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Home > New sroom > Press Releases > 2012 > Governor Christie Takes Action to Root Out Waste and Abuse to Make Every Education Dollar Count

Governor Christie Takes Action to Root Out Waste and Abuse to Make Every Education Dollar Count

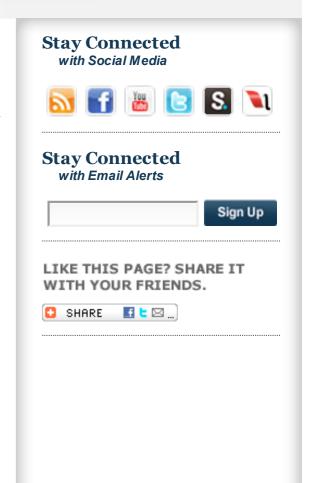
Monday, March 5, 2012 • Tags: Executive Orders

Education Funding Task Force will Recommend Common Sense Reforms to End Abuse and Manipulation of School **Funding Formula**

Trenton, NJ - Today, Governor Chris Christie took another important step to move forward with common sense reforms of the state's system of education funding by convening a task force of experts to root out and eliminate welldocumented instances of abuse and manipulation of the school funding formula due to fraud in the Free and Reduced Price School Lunch Program. The Education Funding Task Force, created by Executive Order, will act on the Governor's commitment to make every education dollar count and ensure funding is not being misdirected, but actually getting to those economically disadvantaged children who need it most.

"Providing a great education that prepares every single child in our state for college or a career has been a top priority of my Administration. For this reason, I've proposed a budget that increases state support for education to its highest level ever and an agenda of bold reforms to turn around failing schools," said Governor Christie. "But how we spend education dollars in our schools is just as important as how we provide them. Funding must follow the child more closely and get to the students who need it most. This Task Force will help to root out and eliminate well-documented fraud and abuse in the Free and Reduced Price School Lunch Program, which has led to the possible misdirection of tens of millions of dollars of education funding."

The School Funding Reform Act (SFRA) is designed to distribute greater amounts of school aid to districts serving greater numbers of students who are economically at-risk and districts with less property wealth. Currently,



participation in the federal Free and Reduced Price Lunch Program serves as the proxy for classifying and counting economically at-risk students. Recent studies and news reports clearly identify high levels of fraudulent enrollment in the program – undercutting the state's ability to fairly and appropriately determine aid levels for schools. A 2011 report by the State Auditor found that as many as 37 percent of the students in the program are enrolled fraudulently.

Recognizing the importance of maintaining integrity and reliability in this program is crucial to ensuring a fair, accurate and equitable distribution of funding to schools. The Education Funding Task Force is charged with examining the state's school funding formula and developing recommendations concerning those areas of the formula that may be susceptible to fraud or subject to outside manipulation. This includes participation in the Federal Free and Reduced Price Lunch Program as a proxy for at-risk status and the municipal tax abatement program.

The Task Force will specifically consider the following issues:

- Economically effective measures of student poverty;
- Educationally sound measures of defining at-risk students;
- Appropriate adjustments to SFRA to account for municipal property ratable bases that may be artificially deflated as a result of municipal property tax abatements;
- Identifying all aspects of the SFRA that may be susceptible to fraud, or subject to undue outside manipulation and recommendations to address these abuses; and
- All other such other matters as may be referred to the Task Force by the Governor.

The Education Funding Task Force will be composed of 7 members from inside and outside of government, each with expertise in education funding, policy, administration, governance and fiscal management. All members of the Task Force will serve without compensation.

The Task Force was first called for in the Department of Education's Education Funding Report released last month, in a recommendation aimed at exploring the use of a new measure for at-risk students in place of participation in the Free and Reduced Price Lunch Program. The funding report outlined a series of common sense measures to improve the school funding formula and to help close the state's persistent achievement gap by making education funding more closely follow the child.

EO-89: Governor Christie Creates the Education Funding Task Force





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