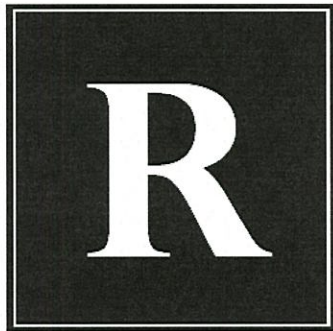
Thank you

Prakash Parab, Ph.D.

33 Dayna Dive

Monroe Township, NJ 08831





# Robbinsville Schools

**Assembly Education Committee  
February 23, 2017-Testimony  
Mr. Matthew T. O'Grady, President  
Robbinsville Board of Education**

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**New Jersey State Assembly Education Committee  
February 23, 2017  
Testimony by Matthew O'Grady, President, Robbinsville Board of Education**

Honorable Members of the Assembly Budget Committee, I wish to thank you for permitting me to testify on behalf of the tax payers and most importantly the students in Robbinsville Township. You are all very aware that equitable funding for public education in New Jersey has been under attack since 1985. For the last 32 years, this state has done the very thing that I despise the most. We have politicized our most important responsibility, educating our children. Along the way we have created a situation where communities are forced to argue who deserves more and who deserves less.

I am here before you today to talk to you about how this situation is negatively impacting the tax payers and the children of Robbinsville. I'm here today to talk about doing the right thing, about being fair, about following the written law, and most importantly to remind you that decisions regarding education need to consider all of the children of New Jersey. As you know approximately 38.5% of our entire state budget is spent on education which is commendable. The problem lies in how this money is being allocated and more importantly, our current system doesn't reward fiscal efficiency. Robbinsville is the third lowest spending school district of the 69 New Jersey K-12 of similar size, and at \$11,142 per student, we are the lowest spending school district in Mercer County.

Robbinsville has been forced to seek efficiency since 2004 when we opened our high school and our total state aide started its rapid decline. Since then, Robbinsville has been a frontrunner in finding alternative revenue aside from state aid or tax increases to fund our programs. Through this work we have accomplished the following:

- The district has eliminated numerous out-of-district tuition costs by building in-house programs for our Special Needs population.
- We have outsourced our custodial services at a savings of \$500,000 in additional health benefit costs to the district.
- We have reduced the number of full time instructional aides saving health benefit costs of \$390,000.
- Our collective bargaining units comply with NJ Chapter 78 Tiered Health Benefit Contributions and contribute the maximum amount towards their health benefit costs.

- We charge student activity fees.
- We rent out our facilities to generate revenue.
- We have a tuition-based preschool program.
- We have a tuition-based kindergarten program for students residing in neighboring districts.
- We have transportation jointures.
- We have shared services agreements.
- We have maximized energy cost reduction through an ESIP project, Demand Response, and solar initiatives.
- We have created a revenue generating in-house, before and after school program known as RED.

Robbinsville has received letters of commendation from the County Superintendent for our fiscal efficiency, prudence, and discipline. We've accomplished these initiatives even as our student population has grown at an annual at rate of 3%.

In essence, we have built a high performing school district at a time in our state's history where taxes are increasing and the financial burdens on members of our community are very difficult.

In 2009 our total state aid was \$2.8M and our student enrollment was 2697 students. As of January 2017, we have 3118 students enrolled and our projected aid for next year will be \$300,000 less. Since 2009 Robbinsville residents have contributed an additional \$5,482,249 in local tax levy. This inequitable disparity isn't fair considering the State's legal obligation to educate all children in New Jersey. Where would the students of Robbinsville be today without this community support? How many more Robbinsville residents would have left our town over these burgeoning taxes and our impaired ability to provide core programs?

This doesn't even reference what happened in 2011 when our state aid, like many districts was cut by over 50%. During that time we eliminated 26 FTEs and significantly reduced programs that other like districts routinely provide. To the detriment of our students we have yet to recover all of those FTEs and some of those programs. Since 2009, our total underfunding according to SFRA calculations equals \$8.7M. Obviously if we considered uncapped aid our cumulative underfunding since 2009 would be nearly \$60M.

Despite our fiscal diligence, our latest budget cycle finds us with a gap of \$1.5M. With continuous effort to stay within the 2% cap, Robbinsville is once again facing serious decisions regarding

personnel and program reductions which results in increased class sizes, and the potential for unhoused students in order to close this gap as a consequence of years of being underfunded by the state. In a year when our school district budget is decreasing and our enrollment is increasing by about 3%, it seems fundamentally unfair that the tax payers in Robbinsville should again have their taxes increase while programs for their children decrease. As it stands today Robbinsville residents fund 93% of their entire school budget through local taxes. Because our budget is already lean and efficient, we have exhausted any additional opportunities to reduce expenses without causing irreparable harm to students of Robbinsville.

With all due respect and great appreciation for the work that each of you must do to ensure that our state's financial situation improves, I am not here to ask you to refund our previous years of underfunding nor am I asking you to fund us at our uncapped aid.

What I am asking you to do is:

- Fully fund us based on SFRA without the annual limitations established at the onset of SFRA.
- Base this calculation on the original 2009 levels
- Consider our growth since that time

Robbinsville students deserve access to the same programs and opportunities as every other student in the State of New Jersey, on an equal and fair basis. Robbinsville tax payers have already funded more than their fair share and have done so for far too long. It's time to do the right thing and reward fiscal prudence with fiscal justice.

Our School Board and administrative team are prepared to work through this very difficult budget cycle in a fashion that protects the interests of our students and our community, but it is unreasonable to ask our tax payers to pay more and get less. In your deliberations, I respectfully request that you reallocate these resources to support the members of our community.

Thank you for your kind attention and for considering this request.

Matthew T. O'Grady

## Central Office

Superintendent  
Assistant Superintendent (1)  
Supervisor of Curriculum and Instruction (3)  
Child Study Team Director (1)  
Supervisor of Child Study Team (1)  
District Technology Director (1)

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## Elementary School - (1)

Sharon Elementary School - Pre-K to Grade 4  
Principal (1) - Assistant Principal (1)

**Functional Capacity: Total 1000 students**

**Current Enrollment: 1093 students**

**Total Unhoused Students: 93**

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## Middle School - (1)

Pond Road Middle School - Grades 5 to 8  
Principal (1) - Assistant Principals (2)

**Functional Capacity: Total 914 students**

**Current Enrollment: 1023 students**

**Total Unhoused Students: 109**

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## High School- (1)

Robbinsville High School - Grades 9 to 12  
Principal (1) - Assistant Principal (1)  
Athletic Director/District Supervisor of Health and Physical Education (1)

**Functional Capacity: 1000 students**

**Current Enrollment: 975 Students**

# Current Housing Growth

Several new housing developments have been approved by the Robbinsville Town Council and are currently under construction in Robbinsville Township. The impact on our enrollment growth will be significant.

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## Springside (Project approximately 40% complete)

120 Single Family, 3 BR

14 Single Family, 4 BR

24 Condos

16 Townhouses

174 Subtotal

38 Affordable Units

212 Total Homes

## Enrollment Impact to Date

Elementary School: 31

Middle School: 24

High School: 4

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## Cubberly Meadows

110 Single Family

## Enrollment Impact to Date

Elementary School: 63 students

Middle School: 55 students

High School: 22 students

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## Line Road

19 Single Family

## Enrollment Impact to Date

Elementary School: 8 students

Middle School: 6 students

High School: 0 students

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## Perrineville (About to be Approved)

12 Single Family

## Robbinsville General Fund State Aid Reports vs SFRA Full Funding

	<u>ACTUAL *</u>	<u>FULL FUNDING **</u>	<u>DIFF</u>
<b>2016-2017</b>			
Equalization Aid	\$ 106,084	\$ 7,447,744 EQA	\$ 7,341,660
Transportation Aid	\$ 234,078	\$ 1,124,015 TRN	\$ 889,937
Special Education Categorical Aid	\$ 1,758,251	\$ 2,577,329 CAT	\$ 819,078
Security Aid	\$ 148,695	\$ 240,217 CAT	\$ 91,522
Under Adequacy Aid	\$ 154,758		\$ (154,758)
PARCC Readiness Aid	\$ 29,880		\$ (29,880)
Per Pupil Growth Aid	\$ 29,880		\$ (29,880)
Prof Learning Community Aid	\$ 30,130		\$ (30,130)
<b>Total</b>	<b>\$ 2,491,756</b>	<b>\$ 11,389,305</b>	<b>\$ 8,897,549</b>

	<u>ACTUAL *</u>	<u>FULL FUNDING</u>	<u>DIFF</u>
<b>2015-2016</b>			
Equalization Aid	\$ 109,932	\$ 4,839,568 EQA	\$ 4,729,636
Transportation Aid	\$ 201,800	\$ 1,091,652 TRN	\$ 889,852
Special Education Categorical Aid	\$ 1,765,433	\$ 2,348,862 CAT	\$ 583,429
Security Aid	\$ 145,376	\$ 237,404 CAT	\$ 92,028
Under Adequacy Aid	\$ 154,758		\$ (154,758)
PARCC Readiness Aid	\$ 29,880		\$ (29,880)
Per Pupil Growth Aid	\$ 29,880		\$ (29,880)
Prof Learning Community Aid			\$ -
<b>Total</b>	<b>\$ 2,437,059</b>	<b>\$ 8,517,486</b>	<b>\$ 6,080,427</b>

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*Both the Federal and State Statutes mandate Special Education services. Transportation, to both the public and private schools, is mandated by the State of New Jersey.*

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# NJ's School Funding Reform Act

## District Profile: Robbinsville Twp



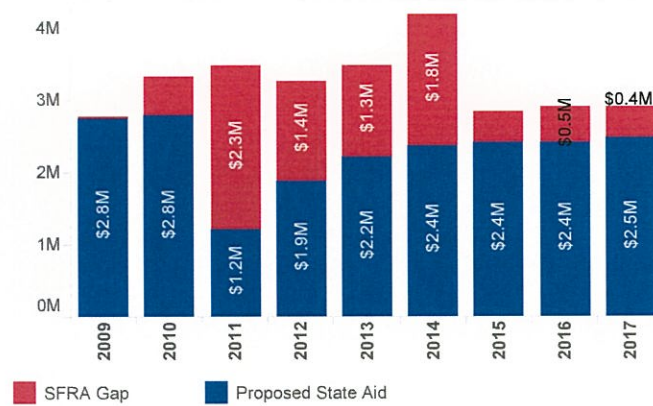
Updated with data from FY17 informational aid notices using proper SFRA weights (June 16, 2016)

### Select District (County):

Robbinsville Twp

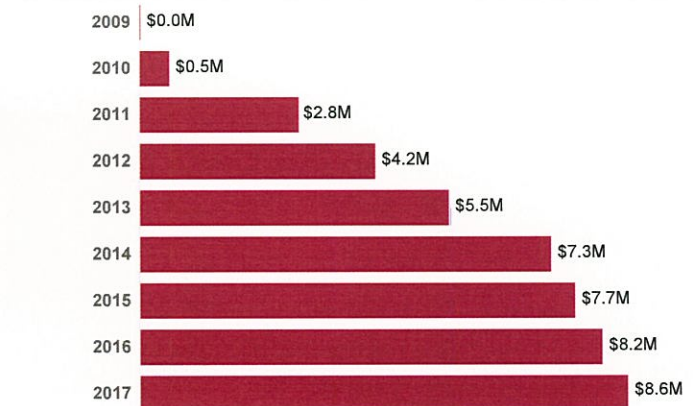
### State Aid and Funding Gaps under SFRA

The red section of the bars is the additional funding that is required if SFRA were properly funded.



### Total Underfunding Over Time

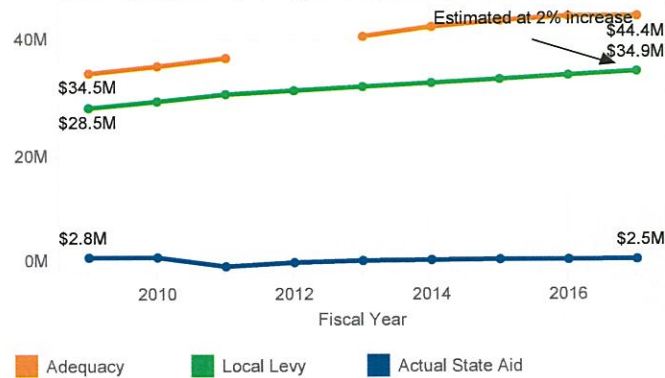
This represents the district's running total of state aid lost from underfunding.



Note on full funding estimates, click here

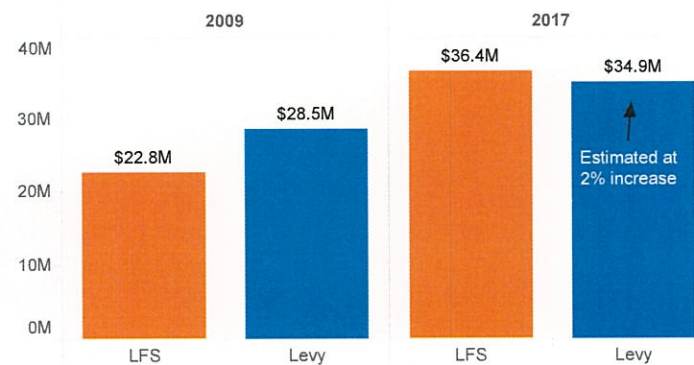
### Trends in Revenue v. Adequacy Budget

In FY17, total state aid is down 10%, the local levy is up 22%, and the Adequacy Budget is up 29% since 2009.



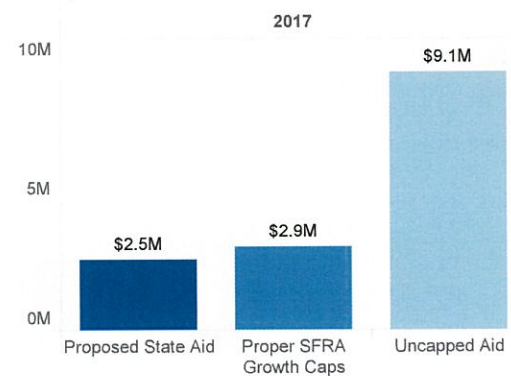
### Local Fair Share (LFS) v. Local Levy

SFRA determines the minimum local levy the district should provide to support the adequacy budget (LFS). This can be compared to the actual local revenues raised (Local Levy).



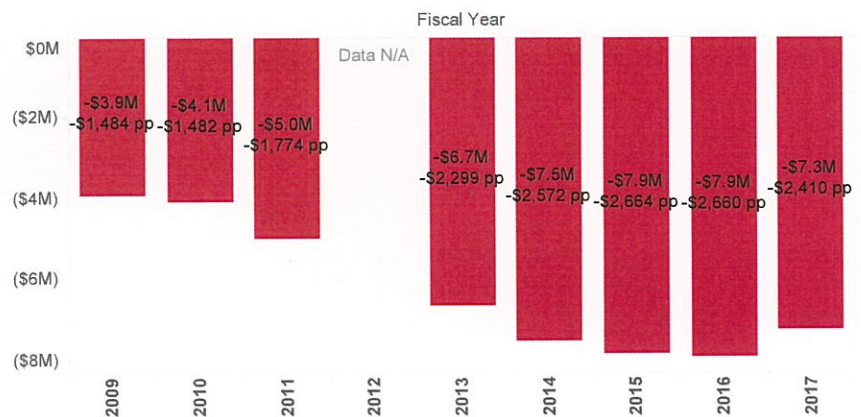
### SFRA Funding Scenarios, 2017

2017 state aid compared to a fully funded SFRA and uncapped aid (if the phase-in of state aid was complete and adjustment aid was fully phased-out).



### District Funding Above/Below Adequacy

The adequacy gap is the difference between the SFRA Adequacy Budget and the sum of state & local funding. The total adequacy gap and the gap per pupil are presented.



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# District Efficiencies

The current 2015-2016 budget is \$5,657,068 below “adequacy” as defined by the State’s School Funding Reform Act of 2008.

## Comparative Cost Per-Pupil – Mercer County

District 2014-2015	Per Pupil Cost
Robbinsville	\$11,142
Hamilton Township	\$11,587
West Windsor-Plainsboro	\$13,045
Lawrenceville	\$15,344
Princeton	\$17,421
<b>Average All K-12 (1801-3500 students)</b>	<b>\$14,604</b>
<b>NJ State Average</b>	<b>\$13,601</b>

## 2014-2015 Cost per Pupil Comparison (K-12 Districts - 1,801 to 3500 Students)

Efficiency Indicator	Comparable Districts Spending	Robbinsville Spending Ratios	Over / (Under)	Ranking within Group
Support Services	\$ 2,374	\$1,518	(\$856)	5/69
Administrative	\$ 1,496	\$1,212	(\$284)	3/69
Operation & Maintenance	\$ 1,744	\$1,182	(\$562)	3/69

## Comparative Budgets

Year	General Fund Budget	Percentage Increase
2013-2014	\$37,985,078	
2014-2015	\$38,902,415	2.41%
2015-2016	\$39,522,928	1.60%
2016-2017	\$40,706,831	3.00%

## Comparative Tax Levy

Year	General Fund Levy	Percentage Increase
2009-2010	\$29,661,806	
2010-2011	\$30,883,999	4.12%
2011-2012	\$31,501,679	2.00%
2012-2013	\$32,204,198	2.23%
2013-2014	\$32,848,282	2.00%
2014-2015	\$33,526,643	2.07%
2015-2016	\$34,216,004	2.06%
2016-2017	\$35,144,055	2.71%

Assembly Education Committee Hearing: 2/23/2017@ State House Annex, Trenton, New Jersey

My name is Frank Heelan and serve as President of the Edison Board of Education. 16,000 students attend our schools every day, making us the fifth largest school district in the state. However, in terms of funding, we are among districts receiving the lowest fraction of our fair share, 38% of our SFRA entitlement. According to the SFRA formula, Edison should have received \$37,000,000 for 2016-17; the district was given \$14,000,000 in state aid, thereby depriving our students and taxpayers of \$23,000,000.

We present below some key points the state must consider in strategizing school funding.

- Funding for districts must increase in accordance with the previous year's October 15<sup>th</sup> enrollment. The enrollment in many school districts has decreased since 2008; yet the state funding continued to increase for those districts. Edison has had a 12.4% increase in enrollment since 2008: in September 2016, over 500 additional students registered in our schools. However, state aid per student in Edison has continued to decline since 2008.
- Four districts had a higher enrollment than Edison in 2016-17, and received on average fifteen (15) times the state aid per student than Edison. Newark received \$14,547 actual aid per student; Jersey City was awarded \$13,570 aid per student; Paterson was given \$14,426; and Elizabeth received \$14,589. As the fifth largest district in New Jersey, Edison got \$951 actual aid per student, the lowest of the seventeen districts with 10,000+ enrollment.
- Edison's schools are severely overcrowded. NJDOE uses the Facilities Efficiency Standard (FES) to analyze school building capacity. The FES capacity at JP Stevens High School was 1237; the total enrollment, however, stood at 2340 during 2016. Edison High School's FES capacity is 956, but the enrollment during 2016 reached 1947. Edison taxpayers cannot afford another high school without additional state aid.
- Low income is not restricted to a limited number of districts, but is spread throughout the state. Most elementary schools in Edison are Title 1 schools with 20-40% free lunch, and one school has over 40% free lunch.
- 56% of property taxes in Edison is earmarked for the schools; in favored districts, less than 25% of property taxes is allocated to the schools.
- Adjustment aid or "hold harmless" aid ensuring that no district would receive less state aid than the amount previously received, is intrinsically inequitable. To be fair, adjustment aid must be abolished, and the funds redistributed according to the SFRA law.

Finally, we implore legislators to focus urgently on school funding by eliminating adjustment aid and growth caps. To be fair, enrollment figures for state aid must be based on the previous year's October 15<sup>th</sup> enrollment. Please have a heart and the courage to embark upon a more just system so that students in Edison and other school districts are not being shortchanged. Thank you for listening.

Frank Heelan, Ed.D.

President, Edison Board of Education

**DISTRICTS 10,000+ ENROLLMENT  
% SFRA AID RECEIVED  
AND TOTAL SPENDING FOR PUPILS  
2016-17 STATE AID**

<u>DISTRICT</u>	<u>PERCENT SFRA AID RECEIVED</u>	<u>DISTRICT</u>	<u>TOTAL SPENDING FOR PUPILS (2014-15)</u>
1. Jersey City	146	1. Camden City	\$25,027
2. Freehold Regional	128	2. Jersey City	\$23,466
3. Toms River	111	3. Trenton	\$23,108
4. Vineland City	110	4. Passaic City	\$22,199
5. Camden City	106	5. Newark	\$22,013
6. Perth Amboy	102	6. Paterson	\$21,481
7. Passaic City	100	7. Perth Amboy	\$21,024
8. Hamilton	95	8. Elizabeth	\$20,902
9. Paterson	92	9. Union City	\$19,788
10. Trenton	92	10. Vineland City	\$19,769
11. Elizabeth	89	11. Freehold Regional	\$18,189
12. Newark	89	12. Cherry Hill	\$17,605
13. Union City	86	13. Clifton City	\$17,434
14. Edison	38	14. Hamilton	\$17,076
15. Clifton City	35	15. Woodbridge	\$16,619
16. Cherry Hill	33	16. Edison	\$16,569
17. Woodbridge	28	17. Toms River	\$15,587

SOURCE: NJDOE

SOURCE: TAXPAYERS GUIDE TO EDUCATION SPENDING 2016

**2016-17 STATE AID: SURPLUS OR DEFICIT**

**DISTRICTS WITH 10,000+ ENROLLMENT**

<u>District</u>	<u>Enrollment</u>	<u>Actual Aid Per Student</u>	<u>Surplus or Deficit Per Student</u>	<u>Surplus or Deficit in Absolute Terms</u>
Jersey City	30,863	13,570	4,270	131,840,528
Vineland City	10,143	13,487	1,236	12,539,721
Freehold Regional	11,013	4,682	1,012	11,150,327
Camden City	15,438	18,142	999	15,426,206
Toms River	15,422	4,431	437	6,739,950
Perth Amboy	10,130	15,834	339	3,432,910
Passaic City	14,107	15,249	-50	-898,377
Hamilton Township	11,495	6,428	-371	-4,261,436
Paterson City	27,328	14,426	-1,281	-35,853,714
Trenton City	14,157	14,176	-1,355	-19,195,536
Edison City	14,758	951	-1,560	-23,015,540
Newark City	50,659	14,547	-1,783	-90,341,028
Elizabeth City	25,128	14,589	-1,870	-45,725,178
Union City	12,272	14,587	-2,313	-28,282,838
Cherry Hill	10,782	1,218	-2,494	-28,838,048
Clifton City	11,012	2,414	-4,460	-49,173,134
Woodbridge	13,531	1,768	-4,498	-60,836,126

Source: NJDOE

**2016-17 ACTUAL AID PER STUDENT IN RANK ORDER**

**DISTRICTS WITH 10,000+ ENROLLMENT**

**SFRA: "MONEY FOLLOWS THE STUDENT"**

<u>District</u>	<u>Actual Aid Per Student</u>
1. Camden City	18,142
2. Perth Amboy	15,834
3. Passaic City	15,249
4. Elizabeth City	14,589
5. Union City	14,587
6. Newark City	14,547
7. Paterson City	14,426
8. Trenton City	14,176
9. Jersey City	13,570
10. Vineland City	13,487
11. Hamilton Township	6,428
12. Freehold Regional	4,682
13. Toms River	4,431
14. Clifton City	2,414
15. Woodbridge	1,768
16. Cherry Hill	1,218
17. Edison	951

Source: NJDOE

**2016-17 STATE AID  
 EQUALIZATION VALUATION (2015) & AGGREGATE INCOME (2013)  
 IN RANK ORDER FOR DISTRICTS WITH 10,000+ ENROLLMENT**

<u>EQUALIZATION VALUATION</u>		<u>AGGREGATE INCOME</u>	
<u>DISTRICT</u>	<u>IN BILLIONS</u>	<u>DISTRICT</u>	<u>IN BILLIONS</u>
1. Jersey City	21.7	1. Jersey City	7.5
2. Toms River	15.8	2. Edison City	4.0
3. Edison City	15.7	3. Toms River	3.3
4. Newark City	13.3	4. Newark City	3.2
5. Woodbridge	11.4	5. Cherry Hill	3.1
6. Freehold Regional	10.5	6. Freehold Regional	3.1
7. Clifton City	9.3	7. Hamilton	2.7
8. Hamilton	8.5	8. Clifton City	2.4
9. Cherry Hill	8.1	9. Woodbridge	2.3
10. Elizabeth City	6.7	10. Paterson City	1.9
11. Paterson City	6.3	11. Elizabeth City	1.9
12. Vineland City	4.2	12. Vineland City	1.3
13. Passaic City	3.5	13. Union City	1.0
14. Union City	3.4	14. Passaic City	.96
15. Perth Amboy	3.0	15. Trenton City	.92
16. Trenton City	2.3	16. Perth Amboy	.78
17. Camden City	1.7	17. Camden City	.62

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**MIDDLESEX COUNTY SCHOOL DISTRICTS**  
**% SFRA AID RECEIVED**  
**AND TOTAL SPENDING FOR PUPILS**  
**2016-17 STATE AID**

<u>DISTRICT</u>	<u>PERCENT SFRA AID RECEIVED</u>	<u>DISTRICT</u>	<u>TOTAL SPENDING FOR PUPILS (2014-15)</u>
1. Perth Amboy	102	1. Cranbury	\$23,814
2. Old Bridge	98	2. New Brunswick	\$22,143
3. South Amboy	93	3. Perth Amboy	\$21,024
4. South Brunswick	82	4. Highland Park	\$20,827
5. New Brunswick	81	5. East Brunswick	\$19,553
6. South Plainfield	80	6. Metuchen	\$18,784
7. Middlesex Co VoTech	75	7. Monroe	\$18,632
8. Spotswood	67	8. Middlesex	\$17,879
9. Carteret	63	9. South Brunswick	\$17,732
10. South River	62	10. Milltown	\$17,555
11. Middlesex	61	11. Old Bridge	\$17,503
12. East Brunswick	55	12. South Plainfield	\$17,453
13. Jamesburg	53	13. South Amboy	\$16,966
14. Cranbury	49	14. North Brunswick	\$16,790
15. Dunellen	49	15. Spotswood	\$16,740
16. Sayreville	48	16. Woodbridge	\$16,619
17. Highland Park	47	17. Dunellen	\$16,684
18. Piscataway	43	18. Edison	\$16,569
19. Metuchen	42	19. Piscataway	\$16,309
20. Edison	38	20. Carteret	\$16,250
21. Milltown	34	21. Sayreville	\$15,777
22. Monroe	34	22. Jamesburg	\$15,201
23. Woodbridge	28	23. South River	\$15,170
24. North Brunswick	26		

SOURCE: NJDOE

SOURCE: TAXPAYERS GUIDE TO EDUCATION SPENDING 2016

**2016-17 STATE AID: SURPLUS OR DEFICIT  
MIDDLESEX COUNTY SCHOOL DISTRICTS**

<u>District</u>	<u>Estimated 2016 Enrollment</u>	<u>Actual Aid Per Student</u>	<u>Surplus or Deficit Per Student</u>	<u>Surplus or Deficit in Absolute Terms</u>
Perth Amboy	10,130	15,834	339	+3,432,910
Old Bridge	8,913	5,023	-91	-807,341
South Amboy	1,072	6,630	-447	-479,334
South Brunswick	8,615	2,745	-524	-4,423,010
Cranbury	737	646	-654	-489,725
South Plainfield	3,371	2,729	-669	-2,246,375
Metuchen	2,201	490	-653	-1,504,329
Monroe	6,252	453	-900	-5,625,673
Edison	14,758	951	-1,560	-23,015,540
East Brunswick	8,211	2,192	-1,766	-14,498,103
Middlesex Co. VoTech	2,128	5,251	-2,111	-4,492,962
Spotswood	1,190	4,324	-2,142	-2,543,393
Milltown	999	1,148	-2,258	-2,283,721
Highland Park	1,651	2,227	-2,532	-4,180,161
Middlesex	2,206	4,400	-2,765	-1,682,613
Piscataway	7,225	2,202	-2,941	-21,250,048
New Brunswick	9,588	12,923	-3,073	-23,426,988
South River	2,229	5,649	-3,601	-8,006,576
Sayreville	6,186	3,446	-3,670	-22,704,862
Carteret	3,661	7,399	-4,328	-15,844,830
Woodbridge	13,531	1,768	-4,498	-60,836,126
Jamesburg	900	5,643	-4,980	-4,483,947
Dunellen	1,122	4,897	-5,134	-5,760,547
North Brunswick	3,620	1,909	-5,366	-33,341,639

Source: NJDOE

**2016-17 ACTUAL AID PER STUDENT IN RANK ORDER**

**MIDDLESEX COUNTY SCHOOL DISTRICTS**

**SFRA: "MONEY FOLLOWS THE STUDENT"**

<b><u>District</u></b>	<b><u>Actual Aid Per Student</u></b>
1. Perth Amboy	15,834
2. New Brunswick	12,923
3. Carteret	7,399
4. South Amboy	6,630
5. South River	5,649
6. Jamesburg	5,643
7. Middlesex Co. VoTech	5,251
8. Old Bridge	5,023
9. Dunellen	4,897
10. Middlesex	4,400
11. Spotswood	4,324
12. Sayreville	3,446
13. South Brunswick	2,745
14. South Plainfield	2,729
15. Highland Park	2,227
16. Piscataway	2,202
17. East Brunswick	2,192
18. North Brunswick	1,909
19. Woodbridge	1,768
20. Milltown	1,148
21. Edison	951
22. Cranbury	646
23. Metuchen	490
24. Monroe	453

Source: NJDOE

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**2016-17 STATE AID  
 EQUALIZATION VALUATION (2015) & AGGREGATE INCOME (2013)  
 IN RANK ORDER FOR MIDDLESEX COUNTY SCHOOL DISTRICTS**

<u>EQUALIZATION VALUATION</u>		<u>AGGREGATE INCOME</u>	
<u>DISTRICT</u>	<u>BILLIONS</u>	<u>DISTRICT</u>	<u>BILLIONS</u>
1. Edison City	15.7	1. Edison City	4.0
2. Woodbridge	11.4	2. Woodbridge	2.3
3. South Brunswick	8.7	3. Old Bridge	2.2
4. Monroe	7.9	4. East Brunswick	2.1
5. Old Bridge	7.3	5. South Brunswick	2.0
6. East Brunswick	7.1	6. Monroe	1.8
7. Piscataway	6.8	7. Piscataway	1.7
8. Sayreville	4.5	8. North Brunswick	1.4
9. North Brunswick	4.5	9. Sayreville	1.3
10. South Plainfield	3.8	10. Perth Amboy	.78
11. New Brunswick	3.1	11. South Plainfield	.77
12. Perth Amboy	3.0	12. Metuchen	.67
13. Metuchen	2.2	13. New Brunswick	.63
14. Carteret	2.1	14. Carteret	.5
15. Cranbury	1.5	15. Highland Park	.49
16. Middlesex	1.4	16. Middlesex	.4
17. Highland Park	1.3	17. South River	.39
18. South River	1.3	18. Cranbury	.32
19. Milltown	.86	19. Milltown	.26
20. South Amboy	.82	20. Spotswood	.25
21. Spotswood	.77	21. South Amboy	.24
22. Dunellen	.59	22. Dunellen	.19
23. Jamesburg	.43	23. Jamesburg	.14

Source: NJDOE

February 23, 2017

Dear Members of the Assembly Education Committee:

Thank you for this opportunity to present my thoughts on school funding.

Legislators have received and listened to pleadings, resolutions, letters, emails, and phone calls regarding the inequities of our state aid ad nauseam. And still we are here today recoiling under the weight of our desperation in the hope that soon you will right the wrongs compounded by your decisions over the past 8 years and somehow make school funding "fair."

With the best of intentions the legislature has burdened school districts and educators with external directives that wreak havoc on the finances and valuable time of those who are charged by law with managing school finances and classroom time with no thought of real educational soundness and long-term consequences. By your leave, fully funding your own law, common core, PARCC, NJSBA and the pending onslaught, charter schools, are draining us. While we're here trying to straighten out one of these issues, the legislature is issuing charters for schools which may or may not draw from a single school district, which may or may not be educationally sound, which may violate the intent of the charter school initiative, which may be for profit, and which may be of questionable backing. Local boards of education must forfeit their monies to support these schools over which they have absolutely no control. If the state charters a school, then the state should foot the bill and charter schools' expenses and enrollments should not be part of any school budget. Otherwise, we'll all be back here in time trying to straighten out another legislature-created mess. Please consider consequences.

You and I know that the current overfunded districts will feel entitled to maintain their privileged status and any inkling of decrease will spill over into the courts.

You and I know that the governor and underfunded districts taking the court route for what is rightful aid are up against a very partial system that will send them dancing through the courts. Witness Abbott and Kingsway in the last 6 months. Energy, time, and money are expended; the lawyers make their profit in the form of school budget expense, and any ensuing compromise will still not comply with the law.

For eight years the legislators have poked, prodded, tweaked, and shuffled the school monies with impunity. Sen. Sweeney recognized the inevitability of any new or revised legislation being subject to the vicissitudes of repeated political partisan pressures when he spoke at Middlesex Co. College last July and again at Atlantic City last fall. The very nature of your work lends itself to those pressures. What I am suggesting is that you move beyond all of the above and come up with a formula that cannot be tweaked or altered at whim and the bases of which are accurately verified annually. They are:

SCHOOL ENROLLMENTS (count 1.4 students for special education students with IEP's), THE MEDIAN INCOME OF THE SCHOOL DISTRICT, THE NUMBER OF SCHOOL DISTRICTS IN THE STATE, AND THE AMOUNT OF STATE AID ALLOCATED IN THE STATE BUDGET.

Devising the formula would require persons capable of doing so—not political appointees, not education organizations. Once the state budget is passed, school districts can know what their aid is to be and will be constrained to operate with that amount of aid. The plan, formula, and amounts per district should be firmly in place well before July 1 of this year. NO EXCUSES



Assembly Committee p. 2

SO WHAT'S IN AND WHAT'S OUT

School budgets, property taxes, property values, valuations, adjustment aid, PTR's, FES, debt service, building programs, equalization aid, state aid caps, etc., will not be part of the mix.

For 6 decades the federal government, state government, businesses, organizations, philanthropists, and fundraisings of all sorts have poured money into the more needy districts for enhancement of the school programs. They would be free to continue to do so along with existing federal (NCLB, IDEA) programs and any additional state aid you deem necessary. They would not be affected.

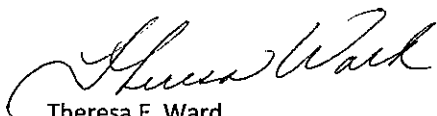
Charter schools would be funded by and be the responsibility of the state and not the local boards of education. Their accountability should be strictly monitored.

The poor, homeless, limited English-speaking, bilingual, those with disabilities and/or at risk are all beneficiaries of the above programs and caring for their needs would additionally be reflected in the formula with median income as a base. Changes in the demographics and fiscal conditions in each school district would be adjusted annually automatically.

The original goal of SFRA 2008 -- -- " . . .to create a fair, equitable and predictable funding formula based on student characteristics, regardless of the community in which the student resides. . ." would be met.

Taking SFRA 2008 as it is now implemented and jockeying some more numbers and variables will not accomplish what should be done. This simple, direct approach, to which I pray you will give serious consideration, will spare you the time, energy, and embarrassment of pouring "old wine into new bottles" and toasting yourselves for having done the job when, in fact, you will still not have complied with the law.

Thank you for all this.



Theresa E Ward

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I am a member of the Edison Township Board of Education and Chair of the Board's Equitable State Aid Committee. The views and proposals are my own and do not necessarily represent those of board members.

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Rabbi Avi Schnall  
Director

TESTIMONY OF AGUDATH ISRAEL OF AMERICA  
TO THE NEW JERSEY STATE ASSEMBLY EDUCATION COMMITTEE  
February 23, 2017  
SUBMITTED BY RABBI AVI SCHNALL  
NEW JERSEY DIRECTOR, AGUDATH ISRAEL OF AMERICA

I would first like to applaud the members of this committee and the Assembly leadership for recognizing how important and critical it is to fix the state education funding formula.

As you look for ways to improve the funding formula, I ask that you please consider a factor which seems to have been overlooked in the past, but plays a significant role in properly funding many districts in the state. I call it the "invisible children" factor. There are 150,000 children in the state of New Jersey who attend nonpublic schools. These children are counted when it comes to services funded directly by the state, like nursing and security, because New Jersey has the admirable policy of ensuring the health and security of every student, no matter where they attend school. But suddenly these children disappear when it comes to calculating the funding formula. Leaving them out creates several serious challenges.

Allow me to explain. In order to determine how much funding a district receives from the state, the current formula calculates the number of children in the public school system in proportion to the local tax base, and then adds in other factors. Children who attend a private school are not included in the calculation, even though their parents contribute equally to the local tax base. More importantly, the district is responsible to provide transportation for qualifying nonpublic school students and must cover the costs of their out-of-district placement for special education, and administrative services for state and federal programs. All of these expenses must come from that same local tax base.

In many districts, the percentage of nonpublic school children is very low and so this factor has a very minimal impact. In some districts, however, there is a very large number of nonpublic school children. Overlooking these children and ignoring the costs borne by the district can result in districts being significantly underfunded.

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The best example of the unintended results of the current system is Lakewood Township. In that district, there are 6,000 children attending public school supported by a local tax levy of \$90 million. At first glance, Lakewood appears to be a wealthy district which should require a smaller amount of state aid. However, the reality is that Lakewood is also responsible for an additional 30,000 children attending nonpublic schools, which must receive certain services from the local tax base. Transportation alone can cost the district nearly \$15 million for nonpublic school students while out-of-district special education costs were at \$28 million. A town that appears to have \$90 million for only 6,000 children must stretch its budget to meet an obligation of over \$40 million just to serve the 30,000 nonpublic school as required by law.

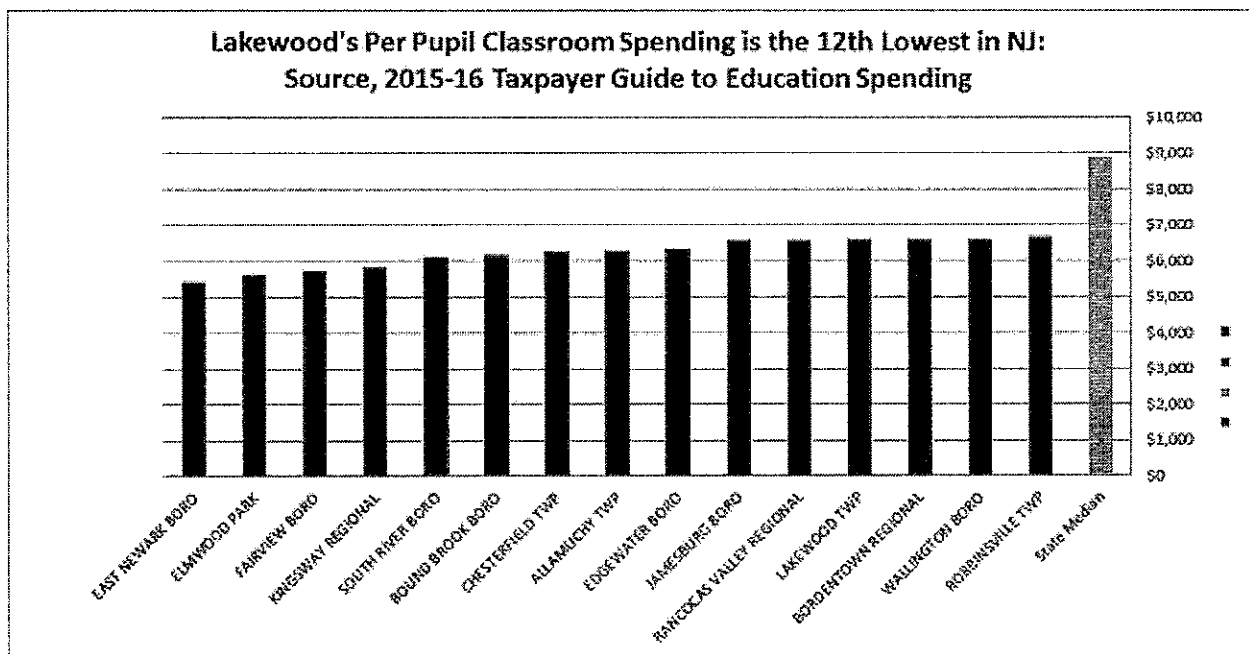
Lakewood is just one example. Other districts are facing similar challenges because of these invisible children.

As you continue to search for solutions to fix the funding formula, please remember the 150,000 children living in New Jersey, whose parents are equally contributing to their district's tax base, but saving taxpayers billions of dollars each year by sending their children to private schools. These children count a lot to their parents. They count a lot to the districts that have to swallow millions of dollars in expenses to cover their mandated services. They should count to the state of New Jersey. All children should be counted. Please include *all* children in the funding formula.

Detailed analysis of Lakewood township budget discrepancy.

At the most recent Lakewood BOE meeting held on February 15, 2017, an independent auditor hired by the Lakewood BOE to perform an audit on the district budgets and expenditures announced that Lakewood would once again face a \$10 million deficit. This follows a \$12 million deficit last year which caused teachers to be laid off and services to be cut. How many more teachers and which services will be cut in the coming year with a \$10 million deficit.

Of the many growing NJ districts who are forced to cut teachers, Lakewood stands out as perhaps one of the worst situations because Lakewood's total spending and classroom spending is already among the lowest in New Jersey.

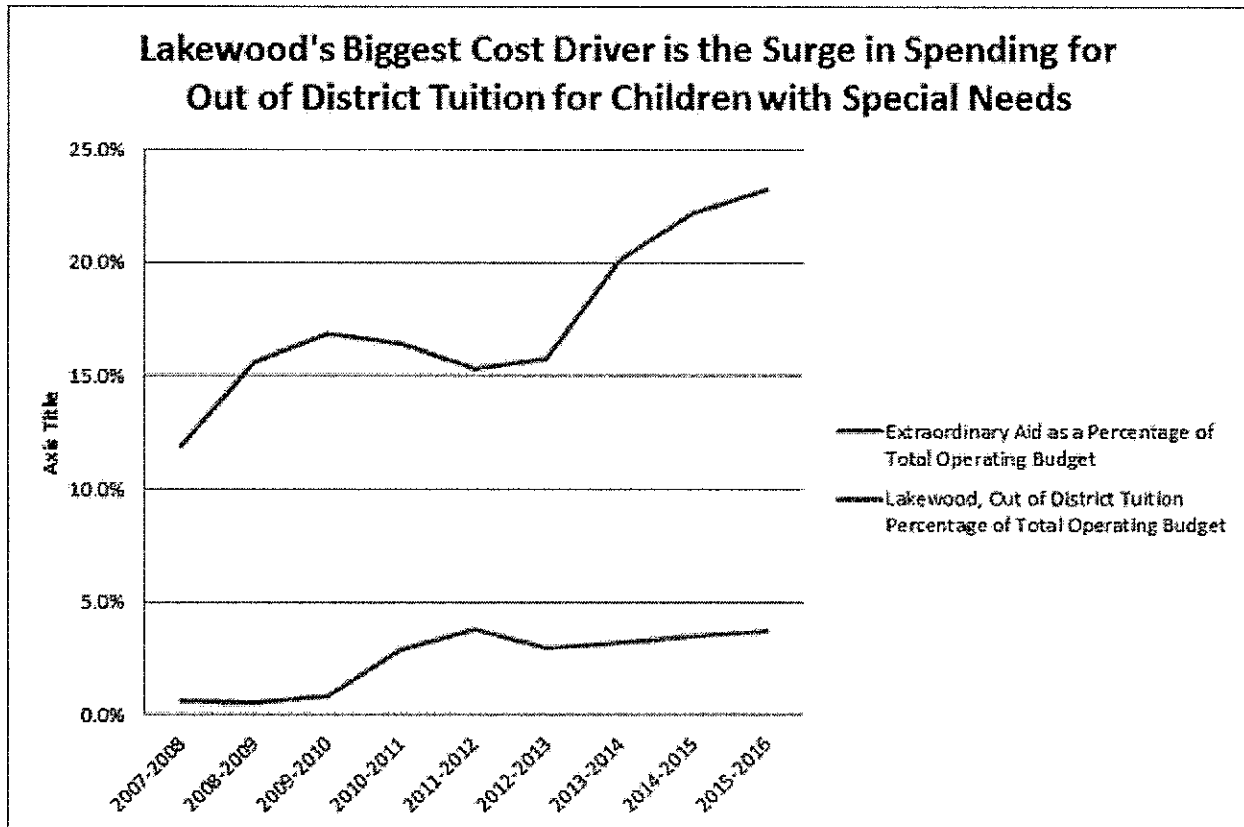


What is also unique about Lakewood is that even if it were to be fully funded, there would still be a significant deficit. Based on a report submitted by the previous BOE president Isaac Zlatkin, The Lakewood school district was underfunded this past year by nearly \$7 million, the deficit is at \$10 million, a \$3 million discrepancy.

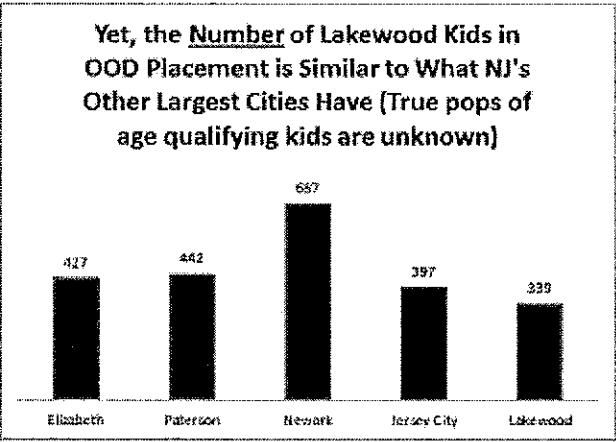
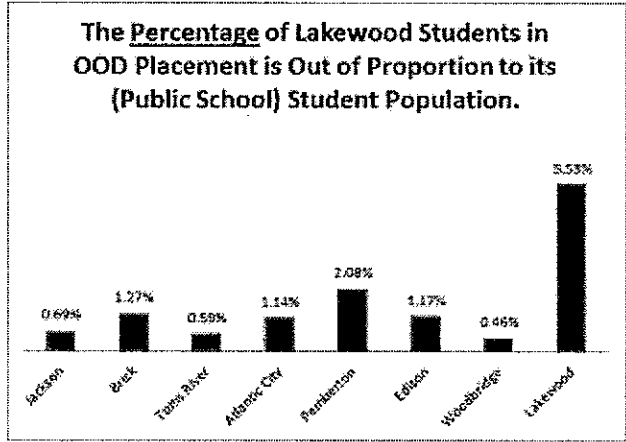
The cause of this discrepancy is simple. The target aid for Lakewood is \$6,955 per student. This is significantly lower than many other districts in NJ. Lakewood's target aid is low because Lakewood's student population appears to be low in proportion to its large tax base. There are currently 6,000 students in the Lakewood public school system and a local tax base of \$90 million. Lakewood gives off the impression that it is not a needy district. However the reality is, that the actual student population of children residing in Lakewood which receive services from that local tax base is 36,000. 6,000 which attend public schools and 30,000 which attend private schools but still receive mandated services such as transportation. The district spent nearly \$18 million last year on transportation for private school children, which is statutorily mandated.

Another factor that needs to be considered is the growing out of district costs for special education students and the stagnant extraordinary aid.

Nearly 25% of the total operating budget is spent on out of district spending, yet less than 5% of that budget is covered in extraordinary aid.



Lakewood has spent over \$28 million on out of district costs. This may seem like a disproportionate amount for a school district with only 6,000 students. However for a district that encompasses 36,000 children this is the norm



Jersey City, for example has about 29,000 students and is paying 397 out of district tuitions, Lakewood has 36,000 children and 339 out of district tuitions.

Between mandated transportation for nonpublic school students and out of district costs Lakewood spent nearly \$46, million. But, none of that was calculated in the funding formula. Nonpublic school children are simply not accounted for even though their parents are tax payers like all others and they are entitled to these minimum services.

**Testimony of Dr. Rodney Logan before the Assembly Education Committee  
February 23, 2017**

Good morning members of the Assembly Education Committee Senate Select Committee on School Funding Issues. I am Dr. Rodney Logan, the Principal of the Ewing High School in Ewing, New Jersey, a high school of over 1100 students in a district with over 3800 students. I greatly appreciate the opportunity to share what financial challenges we face in my school and my district.

As a school leader, I am dedicated to meeting the academic, social and moral needs of my students and enhancing their ability to be productive, responsible citizens. We are constantly focused on expanding our programs to provide a challenging academic program that sets high expectations.

Today, I would like to share with you the impact that the State's failure to properly fund my district according to the School Funding Reform Act (SFRA) has had on my school, my district and my community. Ewing has been significantly underfunded by the State since 2009 equating to \$26.9 million. During that time, we've made increasingly tough choices.

Our staffing is at 'bare bones' with very little opportunity to expand current programs or introduce more programs to support student growth. As principal, I can tell you first hand that quality staffing is the key to a school's success. Unfortunately, the lack of state funding has impacted our staffing levels and our ability to attract and retain high quality teachers and other key staff.

Like many districts, our special education costs continue to increase. Our Autism class, alone, has grown every year and the 2014-15 budget for this program exceeded \$600,000. Unfortunately, our special education funding has not kept up.

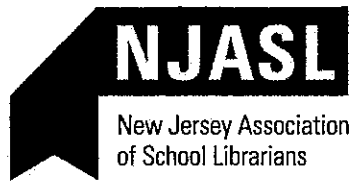
Similarly, we've had to forgo critical facility upgrades and repairs resulting in malfunctions, leaks and numerous basic structural repairs. We need help to deter further damage to our building.

At the same time, in order to keep up, our local tax payers have shouldered an ever increasing burden. As a district we've gotten to adequacy by asking more of our residents year after year. In Ewing, that equates to a local tax levy that has increased 24 percent. Our community frankly cannot bear much more.

Consistent and adequate school funding is critical to my student's future. Our school has fought hard to cut costs wherever possible in order to maintain our school quality and our budget is lean. Our spending is focused on staff and instructional programs, there are no frills to cut.

My point in sharing all of this is illustrate the significant impact the State's underfunding of my school district has had on our students and the quality of learning opportunities that we can provide. I am concerned that with rising standards and expectations for our students, that we will not be able to meet the critical benchmark of college and career readiness that our students deserve.

As you consider issues of funding fairness, please keep my school and students in mind. Continued flat funding without running the funding formula has already eroded educational opportunity in my district. I ask you to begin to restore state levels to Ewing and to consider loosening the overly restrictive caps on our local budgets, particularly in high cost areas like insurances and special education in order to provide needed relief. The State must seek new revenue to meet the compelling needs in our schools, not only in Ewing, but in all communities in our State. Thank you for taking the time to hear my concerns as a school leader and for travelling across New Jersey to understand this complex issue.



**Testimony on School Funding**  
**Lisa Bakanas, President-Elect**  
**New Jersey Association of School Librarians**  
**February 23, 2017**

Good afternoon, Chairman Caride and Members of the NJ Assembly Education Committee. My name is Lisa Bakanas, President-Elect of the New Jersey Association of School Librarians (NJASL). This testimony is on behalf of the 900 members of NJASL, the professional organization of school librarians in our state and the 1.37 million students in New Jersey Public Schools who deserve to have access to state-of-the-art school libraries staffed by highly trained, state certified school librarians.

NJASL asks that the state fulfill its obligation to fund schools at the full rate as required by the School Funding Reform Act (SFRA). The consequences of the lack of funding have been disastrous for school libraries and for the students of New Jersey. Since 2008 which coincides with the last year that schools were fully funded, there has been approximately a 20% decrease in the number of school librarians. (School Library Programs in NJ) Additionally, according to an NEA report on school libraries in the United States, New Jersey ranks #30 in access to online databases and #32 in terms of access to book and print resources. The average expenditure on all information resources (books, periodicals, AV materials, online databases and software) in 2011-2012 was \$1,547. (Tuck, Holmes) Students need resource-rich school libraries staffed by state certified school librarians in order to graduate with the skills necessary to be ready for the colleges and careers of the 21st Century. School libraries and school librarians help staff and students navigate the print and digital information world and prepare students with the skills needed to become competitive in the global economy of their future.

In this time of economic challenges, school libraries and school library media specialists are the qualified staff who can help schools adapt to the changes of the digital age assisting staff to teach students to become reflective learners who are capable of locating, evaluating and creating knowledge from information found in a variety of formats including both digital and print media. As administrators and teachers attempt to serve tech-savvy students, they need school librarians to help digitize education and lead blended learning activities in school—to help bring equity, connectivity, and personalization to instruction. (Blackboard 2014)

## **Research on the Effectiveness of School Libraries**

The New Jersey Study of School Libraries “One Common Goal - Student Learning” concluded that school librarians and thriving school library programs contributed to improvements in test scores, development of inquiry based learning, increased interest in reading, and an increase in discriminating reading. It showed that school libraries functioning as centralized learning centers connected to classroom instruction produce literate and informed learners who can thrive in a digital, knowledge-based world, provide an understanding of the information and technology students will confront as digital citizens, and set the stage for student-initiated inquiry.

New Jersey’s school librarians contribute to student learning outcomes through an instructional program that includes the mastery of content and curriculum standards. They also address outcomes related to the development of reading through school library services that increase interest in reading, increase participation in reading, expand reading interests, and help students to become more discriminating readers. (Kachel 2013)

School libraries are transforming education and lifelong learning, as students build their digital literacy and critical thinking skills using a variety of technology platforms. Students are experiencing a shift from reciting what they have learned to creating new ideas from multiple digital and print sources. School libraries are providing opportunities for extended inquiry, both for class assignments and topics of their own choosing.

Students are developing a sense of what it means to engage ethically and competently in today’s information society. Under the guidance of a certified school librarian, students are cultivating literacy skills in various formats which empowers students to thrive and contribute to their communities locally and globally.

### **Status of School Library Media Specialists and School Libraries in New Jersey**

While school library media services are required in N.J.A.C. 6A:13-2.1(h) under Standards Based Instruction, some schools do not even have a school librarian to provide that program. In an effort to determine the current status of School Library Media Specialists (SLMS), School Libraries, and funding for School Library programs in New Jersey, the New Jersey Association of School Librarians (NJASL) and The New Jersey Library Association (NJLA) collaborated on a census of certified School Library Media Specialists as well as a survey to determine how New Jersey School Library Programs are being implemented.

Survey results found that 89% of school libraries are receiving flat, decreased, or no funding for their school library programs. The census and survey both show a reduction in SLMS positions

as well as a reduction in the support staff for school libraries. In some districts this situation is complicated by SLMS having to cover multiple schools or numerous other non-traditional SLMS roles. For example, in one school district, the high school and middle school share one librarian serving 5500 students, spending 2 days in the middle school and 3 days in the high school per week.

Results also determined that SLMS spend 40% of their time performing non-traditional duties. Some of these duties include art teacher, basic skills instructor, electives teacher, locker room monitor, administrative assistant, and substitute teacher. In addition, 71% indicated they “never” or “rarely” have time to collaborate with teachers to promote library resources. The survey results confirm that if SLMS are provided with more support and funding that they can provide greater opportunity for New Jersey school students.

Survey respondents repeatedly voiced concerns that a result of eliminating certified SLMS would lead to curricula becoming unsupported, test scores decreasing, and students being unprepared for higher education. Schools will “lack a professional guide to credible, relevant, and high-quality resources which is vital to the development of information literacy.”

#### **Key findings from the NJASL and NJLA survey:**

- There are approximately 20% fewer School Library Media Specialists(SLMS) in New Jersey than there were in 2007-2008
- Over 20% of High Schools have no certified School Library Media Specialist available to students.
- Over 150 School Library Media Specialists cover more than one school. One SLMS covers 7 schools in one district.
- 91 School Districts have no School Library Media Specialists (Not including charter schools)
- 33 districts have no School Library Media Specialists at the Elementary Level
- Over 280 Elementary Level schools are without certified School Library Media Specialists
- In the nearly 100 charter schools, there are fewer than 10 School Library Media Specialists.

The 2015-2016 School Library Census revealed that support for school library programs from New Jersey school districts has decreased dramatically. Some districts had eliminated all elementary level SLMS, while others had eliminated their high school level SLMS, while others continue to support fully staffed school library programs.

#### **An adequately funded and up-to-date school library provides the following for students:**

- A well-chosen, managed collection of library resources in formats to meet all learning styles and needs, including print, digital, audio, and visual;
- A well chosen, managed collection of library resources that match the New Jersey Student Learning Standards;
- A safe and inviting environment;

- Programs that support many different student goals, such as recreational and academic reading, research support and instruction, and technology tools;
- A place to freely explore the safe and secure integration of technology;
- The means for curious students to further connect with topics they find interesting in school;
- A means of collaborative and cooperative learning that promotes communications with other students;
- An opportunity to build persistence and resilience when confronted with new or challenging information;
- The ability to confront biased information and gain a broad perspective; and
- The chance to find answers to their questions and explore their world.

#### **Certified school librarians' contributions to student learning:**

- Serve as a conduit of information literacy skills;
- Teach how to evaluate resources and making informed decisions;
- Teach digital citizenship, such as copyrights and ethical use of information,
- Teach the research process;
- Teach how to formulate and refine questions and how to think critically to solve those questions;
- Teach how to use technology to create new knowledge;
- Make sense of information gathered from multiple sources and organize knowledge in useful ways;
- Teach how to use technology in socially respectful and responsible ways,
- How to collaborate with others in the exchange of ideas;
- A collaborator with classroom teachers to match quality resources to help achieve New Jersey Student Learning Standards;
- Serve as a teaching partner to help to analyze learning data and develop and monitor action plans to increase student achievement; and
- Serve as an advocate in their community for additional resources - humans and materials - to supplement their educational experiences.

Though students might be able to get pieces of these resources and skills dispersed throughout their classes, a school library program that is adequately funded and run by a certified school librarian provides a cumulative, consistent, and cross-curricular approach to the delivery of essential reading, inquiry, and technology skills students need to succeed in an information-rich, global environment and in the New Jersey Student Learning Standards.

#### **Personal Stories of Impact of School Librarians**

"I know that I am in indispensable part of my students' learning. Not only do I help instill and grow their love for reading and information, but I ensure their own confidence as digital

citizens. My 4th graders lead their own biography inquiry research and then share their learning with others through their use of the Aurasma app. Their speeches about famous positive citizens pop up in AR (augmented reality) when fellow students view their final product. My 2nd graders collaborate using Google Slides to share their learning about different folktales from around the world.

It saddens me to think that while I am able to do this in the district where I work, this is not happening for students in the town where I live because all of the librarians' positions were cut years ago." (Residence: Haddon Heights).

"Several years ago I had a fifth grade student who didn't like to read, and had difficulty reading. When I introduced the "Battle of the Books" program, she rolled her eyes and groaned. She didn't want to participate. I matched her with a book that was above her reading level, but one which I thought she could make a connection to. A few days later she came literally running down the hallway to tell me she loved the book. When she moved on from the elementary school she wrote me a note all about how she didn't used to like to read, but that all changed because of me. I still have that note. When I ran into her in middle school, she told me she still liked reading. She is now a senior, planning on attending college." (School District: Livingston)

"Design thinking and user-centered problem solving are familiar concepts in STEM (Science, technology, engineering and math) education. Those same critical skills need to extend into all aspects of the curriculum including humanities. A certified school librarian is trained to understand and connect to all curricular areas and can reach across content areas to build partnerships for student learning. By collaborating with a high school english teacher, we helped students, studying Chaucer and Canterbury Tales to engage in authentic problem-solving by giving them a design challenge that began with research and resources. Because we have a full-time certified school librarian and a well-funded library our students had access to vetted resource materials and a teacher that could bring the information literacy skills into focus for the students as they engaged in learning beyond what Google can provide. Our unit, that resulted in the creation of costumes, made only from paper, of characters from Canterbury Tales, garnered attention from our local board of education and was presented at one of their meetings." (School District: Millburn Township)

### **Funding for School Library Programs and Staff**

Children in New Jersey deserve access to an effective school library program and up-to-date resources leading to increased academic achievement and literacy and digital literacy skills giving students the 21st century competencies and flexibility needed to be successful in future career and higher education endeavors. It is time to reinvest in our school library programs to advance instructional services with to provide New Jersey students with strong literacy and information literacy skills.

NJASL urges you to include school library programs staffed by certified school librarians as part of the basic education funding. Thank you for the opportunity to speak on behalf of the members of the New Jersey Association of School Librarians and the students of New Jersey. Please contact me if I can offer additional information or answer any questions.

Respectfully submitted,

Lisa Bakanas, President-Elect, New Jersey Association of School Librarians  
[lisabakanas@gmail.com](mailto:lisabakanas@gmail.com) / 856-396-0949

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**ASSEMBLY EDUCATION COMMITTEE**  
**HEARING ON SCHOOL FUNDING, FEBRUARY 23, 2017**  
**TESTIMONY OF CHARLES SAMPSON, SUPERINTENDENT, FREEHOLD**  
**REGIONAL HIGH SCHOOL**

Thank you to members of the Assembly Education Committee and to Assembly Education Chair Caride for allowing me the opportunity to testify about school funding this afternoon. My name is Charles Sampson, and I am the Superintendent of the Freehold Regional High School District. I am also the immediate past president of the Garden State Coalition of Schools, the father of four public school aged children and a board of education member in my hometown of Clinton New Jersey. Freehold Regional is the largest limited purpose district in the state, serving 11,000+ students from eight municipalities with a wide range of DFG's spanning from CD to I. I'm proud of the district's outstanding track record in both academic and fiscal performance measures, and I thank you for the opportunity to share my perspective on the important issue of school funding fairness.

Rather than restate some of the powerful points made by other GSCS members including our Executive Director Elizabeth Ginsburg and current President, Dr. Jordan Schiff, I would like to provide greater context to an understanding of some of the areas of concern with the existing funding formula – the School Funding Reform Act of 2008 (SRFA). I understand that pie in the sky expectation for full funding of the SFRA may not be possible at this moment, but do believe the SFRA can be utilized to fairly fund all school districts in New Jersey over time without creating a system of winners and losers. However, as we seek that equitable end, members of the committee must be aware of areas of the SFRA that need to be more closely examined. The SFRA is simply defined in the opening paragraph of *A Formula for Success: All Children, All Communities*:

“...to develop an equitable and predictable way to distribute State aid for education.”

More specifically, the formula attempted to address the need for a “permanent, formulaic remedy...based on actual community characteristics...that can equitably be applied to all school districts.”

Equalization Aid represented approximately 75% of SFRA based state aid to schools for FY17. Each component of the Equalization Aid calculation has specific vulnerabilities that, if left unrecognized, can undermine the structural integrity of this otherwise well designed funding formula. As we seek solutions to our funding disparities, we cannot provide solutions without fully understanding the context of the SFRA and areas that need closer scrutiny. These include:

- **Adequacy Budget**: a district-by-district measure of the amount of money necessary to provide a thorough and efficient education. Vulnerability – the underlying cost model fails to faithfully provide for the scope of required services at current cost levels.
- **Local Fair Share**: a community’s ability to locally fund the adequacy budget. Vulnerability – conversion of wealth indicators (income and property value) into ability to pay property tax is unpredictable and/or unrealistic.
- **Equalized Aid**: the state’s share of adequacy budget funding. Adequacy Budget - Local Fair Share = Equalized Aid. Vulnerability – insufficient state funds available.

Of particular concern is the volatility of the Local Fair Share calculation. Specifically, the wealth multipliers do not consistently interpret income and property value and, as a result, the calculation generates large swings in the community’s capacity to pay property tax – swings that are inconsistent with actual changes in income and property value.

For example, Freehold Regional’s Local Fair Share increased by more than 50% from FY09 to FY17 despite property value and district income only increasing 3.7% and 34.8% respectively. If the wealth multipliers had remained the same during that time, Freehold Regional’s Local Fair Share would have increased by 20% instead of 50%. Essentially, increases in the multipliers force citizens to pay more taxes in addition to the taxes associated with increased wealth.

The Local Fair Share is billed as a measure of the community’s ability to locally fund education. However, since the multipliers are part of a larger economic picture, the reality is that the Local Fair Share represents what the community is *required* to pay, rather than *able* to pay. This issue has not fully come to light since Adjustment Aid continues to hold districts harmless. However, the tax impact of a fully realized Local Fair Share calculation will drive up property taxes far more than the 2% levy cap allows.

The notion of a pure measure of a community’s ability to locally fund education lends credibility to any funding formula. Likewise, it would be irresponsible for the SFRA to ignore the overall economic condition and not provide for a mechanism to distribute additional burden to both taxpayers and the State. While I believe that the SFRA is well suited as the framework for our state’s funding formula, modifications are necessary to ensure an equitable, predictable and fairly presented funding model. As you embark on the difficult journey of finding an equitable solution that fairly and predictably funds all school districts in New Jersey, the SFRA provides a strong framework provided that all components of that framework accurately reflect the capacity of the community to support their schools in a manner that our students deserve. Thank you for your time today, it is greatly appreciated.

## Assembly Education Committee Hearing

Date: Thursday, February 23, 2017

Location: State House Annex

Time: 3:00 PM

Scott Heino  
Superintendent  
Chesterfield Township School District  
30 Saddle Way  
Chesterfield, NJ 08515  
(609)298-6900 x1229

Good Afternoon,

My name is Scott Heino, and I am the Superintendent of Schools for the Chesterfield Township School District.

I want to share one fact with you that I hope you will keep in your mind as I speak today. I represent the Chesterfield Township School District, the most underfunded school district in the State of New Jersey. That's right; we are the most underfunded school district in the entire state.

In 2008, when the SFRA was enacted, Chesterfield School had an enrollment of 433 students. Our current enrollment is 774 students. Over the past 8 years, we've averaged 43 new students each year. That's significant growth, and our growth is far from over.

Last year, the Chesterfield Township School District received \$419,983 in state aid. This represents only 11% of the \$3,685,520 aid we should receive through the SFRA. 11%! Under the SFRA, the tax payers of Chesterfield should contribute \$6,492,630 of our \$9,584,936 budget. Due to the unfair funding, our tax payers pay 139% of what they should pay according to the formula. So our tax payers pay \$9,040,635 of our \$9,584,936 budget.

Other than the obvious conclusion that the school district is underfunded through the SFRA and the taxpayers of Chesterfield are paying well above their fair share, what does this mean? Last month, our auditor addressed the board of education,

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and he summed it up with this statement, "I have never seen a budget as tight as this one." After almost going into deficit last year, our outlook doesn't look good. I could sit here and list the things we don't have like a chorus program or current technology, or talk about the programs we've cut like Rise and Shine, a program designed to provide additional instruction to our students who struggle the most. I could share with you the frustration our tax payers experience each year during budget time, but I won't. I just want to give you a glimpse of our current situation.

Earlier this month, I cut off spending in the district. From now until the end of the year, essential expenses only. We have a geothermal system in the school with an underground "vault" that is a control room for the system. That vault is taking on natural ground water and requires repair. It is costing us over \$6,000 just to determine the problem. We can only imagine what the potential repair will cost. We've had two students move into the district this year with special needs who require out of district placements. This money was not budgeted. For some districts, these situations can be addressed; for Chesterfield, we are scrambling to find the money to address these issues and finish out the school year.

Again, we are growing tremendously. However, last year we did not have the money to add any classroom teachers, and our class sizes are increasing. As we are preparing our 2017/2018 budget, it is actually worse. We are in a position where we may need to cut staff. Again, we are averaging 43 new students each year, and we are cutting staff!

I share these examples with you for one reason - we need your help! I sat in a seat like this last year and testified in front of this same group, as well as the Senate. I've talked with my local assemblyman, I've attended hearings here in Trenton to support school funding fairness, and we've worked to educate our community on school funding. I also belong to a group of other underfunded school districts who are working for a change in school funding. And the one thing that I can tell you with complete frustration, no one is doing anything! I know legislators agree with me on how unfair our current funding is; hopefully, that is the reason you are all sitting here today. However, the fact is that there is over \$600,000,000 in adjustment aid that has continued to be disbursed in the same way for the past 8 years, with no adjustment based on the state's economic realities or due to changing demographic circumstances.

The message is clear - no politician is willing to do what is right for school funding fairness. If our legislators were willing, we would have seen at least a change in the adjustment aid.

I sat in a hearing last month in this very same room. I was hopeful for change based on the fact that school funding fairness finally has some momentum behind it. I cannot describe to you how frustrating it was to sit and listen to legislators, as well as some who testified, talk about how, if we reallocate the adjustment aid, there will be winners and losers. And, obviously, they don't want losers. You don't have to reallocate the adjustment aid to get losers - here I am, the biggest loser in the state with Chesterfield being funded at 11%! The SFRA is currently being funded at 85%, but Chesterfield only receives 11%!

I am not an expert on school funding; I started this fight last year and have been working to become more knowledgeable on the topic. However, from listening to others whom I do consider to be experts, the New Jersey SFRA is a model for other states. Three states recently approved similar weighted funding formulas. In my opinion, we have what we need to fairly fund our schools in New Jersey. The problem is, it is not being used.

We need you to make this your priority. We all know that the SFRA is currently underfunded by \$1.4 billion dollars. I'm not sitting here before you asking you to increase funding for the SFRA by \$1.4 billion dollars. I am simply asking for our fair share. To hear about districts that are over funded and communities that are not paying their fair share is tough. Fund the formula! If you can't fund the formula, distribute the money fairly. Chesterfield has given all they can give. There is nowhere else we can go. We are counting on you to do what is fair for the children of Chesterfield and throughout the State of New Jersey.

Thank you for the opportunity to testify today on school funding fairness.

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Testimony of Patricia L. Haney, Superintendent  
Logan Township School District, Gloucester County  
Trenton  
February 23, 2017

Good afternoon, Madam Chair and members of the Assembly Education Committee. I am Patricia Haney, Superintendent of the Logan Township School District, located in Gloucester County. I have provided testimony to this committee before, on February 7th at the Camden County Technical School. I am not sure if your committee remembers me or my testimony. For that reason, I have attached my original statement to today's testimony, as a reference because I don't want to spend my time, merely repeating myself. Instead, I want to re-emphasize the important points with a few additional perspectives.

First, our Board of Education and I want to clearly state that we support any proposal which requires the state to begin the process of fully funding the SFRA and prioritizing districts that had significant growth. As a district who sends its resident high school students to Kingsway Regional, which all of you know is a growing district, we recognize the importance of prioritizing districts whose funding has not been consistent with their growth.

However, this state funding problem which has been long in the making, must not be fixed by taking from one district and giving to another.

There are unintended consequences to any proposed **simple** solution, which **will** negatively impact districts who were **not** the cause of this present state-funding crisis. In the case of my school district, we would be

placed in double jeopardy, if the Senate Select Committee's "simple solution" were to be implemented. We would suffer a **loss in revenue** (proposed to be close to a million dollars over a five year period). We also would see **an increase in expenditures** because our tuition bill from the high school district to whom we send our resident students could increase dramatically as that district receives an increase in state funding. Please let me reiterate, I am not against that high school district's receiving an increase in state funds. They deserve that. Instead, I am asking this committee to recognize the double jeopardy this simple solution imposes on K to 12 districts who are in a sending/receiving relationship. **Some type of tuition adjustment must be included in the proposed funding reform.**

**Our** district is just one example of how a simple solution to a complex problem would have double negative impact. There are many other districts who could provide you with other **unintended** negative consequences which will destroy districts.

If this ill-conceived idea of transferring proposed state funds from one district to another occurs, it would be similar to moving the chairs around on the Titanic, reversing hardship from one set of districts to another. In five years, districts would simply change their positions, districts labeled as underfunded would then be considered overfunded and districts labeled as overfunded would then be considered underfunded, **if they survived at all.**

Each school district has unique needs and its students are **not** best served by comparing one district to another. Districts who have been incorrectly labeled as overfunded should not be blamed and **should not suffer irreparable damage** for this state funding crisis which they did not cause. Specifically, Logan questions why we should be labeled as overfunded when our district is currently receiving less state aid than it did in 2008. To be labeled as overfunded does not make sense. I would suggest that this committee look to the educational experts to continue to gather solutions which would not penalize one district over the other. Superintendents like Dr. Jordan Schiff from Hillsborough Township, who also presented testimony to this committee in the past, provided five solutions which are well thought out and recognize that any solution will not be simple and will take time, including the all-important concept that “**direct aid to schools must be increased at a rate identical to the percentage increase in the overall state budget.**” I would urge you to re-examine that testimony again.

Thank you for your attention to this complex problem and to my testimony this afternoon!

Testimony of Patricia L. Haney, Superintendent  
Logan Township School District, Gloucester County  
Camden County Technical Schools, Gloucester Township Campus  
February 7, 2017

Good evening, Madam Chair and members of the Assembly Education Committee. I am Patricia Haney, Superintendent of the Logan Township School District, located in Gloucester County. I am here to provide testimony regarding the SFRA of 2008. I wish to speak to the statement found on the *Formula4Success* website, which states that “when it comes to public schools in New Jersey”, fixing the state funding formula is “that simple”. There is nothing simple about the present situation that **all** school districts find themselves today. The entire state funding of schools is **NOT** simple!

After attending the Senate Committee held at Kingsway Regional High School on Jan. 27th, I quickly realized that the committee was **not** focused on reforming school funding. Rather, the committee’s focus is on **comparing** districts. I ask you to be careful about comparing districts. One cannot assume all “over adequacy” districts are the same because some may be over adequacy because the district **raised additional funds through its tax levy**. Taking funds away from such districts, would penalize those towns whose taxpayers showed support for their local schools over the past 8+ years.

Let me share with you the complexity of how the Senate proposal would affect my district. As a PreK to 12 District, we include in our budget the costs of the tuition **for** and transportation **of** all of our high school resident students, because we don’t have our own high school in Logan Township. Due to this situation, the proposed School Fairness Funding Act would most likely **negatively** impact Logan **twice**.

First, our district stands to have close to \$1 million taken away over the next five years because we have **not** been a growing district. That would mean that we would lose about \$190,000 each year, which equates to laying off approximately 3 teachers every year for the next five years. Second, we would have our high school tuition bill increased due to the fact that  $\frac{2}{3}$  of our resident high school students attend, as tuition students, a regional high school, which is a **growing** district. Because they are listed as a growing district, they stand to receive **increased** state funding as a result of the Fairness Funding Act which would then result in an **increase** in their per pupil cost because that high school district would be spending more money on their students. Since our tuition bill is calculated based on that per pupil cost, the receiving high school would then, in turn, **increase** our tuition bill for each high school student we send to them.

We currently send approximately 270 students to that Regional High School. If our tuition bill were to increase by \$1,000 per student, our budget would have to absorb an increase of \$270,000 which would mean 4 additional teachers would have to be terminated each year which would decimate our teaching staff. We are asking that you consider this as you gather your facts and reflect on possible solutions.

Some of our suggestions would be:

- Lift the cap on enrollment growth aid by including **additional** state aid.
- **Cap** the annual tuition increase billed by receiving districts to sending districts, similar to the 2% cap on tax levy, **or**
- allow districts like Logan to have a cap adjustment for tuition increases over 2% **or**
- allow a tax cap adjustment to districts to the extent of the adjustment aid that would be lost.

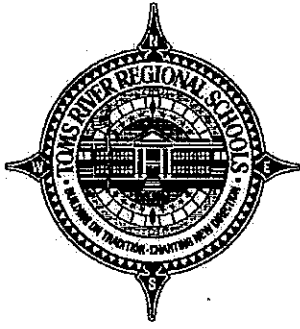
Fixing the state funding situation will not be **simple** and **must** consider the impact on **all** districts. Proposing to take funds from some districts and move those funds to districts which have been underfunded is simply moving funds around and reversing hardship from one set of districts to another.

I urge this committee to include finance experts from school districts and the DOE to be part of the fact-finding process before any solution is finalized.

I invite each member of this panel to visit our district to see a successful 21st century learning institution so you can experience first hand the types of programs which stand to be lost, and subsequent teacher layoffs which would follow, if the Senate Select Committee's plan takes effect.

Thank you for your attention to this complex problem and to my testimony this evening!

THx



**TOMS RIVER REGIONAL SCHOOLS**  
DAVID M. HEALY  
SUPERINTENDENT OF SCHOOLS  
1144 Hooper Avenue, Toms River, NJ 08753  
732-505-5514 • Fax: 732-505-9330  
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January 26, 2017

Office of the Governor  
Attn: Lieutenant Governor Guadagno  
P.O. Box 001  
Trenton, NJ 08625

Dear Lieutenant Governor Guadagno:

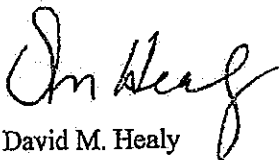
Thank you for taking to the time to give attention to an important plea. As a matter of historical perspective, we have been appealing our District's case to our local and State legislators for nearly sixteen months as we are justifiably concerned that the shortfall in State Aid and other factors beyond our control will have a catastrophic financial impact on our school community. Overall, our local legislators have been very active in supporting our efforts as they are intimately aware of what we are facing and are facing similar challenges of their own in their respective legislative districts. I have attached letters to the Honorable Chris Christie, Governor, from Senators Holzapfel and Connors from Legislative District's ten and nine respectively. Their support has not been limited to these letters as they along with their Chiefs of Staff and members of the assembly have met with me and our School Business Administrator, William Doering, as well as Toms River Mayor Thomas Kelaheer and Township Administrator Paul Shives. Additionally, resolutions were passed by the Mayors and Council in each of our three regional sending districts, Pine Beach, Beachwood and South Toms River as this affects them as well.

As you are aware, Toms River was devastated by Superstorm Sandy in October 2012. Out of over \$2.2 billion in lost ratables, the township still has over \$800 million yet to come back on the tax rolls. More than 10,000 homes were either lost or severely damaged. The Toms River Regional School district is still in the midst of a great financial struggle and is seeking much needed assistance. Prior to the Superstorm, for the 2010-11 budget, our State Aid was cut by \$9.8 million and to this day, we are receiving \$3.6 million less in State Aid than we received for the 2009-10 school year despite an increase in expenses each year. For some districts, this impact may be more easily overcome, but Toms River Regional was already one of the lowest spending districts on a per pupil basis prior to these financial catastrophes. Even now, we are the second lowest total cost per pupil spending district for all districts over 3,500 students, besides having one of the lowest administrative costs per pupil, and we are \$37 million under adequacy. As you may be aware, the adequacy amount is based on what the NJDOE expects our district to spend based on enrollment and other factors. We should also note that our free and reduced lunch percentage is up to 29% (was in the teens less than 10 years ago) and yet only 31% of our budget is funded by State Aid.

Even now, we are the second lowest total cost per pupil spending district for all districts over 3,500 students, besides having one of the lowest administrative costs per pupil, and we are \$37 million under adequacy. As you may be aware, the adequacy amount is based on what the NJDOE expects our district to spend based on enrollment and other factors. We should also note that our free and reduced lunch percentage is up to 29% (was in the teens less than 10 years ago) and yet only 31% of our budget is funded by State Aid. We were fortunate that for three years, we were able to fill the huge revenue holes in our budget with CDBG grants and a CDL loan. But last year (2016-17) to fill the budgetary gap left after having received \$7.4 million in CDBG funds the year before (2015-16), we had to cut 15 positions and utilize \$3.5 mil of our maintenance reserve. Given that the district has capital needs (as noted in our recent Facilities Condition Assessment) of nearly \$160 million dollars, many of which are priority one two, we are not in a good position to be redirecting our maintenance reserve funding to bail out the budget. Therefore, we are in desperate need of sustainable and ongoing financial relief.

Again, please be reminded that we are already the second lowest total cost per pupil spending district for all districts over 3,500 students, and cannot continue to sustain additional staff, services and/or program cuts and still be able to provide an efficient, thorough and sustainable educational program for the Toms River Regional community. Also note that we have in the past provided some specific suggestions in terms of areas of the State Aid formula to be further reviewed and we have attached such information for reconsideration. Thank you for all of your efforts and for your assistance in addressing the dire financial crisis of this large and complex regional community and the nearly 16,000 children we serve.

Sincerely,



David M. Healy  
Superintendent of Schools



William J. Doering  
Business Administrator

DH/dmd  
Enclosures



**TOMS RIVER REGIONAL SCHOOLS**  
**David M. Healy**                      **William J. Doering**  
**Superintendent**                      **Business Administrator**

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### **POSITION PAPER REGARDING POTENTIAL CHANGES TO STATE AID FORMULA**

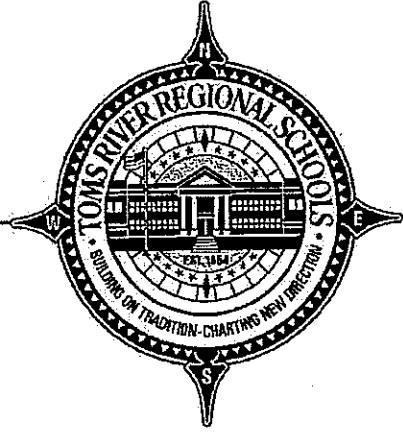
We believe that the State Aid formula for New Jersey School Districts is not equitable in allocating State Aid. We have identified 3 specific areas of the formula where modifications should be considered that would help ensure the formula is equitable in terms of distribution of State Aid. The 3 specific areas are as follows, with a rationale following each:

**1. For the wealth calculation, which is based on 50% property value and 50% personal income, using only personal income penalizes heavily residential districts.**

*Rationale:* for the wealth calculation, property includes 100% of all taxable property, but for income, only personal income is included (does not include business income). This makes more heavily residential districts appear wealthier in the formula. See attached sample calculation (Exhibit A), which demonstrates the issue and a very reasonable solution, which is to divide the total personal income by the percent residential for each community (from the 'Assessed value by property class' maintained by each county). This will equalize the personal wealth calculation for all communities (will show it as if they were 100% residential), and would even the playing field.

**2. Special Education Aid should be 100% categorical (right now it is 1/3 categorical and 2/3 wealth-equalized).**

*Rationale:* If the aid was 100% categorical, all districts would get their full allocation of special education aid (even using the census classification rate of 14.69% in the formula, which is already shortchanging many districts), rather than 2/3 of the aid being wealth-equalized. It is simply unconscionable to penalize some districts by making them absorb more special education costs than other districts simply due to the State's determination of the community's wealth. In competing for limited local dollars, this is straining the resources available for kids without special needs. An argument can also be made that wealth-equalizing 2/3 of special education costs equates to a violation of State mandate = State pay since special education costs are generally mandated and covered under legally binding IEPs.



**TOMS RIVER REGIONAL SCHOOLS**  
**David M. Healy**                      **William J. Doering**  
**Superintendent**                      **Business Administrator**

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**3. All mandated transportation costs (excludes local choices such as hazardous busing and extra- curricular busing) should be funded by the State.**

*Rationale:* Since districts do not have the option whether or not to provide transportation that is mandated, this should be 100% funded by the State (excluding local choices like hazardous busing and co-curricular busing, etc). It would even be reasonable to only provide 100% State Aid to districts with an efficiency rating above the State benchmark of 120% utilization.

If you have questions, please direct them to David Healy at [dhealy@trschoools.com](mailto:dhealy@trschoools.com) or William Doering at [wdoering@trschoools.com](mailto:wdoering@trschoools.com)

*Toms River Regional School District  
Ocean County, New Jersey  
January 2017*



**TOMS RIVER REGIONAL SCHOOLS**  
**David M. Healy**                      **William J. Doering**  
**Superintendent**                      **Business Administrator**

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### Exhibit A

Concern: the current State Aid formula penalizes heavily residential districts since only personal income is included in the wealth calculation (no business income).

Current calculation-example

**Community A (80% residential):**

Average personal income per household	\$75,000
Number of households	80
Total personal income for wealth calculation	\$6,000,000

**Community B (50% residential):**

Average personal income per household	\$75,000
Number of households	50
Total personal income for wealth calculation	\$3,750,000

-State aid formula sees Community A as more wealthy, and therefore they get LESS State Aid, when the average personal income per household is in fact the same for both communities and they have the same ability to pay.

-To adjust, divide total personal income by the percentage residential for each community/ district from a consistent state-wide source- such as the 'Assessed value by property class' maintained by all counties.

New calculation-example

**Community A (80% residential):**

Average personal income per household	\$75,000
Number of households	80
Total personal income for wealth calculation	\$6,000,000
Divide by percent residential	80%
Final equalized wealth calculation	\$7,500,000

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**TOMS RIVER REGIONAL SCHOOLS**  
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**Community B (50% residential):**

Average personal income per household	\$75,000
Number of households	50
Total personal income for wealth calculation	<u>\$3,750,000</u>
Divide by percent residential	50%
Final equalized wealth calculation	<u>\$7,500,000</u>

-With this calculation adjustment, it shows both communities at what the total income would be if the community was 100% residential, and evens the playing field. Note that both communities have the same average household income and now have the same income for the wealth calculation, thereby no longer penalizing Community A for being more residential. This in essence equalizes the personal wealth calculation.