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# *Public Hearing*

before

## SENATE SELECT COMMITTEE ON SCHOOL FUNDING FAIRNESS

*“The Committee will receive testimony from invited guests and from members of the public  
on inequities in school funding in New Jersey”*

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**LOCATION:** Middlesex County College  
Edison, New Jersey

**DATE:** February 2, 2017  
11:00 a.m.

### **MEMBERS OF SELECT COMMITTEE PRESENT:**

Senator Stephen M. Sweeney, Chair  
Senator Joseph Pennacchio, Vice Chair  
Senator Sandra B. Cunningham  
Senator M. Teresa Ruiz  
Senator Paul A. Sarlo  
Senator Michael J. Doherty  
Senator Steven V. Oroho  
Senator Samuel D. Thompson



### **ALSO PRESENT:**

Allen T. Dupree  
*Office of Legislative Services  
Select Committee Aide*

Elizabeth Mahn  
*Senate Majority  
Select Committee Aide*

Rebecca Panitch  
Christopher Emigholz  
*Senate Republican  
Select Committee Aides*

*Hearing Recorded and Transcribed by  
The Office of Legislative Services, Public Information Office,  
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey*

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STEPHEN M. SWEENEY  
*Chair*

JOSEPH PENNACCHIO  
*Vice-Chair*

SANDRA B. CUNNINGHAM  
MICHAEL J. DOHERTY  
STEVEN V. OROHO  
M. TERESA RUIZ  
PAUL A. SARLO  
SAMUEL D. THOMPSON



**New Jersey State Legislature**  
**SENATE SELECT COMMITTEE ON**  
**SCHOOL FUNDING FAIRNESS**  
STATE HOUSE ANNEX  
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TRENTON NJ 08625-0068

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**PUBLIC HEARING NOTICE**

The Senate Select Committee on School Funding Fairness will hold a public hearing on Thursday, February 2, 2017 at 11:00 AM in The Parkview Room, West Hall, Middlesex County College, 2600 Woodbridge Avenue, Edison, New Jersey 08837.

The committee will receive testimony from invited guests and from members of the public on inequities in school funding in New Jersey.

*The public may address comments and questions to Allen T. Dupree, Committee Aide, or make bill status and scheduling inquiries to Marguerite Tazza, Secretary, at (609)847-3850 or fax (609)984-9808. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.*

Persons wishing to testify should register with the Office of Legislative Services at (609) 847-3850 and should submit 15 copies of written testimony on the day of the hearing. Oral testimony will be limited to three minutes. Persons who are not presenting oral testimony may submit 15 copies of written testimony for consideration by the committee and inclusion in the record.

Issued 1/26/17

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**SENATOR STEPHEN M. SWEENEY (Chair):** We are going to get started.

And I want to-- First, a little bit of housekeeping.

There is a light in front of us -- so we are respectful of everyone's time -- that is a three-minute clock. It's green, and then it turns to -- what? -- yellow, and then red?

**UNIDENTIFIED MEMBER OF COMMITTEE:** Yes.

**SENATOR SWEENEY:** At yellow, you have 30 seconds; and we ask people to try to wrap it up.

Obviously, this is an issue that a lot of people are very passionate about, and they should be passionate about. There's a great deal of frustration going on, right now, in this state, because of the unfairness of the way the formula has been administered and distributed. And I can commit to you that the Senate is taking this seriously, and we are not letting the issue go.

And we have passed legislation that we know would correct the problem; the Assembly has not, at this point. It's not the Assembly, but its leadership. But we are not ignoring nor letting it go. We know that Middlesex County -- that every single district in Middlesex County, if the funding was run fairly, would receive additional aid. And it's very difficult when you're dealing with a situation where the obvious is -- you know, it's just so much in front of you and we, for some reason, can't get to agreement.

But I'd like to start off with Senator Diegnan, and then Assemblyman Coughlin -- for a few words, as the hosts.

S E N A T O R P A T R I C K J. D I E G N A N Jr.: And Assemblyman Karabinchak.

SENATOR SWEENEY: And this beautiful facility--

Yes, please.

This beautiful facility; this is-- Thank you for allowing us, Middlesex County College, to host this hearing in a brand-new, state-of-the-art building. Middlesex County College does an outstanding job for their community and their residents, and you can see by the students who leave here.

Senator.

SENATOR DIEGNAN: Thank you, Senate President.

Nothing, nothing, nothing is more important to our democracy than an educated population.

I am a walking, talking example of that. Both my parents were immigrants; my dad was a milkman, my mom was a maid. The highest grade they ever attained was 7th grade. I am sitting here before you because of the ability to get an education.

Funding is-- You know, it has to be paid for. And right now, in my District -- and I thank you for the chart that you submitted -- I calculated over a \$30 million shortfall in the towns in my District under the present non-funding of the formula.

So all I can say is, thank you, Council President -- I mean, Senate President. It shows where I'm normally before--

SENATOR SWEENEY: Well, we were -- we are in the Senate together. (laughter)

SENATOR DIEGNAN: Well, they don't usually let me in the big stuff. (laughter)

Thank you, Senate President, for your efforts on this behalf. We really appreciate it.

SENATOR SWEENEY: Thank you.

Assemblyman.

**ASSEMBLYMAN CRAIG J. COUGHLIN:** Thank you, Senate President.

And let me just take this opportunity to welcome everyone to Middlesex County, and to what I think is one of the finest community colleges in the state. This is-- All you need to do is walk across the parking lot today to see the vibrancy of this campus. It's alive, and energetic, and it does just a wonderful job at educating, in an affordable way, students from throughout Middlesex County.

So welcome, and thank you.

And I'd like to commend the Senate President and members of the Committee for your leadership on this issue. This is something whose time has come. You know, we all know that education is the backbone of the middle class and, therefore, of the United States. And public education is something that I think we ought to be really proud of here in the State of New Jersey. Sometimes I don't think we take enough pride.

Year, after year, after year, New Jersey's public education system ends up in the top three of states throughout the country: You know, it's Maryland, Massachusetts, and New Jersey one year; and New Jersey, Massachusetts, and Maryland the next.

We ought to take pride in that; and we ought to take pride in the investment that we make. And we all know that we have a constitutional and, I think, more importantly, a moral duty to make sure that each and every student in the State of New Jersey has the opportunity to succeed.

But we also have a duty to taxpayers. And we have to make sure that the education that we provide is not just thorough and efficient, but effective and affordable.

And so I commend you for undertaking this. This is going to be a tough issue. There are a lot of twists and turns; there are a lot of people who will perceive themselves as benefiting, and others who will perceive themselves as losing in this process. But it's something whose time has come, and whose attention is demanded by this Committee. And I thank you for doing that.

You know, I have the great fortune of representing the 19th Legislative District, which includes Woodbridge, and Sayreville, South Amboy, Perth Amboy, and Carteret. And as you pointed out, Senate President, all of those districts would be, under the current definition of the school funding formula, *underfunded*; particularly the largest town in my District, Woodbridge -- which is, I think, on the last chart I saw, something like the third-most or fourth-most underfunded district in the state; something to the tune of \$50 million.

So while Woodbridge and all the other towns are certain to be willing to pay their fair share, we have a duty to make sure that they get their fair share as well.

And so I thank you for embarking on this, and I'm confident that you're going to come up with something that is really effective and works. And I hope to get to be part of the solution to this problem.

So thank you very much for coming; I know there are a lot of other people who have a lot to say. And so I'll just -- I'll end by saying, enjoy your day in Middlesex County.

And lunch is on Pat Diegnan. (laughter)

So thank you very much.

SENATOR SWEENEY: You know what his middle name is?

ASSEMBLYMAN COUGHLIN: Jay.

SENATOR SWEENEY: Crime -- he doesn't pay.

Who's next?

Assemblywoman.

You need this mike.

**A S S E M B L Y W O M A N   N A N C Y   J .   P I N K I N:** Oh, thank you.

Well, thank you, Senator Sweeney, and members of the panel, for coming to Middlesex County and to one of my alumni (*sic*), Middlesex County College.

And, you know, I put myself through school, so I know how difficult it is for -- paying for education today.

But one of the issues -- which is a major issue for our residents in Middlesex County and everybody across the state -- is property taxes. So how do we continue to fund our top educational systems, but deal with the property tax issue? I know that it's something that you, Senator, have been



addressing in your efforts to regionalize services in your area. But we have to come to some resolution.

We were having a conversation -- the three of us -- yesterday, about what we can do about the property taxes. It's a big issue in our school districts; we know that the number of kids who are eligible for school lunch is actually increasing. Even though Middlesex County is a high-income county, relatively, we still have many people who are really suffering from the economy and struggling for jobs. We did a job fair -- a couple of job fairs, just trying to leverage all the services that we have through the County services and through the educational systems -- the school systems. So it's a really big problem,

We have the issue, also, of equitable funding. We think the school funding formula should be fully funded, and I know that's a challenge when you have a state with such a big deficit. I think we have to, realistically, take an approach as if we were going -- as if we were in a foreclosure. We have to come up with a fiscal plan; and start working on it, and start digging ourselves out of the hole, a little at a time. We can't -- we can no longer ignore this crisis with the property taxes. And I know it's something that you've been a champion of, and we're very happy about that.

So we do have one issue with the charter schools; we have a charter school in our town. While we support having it now, it has kids who are coming-- Originally when that charter school started, East Brunswick had to fund all of the payment burden -- all of the students, even though they're coming from over 20 districts. And these kids are being bussed for very long periods; five different counties that they are coming

from. And it just seems like, you know, at some point, we have to address that. While we are supportive of charter schools in innovative areas, we just can't have everything we want. And so that funding is another issue that we have to deal with.

But thank you so much, again, for bringing this issue to a head and trying to come up with a realistic way to deal with it.

SENATOR SWEENEY: Thank you.

Assemblyman.

**ASSEMBLYMAN ROBERT J. KARABINCHAK:** I'd like to thank you, Senate President, and the rest of the Committee for taking on this issue; for coming and listening to everybody's own personal pieces to this puzzle.

School funding is obviously a complex situation across the whole entire state. Being in the 18th District -- and Edison being the biggest town in this District -- we have been underfunded by over \$23 million every single year since this school funding formula has even been in place.

When you look at the whole District, as Senator Diegnan said, we're over \$30 million. And listening to what Assemblyman Coughlin said -- Woodbridge being over \$50-some million -- it's just unfair.

And that all relates to our taxpayers, as Assemblywoman Pinkin was talking about. Obviously, this isn't easy; otherwise, it would have been done.

I think that just the school funding formula is the first step of this. There are other issues that, I think, have to be addressed all across the whole entire state. And as I always say, the devil is always in the

details. This is just the first step. There is a lot more that has to be addressed, across the state, on how this is going to work, so that there are certain districts, and urban towns, and cities that aren't going to be negatively affected dramatically. Because there are needs there, also; that, as a state, we have to look at everyone, not just our own particular town.

So with that being said, anything that I can do to help-- I know our District, I know our Senators, I know a lot of people in the Assembly who want to bring this up and talk about it. We want to have a very good conversation; and even a heated conversation would be good. We're just not having that opportunity right now. I know myself, I know the other Assembly people who I'm sitting next to, want this to happen. So we're going to try to do everything we possibly can to make this happen.

And anything we can do for you, the Committee, to make this -- move this forward, it would be our honor.

Thank you.

SENATOR SWEENEY: Well, Assemblyman, I appreciate that.

And to address something that Assemblyman Coughlin talked about. You know, people are saying that there is going to be losers in this. There aren't any losers. If everyone is at 100 percent, how can you be a loser? People are saying we're dividing communities, right now, by having this discussion. What's going on is dividing the communities, because of the reality of what's taking place in education funding today. We're not dividing anyone; it's what the Legislature did in 2008 when they implemented hold-harmless and enrollment caps.

Look, there are more issues in education funding. Special education funding needs to be addressed; there are many -- there are other

aspects. But there are two glaring issues; and hold-harmless and enrollment caps have -- are what really set off the imbalance.

So we in the Senate, in a very bipartisan way-- And I was proud that we had 18 of the 23 Democrats who were present; and if the 24th Democrat would have been there, it would been 19. And 11 out of 16 Republicans voted together, recognizing that this isn't an easy fix; and this is a tough thing that we need to do. But for the mayors, and the school boards, and for the children, more importantly, it's time.

Now, we passed our bill two months ago -- over two months ago -- and nothing happened. We're not letting this issue linger any longer. The hearings are to keep pressure -- we know we need to fix it -- is to keep pressure on the Legislature, right up until this budget, to address it and correct it in this budget. And that's what we're going to do. One way or another, this is getting addressed.

And this is a tough issue, it's an election year issue, you always hear it's hard. But I have to tell you, it's enough delay. And to talk to Mayor McCormack and explain to him why his town has to be paying \$50 million more -- their taxpayers. Or to think about Newark -- I see Senator Rice in the audience -- where it's short-changed \$90 million. It's not fair. This isn't urban against suburban; this is we, together, can fix this, and need to fix this -- not Republican-Democrat. Like I said, this is bipartisan. This Committee we put together is equal numbers. Senator Pennacchio is the Co-Chair of the Committee. And we're doing it because it's not -- we're not going to let the politics get in front of what the policy needs to be.

So I really appreciate the fact that so many legislators are here. Look, we're going to bring fairness, one way or another; either the hard way or the easy way, but it's not going away.

But thank you for being here.

SENATOR DIEGNAN: Thank you.

ASSEMBLYMAN KARABINCHAK: Thank you.

SENATOR SWEENEY: We're going to be calling groups by panels. And who am I starting with?

Dr. Heelan, Edison Township Board of Education President; Mr. Richard Brescher, a member of the Edison Board of Education; Dr. Rocco Tomazic, Superintendent, Freehold Borough School District; and Mr. Joseph Howe, School Business Administrator, Freehold Borough School District.

And if I butcher your names -- I've never been good with names; I apologize. (laughter) Ask Senator Diegnan; sometimes I get it right, sometimes I don't. But he knows I'm talking to him. (laughter)

SENATOR OROHO: Well, ask Senator Holzapfel.

SENATOR SWEENEY: Hol -- what? (laughter) I'm never getting that name right.

But if you could be -- try to-- We'll be respectful, too, of your -- as you testify. But to the best of your ability, try to stay within the time allotments that we give.

And with that, whoever wants to start off.

If you please.

**FRANK HEELAN, Ed. D.:** Thank you very much.

I appreciate the initiative that you have taken, Senator Sweeney; and certainly to bring 20 percent of the Senate here to Edison to listen to our plea of woe.

And certainly, all of-- To Senator Diegnan, thanks for coming and expressing it as well; and Assemblyman Rob Karabinchak, and Nancy Pinkin, and also Mr. Coughlin.

The Edison Board of Education would like to draw your attention to a critical issue: funding for our schools.

Nearly 16,000 students attend our schools every day, making us the fourth-largest district in the state; we out (indiscernible) the others. However, in terms of funding, we are among districts receiving the lowest fraction of our fair share, 37.8 percent -- a little more than a third of what we -- the SFRA entitlement. According to the SFRA formula, Edison should have received \$37 million for 2016-2017. The District was given \$14 million in State aid, thereby depriving our students and taxpayers of \$23 million.

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

First bullet: Funding for districts must increase in accordance with the previous year's October 15 enrollment. That is critical. 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 percent increase in enrollment since 2008 -- that's, like, 1,900 more students we have that we're not getting anything for. In September 2016, over 500 additional students registered in our schools, just in this year

alone. However State aid per student in Edison has continued to decline since 2008.

Next bullet: Three districts had a higher enrollment than Edison in 2016-17, and received on average 15 times the State aid per student than Edison. Newark received \$14,600, basically, actual aid per student; Jersey City was awarded \$13,600 aid per student; and Paterson was given \$14,400. As the fourth-largest district in New Jersey, Edison got \$951 actual aid per student, the lowest of the 17 districts with 10,000-plus enrollment.

Next bullet: Edison's schools are severely overcrowded -- built in the 1950s, most of them. The New Jersey Department of Education uses the Facilities Efficiency Standard, the FES, to analyze school building capacity. The FES capacity at J.P. Stevens High School was 1,237; the total enrollment, however, stood at 2,340 during 2016; almost double. Edison High School's FES capacity is 956, but the enrollment during 2016 reached 1,947, more than double what is safe for the students. Edison taxpayers cannot afford another high school without additional State aid.

Next bullet: Low income is not restricted to a limited number of districts, but is spread throughout the state, as you well know. Most elementary schools in Edison are Title I schools, with 20 to 40 percent free lunch; and one school has over 40 percent free lunch.

Next bullet: The 56 percent of property taxes in Edison is earmarked for the schools; in favored districts, less than 25 percent of the property taxes is allocated to the schools.

And finally, as you all know, adjustment aid or hold-harmless aid -- ensuring that no district would receive less State aid than the amount

previously received -- is intrinsically inequitable. I repeat: Adjustment aid is intrinsically inequitable. To be fair, adjustment aid must be abolished.

We welcome you to take a tour of our schools so you can experience the magnitude of our severely overcrowded schools: students injuring themselves by involuntarily bumping into each other passing in our hallways, some students eating lunch at their desks, or going to their classrooms in a trailer.

Finally, we implore the State to focus, urgently, on school funding; and have the heart, the courage of a lion, which I know you must have to get it through -- and I appreciate what you're doing -- to embark upon a more just system so that students in Edison, and other school districts, are not being shortchanged.

Thank you for listening.

SENATOR SWEENEY: Thank you.

Any questions for the panel? (no response)

If not, also, the first person up always gets to go longer; not by choice, it happens. But again, we'll ask you if you can pay attention to the time.

And for the record, we need your name, for the record, because it's public.

DR. HEELAN: Dr. Frank Heelan, H-E-E-L-A-N; President of the Board of Education for Edison School District.

SENATOR SWEENEY: Thank you, Doctor.

Who's next?



**RICHARD BRESCHER:** I'd like to thank the Senator, and the Committee; and our local Assemblypeople and Senators for coming out and supporting this issue.

In Edison, I've reviewed the--

**SENATOR SWEENEY:** We need your name, again; I'm sorry.

**MR. BRESCHER:** Oh; my name is Richard Brescher--

**SENATOR SWEENEY:** Thanks for--

**MR. BRESCHER:** --Edison, New Jersey, Board of Education.

In reviewing the equitable State aid, we've concluded that there is no continuity in the funding formula. In evaluating the funding formula that the State uses, the State's own numbers recognize that Edison should receive \$33 million in equalized aid; yet we receive only \$4.5 million in equalized aid's stabilized aid.

The equalized, stabilized aid is based upon a percentage of funds that are allocated every year. And that number is the same number that they use from the year prior. So if Edison was underfunded in 1990 -- which, when I went back, we've been underfunded since 1990 -- the State has continued to use that same number. It can only go up or down if the fund is fully funded. Since it's never been fully funded, Edison has never been able to actually catch up.

So when we talk about not hurting other districts -- and I hear that because they're going to have to take a reduction -- they haven't taken a reduction since 2008. So all that's happened is that the pain that was put there is continued on our Township and many others, where we just continue and we don't receive anything more, and they're not receiving

anything less. And it really is time to say that this funding formula doesn't work after eight years now.

I thank you for your time, and I hope that you work hard on this.

SENATOR SWEENEY: Thank you.

Who's next?

**R O C C O G. T O M A Z I C, Ed. D.:** Thank you.

SENATOR SWEENEY: You need to use this mike. (indicates)

DR. TOMAZIC: Thank you, Senator.

My name is Rocco Tomazic; the Superintendent of Freehold Borough.

With me is Joseph Howe, my Business Administrator. I'll be speaking for both of us in one session.

SENATOR SWEENEY: Okay; great.

DR. TOMAZIC: Mr. Chairman, thank you for allowing me this opportunity to speak to the Committee on school funding. And thank you, as well, for the leadership in attempting to break the school funding status quo which has, for too long, allowed a grossly inequitable distribution of State resources.

I lead the Freehold Borough Public Schools, the third-most underfunded school district in New Jersey. We're proud of our students, and we have a great faculty. But I am distressed that my students are not receiving the necessary resources for a proper education; and that, year after year, we've cut more and more of their support as expenses increase and funding remains flat.

This is all the more infuriating when one sees that there are districts flush with cash, providing a multitude of extra services to their students, as well as a healthy dose of tax relief to their taxpayers. This is not fair, this is not right, and we begin to wonder if it is even legal, considering the disparate impact on protected groups of students. What is probably the most amazing fact in this whole situation is that resolving the worst of the disparity wouldn't require one more dollar in taxes.

The School Funding Reform Act of 2008, if it were fully funded, would bring Freehold Borough \$13.3 million. My class sizes, right now, are over capacity, because I need 50 teachers. So I can't provide the necessary support to special education students or to English Language Learner students; I have to shut down my libraries; and I have no teachers for basic skills math, technology is restrained, and my median teacher pay is the lowest in the state.

So who's responsible for this? I know it's not my Freehold Borough taxpayers, because they are already \$2.3 million over what they are supposed to be paying. And we've taken every dollar that we could take, since 2011. There's no banked cap; and the reason that we're in such a dire strait is no mystery. We've been essentially held flat since 2010, while our student population has exploded.

Sadly, the situation is not uncommon around the state, even if Freehold Borough is the most extreme example. But one wonders why the imbalance has to be continued at all. The School Funding Reform Act of 2008 -- specifically, in N.J.S.A. 18A:7F-52 -- allowed that the equalization aid would be distributed proportionally, if there wasn't enough. But that hasn't been done.

I think, personally, that every Superintendent in the state would be delighted if SFRA were funded. But if that can't be done, for whatever reason, then many of us would think that the existing money should be divided proportionally, per the formula. And if that can't be done, for whatever reason, then new money has to be sent to the most extreme cases of underfunding so that we can work that problem.

But sadly, even that hasn't been done very well. There's currently only \$16.7 million for this purpose in the State budget, which represents two-tenths of 1 percent of the total funded in the state.

So the day-to-day leaders of our school districts, like myself -- we struggle with underfunding. We made the case for equity and fairness under the law, but we've been unsuccessful in changing how the money arrives in the districts.

In Freehold Borough, last week, we were told by our broker that our insurance costs for health benefits would go up 15 percent next year. If later this month I'm again flat-funded, that means I have to start cuts on an already bare-bones budget.

Freehold Borough is also part of a loose coalition of Superintendents that have been discussing what to do. We've written the Governor and the Commissioner of Education; we've testified before the Assembly, and we're testifying here; and we're also discussing what we might be able to do through the Judicial Branch. Because, quite frankly, we're in a hole, and we can't get out of it, and we have to do something to resolve the situation.

Freehold Borough, and districts like us -- when I say *like us*, meaning that we're under adequate in State aid, over our fair share in taxes,

and receiving no hold-harmless money -- we need relief now. We're backed into a corner and our school children are adversely impacted. We applaud this Committee's stated purpose to fix it, and we will do anything that we can to help in that regard.

Thank you.

SENATOR SWEENEY: Thank you.

Anyone from the panel?

SENATOR DOHERTY: Yes, I--

SENATOR SWEENEY: Yes, Senator.

SENATOR DOHERTY: Yes, I just -- before the gentlemen leave--

SENATOR SWEENEY: Please.

SENATOR DOHERTY: I just want to make a brief comment.

I hear you loud and clear. You know, I got an Excel spreadsheet -- maybe I shouldn't say this, but I got it from the Treasury Department -- what each town pays in income tax into New Jersey. You can see, town by town, what the total income tax going into Trenton is. And that becomes our school fund. And people in New Jersey complain because we get 61 cents back on the dollar for every dollar we send to the Federal government. But many of our towns -- like Edison and Freehold Borough -- they don't get sent back 61 cents on the dollar for school funding; they get back -- I've seen a penny, 5 cents.

So our current funding formula -- it doesn't even account, in my opinion, for how much you send in, in income tax -- your residents. Actually, it punishes you, because it totally puts the blinders up, "We don't want to know how much comes in" -- until it has this pot of

money, and then suddenly it says, “Oh, you sent in a lot of money? We’re going to punish you by sending you back even less.” And that’s one of the categories in the funding formula.

So there are tremendous inequities. And folks need to realize there are two sides of the ledger: there’s how you collect the money and how you distribute the money. And most of this discussion, here, is how we’re going to distribute the money. I do think we need to focus, to some extent, on where the money comes from. We shouldn’t punish folks because they happen to pay more into the system, which is what happens now.

SENATOR SWEENEY: Anyone-- I’d like to add one thing.

The purpose of these hearings, too, is not to let the issue go. You have families, communities; you have the children, right? You have their families. Pressure has to be turned up, the heat has to be turned up; not just let it go, you know what I mean? Normally, people hit a boiling point, and they say, “Ah, it’s never going to happen; I give up.” If we don’t give up, we’re going to win.

So I would ask you to continue to keep pressure, where it needs to be, to advance this. That’s why we’re here.

Thank you.

DR. TOMAZIC: Thank you, Senators.

SENATOR SWEENEY: Next panel, Melanie Schulz, Director of Government Relations, New Jersey Association of School Administrators; Dr. G. Kennedy Greene, Superintendent, Newton School District; and Mr. Gerald W. Tamburro, Mayor of Monroe Township, Middlesex.

Oh, I'm sorry. Can I-- I forgot. May I have Senator Greenstein and Assemblyman Benson speak first, if that's okay?

UNIDENTIFIED MEMBER OF AUDIENCE: Sure.

SENATOR SWEENEY: And then we'll bring you up. I apologize; I had an order that I didn't follow. (laughter)

**S E N A T O R L I N D A R. G R E E N S T E I N:** Thank you.

SENATOR SWEENEY: Also I want to thank Senator Kean for being here today. He's also in attendance; as well as Senator Rice. Senator Kean worked with me in a bipartisan -- very bipartisan fashion to pass the legislation that we did in the Senate that-- When they say it can't get done, we surprise people at times. And even this Committee -- this was a unanimous vote in the Senate to even do this Committee. And it was the coordination and a cooperation of Senator Kean and myself that made this equally staffed.

So Senator Kean, thank you for being here.

**S E N A T O R T H O M A S H. K E A N Jr.:** (off mike) Thanks, Steve.

SENATOR SWEENEY: Senator Greenstein, if you'd like to start.

SENATOR GREENSTEIN: Thank you, Senate President.

First of all, I want to start by thanking you and the Committee for your leadership on this, and the determination to get something done.

I can say that I've spent the better part of my Senate career -- and also my earlier Assembly career -- trying to push for school funding changes, along with my colleagues, Assemblymen DeAngelo and Benson. We have worked very hard on this. The number of meetings can't

be counted; and I know we had at least one, or two, or three in your office where we brought in some of our Monroe people. And we've been -- we put legislation in, and we've-- I'm just so glad to see the approach that you are putting forth.

First of all, under this approach, Middlesex County would gain \$284 million on top of the \$562 million it currently receives, much of it in enrollment growth. Every school district would gain in the 14th District. All eight districts gain, in both formula funding and enrollment growth, a total of \$43 million.

While the funding would be phased in over five years to get to the 100 percent formula funding, it would take longer to fully fund enrollment growth. But this is an affordable and fair way to ramp up to full funding and ensure that every taxpayer and every school child is treated fairly.

Monroe is an example -- an extreme example -- of heavy enrollment; and you'll hear all about it shortly -- a lot of growth, little school funding, and a large retired population. We need to provide help to Monroe and similarly situated communities. We really appreciate what you're doing here and what we'll all do shortly.

Thank you.

SENATOR SWEENEY: Thank you, Senator.

Assemblyman.

**A S S E M B L Y M A N D A N I E L R. B E N S O N:** Thank you, Senate President, and members of the Committee.

It's a pleasure to address you today. There is probably no more important topic that we could be addressing.



As you said, it's so important to keep the pressure on. I know when I talk in all of our communities in the 14th district, this is on the tips of everyone's tongues; they want to see change, and they don't want to see it when we get the next Governor or anything else. We can't wait for the next Governor; we need change now.

And I want to just say thank you, personally, for the work you're doing to keep that reform effort going.

I grew up in Hamilton Township; went to a public high school, graduated from Hamilton West, the same high school my father and his two brothers graduated from, same high school my grandmother and great-aunt graduated from. I have seen what underfunding has done throughout the 14th District. As you said, the hold-harmless, I think, has been a disaster for many communities. The enrollment caps have particularly affected those who have seen enrollment growth.

But you'll hear from our district, here in Monroe, that has been uniquely victimized by the current situation. Whether it's an enrollment that has grown by 25 percent since 2008 without any equalization aid in the last 10 years; as well as a misperception of wealth, particularly in a community that is 60 percent age-restricted communities, and has a majority of those residents on fixed incomes.

Again, the way the formula is being implemented now, Monroe is treated as if it's some rich district. And if you talk to our residents and you hear from our residents, you'll know that that's not the case.

And so we need that change to the betterment of our communities all across the 14th. But I am so happy that we have Monroe

here, which I think has a unique circumstance that we hopefully can address in this reform.

Thank you.

SENATOR GREENSTEIN: Thank you.

SENATOR SWEENEY: Thank you, Assemblyman.

Anyone? (no response)

If not--

SENATOR OROHO: Chair, just real quick.

SENATOR SWEENEY: Senator Oroho.

SENATOR OROHO: While the next group comes up--

We can bring the next group up.

SENATOR OROHO: I just want to mention for the panel, Dr. Tomazic actually gave us a great -- on attachment No. 3-- You know, I've been talking about the geographic cost-factor all along, and he shows you the formula itself; and the thing that is referred to as the *GCF* is *Geographic Cost Factor* -- in every single category. I just wanted to point that out to the panel, because I know that's been something I've been harping on for a long time. It shows you, specifically, how it affects every category.

So anyway, I just wanted to point that out.

SENATOR SWEENEY: Thank you, Senator.

I'm going to start with the Mayor; Mayor, if you would like to start.

**MAYOR GERALD W. TAMBURRO:** Thank you, Senator.

I'm Gerald Tamburro; I'm the Mayor of Monroe Township in Middlesex County.

Senator, I want to thank you; Senator Greenstein; and our complete Assembly, Assemblyman Benson and Assemblyman DeAngelo.

Monroe Township is one of the fastest growing municipalities in New Jersey. In the last seven years, Monroe Township has issued 2,153 certificates of occupancy for new residential construction, with 1,058 of those being age-restricted. Now, with the recent affordable housing court settlement, over 4,000 additional residential housing units will be built over the next 20 years; and only 700 can be age-restricted, in compliance with the requirements of the Act and our court settlement.

Public school enrollment, in the same seven-year period, has skyrocketed from 5,500 students to over 6,600 students; or a 20 percent growth. Despite an increase in enrollment of over 300 students this past year, our State aid only increased \$15,000. That funds one student out of 300; or more easily stated, \$50 a student.

It is anticipated that 300 new students will be added in each of the next five years. The amount of State aid received in the same period has been devastating to our taxpayers. Instead of getting an increased amount of State aid, the exact opposite has taken place.

Using the baseline 2009-2010 school year -- before the mid-year reduction -- the Township School District and taxpayers have sustained a cumulative loss of over \$16 million in State aid for our public schools. With the State-imposed affordable housing mandates and the lack of builder impact fees in New Jersey, local officials are rendered almost defenseless in slowing the residential growth.

Despite the lack of support from the State and its housing mandates, the municipal government has partnered with our District

officials by introducing the following initiatives to slow down the growth and its impact on the schools.

We have purchased over 5,000 acres of open space, and over 1,000 acres of preserved farmland, with more on the drawing board; we have a large inventory of age-restricted housing; increased 6-acre zoning to 10-acre zoning in parts of the Township; the Township has partnered with the Board of Education on several shared services initiatives and capital improvements; the Township expended over \$1 million and provided other open space property to secure 30 acres for our Township high school; the Township provided 30 acres of developer-donated land for construction of a new elementary school.

In spite of our past and continuing efforts by the municipal government, our Board of Education and the students in the District have suffered from being underfunded by the State. During the past 12 months, we have met with Senate President Sweeney, the Commissioner of Education, and our local legislative delegation to explore a different approach for the State to assist the underfunded school districts, such as Monroe, for more equitable school funding.

Now is the time for action. The taxpayers and the State's children deserve and demand it. In central New Jersey alone, the disparity in State aid is outrageous. Is it fair that neighboring Old Bridge receives \$45 million in State aid, and our schools in Monroe receive \$3.3 million? Is it fair that growth municipalities are not getting their fair share of school aid, while stable and non-growth districts get larger increases?

The hold-harmless clause, for the 31 school districts in the State, is a misnomer. Those districts with declining student enrollment are

receiving disproportionate and additional State aid at the expense of growing school districts, such as Monroe. It is not *harmless* but, instead, *harmful*.

The school funding formula in New Jersey is broken, and a more equitable distribution is needed -- one that meets the needs of the growing suburban districts that are presently underfunded, as well as meets the constitutional and court mandate of a thorough and efficient education.

I implore the Governor and Legislature to examine the funding formula and provide a fair and equitable funding formula for all of New Jersey's children and taxpayers.

Thank you.

SENATOR SWEENEY: Thank you, Mayor.

We'll let everyone speak, and then I'll ask the panel if they want to speak.

MAYOR TAMBURRO: Senator, if I may.

Our Business Administrator, Wayne Hamilton, is here.

SENATOR SWEENEY: Okay.

MAYOR TAMBURRO: Unfortunately, Wayne is retiring and I have to go and interview prospective business administrators.

SENATOR SWEENEY: Understood.

MAYOR TAMBURRO: Thank you for your time.

SENATOR SWEENEY: Thank you.

Whoever is next.

Please.

MELANIE SCHULZ: Good morning, Senate President Sweeney.

My name is Melanie Schulz; I'm Director of Government Relations at the New Jersey Association of School Administrators.

I would like to thank you, not only for inviting us here today, but also to acknowledge that we've been part of the conversations with you for the past year on school finance.

The 2016-2017 school year theme of our Association is *One Vision -- Our Voice*. Never before can I recall a time when Chief School Administrators have been more engaged and encouraged to use their voice to be part of shaping a fair and equitable distribution of State funds.

Our goal is to provide you and your colleagues with not only the effects of funding decisions over the past several years, but also to bring you possible solutions as you begin to craft a new funding mechanism.

Now I'd like to turn the mike over to Dr. Ken Greene, who is the Superintendent of the Newton School District, and an officer of NJASA. Dr. Greene has put together a presentation that we hope will not only provide you with useful background information, but assist you as you move forward in examining the inequities of the current manner in which our school districts receive funding.

Thank you so much.

SENATOR SWEENEY: Thank you.

**G. KENNEDY GREENE, Ed. D.:** Thank you, Melanie; and thank you Senator Sweeney and Senators for inviting our participation here.

I also want to thank Senator Rice while he's here; and Assemblywoman Jasey for accepting our testimony at the Joint Committee

of the Public Schools; as well as Assemblywoman Caride for inviting us to participate at the Assembly Education hearings.

You're going to hear from many districts today about their specific circumstances; and I think it's really important that you do, because each one brings a little bit different to the table.

I'm going to scope it back out, looking at the state as a whole, and make a few points.

You do have my presentation there; I'm not going to go through each aspect of the presentation, but I'm going to hit a couple of slides that I think are particularly important.

As you've heard from many speakers, perhaps previous to today, the funding formula that we have is actually a good formula. It's nationally considered a leader; it's recognized as a model of equity and fairness; and of course, it's passed constitutional muster here in New Jersey.

Certainly, we can look at tweaks to the formula. There are aspects of it that could be improved. It's already been noted -- special education and the census method for special education; Senator Oroho has talked about the Geographic Cost Factor and how that negatively impacts districts. So there clearly are areas that can be tweaked.

But also, clearly, the biggest issue is with the funding of the formula itself. And so I would turn your attention to -- I think it's slides, maybe, No. 10 to 12; they are the first slides you encounter with graphs, charts. To talk about -- that there are two problems, in terms of funding, as I think we know. One is an underfunding problem; and the total underfunding problem -- of not having enough funds to the formula -- is \$1.4 billion. Frequently you hear the number \$1 billion thrown out. The

\$1 billion is a cap aid number; and cap aid is only important to discuss if, in fact, we were going to address the entire problem right now and caps would be in place.

The uncapped number of \$1.4 billion is where I think most thinking people are thinking, "This is going to have to happen over time," so the caps won't be relevant; \$1.4 billion is the entirety of the problem.

The other problem is the \$600 million problem, in terms of inequitable distribution. Underfunding, though, and where those charts come in, is found all across the state. All enrollments levels -- you see the enrollment, there, of small districts, medium, large districts -- it impacts all sizes of districts.

The next slide talks about how underfunding is found in all income groups. You look at the bottom there, it shows you the District Factor Groups from A through J; every single District Factor Group has a majority of its members -- above 50 percent of those districts are receiving less than 100 percent of their State aid. There is one example that doesn't follow this; it's 49 percent. It's half or more.

And then on the next page, underfunding is found in all geographic regions of the state -- whether it's north, central, or south. This is not a localized problem; it's a huge problem across the state.

If you go a couple of slides later, you're going to see some tables; and one of the tables -- the first of those talks about local taxation. And of course, one of the myths that we have in New Jersey is that we have high property taxes; everybody has high property taxes. That's actually not true. Not certainly according to how the formula defines *local fair share*. And this table shows for you the number of districts that are



contributing above a 100 percent of their local fair share, and others that are contributing below. And it's a wide disparity. We're not showing that as neatly around 100 percent, which would be the goal.

The next slide talks about budget adequacy; and something that you're going to hear in other testimony, perhaps, is how important budget adequacy is, and that we can't redistribute adjustment aid if a district is under adequacy. Well, a district could be under adequacy for one of two reasons: either because they're not receiving enough State aid -- and of course, if they're overfunded, that's not the case. If you're receiving 100 percent of your State aid, the only other possibility is that it's a local tax issue, and that there's an inadequacy of local taxes being paid. So that needs to be paid attention to.

And then the final table talks about how New Jersey might be graded for its funding and distribution of State aid. We use a grading mechanism that you're probably all familiar with -- or at least those of my vintage or older -- the old, traditional 7-point scale: 93 to 100 is an A; 85-92 is a B. And 234 of our districts -- you're treating them to an A, by providing them somewhere between 93 and 100 percent of their funding. There are 212 districts that are receiving more than 100 percent of their funding; they're getting A++++++ funding; 138 of them, more than 130 percent. And of course, on the other side, unfortunately, the district's going to get an F, because below 70 percent -- we actually have 239 of our 591 districts receiving less than 70 percent of our aid.

The problem there is that whether you're looking at 100 percent of aid, or what the State is actually contributing now -- about 85 percent -- there is no tight clustering around that. You know, we wouldn't

have much of an argument if somebody was getting 81 percent, and someone was getting 88 percent, and somebody's getting 83 percent. But we have districts getting as low as 10 percent, 11 percent; and districts getting hundreds of percent higher. It's incredibly inequitable. So State aid, clearly, is an issue that's in your bailiwick.

I know my time is at an end here; my presentation ends with some myths and truths about State aid to schools in New Jersey. I would just emphasize the last of those myths that Senator Sweeney did point out -- and that we keep hearing about winners and losers. No district that gets 100 percent of their funding can be considered a *loser*. I don't care if they're getting 120 percent now, 140 percent, 340 percent. If they get 100 percent, they're not a loser, all right? But there are plenty of other losers right now: 239 other districts, as I said, are in severe dysfunction because of receiving less than 70 percent of their formula aid.

I would leave you with, I think, four solutions, and there's no secret here. I think number one is the Legislature has to agree on a timeline. We all know this isn't going to happen overnight; the problem didn't come about overnight, it's not going to get solved overnight. But the Legislature has to agree on a timeline. What's a reasonable timeline to get this done?

Obviously, through that timeline, full funding has to happen. The State needs to provide its share, which it isn't doing currently.

Thirdly, redistribute the aid that is there into the formula; make that fair.

And fourth, some of the things we are concerned about -- well, what about districts that are below that tax effort? And, you know, we can

never catch up because we have a 2 percent tax cap. But the fact of the matter is that the State provides waivers for districts beyond that 2 percent cap. The State provides waivers for things like excessive special education cost, excessive health care costs, excessive enrollment. Why not a waiver for those districts that exhibit two things: One would be that their budget is inadequate -- it's under adequacy; and secondly, that they are not making a sufficient local tax effort. A district could get a waiver for that.

So I will leave that with you, because we'd like to have solutions, rather than just problems.

And I'll accept any questions that you have.

SENATOR SWEENEY: Thank you.

Any questions from the panel?

Senator Oroho.

SENATOR OROHO: I just-- Well, no question; I just want to comment.

Dr. Greene and I have had many meetings. And you can tell he did his doctoral thesis on, I think, education funding out of Columbia.

DR. GREENE: School finance. (laughter)

SENATOR OROHO: And the education that he has been able to give me through the -- I thought I had read the whole formula and dissected it completely. He showed me completely -- a lot of other ways how to dissect it as well.

So I just wanted to thank Dr. Greene for all the research he's done and continues to do. We'll all continue to have some minor tweaks -- or not tweaks -- to how we think it should happen.

But Doctor, thank you very much for the effort you've put in for years on this.

DR. GREENE: Thank you.

SENATOR OROHO: Thank you.

SENATOR SWEENEY: Anyone else?

SENATOR DOHERTY: Yes.

SENATOR SWEENEY: Senator Doherty.

SENATOR DOHERTY: Yes, thanks, Senate President.

I just wanted to comment. I think it was the Monroe Township Mayor; I don't know if he's still here, or he left.

SENATOR SWEENEY: He had to leave.

SENATOR DOHERTY: Okay. Well, he said he receives \$3.3 million in their school aid, and they've had a 20 percent increase in population under the current system. And they don't get any additional money with a 20 percent growth.

I just think it's important to note that Monroe Township, according to the State, sends in \$39.5 million in income tax. So they're sending in almost \$40 million; they're receiving \$3.3 million back. And these are crazy ratios, you know? It's less than one-tenth you're getting back. And then we have other towns that are getting, you know, five times as much back as they send in; a total reversal.

So it's really inequitable, from my view. So there has to be a change. You can't stick your head in the sand and not realize where all this money is coming from. And like I said, you actually get punished. Towns like Monroe Township-- Because they send in so much money in income tax, they actually get punished under the school funding formula we

have. There's actually a category, "How much money did you send in? Oh, we're going to punish you and actually give you less aid." So that's a problem -- that you don't recognize how much these towns are sending in to Trenton.

Thank you.

SENATOR THOMPSON: Mr. President.

SENATOR SWEENEY: Yes, Senator Thompson.

SENATOR THOMPSON: I would add to Senator Doherty's comments here something I often tell taxpayers when they speak of their property taxes, and so on; and when they're looking for the State to resolve their problems with property taxes.

I point out to them that the best tax dollar they pay is their local tax dollar. Because for every dollar they pay to their local town for the school district, etc., they get a dollar's worth of services. But if you're living in many of these towns that we're speaking of, you send a dollar to Trenton and try to get some money back -- you're going to send a dollar in, you're going to get 60 cents or 50 cents, etc.

So if you're looking for the State to resolve your property tax problems, first thing you have to do is consider how much money is needed to run the system. You have two things you have to consider: What is necessary to provide the appropriate education, and so on? And second, it is -- whether you get the money from the State or whether it's collected in your property taxes -- it is your same tax dollar. Now, it's the case of which dollar do you want to send to the State and try to get it back, or do you want to pay it directly where it's going to be spent?

The more that goes directly where it's going to be spent, the better off you are, in most towns. There are others, as was said, that are real winners; they send in 50 cents and get a dollar back. But for many of our towns, if you're looking for the State to solve your property tax problem, you're going to pay more in taxes -- whether it's to the State or locally -- than you were paying before.

SENATOR SWEENEY: Thank you, Senator.

DR. GREENE: To that point, if I could just respond.

SENATOR SWEENEY: Please.

DR. GREENE: I think the point that you're making also gets to what the State can do with its State aid policy. Because when the State is overfunding some districts, what they're creating is a disincentive for that district to address its local tax issue. Because many of the districts that are being overfunded have a less-than-sufficient local tax contribution--

SENATOR THOMPSON: Certainly there's a more equitable distribution -- it's the number one concern we're trying to address right here.

DR. GREENE: Right. But I think it's a disincentive for local districts to address a tax issue. I think that there's a piece of that--

SENATOR DOHERTY: Tough decisions

DR. GREENE: --which I think is important.

SENATOR SWEENEY: Doctor Greene, if it's okay, I'd like to post your presentation on our website; if it's okay.

DR. GREENE: Sure; absolutely. It's been out for a couple weeks. It's a similar one that's been out; so absolutely. Please do.

SENATOR SWEENEY: And I also want to point out to people, too -- you know, some districts don't have the tax base. As we know, some districts cannot afford to provide the education that's needed. We're not talking about that; we recognize that. Trenton needs additional help -- it needs additional help. They can't support -- they can't raise enough taxes to support their districts. That's why we came up with this formula.

The formula is weighted fairly, I think. People will say that -- and we can argue a lot of this -- it's us-against-them. It's really not us-against-them. We have created -- we, the Legislature, have created an unfair situation by creating these categories. But districts like Trenton need the assistance to provide fair education. It seems like years ago, but we actually started this conversation in the Senate in Paterson, New Jersey. And when we started it, I learned that they teach in 58 different languages. It's remarkable to try to think about that. I mean, I live in West Deptford; it's a suburb. We teach in one language, you now? And to be perfectly honest with you-- And you have to recognize the challenges.

You know, I mean-- And this is something we don't want to pit -- this is not about pitting communities against each other. This is about ensuring that all children get a fair education; and where the communities can't support the schools, we have an obligation to help.

But we screwed up. The Legislature changes made this so difficult. And that's why I appreciate what you said: 100 percent's a win for everyone. But we shouldn't be picking on districts that need our assistance either. Paterson was heartbreaking for me, personally, to witness. The kids don't have math books; they don't have books. They work off of a pad and

a piece of paper, and they go home. How do they do homework; how do they do homework? How many-- Someone -- I don't know who; I'm plagiarizing someone -- said, how many Einsteins are we losing because we're not providing the proper funding? If it was impossible to fully fund this, it would be one thing. It's not; \$1.4 billion was impossible. Recognizing you had \$600 million sitting someplace that could be redistributed fairly without punishing is another area.

So I really do appreciate the graph, and I've heard your testimony in other places. We shouldn't be having three and four committees doing this; the solutions are pretty simple. But the purpose of the Senate doing this, in a bipartisan fashion, is we're not letting this issue go. We're just not letting the issue go at this point. We've had enough, and we're going to keep this alive.

But we're depending on groups like yours to keep it alive with the voters, too. Because it will get done if enough people get angry; you know that.

DR. GREENE: Right.

SENATOR SWEENEY: I'm going to ask Senator Smith to come up and join us.

DR. GREENE: Thank you.

SENATOR DOHERTY: Senator Sweeney, can I just make one--

SENATOR SWEENEY: Yes, Senator Doherty; yes.

SENATOR DOHERTY: Thanks, Senator Sweeney.

I just want to make comment to Dr. Greene.

You know, you're from Newton, right?



DR. GREENE: Yes.

SENATOR DOHERTY: So regarding local governmental entities doing their fair share to contribute, as well, to property taxes. I think an issue that this Committee should address is the abatement issue.

SENATOR OROHO: Yes.

SENATOR DOHERTY: Because in Newton, before an abatement is given, you have to be really careful because it's going to affect how much you can collect locally in property taxes. Well, amazingly -- and the audience should know, and the Committee members -- that when certain towns give away tax abatements, there's really no downside because the State, sort of, puts the blinders on. So you can give away abatements, for, like, every building that's going up in the town -- these high-rise condos. And they abate the properties, and there's really no downside because the town is getting most of its budget for the schools from the State of New Jersey.

I think there has to be some consequences of abating every property that goes up. Now, some properties should be abated, if they're going to bring economic consequences. But if you're giving tax abatements on high-rise, multi-million dollar condo units, then you have to say, "Well, gee, should we really allow this town to do that, and then come back to New Jersey and get most of its school aid from the rest of the state?" I think that's a real problem that needs to be addressed.

SENATOR OROHO: I can guarantee -- and I agree with Senator Doherty with the abatements -- that you see in the long-term abatements around the state.

But with Newton, in my District -- I know that's not the abatement problem, but there are many other districts around the state where the abatement is a big issue.

SENATOR THOMPSON: In fact, I recall several years ago we had a situation in Newark -- that there were a number of major downtown facilities down there that had had 25- to 30-year tax abatements. They were expiring. Newark was giving them new tax abatements for another 25 or 30 years. Consequently, their tax base is smaller; therefore, they require more State aid.

DR. GREENE: Well, I can tell you the abatement issue -- at least from a school perspective -- the impact isn't, perhaps, what you'd think. Because from a school aid perspective, from a town-- I'm going to get the same local tax effort whether there are abatements or whether there aren't abatements. And the fact is that the State still has a \$1.4 billion issue, regardless of the abatements. Where it impacts is that it's a decision being made by the municipality, which affects its residents -- and its residents are having to pay more because of those abated properties.

So that's really-- To me, that's a municipal issue. It doesn't get away from, that the State has a \$1.4 billion commitment to fully fund the formula. And again, as we've had an abatement in Newton, and the town manager came to me and said, "Look, I'm really sorry. You know, I know it really impacts you." And I said, "Look, it doesn't really impact me. We're getting the same tax dollars from the town whether you abate that property or you don't. You've just put that impact more on the residents, and you'll probably have to explain that to them."

But we're still getting the same dollar amount; and in fact, in our case, it certainly does affect our residents, because our residents are paying 144 percent of their local fair share; 44 percent above the local fair share -- of course, being because the State aid that we're receiving is only 56 percent of what we should. So it's a problem.

SENATOR SWEENEY: Well--

SENATOR THOMPSON: It would affect the State aid in that when you consider the adequacy budget -- money that should be supplied locally, versus the State, is based upon what is the tax base in that town. And if it reduces the tax base, then it says there's less tax base to support it locally; therefore, it requires more State aid.

DR. GREENE: That could be something tweaked in the local fair share calculation.

SENATOR SWEENEY: Well, just so you know, the legislation that we passed; that I spoke about, that we passed in a very bipartisan, broad-based position -- that if it was put up for a vote in the Assembly, would pass overwhelmingly; that the Speaker, at this time, is choosing not to -- addresses abatements. Because communities that are underfunding their district shouldn't be allowed to take-- You know, there's nothing wrong with PILOTs; there's nothing wrong with doing them. But when you take all the money and don't provide any funding for the schools, that's where the problems come in. And if you're underfunding a district, you shouldn't be allowed to enter into an abatement unless the district's going to get their fair share in the abatement.

And that was actually part of our conversation to look at -- the legislation we passed was to look at that. So we said, "Okay, you can do

your abatements to help--" Because Newark needs to do it; Newark needs economic development, as other urban centers need to do it. But it doesn't mean that we have to -- and I say *cheat* the school districts. You know, because, "I didn't raise taxes;" you know, it's the old game. "I didn't raise taxes; they did." Well, we -- all my money comes out of the same pocket.

But anyone else? (no response)

And if not -- okay, thank you, Doctor.

DR. GREENE: Thank you.

SENATOR SWEENEY: I'm going to ask Senator Smith to say a few words.

Senator, thank you for being here.

**SENATOR BOB SMITH:** Welcome to Middlesex County.

SENATOR SWEENEY: In a beautiful facility; brand new facility.

SENATOR SMITH: The County College is just fabulous. It's one of our economic engines, as well as educational engines in our County.

So what we can all agree on is -- we wish we had more money to support education, and even higher education; which in my view, we don't provide enough support.

But that being said, over the course of the years that I've been in the Legislature, school aid has always been a third rail. No matter what you do, you're wrong; and you're wrong because at the end of the day, if you divide up a pot of money, there are going to be winners and there are going to be losers. And that's in terms of the dollars the districts would like to see to assist them in their programs.

So we have in front of us now -- at least, as announced in the newspaper -- a proposal by our Governor that we should have one-size-fits-all; that every student should get  $X$  dollars for every district. And the problem with one-size-fits-all is that it doesn't fit, all right? Our districts are different, in that our districts -- we have some districts where there are many students with learning disabilities; we have districts where there are many students who have language issues, where they're trying to acclimatize into American society; we have many districts where students are part of a lunch program, because they come from families with very modest means.

And we attempted, in the Corzine Administration, to come up with a solution to that, all right? And by the way, nothing's changed on the big picture. We still have, in our Constitution, a clause that says that we are required to provide a thorough and efficient education. And every court -- including the current court, which had a number of picks from our current Governor -- continues to reaffirm that we, the State of New Jersey, have an obligation to provide a thorough and efficient education.

Back in the Corzine Administration, if you remember, we came up with a funding formula that was based on children's needs. How many children do we have in the poverty program, lunch program, English as a second language, etc.? And the aid to the district wasn't based on the zip code; it was based on the needs of the children. And I would continue to suggest that, at the end of the day, whatever formula we look to revise or adopt, I don't think there's a fairer formula. You have to look at the district and the kids who the district is trying to serve.

So with that in mind, we still have a problem; and the problem is us. You know, the old cartoon *Pogo*, "We met the enemy, and he is are us." I'm not talking about *us* as Legislators; we, in our minds, and in the minds of our constituents, would be doing a disservice to the people we represent if we don't fight for every dollar we can for our school districts. You don't do that, you're a terrible legislator. But that doesn't necessarily comport with what our Supreme Court repeatedly, over the last 35 years, has said.

And by the way, the Corzine formula, if you remember, got a judicial blessing from the New Jersey State Supreme Court that using that as the basis for funding was legitimate; that it met constitutional muster. So the plan to give an equal dollar for every student because they're alive -- not because they have special needs or they have characteristics that should be addressed -- is one that, from the start, is absolutely unconstitutional.

So why do we want to go through a drama, a game where, if that ever did get into the State budget, we know, right off the top, it's unconstitutional? We just put our State into chaos; we put our school districts into chaos. So that's not the right path.

And I have concerns, Senate President, that we get to June, we're going to have a very unpleasant June. I mean, if you want -- if the Governor wants to have a constitutional crisis, he will put forward a budget that says *X* dollars for every student in the state. We can't-- If we're responsible, we know that that doesn't fly constitutionally with our State Supreme Court. If we then try to modify it -- as you know the budgetary process in New Jersey -- the Governor proposes, and then we can cut, all right? But only he can, basically, add in after that process is going on.

So we, theoretically, could have total chaos by June 30; maybe even a governmental shutdown. And I'm not for that; I don't think anybody on your panel is for that. But we need cool heads to talk about this so that we're not violating the Constitution, so that we're properly providing funding to our school districts.

And then lastly, whatever mechanism we come up with at the end, we have to get us out of it. Legislators -- because we all have a responsibility to our constituents -- have to fight for every dollar for the district, whether the district has special needs or not; and if you don't do that, you're a bad legislator. So we need to find a process where we can get a final recommendation that is constitutionally valid, and then we get a chance to vote on that. As opposed to saying, "I need more for the 17th," or "You need more for the 15th." It has to be one where we do what the law of the State of New Jersey requires us to do.

So that's my 2 cents, for what it's worth.

SENATOR SWEENEY: Thank you.

And Senator, I can't agree any more. If I close my eyes, I could hear myself talking. (laughter) No, because we agree. We have an obligation. There's nothing wrong with the formula that was put forward.

SENATOR SMITH: Right.

SENATOR SWEENEY: You know, we should always constantly look at it to make sure that, as things change, you address them; but the formula works. We need to fund it; you know, I keep going back: Run and fund it. Well, we think we're on a course that we can do that.

And I want to thank my colleagues -- most of them up here -- who actually voted to do exactly what you said--

SENATOR SMITH: Right.

SENATOR SWEENEY: --which was to take us out, and put the numbers in front of us, and do an up or down vote.

So again, thank you for your leadership there, too.

SENATOR SMITH: Thank you.

SENATOR DOHERTY: Senator.

SENATOR SWEENEY: Senator Thompson (*sic*).

SENATOR DOHERTY: Yes, Senator Sweeney--

SENATOR SWEENEY: Oh, Senator Doherty; I'm sorry.

SENATOR DOHERTY: --I just want one point of clarification, Senator Smith.

I appreciate you coming to testify.

I think part of Governor Christie's plan on the Fair School Funding -- which I support -- my understanding is that a key component of that is actually amending the State Constitution. I don't know that Governor Christie, or any of us, would want to move forward and provide that equal funding for every student that he is advocating, and a lot of us have supported. It would be only after the Constitution was amended; and at the end of the day, the people of New Jersey -- it's their Constitution, it's their government. So a key component would be going to the voters of New Jersey and asking them, "Do you think that the money should be divided equally for every student?" And if that didn't happen, I don't think Governor Christie, or any of us, would support creating chaos and moving forward. So the Constitution would have to be amended; if that didn't happen, then the plan doesn't get off first base.



SENATOR SMITH: But in terms of the timing, if the Governor is going to propose it in this budget, the Constitution hasn't been amended.

SENATOR DOHERTY: Yes, I don't think he's -- I don't predict he's going to.

SENATOR SMITH: I'm waiting for the March budget speech before I take a position on that. (laughter)

SENATOR SWEENEY: And you know, Senator Doherty, I want to thank you for voting for the Bill that we passed, too -- in recognizing that we're just trying to-- You know, I know you were sponsoring the Governor's bill, but you recognize we need to get going, and I really do appreciate that vote.

Thank you.

SENATOR SMITH: Thank you.

SENATOR SWEENEY: Next, I'm going to call Dr. Brian -- I hope I don't kill you -- Zychowski (indicating pronunciation); Dr. Robert Zega -- I get that one right; Dr. Aubrey Johnson; and Mr. Richard Jannarone, School Business Administrator, New Brunswick Public Schools.

Whoever wants to start.

**B R I A N   Z Y C H O W S K I, Ed.D.:** Good afternoon, Senator Sweeney, members of the Committee on School Funding Fairness.

Thank you for this opportunity to share my comments on public school funding.

My name is Brian Zychowski; and I am the Superintendent of Schools for North Brunswick Township School District, right here in the heart of Middlesex County.

I've been a Superintendent for 18 years; the past 10 in North Brunswick. Throughout my tenure, I lived through the failed attempts of past funding formulas -- QEAI; 2; CEIFA; and now the School Funding Reform Act, SFRA.

The School Funding Reform Act was enacted for a laudable and common sense purpose: to allocate State funds for education of all students, with a particular focus on the neediest students, regardless of where they may live. After decades of litigation regarding school funding in New Jersey, the SFRA was created and blessed by the State Supreme Court -- as we discussed already -- with one important condition: that it actually be funded. Unfortunately, the State has failed to live up to its obligations.

So I am here today to ask you to temper your search for the perfect formula, and expedite the timelines that will be needed to fund the current good formula, SFRA.

The formula established under the Act was a product of a careful and deliberative process. It provided adequate funding as realistically geared to the Core Curriculum Content Standards, thus linking those standards to the actual funding needed to deliver that content. By failing to fund the SFRA, the Legislature has failed to provide the schoolchildren of this state enough funds to actually meet the education standards that they are being held to.

North Brunswick received only 26 percent of the funding they are supposed to receive under full implementation of the SFRA. No district in Middlesex County receives a smaller percentage of SFRA funding. Translated to real dollars, North Brunswick receives \$11.8 million and, according to their recent released school funding figures, North Brunswick

should receive an additional \$33.3 million. I have enclosed a chart that is used throughout Middlesex County to show the funding formula at its cap level and without cap.

Currently, the growth cap restricts the ability of underfunded school districts, like North Brunswick, from reaching the level of funding -- appropriate SFRA allocations -- because of arbitrarily restricting how much additional State funding a district can receive from one year to the next. So important to the North Brunswick story is that the North Brunswick District is under adequacy spending, and their residents continue to pay more than a local fair share within a community that continues to grow.

For years, the districts throughout the state has been allocating adjustment aid that was meant to serve as a temporary reprieve from the cuts those districts would have faced under a fully phased-in SFRA. While North Brunswick has been denied funding that even reasonably approaches the level required through this funding formula, districts that were supposed to lose funding have continued to receive more than they require under the legislature's continuing payments of this adjustment aid.

By failing to provide increased funds under the proper implementation of SFRA, North Brunswick budgets have been unfairly constrained and restricted, year after year. Class sizes are beyond maximum levels; critical programs have been cut or reduced, which comprises the District's ability to serve its growing, diverse, and most needy populations. The students, staff, and taxpayers of North Brunswick -- and every other public school district in Middlesex County, and many districts throughout New Jersey -- need the Legislature to ensure that SFRA is fully funded.

And a very expedited timeline, as we know it, won't be one year; it will be a few years to get this right, so that our children receive not just the education they need, but the education they deserve.

And thank you today for taking on this monumental task.

SENATOR SWEENEY: Thank you.

Who's next?

**R O B E R T   Z E G A,   Ed. D.:** Hello. Thank you for hearing us out today.

My name is Robert Zega; I am the Superintendent of Woodbridge Township School District. We are the 8th largest school district in New Jersey. We have 13,600-plus students, and rising.

Last year, we received \$24 million in State aid; that was approximately one-third of what we were entitled to, and it comprises about 11 percent of our budget.

Believe me, we're grateful for that \$24 million. And the students in our District receive a great education because of our taxpayers and because of our residents. And they're committed to making the sacrifice that it takes to educate our students.

Every year, we come to these residents and we present the budget to them. And every year, we get the same question. "Why do the residents of Woodbridge Township have to make greater sacrifices than the residents of similar towns, with similar budgets, and similar populations?"

And we're not talking about Trenton or Camden; we're talking about similar towns, and you know who they are. Why do the residents of Woodbridge Township have to make greater sacrifices to provide an education for their children?

We'll wait until someone provides an answer; but I can tell you that the residents of Woodbridge Township will continue to provide a great education for their children. And we will wait, but we will not wait patiently.

Thank you.

SENATOR SWEENEY: Thank you.

**A U B R E Y   A .   J O H N S O N ,   E d .   D . :** Good afternoon, Senator Sweeney and our panel members.

My name is Aubrey Johnson; I'm the Superintendent of New Brunswick Public Schools. And to my right, I have my Business Administrator, Mr. Rich Jannarone.

Just to be really brief -- I'm just going to talk about our District on our macro level; and I'm going to have Mr. Jannarone give a little bit of information on our micro level.

New Brunswick Public Schools has been designated as a *former Abbott school district*; we serve over 10,200 students. And just for the past 15 years, our enrollment was below 6,000 students. And we have had an explosive growth since then.

During the past three years alone, our student population has grown by 1,000 students. We are currently averaging about 300 to 400 students per year.

Due to this enrollment growth and lack of increased State aid, the financial situation in New Brunswick requires immediate attention and action in order to preserve an educational program that requires students to be fully, thoroughly, and efficiently educated.

The lack of funds will impact class size, limited English proficient learning programs, basic skills programs, and many other academic and support service programs that will all feel the brunt with a reduction in funding.

Yes, a lot of districts will look at New Brunswick and feel that, you know, we receive a lot of money. But I must stress to you our student population, in which 90 percent are economically disadvantaged; we have about 88 percent Hispanic population; about 10 percent African American population; 15 percent special ed population; and about 20 percent limited English proficient population. Our population deserves a purposeful and targeted program to meet its needs. The population requires additional support.

A cut in funding will cause us to reduce or possibly close schools in terms of personnel, in terms of specialists, in terms of security. It also will cause us to cut programs, such as extended-day programs, before-care programs, summer programs, art programs, robotic clubs, and other extracurricular programs.

I must point out that, because our families in those communities do not have the resources to provide those means which would allow our kids to be competitive with somebody else, it is really important that our funding increase -- and Mr. Jannarone will speak to us shortly in regards to that -- in order for us to be able to prepare, empower, and inspire our students to be lifelong learners and leaders.

Although this is not the medium to speak of this, I must say that we also should be mindful of the impact that the charter schools in Middlesex and Somerset counties, at the same time -- where we believe that

there is going to be an expansion of about 128 percent of seats in those areas alone -- that we must take a look at; because it will impact our budget.

SENATOR SWEENEY: Thank you.

**RICHARD D. JANNARONE:** Thank you, Senate President and the Committee, for allowing us to speak to you today.

My name is Richard Jannarone, and I've been the School Business Administrator in New Brunswick for approximately 18 years. And when we started -- when I started, we had 5,400 kids; and now we have over 10,200 students.

Even though New Brunswick is a former Abbott district, and many believe that we get all the money, we are also on the list of the 50 most underfunded districts in the State of New Jersey. Currently, we're receiving \$29 million less in State aid than we're due, and entitled to, through the current funding formula.

Since the 2011-2012 school year, we've only received a 3.5 percent increase in State aid; only 0.7 percent a year. Over that same period, we've raised the taxes 5.76 percent, and we are over our fair share for local taxes.

So our budget has only grown 1.25 percent a year over the last five years. So even in a community where our free and reduced lunch students are over 90 percent, our taxpayers have paid more than the State, on a percentage basis, over the last five years.

This lack of State aid cannot be sustained. And we request that you fund the current funding formula, even if it's in a three-to-five year phase-in period, where our locals can continue to support our budget; and

with that State aid that we know we can receive, phased-in over a three-to-five year period, we can try to sustain our current programs.

One other point I'd like to make, is that New Brunswick is a very efficient school district and we use our financial resources to the fullest. We're almost \$32 million below adequacy, but we are above our local fair share in taxes. We are below the State averages in administrative costs, legal costs, administrative ratios to students -- just to name a few. Our fiscal responsibility has enabled us to maintain programs over the last several years, but we have reached the breaking point where the -- without an infusion of State aid it's going to wipe out any gains in programs and make us have to make severe cuts.

So to just sum it up for you: I thought I heard someone before say that Middlesex County is \$280 million short in State aid. Well, \$29 million of that is for New Brunswick, an Abbott district. So I know not all Abbott districts are getting all the money, and we are a prime example of that. I'll remind you: We're \$32 million under adequacy, \$29 million short in State aid, and we are above our local fair share in taxes, and one of the 50 most underfunded districts in the state.

So it is not just about -- as Senator Sweeney said before -- the Abbott districts versus the non-Abbott districts.

And we thank you very much. And again, I hope you would fund that current formula; it is fair for all students, even if you can provide that in a three-to-five year period.

Thank you.

SENATOR CUNNINGHAM: Thank you very much.

I wanted to ask one question.



You mentioned -- the Superintendent -- that you had to cut certain programs. Do you have an ESL program; and is that still being funded?

DR. JOHNSON: Yes, we do have an ESL program. I'm speaking in terms of -- if we do not receive, we will have to cut.

SENATOR CUNNINGHAM: Oh, you will have to cut.

DR. JOHNSON: Yes.

SENATOR CUNNINGHAM: Okay. What is your per-pupil cost now?

DR. JOHNSON: About 14,000, correct?

SENATOR CUNNINGHAM: About \$14,000.

DR. JOHNSON: About \$14,000.

SENATOR CUNNINGHAM: You mentioned charter schools, so I just have to ask you. Do you -- how many charter schools are there now in your District?

DR. JOHNSON. One.

SENATOR CUNNINGHAM: Just one? Okay.

Thank you.

Are there any questions? (no response)

Thank you very much for your presentation today.

MR. JANNARONE: Thank you.

SENATOR CUNNINGHAM: We're now going to call Mr. Scott Taylor, Superintendent, Highland Park School District; Ms. Darcie Cimarusti (indicating pronunciation), Highland Park Board of Education; and Mr. Mark Krieger, Highland Park Board of Education.

**M A R K K R I E G E R:** Hello; and thank you, Senators, for the opportunity to testify today.

My name is Mark Krieger; I'm a member of the Highland Park Board of Education, where I serve as the Chair of the Finance Committee. I'm in my fifth term on the Board of Education, spanning more than 25 years.

I'm here with Darcie Cimarusti, our Board President; and Dr. Scott Taylor, who is the Superintendent of Schools. And I'll be doing all of the presentation today.

Highland Park is a diverse suburban community with 40 percent of our 1,650 students eligible for free or reduced school lunch; and more than 40 languages spoken at home. Based on the New Jersey Department of Education formula, Highland Park was scheduled to receive \$7.9 million of State aid this school year, if fully funded. And in fact, our District received \$3.6 million in State aid, for a shortfall of \$4.3 million in a very small district -- relatively small district.

This shortfall is more than 12 percent of our \$33 million budget, and it has two negative effects: First, programs for our children have suffered. For example, textbooks and classroom equipment could not be replaced and, in some cases, not even provided. State-of-the-art programs that we've planned could not be started. ESL and special education services became very tightly stretched. So these cuts directly affect our children.

Second, taxes have gone up significantly. In the 2016-2017 school year, the tax levy paid by our residents, for schools only, went up by 3.9 percent; and in the previous year, 2015-2016, the tax levy went up 4.3

percent. We're only able to increase the tax levy above the 2 percent level because we, as well as other districts, are given waivers for unusual expenses. These unusual expenses include extremely expensive out-of-district placements for special education students; 10 percent increases in healthcare costs; and for transportation.

We are also faced with tuition and transportation charges from charter schools that some of our district's students are attending, even though those charter schools are not in our town.

What's our position? We support full funding for New Jersey school districts, according to our Department of Education's own formula. Programs could be maintained and enhanced, equipment could be kept current, teachers could get appropriate professional development, and our residents would pay fair tax increases. An example of a program like that would be a change from half-day to full-day pre-K.

We do not support the Governor's proposal, which increases funding for some districts, but significantly lowers the funding of urban districts serving communities most in need. Suburban districts, like my own, should be more fully funded without harming those districts.

Thank you.

SENATOR CUNNINGHAM: Thank you.

Yes.

**DARCIE CIMARUSTI:** He was providing all of our testimony; although I could give you a little bit more information about how charter schools are impacting communities, specifically in Middlesex County, as Dr. Johnson mentioned.

They do have one charter school in New Brunswick, but a second has been approved to open in September 2018; and a third is being proposed, currently. So New Brunswick could very quickly go from a community with one charter school -- which they have kind of reached a balance with, and they are able to fund --

SENATOR CUNNINGHAM: Right.

MS. CIMARUSTI: --to having triple the number of charter schools within two or three years. So we're looking at significant charter school expansion throughout Middlesex County that is impacting all of the districts, including North Brunswick, Highland Park, New Brunswick. And so we could really use some help in that regard, because when these districts are so underfunded -- as you've heard from everyone who has provided testimony -- to then provide hundreds of thousands, if not millions of dollars in charter school tuitions on top of that, it just becomes unsustainable.

SENATOR CUNNINGHAM: Thank you; thank you very much.

Are there any questions or comments? (no response)

Thank you very much for your testimony.

MR. KRIEGER: Thank you.

SENATOR CUNNINGHAM: We're now going to call Mr. Michael Gorski, School Business Administrator, Monroe Township; Mr. Michael Kozak, Superintendent, Monroe Township; Ken Chiarella, Board of Education member, Monroe Township; and Kathy Kolupanowich (indicating pronunciation) -- let's hope that's it -- Monroe Township.

M I C H A E L   G .   K O Z A K ,   E d . D . :   Well, I had my *good morning*, but I think I'll change it to *good afternoon*.

SENATOR CUNNINGHAM: That's fine with us.

DR. KOZAK: It has gone past 12 o'clock.

SENATOR CUNNINGHAM: Good afternoon.

DR. KOZAK: Good afternoon.

I'd like to thank the members of the Senate Select Committee on School Funding Fairness.

My name is Dr. Michael Kozak, and I am the Superintendent of the Monroe Township School District in Middlesex County.

I would like to present how the hold-harmless provision is actually harming Monroe Township.

So you're getting the presentation now; and on the first page -- or the second page, if you will, is a picture of students in our middle school. And I wanted to bring that to your attention, because you see the students walking around the hallways with their book bags on their backs. And that is because we don't have lockers for the number of students in our already overcapacity middle school, because of the overcrowded conditions due to our continued student growth.

We had to cut the library in half just so that we could add additional classrooms to house our students.

The next picture is a picture of our high school. Our six-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.

The next page is informational; it's our Board of Education, our Board President, who is sitting to my right; Mr. Chiarella is one of our Board members as well; Mr. Mike Gorski, who is sitting next to me.

The next page is entitled *Student Enrollment*. The Monroe Township School District is experiencing unprecedented student growth. We have added 1,330 students since 2008; and 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 to 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 six years old. The Township has had a number of referendums in the past 15 or 20 years, and we are once again asking them to shoulder the debt and the cost of building these schools.

Because of the hold-harmless provision, the Monroe Township School District 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 (*sic*) for the 2017-2018 school year will cost an additional \$7.1 million, which is 476 students times our approximate cost of \$15,000 per student.

The following graph shows you how our enrollment has grown since 2008-2009 until 2016-2017; an enrollment growth of 6,728 students.

In 2008, the Monroe Township School District received \$5,467,365 in State aid. Eight years later, in 2016, we received \$3,344,439 in State aid. That equals an eight-year cumulative decrease in State aid of a negative \$2,122,926, or a 39 percent decrease in State aid. But our eight-

year cumulative student enrollment increased by 1,330, which is a 25 percent increase.

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 to avoid placing that burden on the taxpayers in the district.

The next page is merely a graph showing the increase in student population, along with the decrease in State aid.

And finally, in conclusion, I would like to 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 Monroe Township School District and all other unfunded school districts, beginning with the 2017-2018 school year.

Thank you.

SENATOR CUNNINGHAM: Yes.

**MICHAEL C. GORSKI:** Good afternoon.

SENATOR CUNNINGHAM: Good afternoon.

MR. GORSKI: My name is Michael Gorski; I'm a Certified Public Accountant/Public School Auditor. I have a master's degree in Educational Administration; I'm an Adjunct Professor at Rider School of Education in school financial classes. And I've been in Monroe Township for 18 years.

I appreciate the opportunity to speak before you, as we have many times before.

Monroe Township is the poster child district for underfunded school districts. You're not going to have another school district speak before you today that receives less than \$438 per pupil in terms of State aid from the State. That's essentially two or three large textbooks per pupil -- that's the State's contribution to education in Monroe. The rest falls on the backs of the residents of Monroe, who bear 88 percent of all revenues required to fund public schools in Monroe Township.

Monroe has been harmed by the stabilization/hold-harmless provision to the tune of \$1 million to \$2 million 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 \$7 million dollars a year over the last eight years.

Monroe's funding was handicapped with the 2010-2011 school budget, when Monroe received a 95 percent reduction in State aid of \$4.4 million, leaving us with only \$238,000 of General Fund State aid for that year; \$4.2 million dollars of tax levy was shifted from what was formerly the State's obligation to fund schools, to what is now the local taxpayers, where it has remained ever since.

Monroe is one of the only districts in the county that receives no equalization aid at all, which is the most substantial type of State aid. Monroe is grossly underfunded in terms of State aid obligation to fund education. Monroe taxpayers, again, fund 88 cents of every dollar required to fund the schools.

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 percent of the General Fund budget on 18 percent of our special ed population.

Monroe has not qualified for equalization aid in the last decade. A district's adequacy budget is designed to be funded by equalization aid. Districts' total adequacy budgets are supported by a combination of State and local funding; that was the design. 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 should 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 you to understand the demographics of our town so you can better understand who bears the levy. Sixty percent of our residents in Monroe reside in Monroe's planned retirement communities. According to the decennial census, greater than one-third of Monroe's residents are 65 years or older.

So understanding the State's limitation in resources to provide State aid, I would like to provide a very reasonable solution.

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 -- which we determined was unconstitutional -- 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, but every district will continue to receive some equalization aid.

As the Business Administrator of Monroe, I'm responsible for transportation; I'm responsible for security, facilities, budget, finance. I never thought I would be responsible for developing and being directed by the Superintendent to design legislation on our behalf to get our fair share of State aid -- which was a successful endeavor, supported by Senator Greenstein and Assemblymen Benson and DeAngelo.

Monroe's 40,000 residents are hurting, are bearing the burden of supporting public schools, public school mandates, other statutory requirements. And now our District is being squeezed in between cap and an underfunding in State aid. And we are now eating into the quality programs and services, as Dr. Kozak mentioned, that we've very proudly put forth in our District.

The residents of Monroe are being taxed out of their homes. The seniors in our senior communities are beginning to eat into their corpus, because the savings in income that they receive has been flat -- with

quantitative easing and so on -- over the last few years, while taxes and their burden to fund public education continues to rise. This is unfair.

And we appreciate your addressing this problem.

SENATOR CUNNINGHAM: Have you had to lay any teachers off?

MR. GORSKI: Yes; yes, we have had teacher layoffs. And as Dr. Kozak mentioned, our District has experienced incredible growth--

SENATOR CUNNINGHAM: Right.

MR. GORSKI: --to the tune of 1,330 students over the last eight years.

SENATOR CUNNINGHAM: Right.

MR. GORSKI: That's a 25 percent increase; while cumulative State aid has decreased \$2.1 million, or 39 percent. What we're doing is squeezing more students in, taking on more responsibility, and that's eating into existing programs and services. We're being choked between the cap and no State aid funding. And next year we're projected to have 476 new students. That's one year's worth.

SENATOR CUNNINGHAM: Thank you.

MR. GORSKI: Thank you.

SENATOR CUNNINGHAM: Did you--

**KEN CHIARELLA:** Yes, thank you.

My name is Ken Chiarella. I'm a Board member on the Monroe Township Board of Ed.

I want to thank you for having us here today and allowing us to speak.

I also want to thank Senator Greenstein and Assemblyman Benson for speaking on our behalf; and for own Mayor Tamburro for taking the time today to come and speak on our behalf.

The people of Monroe Township are in a worsening predicament. We basically self-fund our District, which has a \$100 million budget this year. That means that the taxpayers of Monroe Township pay for nearly all of the unfunded mandates from New Jersey and from Washington D.C.

We have a growing student population that's being caused by never-ending development. We have rules and laws in place that help developers and actually harm taxpayers. For instance, it is illegal for municipalities to ask for impact fees from developers.

The Super PACs -- which are rife with contributions from developers, attorneys and special services -- have made it easy to circumvent pay-to-play laws. Violating the spirit of those laws should also be a crime.

The affordable housing commitments are a burden that will further destroy our residents' ability to pay for their slice of the American dream. In fact, the continuous increase in property taxes in Monroe Township have forced many of our long-time residents -- the ones born and raised in Monroe -- to flee to other towns, and many are leaving the state. Furthermore, we would have affordable housing in Monroe Township if our property taxes weren't so high.

The mood of our residents is shifting, and they are angry. We may be one tax increase, or one economic downturn -- like we had in 2008 -- from something very ugly. When people can't afford to live, when they

start to lose their sense of security, they act in ways that will be very difficult to deal with.

I received 8,083 votes for the School Board election in November. I received 2,000 more than the next-closest person running. The reason wasn't because I'm wonderful -- you can ask them; I'm not wonderful at all (laughter) -- I received those votes because I promised that I'd fight for them. I told them that I'd fight for fair funding, and that if we didn't get equitable funding, that we would look to sue the State.

We are in the process of reaching out now to other districts -- there are approximately 200 districts that are similarly underfunded -- to fight together to save the future, our future in New Jersey.

In closing, we do not need Band-Aids, grandstanding, or new bills rife with pork, fat, and favors. We need action, property tax relief, and funding for our schools that does not depend upon property taxes.

We in Monroe Township are prepared to take action. There are districts across the state filled with people who are just as fed up. The only way to win this is to fix this.

Thank you.

SENATOR CUNNINGHAM: Thank you.

Would you like to speak?

**KATHY KOLUPANOWICH:** I don't think I have much to add to what they've said, except that Monroe Township is a vastly growing community.

We have students who are coming to our schools for the wonderful educational programs we have. And we have a lot of special education students coming because we have great in-district programs.

Our -- half of our population -- almost 60 percent of our population is senior citizens on fixed incomes in gated communities. And they are having a problem with our property taxes -- increased property taxes, and funding the majority of our school budget. And I think we owe it to them, who have worked all their lives, to be able to retire and enjoy their retirement lives; to be able to give them some help in reducing their property taxes.

SENATOR CUNNINGHAM: Certainly.

Thank you.

Would anyone--

SENATOR OROHO: Just a--

SENATOR CUNNINGHAM: Senator Oroho.

SENATOR OROHO: Yes, just a real quick comment.

First of all, Monroe Township -- you guys get the persistence award because you were down at Kingsway as well. (laughter)

MR. CHIARELLA: Yes.

SENATOR OROHO: So very good; I know a lot more about Monroe Township now than--

But also, you bring up very good points, with respect to -- you mentioned the Council on Affordable Housing and the regulations coming out of Trenton, and how that affects the major development that you've had. And I mentioned the Highlands issue, and I mentioned the Pinelands issue -- regulations coming out of Trenton have a major impact. And that's something that any formula has to take into consideration. Because some of the (indiscernible) we have in the Highlands area-- Our population is way down because of the Highlands area, and the enrollment is way down --

and the adjustments have to be made -- and being pushed into your area; which is affecting you in another direction.

So it's just the panel -- we need to take that into consideration. The things we do in Trenton affect different parts of the state, obviously, differently.

But I appreciate your mentioning about the Council on Affordable Housing, because I know up in my area of the state, we have a lot in foreclosure and a lot of vacant homes that were never taken into consideration.

So thank you.

MR. CHIARELLA: Thank you.

SENATOR SWEENEY: Thank you, Senator.

As soon as you started talking about affordable housing, I was like, "Oh, my God; no." (laughter) This is--

SENATOR OROHO: Well, one more added to the list.

SENATOR SWEENEY: Let's do this one first.

But again, thank you, and thank you for--

SENATOR OROHO: But you always tackle the tough ones.

SENATOR SWEENEY: Thank you; thank you for your consistency.

Next, we're going to call up Donna Tartza, District Representative, Perth Amboy AFTNJ; Patricia Paradiso, President, Perth Amboy AJTNJ; Ms. Cecilia Zalkind, President and CEO, of Advocates for Children of New Jersey; and Timothy McCorkell, Superintendent, Monmouth County Vo-Tech.

And for messing anyone's name up, I apologize again.  
(laughter) But I am going to ask if you can please look -- pay attention to the time, because we're running beyond. We have the clock there. I don't want to interrupt people as they're speaking.

So whoever wants to start.

**PATRICIA PARADISO:** I'll go; I'll go first.

SENATOR SWEENEY: Okay.

You need the microphone, please.

MS. PARADISO: Thank you for inviting us and letting us speak. I appreciate you doing this for us.

I'm an elementary school teacher, first and foremost; and I'm the President of my local union.

So as an elementary school teacher, I understand the meaning of the word *fair*.

SENATOR SWEENEY: Say your name, please, for the record.

MS. PARADISO: Oh, excuse me. My name is Pat Paradiso.

SENATOR SWEENEY: Thank you.

MS. PARADISO: You were close. (laughter)

SENATOR SWEENEY: I was close; sorry.

MS. PARADISO: As an elementary school teacher, I understand the meaning of the word *fair*. In fact, we use the word *fair* a lot in elementary school. We use it to teach division, and we use to teach fractions. My 3rd graders are keenly aware of what it means to get a fair share.

But in elementary school we're usually talking about cookies, or candy, or prizes from the treasure box. As adults we develop a deeper



understanding of what it means to be fair. As adults we begin to equate fairness with justice. When it comes to school funding, fair means giving our students what they need to be successful. That is the just thing to do.

I'm sure we can all agree that needs are not distributed fairly among our students. Students are not coming into our school with equivalent needs. Some students have difficult lives and face many challenges; it is just a fact of life. Our schools become a lifeline to them.

In Perth Amboy we have a large immigrant population. We frequently get students into our schools who have little or no formal education. It takes resources to give these students a fair chance. We depend on just State funding for these resources.

When Perth Amboy was fully funded, we had Blue Ribbon schools in the District. We had sufficient support staff and a variety of before or afterschool programs. We were able to plan, based on the needs of our students.

When school districts are not fully funded, they generally make cuts to staff and programs, regardless of the needs of our students. Is that fair; is that just?

I understand that the Perth Amboy Public School District is currently underfunded by \$8.3 million. That kind of money could make a big difference to our students. It could mean that all of our students could have access to afterschool tutoring; or that our elementary schools could hire an additional school counselor, or a mental health professional; all things that we need.

I have also been told that the Governor's plan would cut \$92.1 million, or 57 percent of our State aid. That would be devastating to our

students. I can't even picture in my head what the fallout from that would look like.

School funding should not be subject to political whim. This inconsistent funding destabilizes education and it jeopardizes our students; and our students deserve better. And I'm glad you're doing this for us, listening to us.

Thank you.

SENATOR SWEENEY: Thank you.

**D O N N A   T A R T Z A:** Good afternoon.

My name is Donna Tartza, and I'm a health and physical education teacher in Perth Amboy; and I am also the District Representative for the Perth Amboy AFT.

We've heard a lot of speaking about how school funding affects the taxpayers, and I'm here to speak on how it affects the students.

Whenever we hear about budget cuts in education, they affect special subjects, such as health, physical education, art, music, cooking, woodworking, etc. Whenever there's a reduction in revenue to the schools, the areas that are looked to cut first are before and after school programs, as well as the special subjects that I mentioned.

Although 150 minutes per week of health and physical education are mandated by law, administrators have become quite creative on how it's enforced. In most cases, they don't hire trained professionals certified in health and physical education. Currently, 17 percent of our children, ages 8 to 11, are obese; as well as 34 percent of the adults in this country. One hundred and forty-seven billion dollars is spent annually on obesity health costs.

Exercise and activity habits start early in life. The development of a healthy lifestyle translates to reduced health risks, such as heart disease, diabetes, high blood pressure, high cholesterol, and asthma as adults. Lack of funding may be the short-term fix, but will lead to higher health care costs later.

Physical wellness is not inherent; it doesn't come naturally. It requires teaching. Health and physical education teachers focus on the skills needed to establish and sustain an active lifestyle. In 2013, 44 percent of our schools had to reduce elective classes; 70 percent increased class size. Studies have shown that participating in the arts teaches children to make good judgements, solve problems, and celebrate multiple perspectives. Elective subjects provide the spark to keep students coming to school; this is where they meet their friends, they find common interest. Rarely does that happen in algebra class. They have fun; when students are having fun, they are inspired to become lifelong learners.

This is also where we bridge the gap in the broad spectrum of learning styles. These classes are not about who's smarter than who. When afterschool programs are cut, many students go home to empty houses because their parents are working. They become bored; boredom leads to alcohol and drug experimentation. Thus we need professional educators to inform our students of the dangers of these activities, and we need to have money in our budgets to provide meaningful programs to spur our students' interests.

When it comes to creating budgets, school districts like to fund the academics first. Although they're important, not all students are going to college -- whether it be lack of funding or a lack of desire. We need to

put funds into vocational programs such as woodshop, auto shop, and cooking, as well. Training in these areas can lead to future employment for those who are not moving on to higher education, or can put them in a position where they can work in a field to earn a wage that will make it affordable for them to attend a college.

Education funding needs to be available to educate the whole student to make them healthy, happy, career-ready -- whatever their career may be.

SENATOR SWEENEY: Thank you.

**C E C I L I A   Z A L K I N D:** Good afternoon.

I'm Cecilia Zalkind; I'm President of Advocates for Children of New Jersey, which is a state-based child advocacy organization located in Newark.

I came here primarily to talk about the importance of preschool in the school funding formula. But I'd just like, for a minute, to bring the discussion back to children.

I think the School Funding Reform Act is based on an understanding that not all children start school in the same place. That children-- It acknowledges that children in low-income communities don't have the opportunities -- as they enter school and continue in school -- that children in other communities have. This is certainly a premise that our Supreme Court decision in *Abbott vs. Burke* was based upon.

I think what was important about the SFRA -- that it also acknowledged that not all low-income children live in the Abbott districts; 49 percent of children live in other communities, and deserve the same support and assistance.

These children don't leave the challenges they face at the schoolhouse door. We look at our own community in Newark; we've done some recent work where we've met with parents across the city. And I don't think that any of us in this room really understand the challenges that families face in unstable housing, hunger, poor health, community violence, unsafe neighborhoods. Kids don't leave this behind; this all impacts on their school success.

This formula, I think, acknowledges that; and it must continue to be funded based on that premise.

I'll be very brief on preschool. I submitted written testimony.

Preschool has to be an essential component of school funding. To me, it is the best feature of the *Abbott vs. Burke* school decision; it has an unparalleled track record of success. We have independent studies -- some done right here in New Jersey, by the National Institute of Early Education at Rutgers -- that demonstrates that children who have two years of high-quality preschool continue those gains throughout the elementary years. The latest NIEER study tracked children through the 5th grade, and showed that those gains continued.

This is a program of proven success; states across the country come to us to find out about preschool. It should be included.

It has to be expanded. The SFRA promised high-quality preschool to thousands more children; they've been waiting. If you look back over the eight years that the SFRA has not been funded for preschool, we're talking about hundreds of thousands of children who could have benefited from that strong start in life.

And finally, our existing programs must be maintained. They have suffered at the cost -- with flat-funding, as well. And those existing programs -- in communities that some of you represent -- are struggling to maintain those high-quality preschool programs that are such an important ingredient of school success.

Thank you.

SENATOR SWEENEY: Thank you.

**T I M O T H Y   M .   M c C O R K E L L:** Senator Sweeney and members of the Select Committee, good afternoon.

I am Tim McCorkell, Superintendent of the Monmouth County Vocational School District, and currently serve as President of the New Jersey Council of County Vocational-Technical Schools.

Thank you for the opportunity to speak to you today.

I want to focus my brief remarks on the special concerns of New Jersey's 21 county vocational technical school districts; which are part of the school funding formula, but different in the way we are funded at the local level. We face a special challenge with respect to school funding because we have an economic mission, and need to remain responsive to emerging workforce needs. County vocational schools cannot simply put new programs or equipment upgrades on hold when funding gets tight. If we don't keep up with industry needs, our programs will become irrelevant, and our students will not be prepared for tomorrow's jobs.

County vocational schools do not have the ability to raise taxes. We are dependent upon our county freeholders for our local tax levy. The counties are struggling with their own levy cap, and many vocational

schools have received little or no increase in country tax levy support for the past seven years.

Certainly, we understand the need to begin reallocating State aid based upon current enrollment. As you seek to restore equitable funding, we hope you will address the unique situation of county-based career and technical education. In particular, the elimination of adjustment aid should be approached carefully for county vocational-technical school districts with stable or growing enrollment.

Adjustment aid was a key component of the SFRA that helped county vocational schools transition from a per-pupil categorical aid for vocational, adult, and special education programs, to a wealth-based formula that eliminated all support for adult education. While we agree that adjustment aid should be phased-out for districts with declining enrollment, it would be difficult for growing vocational school districts to lose aid without another source of revenue to fill the gap. My District would be especially hard hit by the proposed reallocation of State aid, and we could not expect our county to provide increased funding to fill the deficit. And asking local districts to increase their tuition contribution to the local share of our costs would put an additional stress on communities already constrained by their own levy caps.

So for the next year, we ask the Legislature to avoid any aid reductions for county vocational schools so funding reallocations do not end up increasing costs for local districts, and possibly limiting opportunities for students to attend county vocational schools.

And for the longer term, the Legislature may want to consider restoring per-pupil aid for county vocational school students, rather than

the current wealth-based way, so that all counties are funded equitably for these critical programs.

Thank you for your commitment to restoring fair enrollment-driven funding, and for your continued support of New Jersey's county vocational-technical programs.

SENATOR SWEENEY: Thank you.

Are there any questions from the panel? (no response)

I just want to make one comment about preschool.

I'm glad you brought it up. Here, we were doing tours, and we have had a lot of conversations about education. And in New Brunswick, they were measuring children who went through preschool -- how they did compared to children who didn't -- on the PARCC test. I'm not arguing about the PARCC test, good or bad (laughter); but just *a* test. I don't need to open up another can of worms.

But the kids who went through preschool -- because the argument was always that it's not retained -- they were doing 20 percent better, on average. So it's something that can't be lost, and it's something that we hope -- by getting funding fairly back into the districts, that they can create and expand pre-K, because it actually is one of the programs that you really see the results of. And that's why we are looked at nationally.

So thank you for bringing that up.

MS. ZALKIND: Thank you.

SENATOR SWEENEY: It's a very important component.

Thank you; we're going to call the next panel.

ALL: Thank you.



SENATOR SWEENEY: Elisabeth Ginsburg, Executive Director, Garden State Coalition of Schools; Jorden Schiff, Superintendent, Hillsborough Township Public Schools; and Mr. Charles Sampson, Superintendent, Freehold Regional School District.

**E L I S B E T H   G I N S B U R G:** Good morning, Senator Sweeney, and members of the panel.

Good morning -- good afternoon. Chuck Sampson of Freehold Regional, unfortunately, was not able to be with us today. But with me today is Dr. Jorden Schiff, who is the President of the Garden State Coalition; and also Superintendent in Hillsborough.

I should add that the Coalition is a collection of about 100 districts, some of whom are here in Middlesex County.

We were born 25 years ago when a collection of educators got together to discuss school funding. So everything comes full circle eventually.

Garden State believes that SFRA has withstood the constitutional challenges, and is a good formula -- when it is run every year, updated in accordance with its own mechanisms, and fully funded. However, given that those things have not happened, we also believe that it's time to take a thoughtful look at SFRA in light of the economic and demographic shifts that have taken place in various parts of the state in the past nine years.

If adjustment aid is redistributed, it should be done gradually so that no child is impoverished in order to provide more resources for another.

It will take some new money, and probably more State revenues, to fully fund SFRA; but we can at least begin moving in the right direction. And we applaud the intent of this Committee to move us in the right direction.

And now I will hand it over to the expert, Dr. Schiff.

**JORDEN SCHIFF, Ed. D.:** Thank you, Betsy.

With the time running long and blood sugar running low (laughter), I'm going to be very quick in my comments.

You have my testimony in front of you, but I'm going to direct your attention to some of the charts.

What I would like to do, in the brief time that I have, is talk about five different areas that you may want to consider as we get on a glide path to try to resolve some of these issues that have been illustrated today.

So the first chart that you're looking at is actually comparing the percentage increase in the State budget as a whole, versus the percentage increase of direct aid to schools. Direct aid to schools is what I call *kid aid*; it's the aid that funds all of the expenditures in our public schools. And our budgets are a reflection of our priorities; we would agree with that, certainly. But yet when we look at the extra dollars that have come into our State budget, as a percentage of the whole, direct aid to schools has been much, much less.

I would direct your attention to the second chart there, which actually looks at dollar increases, year-over-year, from Fiscal Year 2013 to Fiscal Year 2017. You look at Fiscal Year 2016, you see that the State had additional revenues of close \$1 billion. These are new monies; \$1 billion, at the same time that State aid remained flat. I think it speaks volumes about

our priorities when State aid brought in \$1 billion, and no increase occurred to the direct aid to schools -- aid for kids.

So what we're proposing is that we make sure that our priorities for kids is not any more or any less than what the percentage increase is going to be for the entire budget; that those bars -- that are high blue bars and low red bars -- are pretty consistent, year after year. That would be one.

And then as we move into trying to solve some of these inequities that have occurred, we have to prioritize the schools that are significantly underfunded through SFRA, number one; are taxing above the local fair share; and number three, are below adequacy. And you heard some testimony today from those districts. They must be prioritized; it's a moral imperative -- very, very different for those particular districts.

But the State can't do it alone. Local communities are going to have to help, in terms of making sure that our kids don't fall behind.

And the third idea that we have is to give back additional local control to your local school board. Who best to understand the impacts of taxation policy than the people who actually live in that community and are paying those taxes? A great deal of that has been removed. And let me give you an illustrative point from Hillsborough Township, where I currently serve as Superintendent. This past year I had to cut 10 teachers; 10 classroom teachers. And we went to cap; we went to 2 percent. The increase for the average homeowners in Hillsborough Township was \$40 for the year. We cut 10 teachers; \$40. Why was that the case? Well, our ratable base grew. So our municipal government did a wonderful job at

getting additional building and communities into our school -- that lowered the levy across the community.

So every community has a unique situation that has to be addressed by the local people, versus Trenton bureaucracy. That's very important.

And two other quick things -- I see my time is running out -- but two other quick things in terms of cost containment. One of the areas that's a very large part of school districts is funding the needs for special education. These are some of the neediest kids who we educate, and it's growing above the 2 percent. So one idea that we have in order to control those costs is to model the *SEMI program*. The SEMI program is a program for children who qualify for Medicaid. SEMI stands for *Special Education Medicaid Initiative*. And some of those services that we provide for poor children who have special needs are reimbursed; we get that back to the district. So the insurance comes back to the district and helps offset some of those costs. What we ask for your consideration -- this would have to be done legislatively -- is to have parents who have certain special education needs -- and these are what we call *related services*: occupational therapy, physical therapy, speech and language therapy, nursing therapies, also testing -- could also qualify for someone's personal insurance. That they can send a claim to their own insurance company, but the district would pay any out-of-pocket expenses. That would be a huge, huge savings to all districts across the State of New Jersey. However, you have to protect those families from predatory insurance companies that would raise premiums just because they have special needs children. So that is one area that you could have significant savings.

The other savings -- and finally -- is in the area of out-of-district placements. Currently, across the entire state, we have Educational Service Commissions -- and you actually heard some testimony from one of the Superintendents -- those Commissions, part of their mission is to provide services to the county, to the local districts in their community to provide special education services that can't be provided in the local districts. Attached to that last page is an analysis of similar programs in the Somerset County Ed Services Commission, compared to similar programs for out-of-district -- many private and for-profit services that are there. And as you can see, per pupil, per student, the savings are extraordinary.

So I ask that we give some consideration in that way, in order to ensure that our children -- our special needs children continue to have access to wonderful programs; but to do it in a way that's fiscally responsible. To also tap the opportunity that if a parent is already paying a premium for their health insurance that covers certain services that could be provided in the local school district, that they submit that claim to their private insurance carrier and that the local school district would pick up any out-of-pocket expenses; while making sure that the insurance programs are not predatory in nature and don't raise premiums just because a client has a special needs child. And to look at new monies in the budget, and make sure that we don't deprioritize the children of the State of New Jersey.

Thank you very much.

SENATOR SWEENEY: Thank you.

Senator Oroho.

SENATOR OROHO: Yes, just to make-- And thank you very much. Actually, some testimony, that when -- you gave some ideas of how

we might to look to reduce and costs and efficiencies; so I really appreciate that.

The issue of the new revenues; I know Senator Ruiz had brought this up the other day. Obviously, we'd love as much money as we could, but the new revenues that went in -- I think we have to also recognize that those new revenues went into making payments for things that the prior Administrations and Legislatures -- Republican and Democrat -- didn't do. The pension contributions used a lot of those new revenues. The idea that the post-employment benefits that are paid for retired teachers who are paid at the State level -- a lot of those new revenue is for that. And also the Social Security costs, the FICA costs of active teachers today who are paid at the State level. So we have to take that into consideration as well.

DR. SCHIFF: Absolutely. And we're fully aware of that.

SENATOR OROHO: Right.

DR. SCHIFF: What I'm saying is that it's a false choice to say we're going to do one, but not the other.

SENATOR OROHO: Yes.

DR. SCHIFF: We need to make sure-- And now we're going on the fifth, sixth year of flat-funding for many districts. How many more years are we going to say, "We do this for the adults, but we don't do it for the children"? So we have to be able to do both.

SENATOR OROHO: I think the one thing that your examples and our examples demonstrate is, you can make promises, but you have to make payments.

DR. SCHIFF: Thank you.

SENATOR OROHO: Thank you.

SENATOR SWEENEY: Anyone else? (no response)

If not, thank you.

DR. SCHIFF: Thank you, sir.

MS. GINSBURG: Thank you.

SENATOR SWEENEY: The last panel is going to be Mr. Michael Salvatore, Superintendent, Long Branch School District; Ms. Teresa Rafferty, Superintendent, Piscataway School District; and David Oliveira (indicating pronunciation) -- I guess, School Business Administrator, Piscataway.

I apologize.

**DAVID OLIVEIRA:** No problem.

SENATOR SWEENEY: It shouldn't be that hard, but I'm struggling with names today. (laughter)

Who wants to start?

**TERESA M. RAFFERTY:** Are we on? Okay.

On a macro level-- Thank you, Senator Sweeney; I thank you very much for hosting this hearing and drawing attention to the problem. This has been something that has affected our community for a long time.

On a macro level, I think you've heard what some of the issues are, so I want to just really explain how it affects Piscataway.

Piscataway is a community in Middlesex County with about 7,500 students, pre-K to 12. A third of our students are African American; about 30 percent are Indian/Middle Eastern; and about 17, 18 percent each Hispanic. About 40 percent of our students are on free or reduced lunch. So we're a very lower-middle class community, if you will.

For many years -- before SFRA, and certainly since then -- Piscataway is underfunded. Piscataway residents make up the difference in our school budget. They pay 81 percent of our school's operating budget. You heard Monroe say they were at 88 percent; we're at 81 percent. But by comparison, Old Bridge gets 64 percent. Old Bridge taxpayers pay 64 percent of the local budget. And the list goes on, and on, and on -- where communities are picking up disproportionate shares.

I'm not suggesting that we take funds from these communities. These are my colleagues; I live in Senator Thompson's District. But what I'm saying is there's never been any explanation for these disparities, nor any attempt to equalize the tax burden.

Piscataway gets \$2,100 per pupil in State aid, yet we are entitled to \$37 million. If we received our fair share, we'd be getting over \$5,000 in State aid, and could roll back the taxes on the average homeowner over \$1,000.

Towns such as South Brunswick, East Brunswick, South Plainfield, Highland Park -- they all get more State aid than Piscataway. Again, I'm not suggesting we take money away. What I'm suggesting is we try to get some explanation and start the process of gradually fixing that situation.

As I said, our taxpayers pick up the disproportionate share. That's why we're able to offer dual-enrollment programs in mathematics, business, biomedical science. The White House has cited the academic performance among our Hispanic students improvements in that area. We're recognized for our literacy programs.



I know the State doesn't have the capacity to fix the problem in one year. But what I'm suggesting are two things: One, we gradually transition responsibility for funding schools to local taxpayers in communities that are financially capable of doing this. We all know what communities we're talking about; we're talking about pockets of affluent residents who live in Hoboken, Jersey City, and other places where they are not paying their fair share. I'm not saying to take money from children living in poverty; I am suggesting that affluent residents pay their fair share.

Secondly, we need to stop increasing State aid in suburban communities. Everybody, over the past few years, has gotten a little bump in State aid. Stop increasing aid in suburban communities that receive a higher percentage than the majority. Spread it among the most underfunded and get us all to the same level of percentage of State aid. If the pot of money is limited -- and I understand it is -- but please spread it equally.

Thank you.

SENATOR SWEENEY: Thank you.

Who's next?

**M I C H A E L   S A L V A T O R E,   P h .   D .:** Good afternoon, everybody. The end is near, so be patient. You have been very patient so far, and I appreciate it.

I'd like to thank Senator Sweeney for inviting me here today and affording me the opportunity to address you on school funding, which I like to call *the economics of human development*.

My name Michael Salvatore; and for the past 20 years I've worked as a teacher, a Principal, District Administrator, Assistant

Superintendent and, for the past six years, I've worked as Superintendent of Schools for the city of Long Branch.

I like to think I've contributed to the greater educational community. I'm the past President of the Monmouth County Superintendents' Roundtable; I'm the current President of Great Schools of New Jersey, which works with the Education Law Center and New Jersey Association of School Administrators. And we help to serve as a resource for over 180 districts that are underfunded and service moderate- to high-poverty level students.

You know, many educated professionals-- If I had a nickel for every time that I heard, "Those Abbott districts--" And I don't know how we became the *former Abbott*; but we are the former Abbott-- "Those Abbott districts suck up all the money." And you've heard it; I've been in circles. I'm a representative of a former Abbott district. And guess what? We're underfunded; we're drastically underfunded.

Let me explain. Most people think it's a suburban or rural issue. In the past five years, we've had enrollment growth of more than 1,100 students. Our newest families entering the city are part of a changing demographic, and they require unique programs and specialized staff; their living conditions-- Let me tell you, the living conditions are extremely impoverished, many of them living in single rooms -- an entire family in a single rooms. They don't have modern technology, obviously; they don't even have a quiet place to read, many of our kids.

We are the largest city in Monmouth County, and we have the most families living in poverty, and we are drastically underfunded by \$13

million. In order to serve our newest families' educational needs, we would have to add more than \$1 million in faculty.

To this point, in order to preserve some quality and protect our innovative practices, we've taken an aggressive approach to revamping health care; we've planned an assertive path toward energy conservation. And that has yielded some returns. But without additional revenue, these practices will be lost. The conversation surrounding school funding has to begin with a deeper understanding of inequality. Because today my own personal children will go home from school; they'll find a quiet place in my house to do their homework. If they get confused, my boys will probably go on the computer, google Khan Academy, and watch a video to relearn a concept.

The reality is, I've made an investment in their education. And many of our families can't make the investment in their education, outside of school.

A growing field of research is contributing to a series of coined phrases specifying gaps and divides, which are real; these gaps are real. There's a *word gap* before kids come to school, age 3. They're talking about a 30 million word gap. There's a *digital divide*; there's the *income gap*; the *opportunity gap* -- the gaps go on and on; and you have all heard about the *achievement gap*. They may have different labels, but they're rooted in the lack of investments in education, both at home and in school.

Today it appears to me that both sides of the aisles are actually trying to work on something, which is great. From my lens, I'm just a motivated educator; I'm a proud parent, an impassioned district leader. But the reality is, my advice would be go back and look at the foundational

factors for SFRA, if you haven't done so already. And it takes a lot of time. Because it's not just a per-pupil allotment. There were several factors designed to what came up with that per-pupil dollar. Now, some small tweaks made in the area of transportation or energy costs that were originally allotted -- that might give you the dollars you're looking for. A fraction will help.

Again, I'd like to thank all of you for giving me the opportunity to speak today.

SENATOR SWEENEY: Thank you.

SENATOR DOHERTY: Could I just say something?

SENATOR SWEENEY: Yes; Senator Doherty.

SENATOR DOHERTY: Thank you for your passion. I like your first name, Mike. (laughter)

DR. SALVATORE: Oh, Mike Salvatore.

SENATOR DOHERTY: It's a good name, good solid name.

DR. SALVATORE: Yes.

SENATOR DOHERTY: I just wanted to point out there -- I just did a quick look on Zillow. And you're in Long Branch, in a house in Long Branch -- \$325,000 house; the property tax bill, according to Zillow, is \$4,000. In my town -- in my county in Warren County, my hometown -- that house is on the books and paying property taxes at \$12,000. So similarly situated folks, living in the same exact price house -- \$4,000 versus \$12,000. So I think we need to look at some of these inequities that exist in the system; and that's a reality. People are paying \$8,000 more for a house that's of the same value, and it's not going up in value because no one can afford those property taxes.

DR. SALVATORE: Thank you.

SENATOR SWEENEY: Anybody else? (no response)

If not--

MR. OLIVEIRA: Senator, thank you.

SENATOR SWEENEY: (Indiscernible); thank you.

I really appreciate everyone who came out, and your passion rings clear. We really are not going to pit people against each other; you know, that's not what the game here is. The game is to get this full funding.

And we really believe we can get there. And we're going to keep the heat up until we get it done. That's why we're doing these hearings.

Our next hearing is going to be in Newark on February 9. And we're going right in through the eye of the tiger. Newark is a district that's underfunded by \$90 million, if we fully funded the formula. Imagine what you could do if you were funded properly, and we can fund properly. We just have a lot of work to do to get there.

Anyone else? (no response)

If not, I want to thank you all for testifying. And you have the parents; the parents need to speak to legislators. Enough is enough.

Thank you.

All: Thank you.

**(HEARING CONCLUDED)**

## APPENDIX

## Senate Select Committee on School Funding Fairness: 2/2/2017 @ Middlesex CC

The Edison Board of Education would like to draw your attention to a critical issue facing our town – funding for our schools. Nearly 16,000 students attend our schools every day, making us the fourth largest school district in the state. However, in terms of funding, we are among districts receiving the lowest fraction of our fair share, 37.8% 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.
- Three 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; and Paterson was given \$14,426. As the fourth 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 1,237; 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.

We welcome you to take a tour of our schools so you can experience the magnitude of our severely overcrowded schools: students injuring themselves by involuntarily bumping into each other passing in the hallways, some students eating lunch at their desks, or going to their classrooms in a trailer.

Finally, we implore the state to focus urgently on school funding, and have the heart, the courage of a lion 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

**2016-17 STATE AID: SURPLUS OR DEFICIT****DISTRICTS WITH 10,000+ ENROLLMENT**

<b><u>District</u></b>	<b><u>Enrollment</u></b>	<b><u>Actual Aid Per Student</u></b>	<b><u>Surplus or Deficit Per Student</u></b>	<b><u>Surplus or Deficit in Absolute Terms</u></b>
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	15,128	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"**

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

Source: NJDOE

**2016-17 STATE AID: SURPLUS OR DEFICIT  
MIDDLESEX COUJY 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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**Testimony of Rocco G. Tomazic, Ed.D.**  
**Superintendent of the Freehold Borough Public Schools**  
**to the**  
**New Jersey Senate Select Committee on School Funding Fairness**  
**Thursday, February 2, 2017**

Mr. Chairman, thank you for allowing me this opportunity to speak to the committee on school funding. Thank you as well for your leadership in attempting to break up the school funding status quo in the state that has for too long resulted in a grossly inequitable distribution of state resources to our public school students.

I lead the Freehold Borough public schools, the third most underfunded district in the state (Attachment 1). We are proud of our students and have a great faculty. I am distressed though that my students are not receiving the resources necessary for a proper education, and that year after year I have to cut more and more of their support as expenses increase and state aid remains flat. This is all the more infuriating when one sees other districts flush with extra cash, providing a multitude of extra services to their students, as well as a healthy dose of tax relief to their taxpayers. This is not fair, this is not right, and we begin to wonder if it is even legal, considering the disparate impact on protected groups of students. What is probably the most amazing fact in this whole situation is that resolving the worst of the disparity wouldn't require one more dollar in state aid.

If the School Funding Reform Act of 2008 were fully implemented in Freehold Borough uncapped and as originally intended, we would have \$13,333,837 more dollars than we do now to operate our district. Translated into different terms, in order to fully operate my district to the requirements of law and regulation, I need minimally fifty more teachers. My class sizes are above required levels, I cannot provide the full level of service to my special education students, my English Language Learner instruction periods are shorter than the state establishes, I have no teachers to provide a basic skills math program, technology is restrained and the median salary of my teaching force is the lowest in the state for our category (Attachment 2). When our state-approved construction opens in September 2018, as funded now, I won't be able to afford to put new teachers in those new classrooms.

Who is responsible for this? Well, I know it is not our local Freehold Borough taxpayers. They are already being taxed \$2,365,855 above their fair share (Attachment 3). We have taken every tax dollar we were allowed to take since 2011. There is no banked cap. The reason we are in such a dire situation is no mystery: our state aid has been held essentially flat since 2010, while our student population has exploded. Even taking into account our excessive local taxing, the district remains under adequate by \$9,567,909 (Attachment 4).

Sadly this situation is not uncommon around the state, even if Freehold Borough is the extreme example. But one wonders why this imbalance is allowed to continue at all. The School Funding Reform Act of 2008 was realistic and anticipated that there might come a point where full funding might not be possible. In the law, I cite here specifically NJSA 18A:7F-52, it contains a provision to proportionally divide available equalization aid between the districts if full funding is not possible. This has not been done.

I think every Superintendent would be delighted if the SFRA were fully funded. But if that can't be done, many of us would advocate that the available funds should be divided proportionally per the formula. That way everyone would share the pain of the missing funding, proportional to what they should have received. But if even that is too hard, for whatever reason, then the only alternative is to take new money and direct it towards eliminating the most extreme cases of underfunding. Sadly, even here the efforts have been tepid. The amount of money directed to Freehold Borough, and underfunded districts like us, totals only \$16,763,431 statewide, which is only two tenths of one percent of the total distribution in state school aid. One has to ask: how hard are we really trying to fix this?

As the day-to-day leaders of our school districts, we Superintendents struggle with underfunding regularly. We have made the case for equity and fairness per the law, but we have been unsuccessful in changing the dynamics of how money is getting to the districts. In Freehold Borough, last week our insurance broker has alerted us to plan for a 15% increase in our health benefit costs. If we are flat funded again later this month, we will have to make even further drastic cuts to our barebones condition for FY 18. That is why we are at a point where we can't be silent.

Freehold Borough is part of a loose coalition of Superintendents that have been studying this situation and strategizing on how to get a meaningful resolution. Testifying here and before the Assembly Education Committee has been one approach. Writing directly to the Governor and to the Commissioner of Education has been another. Most recently, we have been attracted to the legal initiatives of the Kingsway Regional School District and I intend to recommend to my Board of Education that we join their efforts to address this problem through the judiciary. Our students are being harmed now and will face greater harm going forward if things do not change. That is why we have petitioned the executive branch, that is why we have testified to the legislative branch, and that is also why we will seek to make common cause with similarly affected districts and seek judicial relief. We can't stop until this is fixed.

Freehold Borough and districts like us (those who are under adequate, over fair share on their levy and receiving no hold harmless aid), we need relief now. We are backed into a corner and our school children are being adversely impacted. We applaud this committee's stated purpose in trying to fix all of this, and we will do all we can to support you in this effort. It is our fervent hope that you succeed in returning equity and fairness back to New Jersey school funding. Our students, teachers, and community are depending on you and we very much appreciate your efforts.

Thank you.

Attachments:

- 1.) Funding per Weighted Pupil
- 2.) Median Teacher Pay List
- 3.) School Aid
- 4.) Under Adequacy

Attachment 1

Extract from NJ Education Law Center  
2015-2016 Calculation of SFRA Data

## Funding per Weighted Pupil: Statewide Data

District	County	Enrollment	Weighted Enroll	% At Risk Only	% LEP & At Risk	% LEP only	% Special Education	Funding per Pupil	Funding per Weighted Pupil
<b>State Total</b>		1,316,783	1,973,019	35%	4%	1%	17%	\$16,497	\$11,010
Fairview Boro	Bergen	1,801	3,234	71%	9%	2%	19%	\$11,776	\$6,558
East Newark ..	Hudson	405	708	74%	13%	3%	12%	\$11,903	\$6,809
Freehold Boro	Monmouth	1,656	2,842	63%	17%	0%	19%	\$12,204	\$7,111
Prospect Par..	Passaic	834	1,412	74%	2%	2%	18%	\$12,561	\$7,419
Guttenberg T..	Hudson	1,286	2,125	71%	10%	1%	9%	\$12,376	\$7,490
Hammonton ..	Atlantic	2,756	4,230	39%	6%	0%	17%	\$11,531	\$7,513
South River B..	Middlesex	2,315	3,604	44%	4%	2%	18%	\$11,827	\$7,597
Bound Brook ..	Somerset	1,691	2,828	65%	11%	1%	13%	\$12,741	\$7,619
Bayonne City	Hudson	9,264	14,997	61%	3%	0%	15%	\$12,381	\$7,648
Fairfield Twp	Cumberland	531	856	76%	3%	0%	12%	\$12,783	\$7,929
Red Bank Boro	Monmouth	1,392	2,326	51%	32%	1%	13%	\$13,286	\$7,951
Clayton Boro	Gloucester	1,355	2,237	53%	3%	1%	21%	\$13,140	\$7,959



Median Teacher Pay List  
Extract from NJ Taxpayer Guide to Efficient Spending 2016 Indicator 16  
(Attachment 2)

	County	District	2015-2016	
			Median Teacher Salary	Salary Ranking Within Group
D K-8 / 751 +	MONMOUTH	FREEHOLD BORO	\$50,915	1
D K-8 / 751 +	MONMOUTH	TINTON FALLS	\$52,484	2
D K-8 / 751 +	MONMOUTH	RED BANK BORO	\$53,678	3
D K-8 / 751 +	HUDSON	GUTTENBERG TOWN	\$53,790	4
D K-8 / 751 +	HUNTERDON	CLINTON TWP	\$53,892	5
D K-8 / 751 +	ATLANTIC	NORTHFIELD CITY	\$54,134	6
D K-8 / 751 +	CAMDEN	RUNNEMEDE BORO	\$54,718	7
D K-8 / 751 +	BURLINGTON	MOUNT HOLLY TWP	\$54,804	8
D K-8 / 751 +	MONMOUTH	FAIR HAVEN BORO	\$55,283	9
D K-8 / 751 +	ATLANTIC	HAMILTON TWP	\$55,611	10
D K-8 / 751 +	SOMERSET	GREEN BROOK TWP	\$56,430	11
D K-8 / 751 +	MONMOUTH	FREEHOLD TWP	\$56,555	12
D K-8 / 751 +	BURLINGTON	SHAMONG TWP	\$56,896	13
D K-8 / 751 +	BURLINGTON	EDGEWATER PARK TWP	\$56,920	14
D K-8 / 751 +	CAMDEN	STRATFORD BORO	\$56,951	15
D K-8 / 751 +	PASSAIC	HALEDON BORO	\$57,295	16
D K-8 / 751 +	BERGEN	FAIRVIEW BORO	\$57,405	17
D K-8 / 751 +	ATLANTIC	SOMERS POINT CITY	\$57,561	18
D K-8 / 751 +	PASSAIC	RINGWOOD BORO	\$57,765	19
D K-8 / 751 +	MORRIS	FLORHAM PARK BORO	\$57,854	20
D K-8 / 751 +	WARREN	GREENWICH TWP	\$57,961	21
D K-8 / 751 +	CAMDEN	BERLIN BORO	\$58,040	22
D K-8 / 751 +	MORRIS	CHESTER TWP	\$58,870	23
D K-8 / 751 +	MORRIS	DENVILLE TWP	\$59,033	24
D K-8 / 751 +	MONMOUTH	EATONTOWN BORO	\$60,043	25
D K-8 / 751 +	BURLINGTON	WESTAMPTON	\$60,063	26
D K-8 / 751 +	BERGEN	UPPER SADDLE RIVER B	\$60,425	27
D K-8 / 751 +	MORRIS	LINCOLN PARK BORO	\$60,825	28
D K-8 / 751 +	MONMOUTH	MILLSTONE TWP	\$61,000	29
D K-8 / 751 +	MONMOUTH	LITTLE SILVER BORO	\$61,045	30
D K-8 / 751 +	MORRIS	LONG HILL TWP	\$61,300	31
D K-8 / 751 +	CUMBERLAND	UPPER DEERFIELD TWP	\$61,416	32
D K-8 / 751 +	CAMDEN	BELLMAWR BORO	\$62,010	33
D K-8 / 751 +	BERGEN	MAYWOOD BORO	\$62,100	34
D K-8 / 751 +	GLOUCESTER	LOGAN TWP	\$62,341	35
D K-8 / 751 +	MORRIS	EAST HANOVER TWP	\$62,413	36
D K-8 / 751 +	BERGEN	WOODCLIFF LAKE BORO	\$62,480	37
D K-8 / 751 +	MORRIS	WHARTON BORO	\$62,575	38
D K-8 / 751 +	MORRIS	WASHINGTON TWP	\$62,630	39
D K-8 / 751 +	CAPE MAY	UPPER TWP	\$62,665	40
D K-8 / 751 +	HUNTERDON	READINGTON TWP	\$62,670	41
D K-8 / 751 +	SUSSEX	BYRAM TWP	\$62,724	42
D K-8 / 751 +	PASSAIC	WOODLAND PARK	\$63,020	43
D K-8 / 751 +	SOMERSET	BRANCBURG TWP	\$63,445	44
D K-8 / 751 +	MONMOUTH	MANALAPAN-ENGLISHTO	\$63,569	45
D K-8 / 751 +	HUNTERDON	FLEMINGTON-RARITAN R	\$63,610	46
D K-8 / 751 +	SUSSEX	SUSSEX-WANTAGE REGI	\$64,498	47
D K-8 / 751 +	PASSAIC	TOTOWA BORO	\$64,883	48
D K-8 / 751 +	MORRIS	ROCKAWAY TWP	\$65,095	49
D K-8 / 751 +	PASSAIC	PROSPECT PARK BORO	\$65,100	50
D K-8 / 751 +	PASSAIC	LITTLE FALLS TWP	\$65,210	51
D K-8 / 751 +	ATLANTIC	ABSECON CITY	\$65,453	52
D K-8 / 751 +	CAMDEN	VOORHEES TWP	\$65,646	53
D K-8 / 751 +	BURLINGTON	EVESHAM TWP	\$65,754	54
D K-8 / 751 +	MONMOUTH	COLTS NECK TWP	\$65,916	55
D K-8 / 751 +	ATLANTIC	LINWOOD CITY	\$66,108	56
D K-8 / 751 +	PASSAIC	WANAQUE BORO	\$66,245	57
D K-8 / 751 +	CAMDEN	GLOUCESTER TWP	\$66,475	58
D K-8 / 751 +	BERGEN	HILLSDALE BORO	\$66,728	59
D K-8 / 751 +	BERGEN	WYCKOFF TWP	\$66,838	60
D K-8 / 751 +	MONMOUTH	RUMSON BORO	\$66,970	61
D K-8 / 751 +	WARREN	LOPATCONG TWP	\$67,002	62
D K-8 / 751 +	MONMOUTH	HOWELL TWP	\$67,500	63
D K-8 / 751 +	BERGEN	MONTVALE BORO	\$67,572	64
D K-8 / 751 +	MORRIS	HANOVER TWP	\$67,594	65
D K-8 / 751 +	ATLANTIC	GALLOWAY TWP	\$68,623	66
D K-8 / 751 +	BERGEN	FRANKLIN LAKES BORO	\$69,022	67
D K-8 / 751 +	BERGEN	LITTLE FERRY BORO	\$69,112	68
D K-8 / 751 +	MONMOUTH	MARLBORO TWP	\$69,320	69
D K-8 / 751 +	BURLINGTON	LUMBERTON TWP	\$70,250	70
D K-8 / 751 +	BURLINGTON	MEDFORD TWP	\$70,384	71
D K-8 / 751 +	BURLINGTON	MOUNT LAUREL TWP	\$71,590	72
D K-8 / 751 +	SOMERSET	WARREN TWP	\$72,140	73
D K-8 / 751 +	BERGEN	OAKLAND BORO	\$73,275	74
D K-8 / 751 +	BERGEN	ALLENDALE BORO	\$75,030	75
D K-8 / 751 +	BERGEN	RIVER VALE TWP	\$78,270	76
D K-8 / 751 +	ATLANTIC	VENTNOR CITY	\$82,196	77
D K-8 / 751 +	BERGEN	CLOSTER BORO	\$87,377	78
D K-8 / 751 +	BERGEN	EAST RUTHERFORD BOR	\$90,600	79



## Attachment 3

## Extract from Freehold Boro 2016-17 State School Aid Notice

STATE OF NEW JERSEY - DEPARTMENT OF EDUCATION

02/16/2016 3

COUNTY: 25-MONMOUTH

DISTRICT: 1640-FREEHOLD BORO

BUDGET: K-8

DIVISION OF FIELD SERVICES  
OFFICE OF SCHOOL FINANCE

2016-17 STATE SCHOOL AID

EQUALIZATION AID

Page EQA

ADEQUACY BUDGET CALCULATION:  
\*\*\*\*\* REGULAR EDUCATION \*\*\*\*\*Projected Weighted Base Enrollment  
Total Base Cost- @ \$11009 per pupil  
times GCA 0.99530Projected Weighted At-Risk Only Enrollment  
Total At-Risk Only Cost- @ \$11009 per pupil  
times GCA 0.99530Projected Weighted LEP Only Enrollment  
Total LEP Only Cost- @ \$11009 per pupil  
times GCA 0.99530Projected Weighted combined LEP & Low Income  
EnrollmentTotal Combined LEP & Low Income Cost  
- @ \$11009 per pupil  
times GCA 0.99530

## \*\*\*\*\* SPECIAL EDUCATION \*\*\*\*\*

Special Education Enrollment  
- FTE Resident Enrollment @ 14.92%Total Special Education Cost  
- @ \$17,034 per pupil  
times GCA 0.99530

times Item (I) times 2/3

Speech Only Enrollment

- FTE Resident Enrollment @ 1.630%

Total Speech Only Cost

- @ \$1,159 per pupil  
times GCA 0.99530

times Item (K)

## ADEQUACY BUDGET -

Item (B) + (D) + (F) + (H) + (J) + (L)

## LOCAL SHARE CALCULATION - REGULAR DISTRICT

Equalized Valuation (10/1/2015)  
District Income (2013)Equalized Val. x 0.013156318 / 2  
District Income x 0.046185507 / 2

Local Fair Share : Item(P-1) + Item(P-2)

## LOCAL SHARE - COUNTY VOCATIONAL SCHOOL DISTRICT

County Local Shares  
County Adequacy Budgets  
Item(Q) / Item(R)Local Share  
Item(S) x Item(M) - for Vocs Only

## EQUALIZATION AID CALCULATION

Adequacy Budget (Item(M))  
Local Fair Share (Item (P) or (T))EQUALIZATION AID  
(Item(U) less Item(V))

## District Performed Calculations (Not a Part of Notice)

## Underfunded in State Aid

Equalization Aid \$20,083,449 From W Above

Due from State

Equalization Aid 8,149,685

Received

\$11,933,764 Amount Underfunded in State Aid

## Over Fair Share of Tax Levy

Local Fair Share \$ 8,689,112 From V above

Actual Tax Levy 11,054,967

\$ (2,365,855) Amount Paid Over Local Fair Share

//

## District Status Above, At, or Below Expected Local Levy

Line	Name	Amount	Description
A	2016-17 General Fund Levy	11,054,967	
B	Equalization Aid	8,149,685	
C	Total Budgeted Adequacy Spending (A + B)	19,204,652	
D	District Adequacy Budget	28,772,561	
E	Excess Amount (C - D)	-9,567,909	
	Status		The proposed budget is at or below the expected local levy
	Explanation (only if Line E is positive)		





# *Township of Monroe*

*County of Middlesex*

**ADMINISTRATIVE OFFICES:**

Municipal Complex  
1 Municipal Plaza  
Monroe Township, NJ 08831  
(732) 521-4400  
(732) 521-5659 FAX

**GERALD W. TAMBURRO**  
Mayor

February 2, 2017

Good morning, I am Mayor Gerald W. Tamburro from Monroe Township in Middlesex County and I am here to testify that the New Jersey school funding formula is broken.

Monroe Township is one of the fastest growing municipalities in New Jersey. In the last seven (7) years, Monroe Township has issued 2,153 certificates of occupancy for new residential construction with 1,058 of those being age-restricted. Now, with the recent affordable housing court settlement, over 4,000 additional residential housing units will be built over the next 20 years and only 700 will be age-restricted (in compliance with the requirements of the Act and our court settlement).

Public school student enrollment in the same seven-year period has skyrocketed from 5,500 students to over 6,600 students or 20% growth. Despite an increase in enrollment of approximately 300 students this past year, our State Aid only increased \$15,000 – this funds one student, 1 of 300. It is anticipated that 300 new students will be added in each of the next five years.

The amount of State Aid received in the same period has been devastating to our taxpayers. Instead of getting an increased amount of State Aid, the exact opposite has taken place. Using the baseline 2009/2010 school year (before the mid-year reduction), the Township school district and taxpayers have sustained a cumulative loss of over \$16 million in State Aid for our public schools.

With the State-imposed affordable housing mandates and the lack of builder impact fees in New Jersey, local officials are rendered almost defenseless in slowing the residential growth for a community.

Despite the lack of support from the State and its housing mandates, the municipal government has PARTNERED with our District officials by introducing the following initiatives to slow down the growth and its impact on the schools:

- We have purchased over 5,000 acres of open space and over 1,000 acres of preserved farmland, with more on the drawing board.
- We have a large inventory of age-restricted housing.
- Increased 6-acre to 10-acre zoning in parts of the Township.
- The Township has partnered with the Board of Education on several shared services initiatives and capital improvements.
- The Township expended over \$1 million and provided other open space property to secure 30 acres for the Monroe Township High School.
- The Township provided 30 acres of developer-donated land for the construction of a new elementary school.

In spite of our past & continuing efforts by the municipal government, our Board of Education and the students in the district have suffered from being underfunded by the State. During the last 12 months, we have met with Senate President Sweeney, the Commissioner of Education, and our local legislative delegation to explore a different approach for the State to assist the underfunded school districts such as Monroe for more equitable school funding from the State of New Jersey. Now it is time for action. The taxpayers and the State's children deserve and demand it.

In Central New Jersey alone, the disparity in State Aid is outrageous. Is it fair that neighboring Old Bridge receives \$45 million in State Aid for schools and Monroe receives \$3.3 million? Is it fair that growth municipalities are not getting their fair share of school aid, while stable & non-growth districts get larger increases?

The hold harmless clause for the 31 school districts in the State is a misnomer. Those districts with declining student enrollment are receiving disproportionate & additional State Aid at the expense of growing school districts such as Monroe Township. It is not "harmless" but instead "harmful".

The school funding formula in New Jersey is broken and a more fair and equitable distribution is needed – one that meets the needs of the growing suburban districts who are presently underfunded, as well as meets the constitutional & court mandate of a thorough and efficient education. I implore the Governor & Legislature to examine the funding formula and provide a fair and equitable funding formula for all of New Jersey's children and taxpayers. Thank you.

**Mayor Gerald W. Tamburro**  
**Monroe Township**





# Funding Fairness?

*The effects of underfunding and inequitable distribution of state aid on New Jersey taxpayers and school district budgets*

Presentation to the Senate Select Committee on School Funding Fairness  
February 2, 2017

G. Kennedy Greene, Chief Education Officer, Newton Public Schools



# Background

In 2008, the New Jersey Legislature enacted a new school funding formula called the School Funding Reform Act (SFRA).

The formula is driven by determinations of the cost of resources for all students to achieve the state's academic standards.

The formula delivers extra funding to school districts based on the number of economically disadvantaged students, limited English proficient students, and students with disabilities enrolled in the district.

*Education Law Center (July 2014), Shortchanging New Jersey Students.*



# Background

The formula establishes an “adequacy budget” for each school district that reflects the size, grade configuration, and demographic characteristics of the student population based on weighted enrollment.

The adequacy budget is the cost of delivering academic standards to all district students based on the formula’s parameters.

The adequacy budget is funded through a combination of local taxes and state aid, based on calculations of a municipality’s ability to pay.



*Education Law Center (July 2014), Shortchanging New Jersey Students.*



# Background

Unfortunately, the SFRA has been consistently underfunded.

In 2010, the Governor proposed, and the Legislature adopted, a budget for FY11 that cut over \$1.1 billion (nearly 15%) in state aid from the SFRA formula.

Subsequent budgets have failed to properly implement the school funding formula, providing minimal and unpredictable state aid increases that do not comply with the law.

*Education Law Center (July 2014), Shortchanging New Jersey Students.*





# Two problems = \$2 billion

- ▶ The Underfunding Problem – SFRA, which is legislatively derived and judicially constitutional, is underfunded by approximately **\$1.4 billion**.
- ▶ The Inequitable Distribution Problem – About **\$600 million** was removed from SFRA funding to provide state aid outside the formula to keep every district at FY08 aid levels. *This overfunds some districts at the expense of others, largely in the form of Adjustment Aid.*



# The Extent of Underfunding

- ▶ The State has never fully funded the formula, presently averaging about 85%.
- ▶ The cumulative effect is almost **\$10 billion** since the enactment of SFRA.
- ▶ A large percentage of state aid is devoted to non-instructional expenses like social security and debt service, thus **limiting** direct aid to the classroom.



# The Effects of Underfunding

- ▶ It forces unfair decisions to meet ever-increasing statutory and regulatory mandates.
- ▶ Combined with growing income disparities, these **unfunded mandates** negatively impact students' readiness to learn.
- ▶ Student achievement stagnates, with pockets of improvement dependent upon where a child lives.





# More Effects of Underfunding

- ▶ Districts are forced to look for efficiencies in their budgets, which is a good thing.
- ▶ However, there is a limit to the ability to find those efficiencies.
- ▶ After many years of underfunding, many districts have reached that limit and are forced to **cannibalize existing programs.**

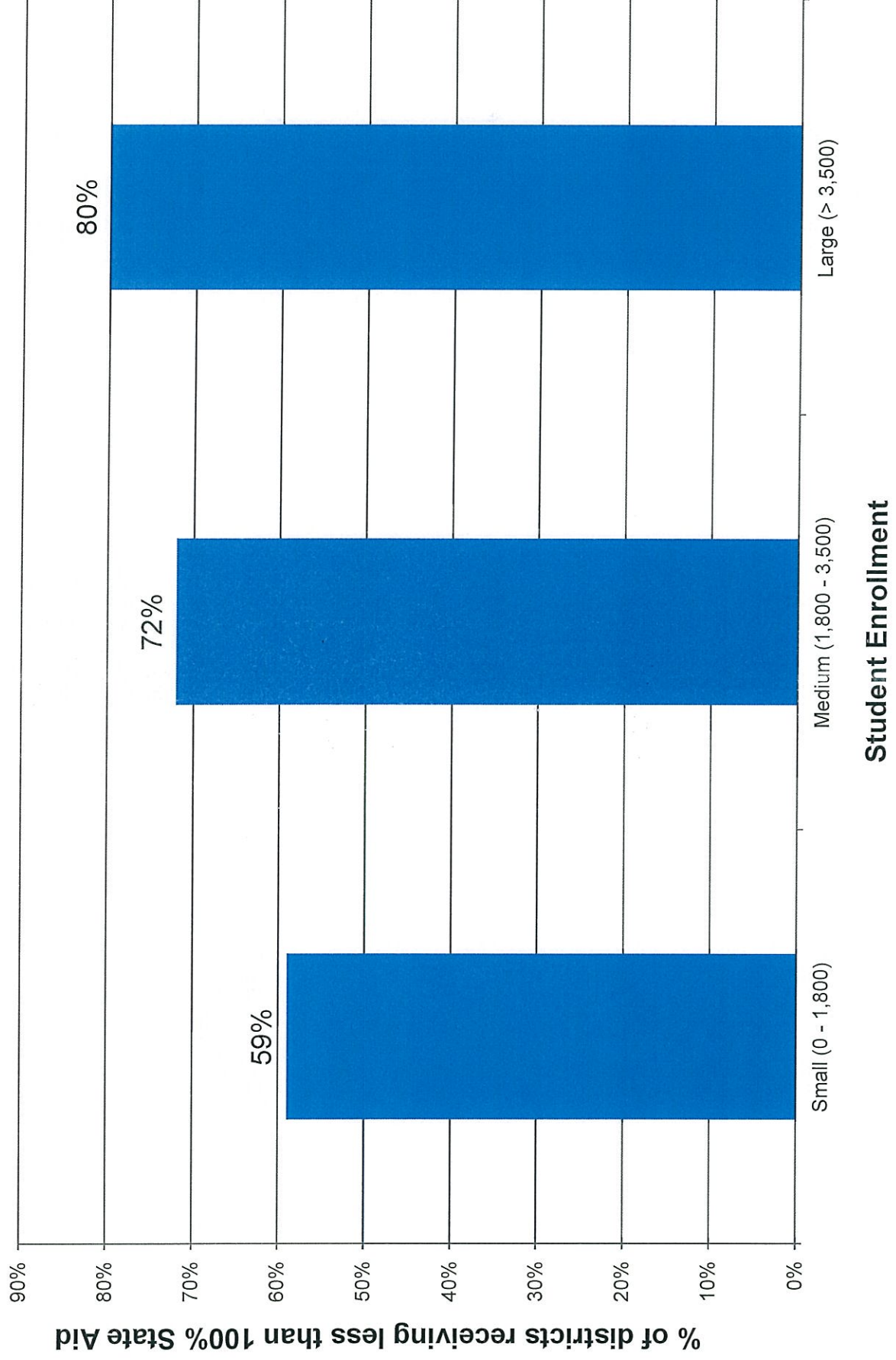


# The Future Impact of Underfunding

- ▶ Districts will face a widening gap between revenues and costs.
- ▶ State underfunding coupled with the 2% tax cap prevents districts from addressing increased costs due to wages, benefits, special education, etc.
- ▶ In short, the cost curve is exceeding the revenue curve.

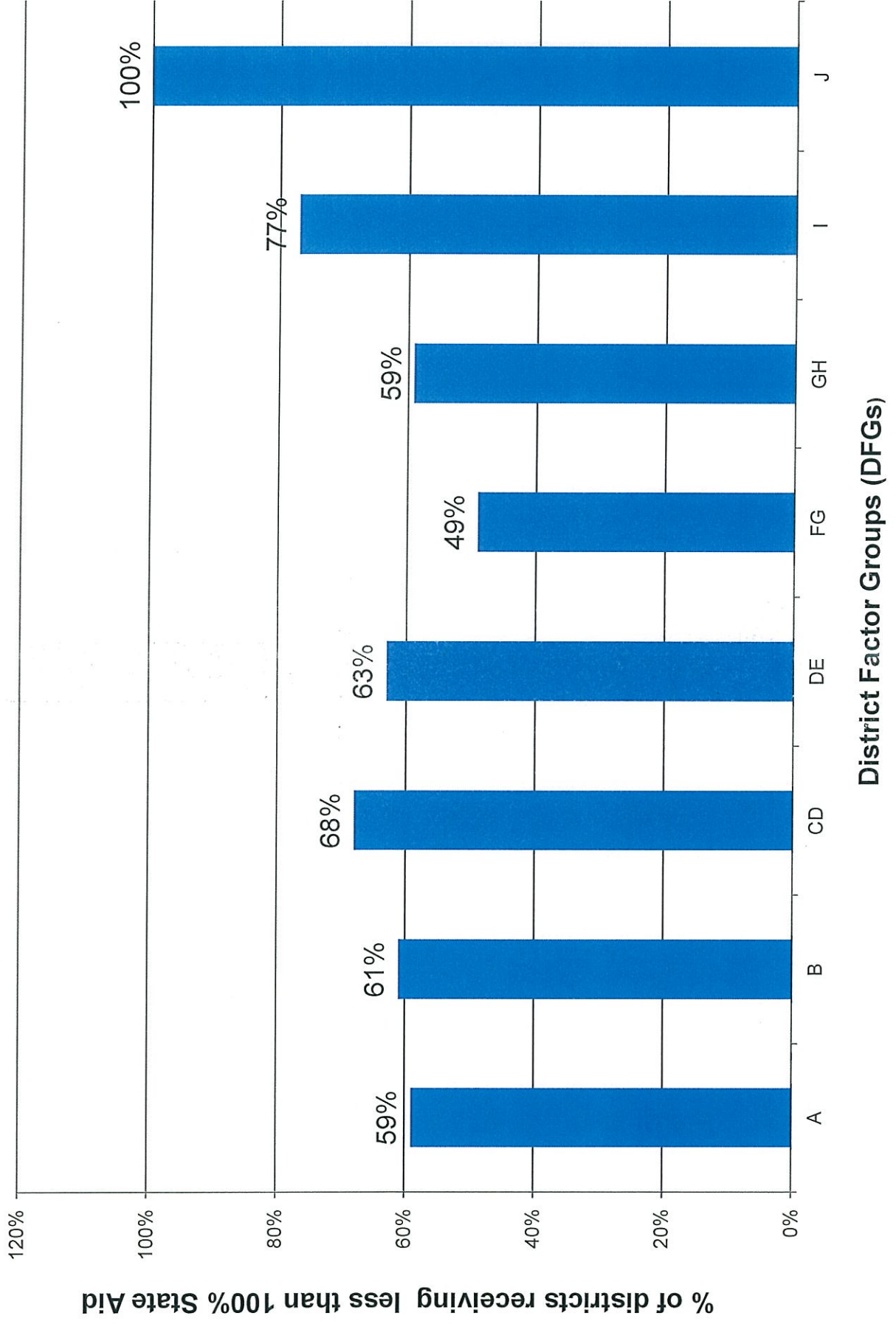


# Underfunding is found at All Enrollment Levels

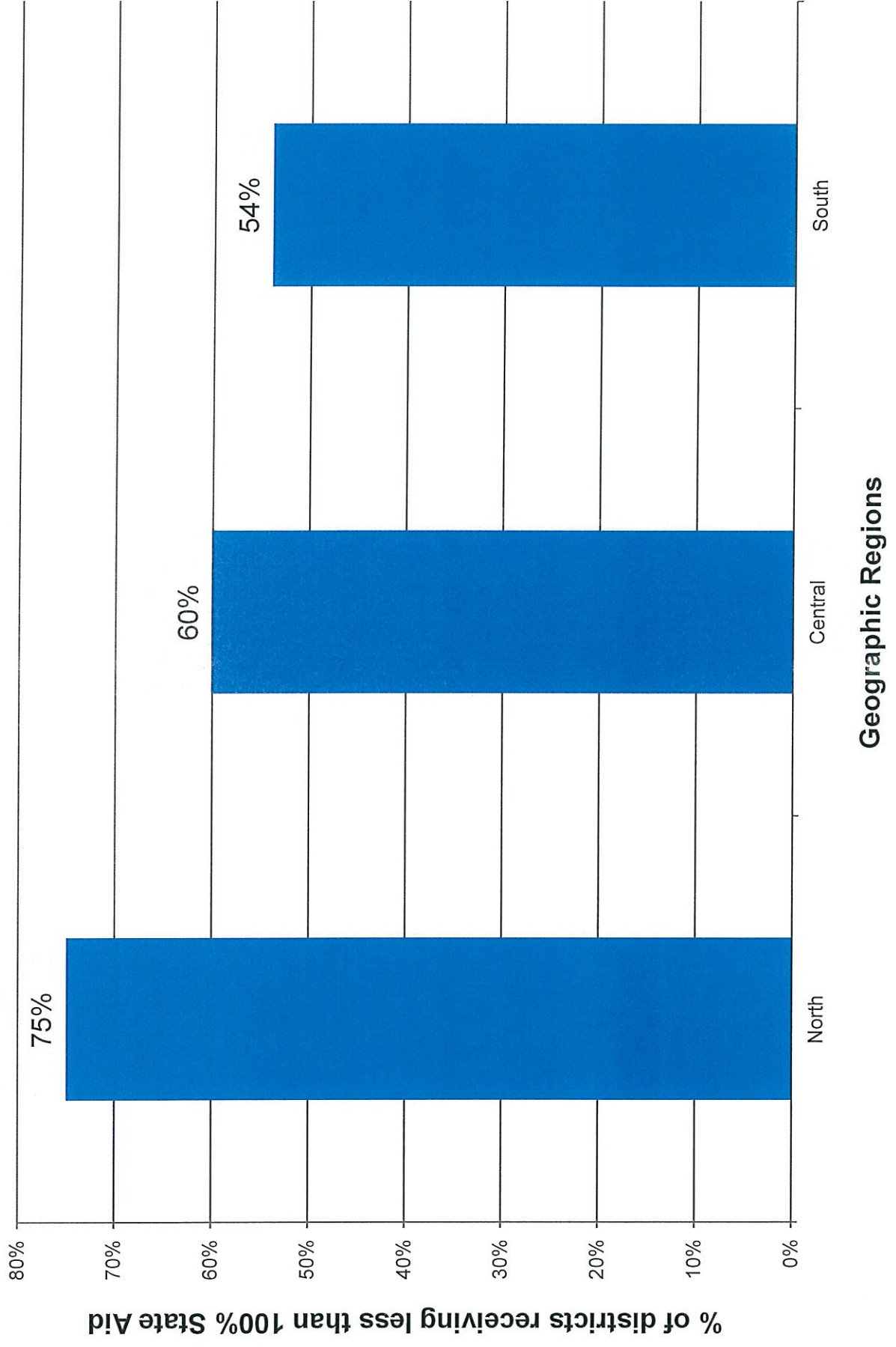




# Underfunding is found in all Income Groups



# Underfunding is found in all Geographic Regions





# The Distribution Problem: Overfunding for Some

- ▶ Approximately \$600 million is removed every year from the formula to provide Adjustment Aid.
- ▶ In FY17, 212 districts receive more than 100% of their calculated state aid.
- ▶ This Adjustment Aid has continued the same way for 9 years with no adjustment to the state's economic realities or to changing demographic circumstances.



# The Distribution Problem: Inequity for Others

- ▶ 379 school districts (64%) receive less than 100% of their formula funding.
- ▶ 239 school districts receive less than 70%...a useful definition of **severe underfunding**.
- ▶ The consequences for many districts is that they are forced to try to make up the difference by **raising local taxes well above their fair share**.





## How does underfunded and inequitably distributed state aid impact on local taxes?

Grade	Percentage of local fair share contributed in FY17	Number of Districts
<b>A+++++</b>	<b>&gt; 130%</b>	<b>39</b>
<b>A++++</b>	124-130%	24
<b>A+++</b>	116-123%	52
<b>A++</b>	108-115%	74
<b>A+</b>	100-107%	67
	<b>Above 100%</b>	<b>256</b>
<b>A</b>	93-100%	59
<b>B</b>	85-92%	69
<b>C</b>	77-84%	51
<b>D</b>	70-76%	33
<b>F</b>	<b>&lt;70%</b>	<b>123</b>
	<b>Below 100%</b>	<b>335</b>

state median = 96%

## How does underfunded and inequitably distributed state aid impact on budget adequacy?

Grade	Percentage of budget adequacy spent in FY17	Number of Districts
A+++++	> 130%	121
A++++	124-130%	52
A+++	116-123%	54
A++	108-115%	72
A+	100-107%	87
	Above 100%	386
A	93-100%	64
B	85-92%	66
C	77-84%	32
D	70-76%	17
F	< 70%	26
	Below 100%	205

state median = 108%



## How should New Jersey be graded for its funding and distribution of state aid?

Grade	Percentage of state aid received in FY17	Number of Districts
<b>A+++++</b>	<b>&gt; 130%</b>	<b>138</b>
<b>A++++</b>	124-130%	17
<b>A+++</b>	116-123%	19
<b>A++</b>	108-115%	15
<b>A+</b>	100-107%	23
	<b>Above 100%</b>	<b>212</b>
<b>A</b>	93-100%	34
<b>B</b>	85-92%	30
<b>C</b>	77-84%	45
<b>D</b>	70-76%	31
<b>F</b>	<b>&lt; 70%</b>	<b>239</b>
	<b>Below 100%</b>	<b>379</b>

state median = 81%



# Five myths and truths

## about state aid to schools in New Jersey



**MYTH #1: This is mostly an issue in smaller districts, or ones with high poverty, or those in a particular region of the state.**

**TRUTH: State aid inequity affects districts in all enrollment levels, all income groups, and all geographic regions of the state.**





**MYTH #2: The funding inequities are simply about the former Abbott districts vs. everyone else.**

**TRUTH: 17 of the 31 former Abbotts do not receive their full state aid.**

Bridgeton	Elizabeth	Garfield
Harrison	Irvington	Long Branch
Neptune	New Brunswick	Newark
Orange	Passaic	Paterson
Perth Amboy	Plainfield	Trenton
Union City	West New York	





## **MYTH #3: State aid inequity is a result of the Economic Recession in 2008.**

It is true that a slow recovery has made it difficult to get to full SFRA funding for all districts, but ...

## **TRUTH: Inequity has been a major issue in NJ school finance for over 40 years.**

School funding was inequitable before the 1976 income tax and hasn't been corrected despite multiple formulas. Most underfunded districts have been forced to deal with their situations for **decades**.



**MYTH #4: Funding inequities are bound to exist given the variety of student needs, unique communities, and local control in our state.**

Local school districts do have discretion in terms of budget adequacy and local tax levies, but ...

**TRUTH: The State can help local districts greatly by distributing aid to schools more equitably than it does now.**

The percentage of SFRA aid the State distributes to school districts ranges from a low of **10%** to a high of **1,033%**.





**MYTH #5: If state aid is redistributed to some districts, other districts would become losers.**

**TRUTH: No district that receives 100% of its SFRA aid can be considered a loser.**

**212 NJ districts receive more than 100% of the aid they should according to the funding formula.**

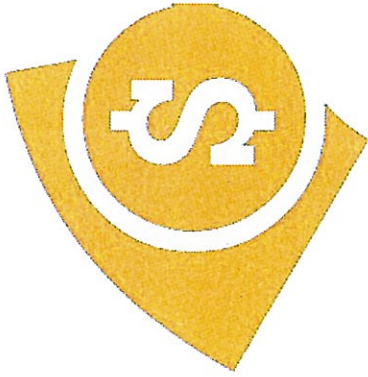
**239 other districts receive less than 70% of their funding formula aid.**



# Key Takeaways

1. There are 2 major problems with state aid to schools in New Jersey: \$1.4 billion in **underfunding** and \$600 million in **inequitable distribution**.
2. Both of these problems impact **budget adequacy** and **local tax fairness**.
3. 212 school districts receive more than 100% of their state aid.  
**Why?**
4. 379 others receive less than 100% of their state aid ... 239 of them get less than 70%. **We can do better!**





# Questions?

A statewide funding database for FY17 can be found at  
<http://newton.innersync.com/superintendent/School-Funding.cfm>







February 2, 2017

Testimony to the Senate Select Committee on School Funding  
Highland Park Board of Education

Hello, and thank you for the opportunity to give our testimony to this Committee. My name is Mark Krieger, I am a member of the Highland Park Board of Education, where I serve as Chair of the Finance Committee. This is my fifth term on the Board, spanning 25 years. I'm here with Darcie Cimarusti, our Board President, and Dr. Scott Taylor, our Superintendent.

Highland Park is a diverse suburban community with 40% of our students eligible for free or reduced school lunch, and more than 40 languages spoken at home. Based on NJ Department of Education worksheets, Highland Park was scheduled to receive \$7.9M of state aid this school year if fully funded. Our district in fact received \$3.6M of state aid, or a shortfall of \$4.3M. This shortfall of more than 12% of our \$33M budget has had two negative effects:

First, programs for our children have suffered. For example, textbooks and classroom equipment could not be replaced, or in some cases even provided; state of the art programs could not be started; ESL and special education services became very tightly stretched. So these cuts directly affect our children.

Second, taxes went up significantly. In this 2016-2017 school year, the tax levy paid by our residents, for schools only, went up by 3.9%; in the 2015-2016 school year the tax levy went up 4.3%. We are only able to increase the tax levy above the 2% level, because we -- as well as other districts -- are given waivers for unusual expenses.

These unusual expenses include extremely expensive out of district placements for Spec Ed students and for transportation. We are also faced with tuition and transportation charges from Charter Schools that some of our district's children are attending, even though those Charter Schools are not in our town.

What is our position: We support full funding for NJ School Districts, according to our Department of Education's own formula. Programs could be maintained and enhanced, equipment could be kept current, teachers could get appropriate professional development, and our residents would pay fair tax increases. An example of a program enhancement would be a change from half day Pre-K to full day Pre-K, which would pay dividends for years to come.

We do not support the Governor's proposal, which increases funding for some districts, but significantly lowers the funding of urban districts serving our communities most in need. Suburban districts like my own should be more fully funded without harming those districts.



# Monroe Township School District (Middlesex)

HOW THE HOLD-HARMLESS PROVISION IS ACTUALLY HARMING MONROE  
TOWNSHIP

# Monroe Township Middle School





# Monroe Township High School





# 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

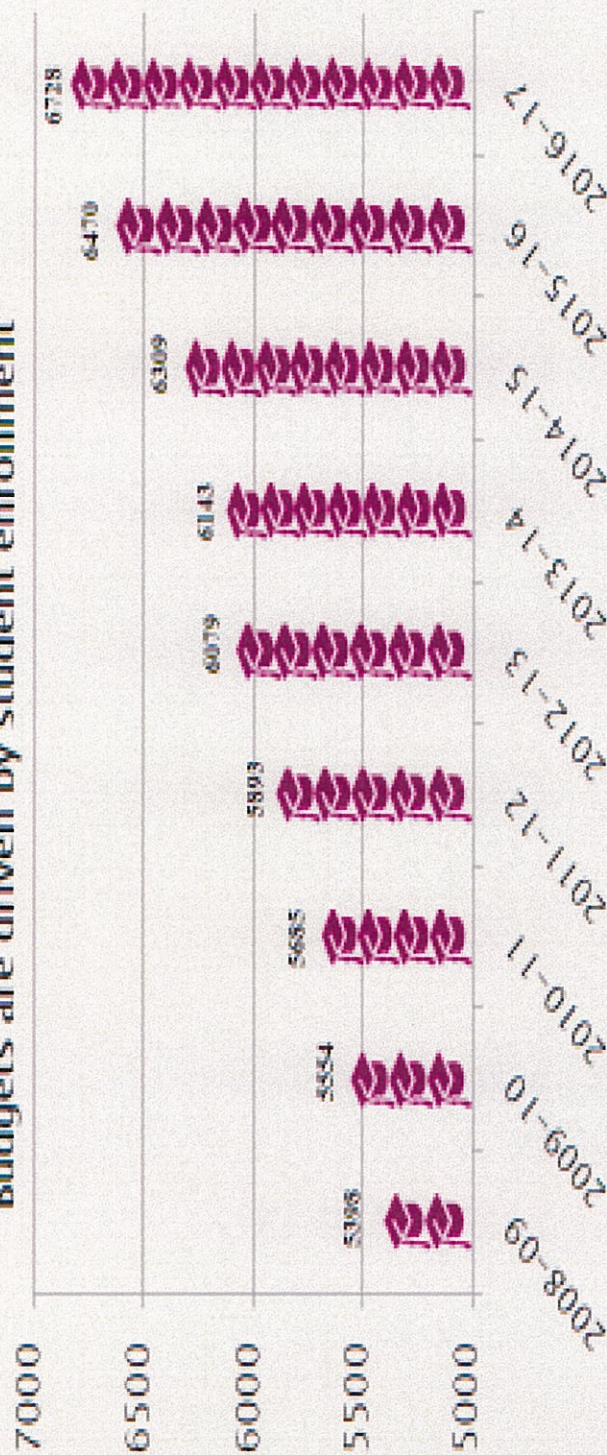
The Monroe Township School District (MTSD) is experiencing unprecedented student growth. We have **added 1, 330 students** since 2008. In the next five years, our demographic report **predicts 1,535 students** entering our schools.

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%)

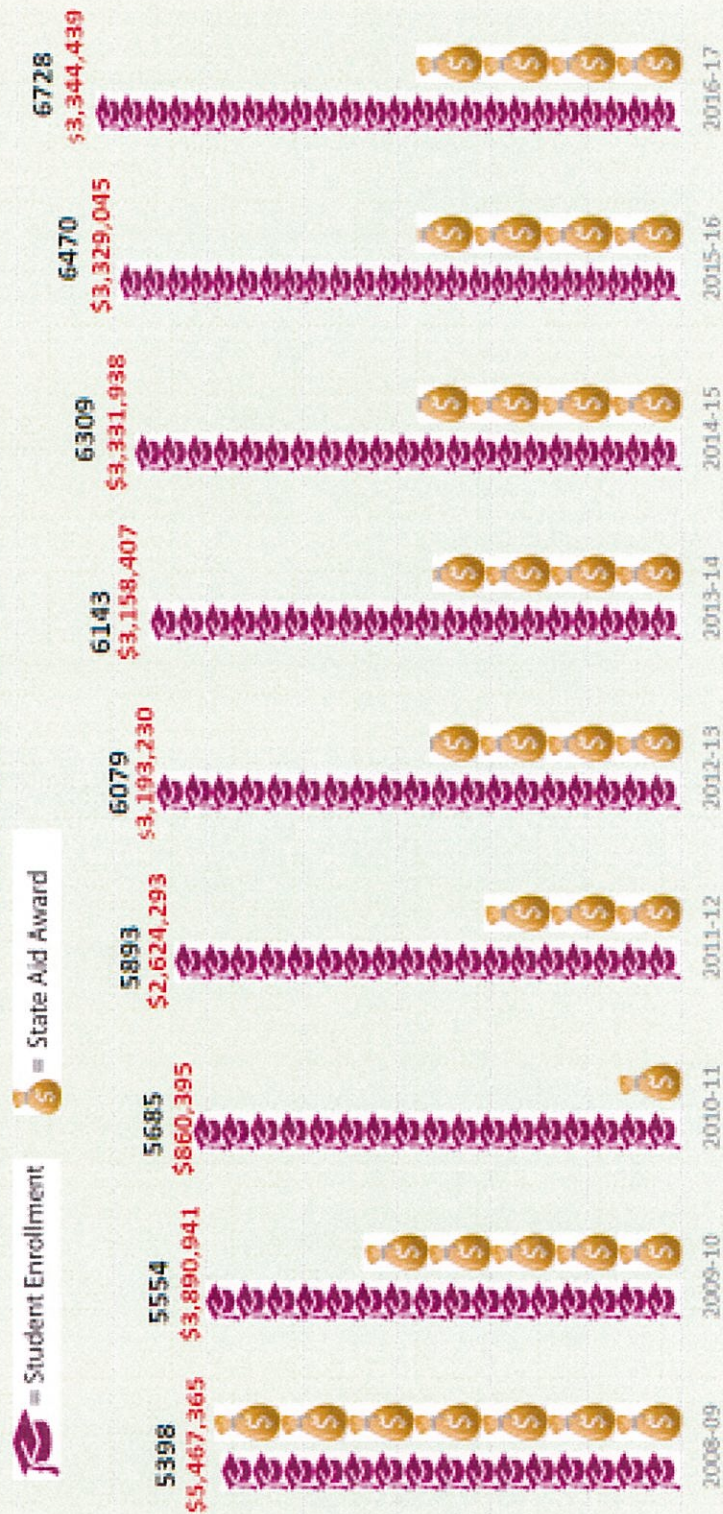
# Increase in student population, Decrease in State Aid

8-year cumulative decrease in State Aid

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

8-year increase in enrollment from ASSA

+ 1,330 students + 25%







# 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.**

**Monroe Township School District  
Senate Select Committee  
on School Funding Fairness  
February 2, 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>\$341.58</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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Ken Chiarella

Board of Education Member, Monroe Township, Middlesex County.

Thank you for the opportunity to address this hearing today. My name is Ken Chiarella, and I am a member of the Monroe Township Board of Education.

The People of Monroe Township are in a worsening predicament. We basically self fund our school district which has a 108 million dollar budget this year. That means that the tax payers of Monroe Township pay for nearly all of the unfunded mandates from New Jersey and from Washington D.C.

We have a growing student population that is being caused by never ending development. We have rules and laws in place that help developers and actually harm taxpayers. For instance, it is illegal for municipalities to ask for impact fees from developers.

The Super Pacs, which are rife with contributions from developers, Attorneys and other special services, have made it easy to circumvent Pay to Play laws. Violating the spirit of those laws should also be a crime.

The affordable housing commitments are a burden that will further destroy our resident's ability to pay for their slice of the American Dream. In fact, the continuous increase in property taxes in Monroe Township have forced many of our longtime residents, the ones born and raised in Monroe Township, to flee to other towns, and many are leaving the state. Furthermore, we would have affordable housing in Monroe Township if our property taxes weren't so high.

The mood of our residents is shifting and they are angry. We may be one tax increase, or one economic downturn, like we had in 2008, from something very ugly. When people can't afford to live, and they start to lose their sense of security, they act in ways that will be very difficult to deal with.

I received 8083 votes for the School Board in November. I received 2000 more votes than the next closest person running. The reason wasn't because I am wonderful. I can assure you that I am not wonderful. I received those votes because I promised that I would fight for them, that I would fight for fair school funding, and that we would sue the state if we needed to in order to rectify the funding inequities plaguing our district.

We are in the process of reaching out to other districts to unite the 200 districts that are similarly underfunded, to fight together to save our future in New Jersey.

In closing, we do not need band aids, grandstanding or new bills rife with pork, fat and favors. We need action, property tax relief and funding for our schools that is not dependent upon property taxes.

We in Monroe Township are prepared to take action and there are districts across the state filled with people who are just as fed up. The only way to win this is to fix this.

Thank you.

Ken Chiarella

Monroe Township Board of Education Member



Giving Every Child A Chance

To: Members, Senate Select Committee on School Funding Fairness  
From: Cecilia Zalkind, President  
Advocates for Children of New Jersey  
Date: February 2, 2017

**RE: Preschool and New Jersey's School Funding Formula**

Thank you for the opportunity to present testimony on the school funding formula. ACNJ's particular interest is the aspect of the formula that supports high-quality preschool for thousands of three- and four-year old children in the poorest communities of our state. Let me sum up ACNJ's position:

- Preschool must remain an essential component of school funding. It has a strong track record of success and is an unparalleled investment in children and the state.
- It must be expanded. The SFRA promised high-quality preschool to thousands more children in low-income communities, but was never funded.
- It must be maintained. Funding has not kept pace with cost and existing programs are struggling to maintain high-quality preschool services.

**High-Quality Preschool Helps Children Succeed**

Since 1999, New Jersey has provided high-quality preschool to children in communities with the highest percentage of low-income children. This nationally recognized preschool program has helped ensure that thousands of young children are ready for school. Through its high-quality mixed delivery system of public preschool, Head Start and child-care provider classrooms, children attain the skills necessary to be successful in kindergarten and beyond.

Our state's high quality preschool standards have the ingredients for success: small class size, well prepared teachers and the implementation of a research-based curriculum. The benefits are clear. A longitudinal study by the National Institute for Early Education Research (NIEER) has shown that children who have had two years of high-quality preschool continue to perform better in language arts, literacy, math and science, impacting both their short- and long-term educational success.

**Thousands More Economically Disadvantaged Children Can Benefit from Preschool**

In 2008, the NJ Legislature acknowledged the importance of preschool by including it as an important provision of the 2008 School Funding Reform Act (SFRA). The law called for preschool to be expanded to thousands of three- and four-year old children who did not have access to

quality preschool because of where they lived. Noting that almost one-half half of children from low-income families lived outside school districts providing state-funded preschool, the SFRA promised to provide all preschoolers living in the next tier of low-income communities with the same quality program being provided to children in our lowest income districts. All other school districts were targeted to receive per pupil funding to provide preschool to their children from low-income families.

High-quality preschool was a key priority of SFRA, and with good reason. It was one of the few areas of the bill that had strong support amongst all of the stakeholders, and data to show that children were benefiting long-term. It was a win-win decision, both for our most vulnerable children who lacked access to quality preschool, and for our state. It was a sound investment in a program with a winning track record.

Unfortunately, NJ has not kept its promise to our youngest citizens. The preschool expansion promised in the SFRA was never funded, denying children the opportunity to start school with a strong foundation. While there is near universal support for high-quality preschool, fiscal constraints over the last several years have continued to move preschool further down our state's list of funding priorities. Except for four districts that received preschool funding soon after the formula became law and recent federal support, preschool continues to remain out of reach for thousands of three- and four-year olds in our state.

As a result, thousands of children have missed out on their opportunity to start school with a greater chance of educational success. Zip code should not determine future success.

### **Existing Programs Need More Support**

These fiscal constraints have made it increasingly difficult to maintain our current state-funded preschool program. Programs have felt the impact of flat or near-flat funding. Current funding does not even begin to cover the rising costs that school districts face in providing quality early education for young learners. Many have had to reduce support staff, supplies and technology and other essentials key to program quality. New Jersey's state-funded preschools are struggling and it is the children who are most affected.

The erosion of funding to existing programs and the lack of promised funding for expansion puts our nationally recognized preschool model, one of New Jersey's most successful educational reform initiatives, at risk. However, this is a problem that can be solved. Ensuring that young children have or continue to have access to quality preschool experiences must become a higher funding priority in our state. It is already the law. What is needed now is real commitment to our children's educational success.

# Monmouth County Vocational School District

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Superintendent

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**Testimony before the Senate Select Committee on School Funding  
Timothy McCorkell, Superintendent, Monmouth County Vocational School District  
February 2, 2017**

Senator Sweeney and members of the Senate Select Committee on School Funding:

Thank you for your commitment to addressing inequities in the school funding formula, and your willingness to travel around the state to hear from school leaders and others on this critical issue. I appreciate this opportunity to speak today from my perspective as superintendent of the Monmouth County Vocational School District and as president of the NJ Council of County Vocational-Technical Schools.

There is growing concern in the education community about the short- and long-range outlook for school funding. Districts need reassurance that state aid will be allocated in a fair and predictable manner that recognizes and supports student needs, as well as the ability of communities to support their public schools. We agree that the goal should be to fund the constitutionally approved School Funding Reform Act, though we recognize that given the limited resources currently available, this may not be possible in the short-term.

The current flat funding situation is unsustainable. The formula was designed to take into account changing variables such as enrollment growth and property values, and the idea that funding should follow the student is a core principle. Because the state has failed to fund the formula, we have moved further and further away from the enrollment and wealth-based funding system enacted by the Legislature in 2008.

As a group, the 21 county vocational-technical school districts are receiving **3.3% less aid** this year than they received in FY 2010, the last year of full SFRA funding. At the same time, there is growing demand for career and technical education programs, and our statewide enrollment has grown by over 14% since 2009-10. One-third of our districts have experienced enrollment growth of 20% or more, and are severely underfunded.

The Monmouth County Vocational School District serves over 2,200 secondary students in full-time and shared-time program throughout Monmouth County. Our enrollment is essentially at capacity and has increased about 3% since 2009, while our state aid has declined more than 10% over the same period.

My district, and other county vocational schools, face a special challenge with respect to school funding:

- We have an economic mission and need to remain responsive to emerging workforce needs. County vocational schools cannot simply put new programs or equipment

upgrades on hold when funding gets tight. If we don't stay aligned with industry needs and expectations, then our programs will become irrelevant and our students will not be prepared for tomorrow's jobs.

- County vocational schools do not have the ability to levy taxes – we are dependent upon the county freeholders for our local tax levy. The counties are subject to their own levy cap, and many vocational schools – including mine in Monmouth County – have received little or no increase in county tax levy support for the past seven years or longer.

Certainly, we understand and support the need to begin reallocating State aid based upon current enrollment. As the Senate Select Committee considers short- and long-term solutions to restoring equitable funding, we hope you will address the unique situation of county-based career and technical education. In particular, the elimination of adjustment aid should be approached carefully for county vocational-technical schools with stable or growing enrollment.

Adjustment aid was a key component of the SFRA for county vocational schools as they transitioned from per pupil categorical aid for vocational, adult, and special education programs, to a wealth based formula that eliminated all support for adult education.

While adjustment aid should be phased out for districts with declining enrollment, it would be difficult for growing or stable districts to lose this aid without another source of revenue to fill the gap. It was understood that the need for adjustment aid would be gradually reduced over an extended period of time, as other enrollment-driven aids increased, but unfortunately that has not happened.

My district would be especially hard hit by the Senate's proposal to reallocate state aid. As I read the Senate's numbers, this would go beyond reallocation of our adjustment aid (\$2.5 million), to cut our funding by over \$6 million – a reduction of 74%. As a district that is already spending below adequacy (90%), a cut of that magnitude is unimaginable, even with an extended phase-in.

We could not expect our county to provide increased funding to fill that gap. And asking local districts to increase their tuition contribution would put an additional stress on communities already constrained by their own levy caps. Shifting more of the cost for career and technical education to local school districts who send us their students would likely result in lower enrollment, at a time when students and employers alike are clamoring for more CTE opportunities.

County vocational-technical schools serve a critical purpose in New Jersey, preparing secondary and adult students for success in a technology-driven economy. We want to continue to offer technical education opportunities to as many students as possible.

For 2017-18, we ask the Legislature to avoid any aid reductions for county vocational schools, so that funding reallocations do not end up increasing costs for local districts and possibly limiting opportunities for students to attend county vocational schools.



For the longer term, the Legislature may want to consider restoring per pupil aid for county vocational school students, rather than the current wealth-based weight, so that all counties are funded equitably.

Thank you for your commitment to restoring equitable, enrollment-driven funding and for your continued support of New Jersey's county vocational-technical schools.

## Testimony to the NJ Senate Select Committee on School Funding

February 2, 2017

Jorden Schiff, Ed.D.

Superintendent of Schools, Hillsborough Township, NJ 08844

I would like to begin by thanking the Chair and Members of the Committee for inviting our comments on school funding. My name is Jorden Schiff and I am the proud superintendent of the Hillsborough Township Public Schools. In addition to serving as the Hillsborough Superintendent, I am also the President of the Garden State Coalition of Schools.

The purpose of our testimony is to discuss how school funding decisions at the state and local levels affect the programs and services for NJ public school students. We would like to provide a historical perspective with specific data and evidence to support the fact that Direct Aid to Schools is not being funded at levels that will allow for the sustainability of educational programs for our students (see Charts 1-3). School funding issues are additionally complicated by our local school boards' inability to manage expenses outside of the boards' control that exceed the 2% property tax cap. As costs that are outside of the boards' control increase beyond 2%, superintendents are faced with the difficult task of eliminating programs, deferring maintenance, and reducing teachers and staff.

During 2009, the height of the recession, state aid to school districts was reduced by five percent of the district's entire operating budget. Let me reiterate, not five percent of state aid was reduced, but five percent of our operating budgets. Although superintendents were told to prepare for reductions in state aid of 5, 10, or 15%, the actual reductions in many districts were much higher leading to significant layoffs, furloughs, privatization, and salary freezes across the state. We sought and achieved greater efficiencies and reduced costs in many budgetary areas, even becoming entrepreneurial and creating revenue generating programs. Chapter 78 passed insurance costs from the taxpayers to public employees, increasing contributions for the past four years. The additional revenue from our employees' healthcare contributions has now reached the last year of the four year phase-in period; as a result, no additional revenue will be realized to off-set the annual increases in healthcare costs in future years.

Special education costs are increasing throughout the state at a rate that exceeds 2% per year. As these costs continue to rise beyond the cap, resources will need to be reallocated from general education to special education. We have never been a state where we educate one child at the expense of another. We educate all children, regardless of ability or disability.

In sum, special education cost increases, flat state aid, and revenue caps have compromised our ability to sustain the quality of our educational programs for the long run. We are beginning to see a troubling trend in student achievement on the National Assessment of Educational Progress (NAEP) performance that may indicate that New Jersey is beginning to lose its standing as one of the top performing states in the nation (see Chart 4). The future will most likely find increases in property taxes and the reduction of programs for the children in our care unless we begin to consider alternatives to the current status quo.

As school district leaders, representing both school board members and superintendents, the Garden State Coalition of Schools appreciates the value of not only identifying a problem, but also providing possible solutions. We have five solutions that will provide a sustainable pathway to protect the quality of the educational experience that the citizens of New Jersey have come to expect from our public schools:

- **Direct Aid to Schools Must be Increased at a Rate Identical to the Percentage Increase in the Overall State Budget** (see Chart 1)

*Budgets are the financial representation of an organization's priorities. When the state has additional monies, it speaks volumes about the state's priorities when one examines how those additional dollars are allocated. During FY16 the state budget increased by over \$1 billion while Direct Aid to Schools remained flat. Most of the increase funded public employee pensions and retirees' healthcare costs. The state has spent the last seven years prioritizing the needs of adults over the needs of children. We must be able to do both.*

- **Use the Percentage Increase to Direct Aid to Schools to Begin the Process of Fully Funding SFRA, Maintain the Hold Harmless Provision, and Prioritize Districts That Have Been Significantly Underfunded**

*Fully funding the SFRA will take time, but it is very important that the state begin the process now and prioritize districts that have the following profile:*

- a. Underfunded by SFRA standards*
- b. Under Adequacy*
- c. Taxing Beyond the Communities' Fair Share*

*These districts are in crisis and must be addressed immediately. Other districts should receive additional monies proportional to their needs, until SFRA is fully funded. At that time, total state aid would increase by the percentage of the revenue increases in the state budget while SFRA is accurately allocated.*

- **Return Greater Control and Decision-Making to Local School Boards**

*Local school board members are publicly elected or appointed officials who represent and live in the communities they serve. They are the best people to determine taxation policy that balance the needs of the students with the community's ability to pay. Each township, borough, village, and city is unique and has its own complexity and needs. Broad-brushing, one-size-fits-all policy from Trenton, fails to recognize and appreciate each community's unique situation. Policy-makers in Trenton are not held accountable in the same way that a local school board is held to account by their community. Any costs outside of a board's control that extends beyond the 2% property tax cap should be part of an automatic adjustment process as is done currently with the healthcare adjustment.*

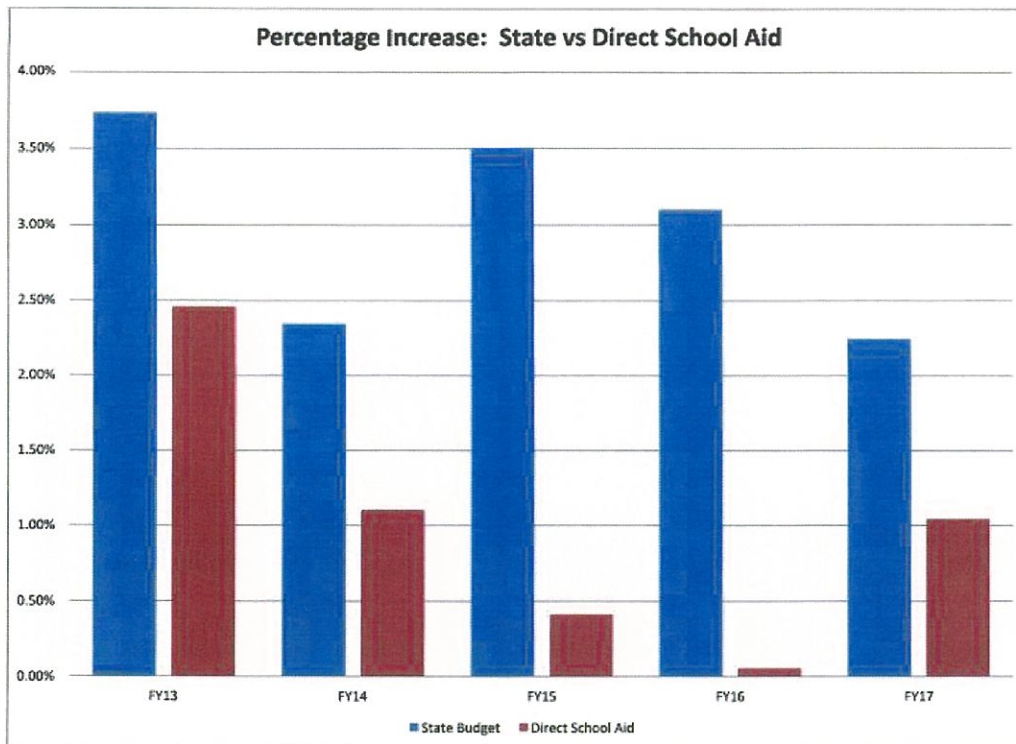
- **Recognize Educational Service Commissions as an Alternative to Expensive Out-of-District Placements for Special Needs Children (see Chart 5)**

*Part of the mission of all the Educational Services Commissions throughout the state is to provide special services that are not available in local districts. Similar services are provided by private schools at a greater cost. It is important that equivalent services are provided in an effective and efficient manner. The attached document illustrates potential cost savings while providing equivalent services for our out-of-district special needs students.*

- **Explore the Ability to Require Related Services Expenses for Special Needs Children to be Claimed Against the Parents' Private Insurance Carrier and Have the School District Fund Any Out-of-Pocket Expenses**

*Currently, students who qualify for Medicaid and receive certain special education services qualify for a program (SEMI) that reimburses the local school district for specific special services. Similar to the SEMI program, parents of students with special needs could submit a claim to their private insurance carrier for services that are covered within their private plans. The school district would then cover any out-of-pocket expenses. Protections would need to be put in place to make certain that insurance carriers do not increase premiums for the parents of special needs children.*

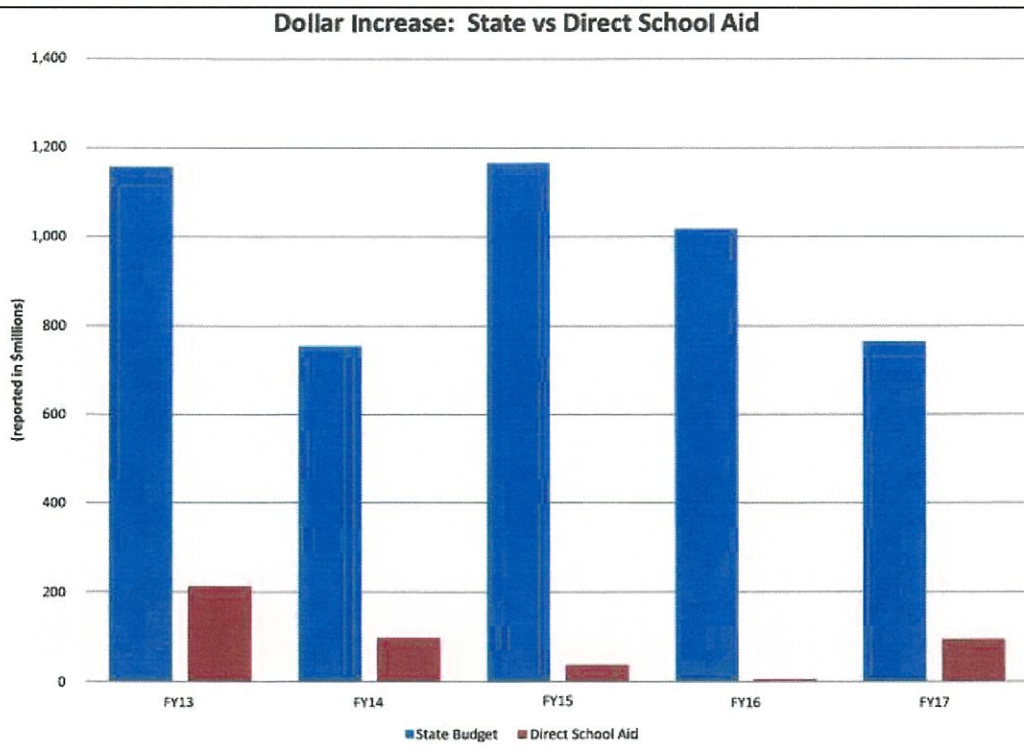
In closing, I would like to thank the committee members for listening and giving serious consideration to the testimony from the Garden State Coalition of Schools.



**Chart 1**

Percent increases in the State Budget have outpaced the percent increase of Direct School Aid for the past five years.

Data Source: NJ Budget Summaries FY13-FY17

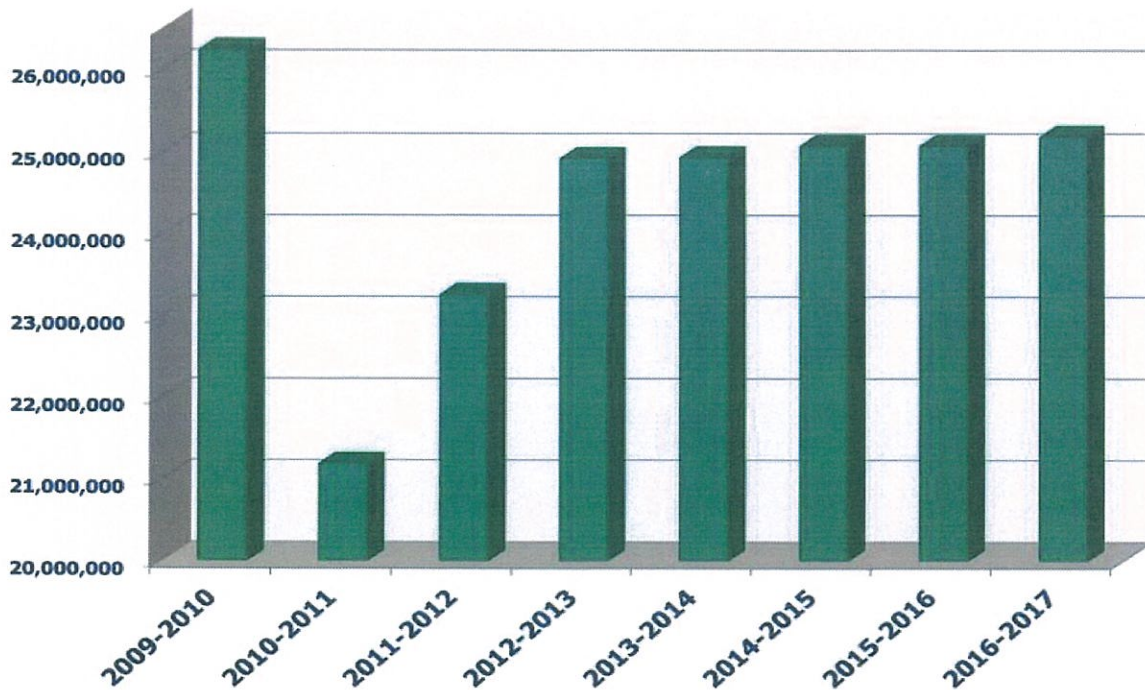


**Chart 2**

New spending in the State Budget for FY13, 15, and 16 were over a \$ billion each year. Direct School Aid was fraction of those increases. Chart 3 shows the impact of state funding decisions on Hillsborough Public Schools.

Data Source: NJ Budget Summaries FY13-FY17

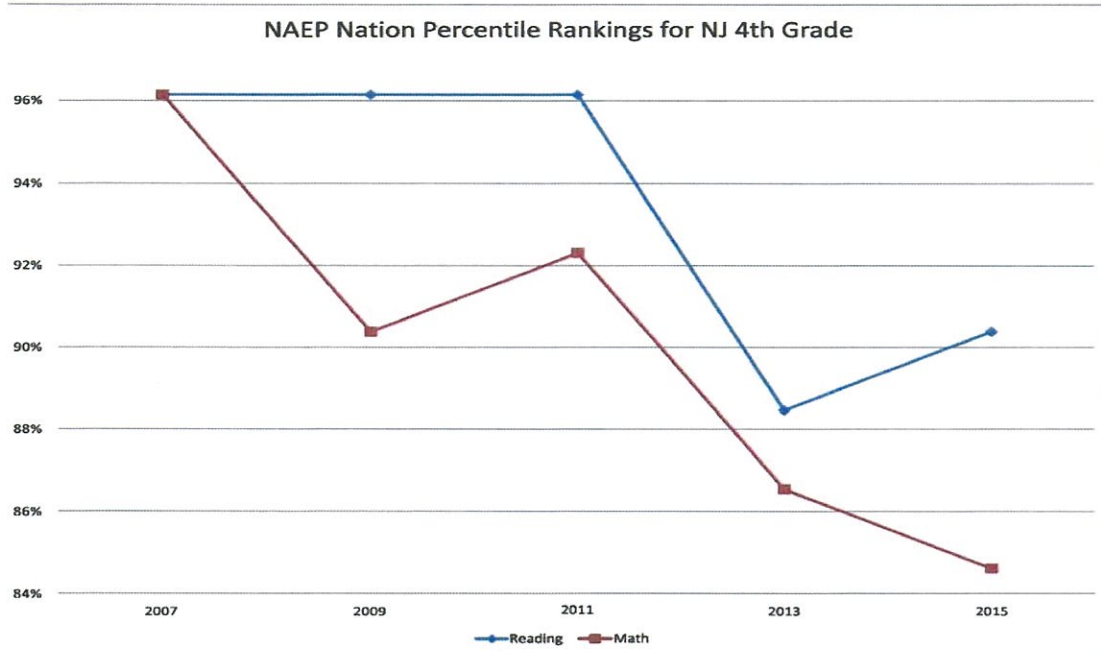
## State Aid for 2009-2017



**Chart 3**

Hillsborough state aid allocation from FY10 to FY17 shows flat funding for five consecutive years. The drop in state aid for FY11 was due to the impact of the national recession.

*Data Source: State Aid Summaries for Hillsborough Township Public Schools*



**Chart 4**

The National Assessment of Educational Progress (NAEP) compares state performance across various grades and content areas. NJ 4<sup>th</sup> grade results show a decline in both reading and math since 2011.

*Data Source: Rankings converted to percentiles. <http://nces.ed.gov/nationsreportcard/statecomparisons/>*



# **2016-2017 Tuition Rates- SCESC vs. Private Schools for Students with Disabilities**

\*Based on Private Schools for Students with Disabilities Tentative Tuition Rates 2016-2017 information from NJDOE.

Private School	County	Their Tuition for 2016-2017	SCESC Tuition for Academy 2016-2017	Cost Difference	SCESC Tuition for Career Center 2016-2017	Cost Difference
Bonnie Brae School	Somerset	\$77,738	\$46,889	(\$30,849)	\$59,150	(\$18,588)
The Center School	Somerset	\$67,038	\$46,889	(\$20,149)	\$59,150	(\$7,888)
East Mountain School	Somerset	\$73,766	\$46,889	(\$26,877)	\$59,150	(\$14,616)
Green Brook Academy	Somerset	\$73,627	\$46,889	(\$26,738)	\$59,150	(\$14,477)
Honor Ridge (formerly Somerset Hills School)	Somerset	\$85,582	\$46,889	(\$38,693)	\$59,150	(\$26,432)
Lord Stirling School	Somerset	\$103,294	\$46,889	(\$56,405)	\$59,150	(\$44,144)
Montgomery School	Somerset	\$66,094	\$46,889	(\$19,205)	\$59,150	(\$6,944)
New Road School	Somerset	\$56,418	\$46,889	(\$9,529)	\$59,150	\$2,732
Rock Brook School	Somerset	\$74,785	\$46,889	(\$27,896)	\$59,150	(\$15,635)
Gateway School	Middlesex	\$62,057	\$46,889	(\$15,168)	\$59,150	(\$2,907)
New Road School	Middlesex	\$60,534	\$46,889	(\$13,645)	\$59,150	(\$1,384)
You and Me School	Middlesex	\$57,002	\$46,889	(\$10,113)	\$59,150	\$2,148
C.P.C. High Point	Monmouth	\$73,795	\$46,889	(\$26,906)	\$59,150	(\$14,645)
Coastal Learning Center	Monmouth	\$59,367	\$46,889	(\$12,478)	\$59,150	(\$217)
Collier	Monmouth	\$65,952	\$46,889	(\$19,063)	\$59,150	(\$6,802)
Hawkswood School	Monmouth	\$75,301	\$46,889	(\$28,412)	\$59,150	(\$16,151)
Rugby School	Monmouth	\$78,918	\$46,889	(\$32,029)	\$59,150	(\$19,768)
Oakwood School	Monmouth	\$51,618	\$46,889	(\$4,729)	\$59,150	\$7,532
Alpha School	Ocean	\$64,690	\$46,889	(\$17,801)	\$59,150	(\$5,540)
The Education Academy	Ocean	\$60,024	\$46,889	(\$13,135)	\$59,150	(\$874)
Lehmann School	Ocean	\$72,023	\$46,889	(\$25,134)	\$59,150	(\$12,873)
New Road School	Ocean	\$60,051	\$46,889	(\$13,162)	\$59,150	(\$901)
Ocean Academy	Ocean	\$55,931	\$46,889	(\$9,042)	\$59,150	\$3,219
Deron School	Union	\$64,514	\$46,889	(\$17,625)	\$59,150	(\$5,364)
First Children's School	Union	\$80,037	\$46,889	(\$33,148)	\$59,150	(\$20,887)
Newmark High School	Union	\$59,376	\$46,889	(\$12,487)	\$59,150	(\$226)
Newmark School	Union	\$56,247	\$46,889	(\$9,358)	\$59,150	\$2,903

**Chart 5**

The chart about shows the Somerset County Educational Services Commission's out-of-district tuition rates for special needs students as compared with other private schools providing equivalent services. All costs indicated in red are savings to the local communities.

Data Source: SCESC Office of the Superintendent

**New Jersey Senate Select Committee  
on School Funding Fairness  
Thursday, February 2, 2017**

Testimony of **Michael Salvatore, Ph.D.**  
Superintendent of Long Branch Public Schools

I would like to begin by extending my appreciation to the committee for affording me the the opportunity to address you today regarding school funding, or as some would call it the economics of human development.

To qualify my perspective I, Michael Salvatore, have worked in public education for nearly two decades as a teacher, principal, district administrator and since 2011, superintendent of schools. Further, I've attempted to contribute to the greater educational community, serving as past president to the Monmouth County Superintendents' Roundtable, and current president of Great Schools of New Jersey, which represents districts throughout the state with moderate to high poverty rates. Our affiliation and partnership with the Education Law Center and NJ Association of School Administrators has proven to be extremely valuable serving as a resource to under-funded schools, especially when district leaders are confronted with the extended periods of economic uncertainty.

Many educated professionals believe the former Abbott districts are drastically overfunded and a burden to taxpayers. They also believe that underfunding and under-adequacy ratios only impact the suburbs and rural districts. Currently in the schools of Long Branch, which I currently serve, we have experienced tremendous enrollment growth, with approximately 1,100 more students entering our schools over the past five years.

Our newest families entering the city are part of our changing demographics that require unique programs and specialized staff; their living conditions are extremely impoverished, living in single rooms without modern technology or even a quiet place to read. We are the largest city in Monmouth County, with the most families living in poverty and we are drastically underfunded by more than 13 million dollars. In order to serve our newest families and meet their educational needs we would have to add more than a million dollars of faculty, which we cannot afford.



In order to preserve quality and protect innovative practices, we took an aggressive approach to revamping healthcare by creating a medical care center on campus for staff, as well as, planned an assertive path toward energy conservation, which yielded more than two million dollars in savings over the past four years. To this point, this was the only way we could sustain quality teaching, learning and leadership for children, but without additional revenue these practices will be lost.

The conversation surrounding school funding must begin with a deeper understanding of inequality. Today my own children will come home from school and find their quiet place for homework. When my son gets puzzled by the expanded algorithm he used to solve a word problem, he will go to the computer and google Khan Academy. The will likely watch a lesson on standard mathematical practices in grade five and find the resource he needs.

When we have families who live in a single room, share their beds with strangers, and are not connected to content or information, we all begin to face a reality that if investments in education are not made for children in school, then the investments in a child's academic growth may never take place at all.

A growing field of educational research is contributing to a series of coined phrases specifying gaps and divides, which are real: The Word Gap, The Digital Divide, The Achievement Gap, The Income Gap, The Opportunity Gap, etc. They may have different labels, but they are rooted in the lack of investments in education, both at home and in school.

School funding and equity in education have been topics of concern for decades. The NJ Supreme Court has reviewed executive briefings and documents for more than thirty five years pertaining to the constitutional deprivations surrounding school funding and expenditure disparities.

Today it appears that both sides of the aisle are working collaboratively to find a solution. My lens is from the eyes of a motivated educator, a proud parent and an impassioned district leader; therefore, I would suggest reviewing the foundational factors of SFRA if you haven't already. The numerous components that were used to determine the per-pupil allotment could lead to a worthy revision, and provide some much needed relief before quality teaching and learning are diminished.

Again, I would like to thank you for affording me this opportunity to share and speak on behalf children, educators and many school leaders.

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