

Governor Chris Christie's Speech On The Fairness Formula As Prepared For Delivery

Tuesday, June 21, 2016

Tags: [FairnessFormula](#)

Governor Chris Christie's Speech On The Fairness Formula As Prepared For Delivery

Hillsborough, New Jersey

June 21, 2016

We have two separate, but completely intertwined crises in New Jersey that must be dealt with. They must be dealt with honestly and directly. We cannot wait any longer to do it. Property taxes and the failure of urban education.

Both of these crises are hurting all New Jerseyans, those affected both directly and indirectly.

Property taxes are the highest in America and the majority of those taxes are for local school taxes.

Urban education, despite 30 years of Supreme Court required intervention by the state, is still failing students and their parents at an alarming rate. The theory from the Supreme Court was that money would solve the problem.

They were wrong. Very wrong. And the results prove it. They have not solved our failures in urban education and, in the process, have led to New Jersey to be amongst the highest taxed states in America. They have required the legislature and Governors to craft ridiculous school funding formulas that cheat thousands of families out of funding and thousands more from a valuable education. Those days must end. It is time to change the failed school funding formulas and replace it with one that will force the end of these two crises—the property tax scandal and the disgrace of failed urban education.

New Jersey spends the 3rd most in the nation per pupil on K-12 education. For the upcoming fiscal year we spend 13.3 billion dollars on aid to K-12 education. How do we spend it? \$9.1 billion goes back to school districts in direct aid. \$3.25 billion is to pay for the pensions and health benefits for retired teachers. \$936 million goes to pay the debt on schools, mostly in urban districts, to build new schools. \$13.3 billion—and that does not count the money paid in local property taxes.

Who gets the \$9.1 billion? Well, that begins to tell the story. By order of the Supreme Court, and coerced acquiescence by the elected branches of government, this coming year \$5.1 billion goes to the 31 urban or SDA districts. \$4 billion goes to the remaining 546 districts. That's right. 58% of the aid from the state's taxpayers goes to 5% of the state's school districts. 42% of the aid goes to the remaining 95% of our districts. This is absurd. This is unfair. This is not working. And it hasn't been working for 30 years.

Over the last 30 years, New Jersey taxpayers have sent \$97 billion to the 31 SDA school districts. The other 546 districts in the state received \$9 billion less over the same 30 years. \$97 billion divided among only 31 SDA districts while the families in 546 other districts had to divide \$9 billion less. The inequity is appalling and it has only gotten worse as the years have passed.

Stay Connected
with Social Media

Stay Connected
with Email Alerts

LIKE THIS PAGE? SHARE IT
WITH YOUR FRIENDS.



In 1990, 23% of the state's students, representing the SDA districts, got 41% of the state aid. Today, while still representing only 23% of the state's students, they receive 59% of the state aid.

Has that enormous differential in state aid brought greater achievement in the 31 districts? No. Absolutely not. Tragically so for the families in those districts and for the taxpayers all across New Jersey who have been footing the bill for the last 30 years.

Just take a sample of graduation rates. The statewide graduation rate is 90%. How have we done in the 31 districts where we have invested \$97 billion over the last 30 years? Asbury Park—66%. Camden—63%. New Brunswick—68%. Newark—69%. Trenton—68%. 27 of the 31 districts are below the state average, despite the exorbitant spending over the last 30 years. Spending does not equal achievement—never has and never will. There are exceptions and those should be noted right here. In Harrison, Long Branch, Millville and Pemberton they have exceeded the statewide graduation rate. In Union City, they have seen extraordinary growth under very trying circumstances and the leadership in those districts deserve great credit. But despite nearly \$100 billion to those 31 districts in the last 30 years from taxpayers all over New Jersey, failure is still the rule, not the exception. That is an unacceptable, immoral waste of the hard earned money of the people of New Jersey.

Worse than the wasted money is the lives that were not given the chance to reach their full potential. We accept that subpar performance and pay a fortune for it.

Do not let anyone tell you that failure is inevitable for children in those 31 districts or that money is the answer. The Academy Charter High School in Asbury Park had an 89% graduation rate compared to 66% in Asbury Park; Academy spends \$17,000 per pupil while the traditional public schools spend \$33,000 per pupil. The LEAP Academy Charter School has a 98% graduation rate in Camden, while the district has a 63% rate; LEAP spends 16,000 per pupil while the school district spends \$25,000 per pupil. In Newark, the North Star Academy Charter has an 87% graduation rate compared to the citywide rate of 69%; North Star spends \$13,000 per pupil compared to \$22,000 per pupil district wide.

Over and over again we see the same issue: money spent without results for the families we are meant to serve. It is a false claim and always has been. It is failing families and their children. It is bankrupting our state. It is driving families from their homes and New Jersey.

The failure of the educational system in those 31 districts is the first tragedy. The second tragedy is this system has caused us to have the highest property taxes in the nation.

New Jerseyans regularly say that the issue that is their number one concern is property taxes. The highest in the nation and a burden on families in every corner of New Jersey. What drives these taxes? 52% of property taxes statewide are spent on the school tax and in many districts it is as high as two-thirds. But here is the unintended consequence of the unfair school funding formula: in those 31 SDA districts, they spend a fraction of their property taxes on schools as compared to the rest of the state. That's right—the statewide average percentage of property taxes spent on schools is 52%; in the 31 SDA districts it is half that—only 26%. Are they taxing less? Oh no, they are just growing the size of their municipal government. The statewide average percentage spent on municipal government is 30%; in the 31 SDA districts it is nearly double—a whopping 54%! When you look at some of the individual districts, it is appalling. Asbury Park spends 60% less of their property tax dollars on schools than the state average, while their city spends 64% more than the state average on their municipal government. Trenton spends 18% less of their property taxes than the state average on schools but spends an enormous 387% more than the state average on their municipal government. In Paterson, 49% less on schools; 251% more on their city government. East Orange, 39% less on schools; 379% more on city government. It is outrageous. It is unacceptable. But it is perfectly predictable.

If you require the state to pay the overwhelming percentage of the school costs in these 31 districts, they are left with the choice: do we tax less or just spend more on the growth of government? The answer is resounding in most of the 31 SDA districts—the people of the rest of the state pay over 80% of the costs of our schools and we will spend our money to build oversized municipal governments—with no relief for local or state taxpayers. The abuses abound. Take Trenton for example. The Presidents of both the PBA and AFSCME locals receive full municipal pay to work only for the unions. No time working for the people; only for the unions. No wonder it costs so much.

How do we fix these problems? First, we must fix the tax problem because that is the one that affects each and every New Jerseyan and threatens the future of the affordability of our state. I propose we do this by changing the school funding formula. I propose the Fairness Formula; equal funding for every child in New Jersey.

If we were to take the amount of aid we send directly to the school districts today (in excess of \$9.1 billion) and send it equally to every K-12 student in New Jersey, each student would receive \$6,599 from the State of New Jersey and its taxpayers. Every child has potential. Every child has goals. Every child has dreams. No child's dreams are less worthy than any others. No child deserves less funding from the state's taxpayers. That goal must be reached, especially after watching the last 30 years of failed governmental engineering which has failed families in the 31 SDA districts and taxpayers all across New Jersey.

What would the effect of this change be for school aid in New Jersey? 75% of all New Jersey would get more state aid under the Fairness Formula. That is how fundamentally unfair the current formula is to students and taxpayers. And it is unfair in every part of this state.

In Margate, they would receive 428% more in aid. In Fairlawn, 815% more in aid. In that town, when combined with our 2% property tax cap, this new aid would result in average drop in their school property tax of over 2,200 per household. In Teaneck, 389% more in aid and an average drop in property taxes of nearly \$1,600. In Wood-Ridge, an 801% increase in aid and a drop in property taxes of over \$1,800. How about South Jersey? In Cherry Hill, an

increase in aid of 411% and a drop in property taxes of over \$1,700. In Haddonfield, an increase in aid of 1705% and a drop in property taxes of nearly \$3,600.

The pattern is repeated everywhere. South Orange aid up 912%, taxes down over \$3,700. In Readington Township, aid up 410%, taxes down nearly \$2,000. In Robbinsville, aid up 666%, taxes down over \$2,600. In Freehold Township, aid up 153%, taxes down over \$1,500. In Chatham Township, aid up 1271%, taxes down \$3,800. In Wayne, aid up 1181%, taxes down over \$2,100. All over the state, we slay the dragon of property taxes by implementing the Fairness Formula. For the first time in anyone's memory, property taxes plummeting not rising. And all through valuing each child and their hopes, dreams and potential the same.

Of course, we will make sure that we have the aid for special needs students so that they may reach their potential too. They are the exception though; the overwhelming majority of students deserve the Fairness Formula and we intend to pursue it for them.

We want to see major changes to the failed model of education in so many of these 31 SDA districts. We now see definitively that money has not made the difference over these 30 years but reforms have made the difference. We will continue to advocate for those reforms and we will insist that this new funding formula reward our successful charter schools with funding that comports with their success.

It is fundamentally wrong that students in the SDA districts receive 5 times more in state aid than students in non-SDA districts; it is unfair to those students and unfair to the residents of those towns who have been forced for more than three decades to foot the cost of that failure and unfairness.

A funding formula that puts a higher value on one child over another is morally wrong and it has been economically destructive. We cannot let it continue.

I will travel across the state this summer to talk about this plan to, for the first time in my lifetime, lower property taxes for the people of New Jersey and bring fairness to the funding of our schools.

We can do better and we must—in educating all of our children and in bringing fairness to our taxpayers. No one should be denied an education because of where they call home—an no one should have to sell their home because they can any longer afford the property taxes caused by a perverse school funding formula that devalues their children in the eyes of the state budget. After all, it is their tax dollars that, in part, fund that aid itself.

I have 18 months left in office and I will not permit these fundamental truths to not be spoken and acted upon. I will demand that the Legislature try defend the indefensible—that one child is worth more than another in the eyes of the state depending upon their zip code; or they can come along with me to fix this issue and put an end to the misery of our property taxpayers and make history in New Jersey. I am ready for the fight and I know the taxpayers of New Jersey are looking for us to finally solve this problem.

Thank you for your attention and, now, lets get to work.

###

Press Contact:
Brian Murray
609-777-2600



[Contact Us](#) | [Privacy Notice](#) | [Legal Statement & Disclaimers](#) | [Accessibility Statement](#) | 

Statewide: [NJ Home](#) | [Services A to Z](#) | [Departments/Agencies](#) | [FAQs](#)
Office of the Governor: [Home](#) | [Newsroom](#) | [Media](#) | [Administration](#) | [NJ's Priorities](#) | [Contact Us](#)

Copyright © State of New Jersey, 1996-2017
Office of the Governor
PO Box 001
Trenton, NJ 08625
609-292-6000