
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”

LOCATION: Kingsway Regional High School
Woolwich Township, New Jersey

DATE: January 27, 2017
11:00 a.m.

MEMBERS OF SELECT COMMITTEE PRESENT:

Senator Stephen M. Sweeney, 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

Christopher Emigholz
Rebecca Panitch
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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Chair

JOSEPH PENNACCHIO
Vice-Chair

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



New Jersey State Legislature

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PUBLIC HEARING NOTICE

The Senate Select Committee on School Funding Fairness will hold a public hearing on Friday, January 27, 2017 at 11:00 AM at Kingsway Regional High School, Cafeteria East, 201 Kings Highway, Woolwich Township, New Jersey 08085.

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 1/20/17

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SENATOR STEPHEN M. SWEENEY (Chair): We want to start this hearing.

I would like to start this hearing with the Pledge of Allegiance, if that's okay. (all recite pledge)

Some housekeeping: I was notified by the Fire Marshall to notify you where the emergency exits are. They are the doors that you came through, just so you know.

There will be, basically, a three-minute limit. There's a light down there; it will start flashing red when you hit 30 seconds, so you can wrap up; because we want to make sure everyone who is here to testify, will.

I want to recognize my Assembly colleague, John Burzichelli, for being here today. And I want to thank my Senate colleagues for coming; they've come a long distance.

And I am going to make a very short statement, and then we'll call -- we'll start calling people up for testimony.

There is nothing more important to us than fixing our school funding formula. The education community -- our unions have always said, "Run the formula, and fund the formula." That's what's wrong; because we haven't funded it. But the Legislature, actually, changed the way the funding formula would be implemented, and it has caused a lot of problems.

This community, Kingsway-- And as the Chair of this Committee that we created, I wanted my colleagues to visit Kingsway and understand some of the issues that we're dealing with. We are going to be moving to Middlesex County, I think; we'll be in Essex and in Bergen, in the future -- in the near future. But I really wanted to bring everyone down

here to Kingsway, where, the other night, the Governor, on his radio show, said, “I know all about Swedesboro-Woolwich. There’s some lady who chased me everywhere I went.” And I thanked Jen for that, because we were able to get *Extraordinary Growth District* designation.

But if we funded the formula, we wouldn’t have to have those types of designations. If we fund the formula, and do the right thing, we don’t have to deal with any of that.

So with that, I’m going to start off with Dr. Lavender from Kingsway; and whoever Dr. Lavender--

Oh, and real quick, Dr. Lavender. The Senators on the panel: Senator Paul Sarlo, he’s the Chairman of our Budget Committee; Senator Sandra Cunningham, who is Chair of Higher Education; Senator Teresa Ruiz, who is the Chair of Education; and my colleagues on the other side, Senator Steve Oroho, from as far away from here as you can possibly get, in Sussex County (laughter); Senator Doherty, from Hunterdon; and Senator Thompson from Middlesex. And I really do appreciate them all coming here.

We can’t turn that off, we’re in a school (reference to loud beeping sound); just so you know, it’s not a warning, it’s not a beeper.

But Dr. Lavender, I turn it over to you.

J A M E S J. L A V E N D E R, Ed. D.: Senator Sweeney, good morning.

They are going to make an announcement that you didn’t get your homework done last night, so-- (laughter) We’ll write you a pass; we’ll excuse that.

But good morning, Senators.

I want to introduce my colleagues who are with me, who will also be testifying. I was told that Kingsway, as the host, had a few extra minutes this morning.

SENATOR SWEENEY: Correct.

DR. LAVENDER: So we're going to take the liberty, and take advantage of that. Anybody who knows me knows I'll fill that time without any problem.

To my right is Jason Schimpf, our School Business Administrator; to my left is the Board President, Jim Mueller; and to my far left is Patricia Calandro, our Chief Academic Officer.

So good morning, Senators, and welcome to Kingsway Regional. My name is Jim Lavender, I am the Superintendent here, of this District, the position I've held since 2010.

I am also a shared Superintendent with the South Harrison Township Elementary School District, a sending elementary school within the Kingsway system. However, my testimony this morning will focus solely on Kingsway's funding plight, as I see that our funding imbalance touches every school, community, and taxpayer who make up Kingsway's 57-square-mile border -- encompassing the Townships of East Greenwich, South Harrison, Woolwich, and the Borough of Swedesboro.

At Kingsway, we take great pride in our achievements. We are passionate about the services and opportunities we provide, and we value high quality education. Our motto, *Committed to Excellence*, drives us to ensure the sound educational experiences our students and community deserve. Our name is consistently echoed throughout the region as an exemplar. We have the highest high school graduation rates in the county;

a high school ranked alongside other top high schools in South Jersey; a middle school that serves as model for other middle schools; advanced placement offerings that have been nationally recognized by College Board; and a competitive and accomplished performing arts and athletic program.

Despite all of our accomplishments, Kingsway may be better known as the State's fastest-growing school district, serving two of the fastest-growing municipalities, the Townships of Woolwich and East Greenwich. As a result, Kingsway's population growth has increased by more than 1,400 students over the last 15 years.

Unfortunately, State aid has failed to keep pace. In 2001, State support for Kingsway Regional equaled \$5,300 per student. In the 2016-2017 budget, State aid per pupil was reduced to \$3,770 per student. This represents a 29 percent reduction in State Aid per pupil over 15 years.

As you can imagine, the contradiction between unrelenting pupil enrollment growth and State aid reductions per pupil has placed extraordinary demands on our facilities, programs, and staff.

Throughout this same period, Kingsway continued to implement cost-saving measures in an effort to reduce the tax burden while maintaining quality programs for our students. In the 2016 *Taxpayers' Guide to Education Spending*, Kingsway Regional was ranked first out of 46, 7-12 regional school districts throughout the state as the lowest spending in regard to budgetary per-pupil costs, at \$10,500. For Fiscal Year 2017, Kingsway's budgetary cost per-pupil was reduced to \$10,362, and is lower than the \$15,300 State average; and markedly lower than other districts, such as Monmouth County's Henry Hudson Regional, which spends nearly \$22,000 per pupil.

Despite our efforts, the burden to fund our school district has consistently been shifted to our local taxpayers. Throughout the same 15-year period, where State aid per pupil has decreased by 29 percent, local property taxes, per-pupil, have increased by more than 142 percent -- from \$3,500 in 2001, to \$8,600 in 2016. This dramatic shift of responsibility has made it increasingly difficult for Kingsway to preserve its quality school system.

In 2008, we had hoped that a solution to our problems was found with the passage of the School Funding Reform Act, better known as SFRA. The new funding formula guaranteed that State school aid would be distributed fairly and equitably, based on a formula that took into account each town's property tax base, its ability to pay, increases and decreases in enrollment, and the special needs of children. It was a formula that finally ended New Jersey's tortured history on school funding fairness; was lauded by experts throughout the country; and, according to New Jersey's Supreme Court, SFRA's design was found to meet the constitutional mandates of *Abbott v. Burke* for all students.

As a result, Kingsway, like many other districts, received a 20 percent increase in State aid for the 2008-2009 school year, and consequently adopted a school budget that called for the smallest local tax increase in a decade.

We were also assured by then-Commissioner of Education Lucille Davy that Kingsway would be afforded 20 percent increases per year for the next five years until we were made whole. The recognition and increase in State aid would have put Kingsway on par with other communities, and ease the unfair tax burden placed on our local residents

who make up the difference in funding our public schools. In fact, had the Kingsway Regional School District been funded at the levels the SFRA phase-in promised, we would have levied almost \$33 million dollars less in local taxes than we did over those nine years -- than we had to in those nine years.

In the years after SFRA was adopted, State aid promises were never fulfilled. As a result, the status quo was protected, and overfunded school districts continued to benefit at the cost of those that have historically been underfunded. Districts with declining enrollments were held harmless, while growth districts continued to be ignored. Consequently, Kingsway, and districts like Kingsway, have fallen far from the promises of a constitutionally sound, nationally recognized school funding formula.

The continued failure by the State of New Jersey to recognize our plight cannot be ignored. To illustrate this point, and using the Department of Education's State School Aid publication showing SFRA funding for the current year, I can show that a comparable high school, less than a 30-minute drive from here, receives 135 percent of full, uncapped SFRA funding. In contrast, Kingsway receives just 46 percent. In fact, eight school districts in Gloucester County alone receive more than 100 percent of full, uncapped SFRA funding, including one elementary district that receives 156 percent; while two of Kingsway's sending elementary schools -- Swedesboro-Woolwich and East Greenwich -- receive 56 percent and 49 percent respectively.

The truth is that the New Jersey Legislature should be applauded for the work they did to rectify decades of underfunding the

neediest students through the adoption of SFRA. However, the hold-harmless provision, implemented through the budget, arbitrarily disregarded SFRA and has resulted in the disparate treatment of New Jersey students in underfunded districts. How can a Governor of a state, a Commissioner of Education, or any member of the Legislature today, nine years after the implementation of the hold-harmless provision, reasonably say that some students in the State of New Jersey are entitled to 156 percent of their State aid school funding, while other districts are entitled to only 46 percent?

If Trenton officials are going to hold Kingsway students to the same high school graduation measures as every other student, yet continue to fund our schools unfairly, then the hypocrisy of government is alive and well in New Jersey, and is then best measured by how our leaders in Trenton treat our children.

Now, I don't believe that this is the case here; and the mere fact that you are here, listening to testimony, indicates to me that you all want to fix this problem as badly as we do. Please know that if Kingsway, and districts like Kingsway, are to be held to the same regulatory standards by the Department of Education as the overfunded school districts; and if our teachers are going to be held to the same evaluation measures as teachers in every other school district; and if we expect every child to enter kindergarten ready to learn and to graduate high school, college and career ready, then it is your moral imperative, your just obligation, to ensure that every one of the 586 school districts in this state are funded fairly.

Senators, I implore you to address the inequity of funding throughout our State. I ask that the Legislature reconfigure State funding

amounts so that they conform to the SFRA and omit the hold-harmless provision from the budget. This will ensure that every student receives their constitutionally guaranteed education funding. I am asking that you intervene now, and in time before we strike our operating budgets for the 2017-2018 school year; and protect every student in New Jersey and ensure that every student receives a thorough and efficient education. Our students, our faculty, and our taxpayers cannot afford to be ignored another year.

Thank you for taking the time to listen to my testimony.

JAMES MUELLER: Good morning, Senators, and thank you for your time today, and your consideration of my testimony.

My name is James Mueller; I am a resident of East Greenwich Township for the last 14 years. I am also a past Board of Education Member for the East Greenwich Township Elementary School District, having served two terms.

Currently, I represent East Greenwich Township on the Kingsway Regional School District Board of Education, and have the pleasure of serving as Board President. One of my greatest pleasures in my role is having the privilege of handing over 700 high school diplomas to talented Kingsway graduates.

I am also a veteran of the United States Army and the Florida National Guard. Having received honorable discharges from both, I live by the Army Creed. The Creed states, "I am an American Soldier. I am a warrior and a member of a team. I serve the people of the United States, and live the Army values." The Creed ends with, "I will always place the mission first."

I've also taken an oath to support and defend the Constitution of the United States of America; and as an elected School Board official, I've taken the oath to serve and protect the Constitution of the United States and the State of New Jersey, as you all have.

I take these oaths seriously; I approach my sales profession, this School District, and the community while always placing the mission first.

So what is the mission? The mission started back when I joined the East Greenwich Board of Education in 2008, when I wanted to fully understand where my taxes were going, since they seemed to be through the roof, year after year. I wanted to see how the money was being spent and, to my surprise, it was not being spent improperly, but being managed the best it could, based upon the tax revenue received and the minimal funding from the State at the time.

Then the housing market exploded. This region was one of the fastest-growing communities in the country for a number of years. During this time, to my surprise, State funding to the schools was held flat, while our enrollment was exploding at the elementary, middle school, and high school levels.

Our community was asked to support two large building expansions via referendum: one at the elementary school in East Greenwich to the tune of \$25 million dollars; and one at Kingsway, for approximately \$31 million. So in the course of a number of years, this community -- not including other sending districts' projects -- took on \$56 million dollars on the backs of its residents. Yes, the State had helped -- and I think it was \$7 million to \$11 million, respectively -- but the brunt of the expansion cost

was placed on the back of this community, via property tax increases, to cover the cost of debt issuance.

Those days seem long ago, but they aren't. We continue to have student expansion here at Kingsway at 5 percent, year over year, with space and programs being limited. So the mission continues, as it was then: to be fairly funded, and ensure our taxes are being spent wisely. We weren't asking for anything that was not already approved and specified in the SFRA. But for some reason, this community has been ignored. We are a staple of how shared services are working; other districts ask us how we're doing it; and the State says, "You're doing a great job; keep it up."

But when we needed a referendum to expand our transportation facility -- which generates about \$500,000 per year via shared services; and our infrastructure needed improvements -- track and other improvements -- it was voted down by our community twice. The residents are tapped out, and they have told us that they can't support a new track, infrastructure improvements, or other projects that this school desperately needs. These aren't luxury items, but are functional and operational items that any district requires.

Don't get me started on the band bus, which is about the most embarrassing representation on wheels we have here at Kingsway.

Let me digress for a moment. Last football season, when we were playing another district located in Gloucester County, here at Kingsway, Dr. Lavender and I strolled around to the visitor's side of the field. To our astonishment, the visiting team and band arrived in nine buses, an 18-wheeler with three tractors inside of it, a 50-foot motorized boom to film the game, as well as other gear. All the while our hollowed-

out, 1991 red bus sat close to the dilapidated track. This was a gross display of inequitable funding at its finest, and we were left speechless.

Speaking of other schools, a comparable school system in the next town over has a beautiful facility and campus. They are very similar in economic demographics; but for some strange reason -- maybe the SFRA hold-harmless clause -- with their enrollment declining, receives \$6 million more than Kingsway, on an annual basis, in the form of State aid.

To me, and others within this community, it makes no sense at all. Don't get me wrong; we have great relationships with these schools, and in no way do we want to create an *us-versus-them* situation. We are simply demonstrating the vast inequity that exists in relation to school funding within this state, and within our community.

Let me get back to the mission. We are all elected representatives -- in one respect or another -- whether we are local, County, Board of Education, or State. What is expected when we are elected? It is expected that we make the tough decisions and implement those decisions, not take the easy way out. When I have to stand in front of a packed auditorium and inform the community that we are facing a \$2 million budget deficit in the 2017-2018 school year, and cuts will have to be made -- that gets the community's attention.

But we do this because we have to; because we can't run a deficit. This is the hardest decision we make at this level of government. Our mission is that we balance budgets, we fund programs within our abilities, and we treat our programs with fairness and respect. But the State, in regards to funding this district and other sending districts, has not respected, nor funded, our region properly.

Our community's income tax dollars are leaving this area, and they aren't coming back to this community in the form of State aid to our schools, and it's downright unacceptable. What I don't understand is how Kingsway can only be funded at 46 percent of the SFRA funding model, and other communities within the State get 100 percent; and, in some cases, 150 percent or more of funding. This needs to change, and it can't come too fast, as this district is in a crisis and we see no light at the end of the tunnel.

In closing, let me leave you with this.

Always place the mission first. Know your constituents; know their demands and requirements, as this issue is not going away. But we are more than willing to work with you in making the correct decision for our community and the other severely underfunded communities within the state.

Thank you for your time and consideration today. I will be happy to entertain any questions you may have.

SENATOR SWEENEY: Thank you.

And Dr. Lavender, we are giving your panel more time than others, because you're the host. But we have a lot of people to speak; so if the next two speakers could tighten it up a little bit. (laughter)

That's a nice way of saying it, right? (laughter)

UNIDENTIFIED MEMBER OF COMMITTEE: That was well done.

UNIDENTIFIED MEMBER OF AUDIENCE: We'll take as much as you give us. (laughter)

PATRICIA A. CALANDRO: Good morning, Senators.

Thank you for providing us the opportunity to speak today.

My name is Patricia Calandro, and I currently serve as the Chief Academic Officer for the Kingsway Regional School District. In this role, I am the Chief Administrator in charge of school curriculum and programs for all students in grades 7 through 12.

Alongside my colleagues, I experience, firsthand, how the State's refusal to appropriately and fairly fund our District continues to fail our students and our community. Despite years of creative budgeting, hard work, and simply doing more with less, I sit here today saddened by the fact that we are officially broken.

Today, I need to hire approximately 25 teachers across the District to operate programs appropriately; but funding shortfalls prevent me from doing so. Even more, I am disappointed that it comes as a result of the State's failure to understand the devastating impact unfair funding practices have on the very students we have been charged with developing and protecting.

As public educators, we are responsible for providing comprehensive educational programs for all children so that we can cultivate successful, informed citizens who can compete globally. Kingsway is not only faced with having to cut programs, but also stifled in its ability to produce college and career tracks that we know our students require to grow intellectually and interpersonally.

At a time when we are charged with effectively preparing students for jobs that do not yet exist, we are unable to offer a range of technology classes or provide our students with the technology they need to be successful in a competitive environment. Our inability to upgrade our

wireless network infrastructure makes the infusion of educational technology into the classroom unreliable and, thus, ineffective.

Our high school students consistently express a desire to take Advanced Placement courses or career-centered electives, but we cannot meet the demands due to budget constraints. Students are left to choose a study hall or a course that does not support their career goal.

In our last strategic planning process, our community overwhelmingly asked us to expand our academies and develop additional programs that meet their child's college and career goals -- types of provisions that the State cites in code as secondary education initiatives to support student achievement. And while Kingsway has the talent to create the programs, we do not have the money.

Because of our current situation, class sizes are continuing to grow significantly. In our middle school, 98 classes have a class size of 30 or greater, with many of the remaining classes just one or two students away from this threshold. Yet classrooms remain empty. While Kingsway has the physical space to accommodate this population, we do not have the funding to hire the teachers to reduce class size to appropriate numbers. To be clear: When I discuss these numbers, I am referring to our current situation. Next year, with our projected incoming 7th grade class of about 492 students, our situation becomes even more critical.

Without our fair share of State funding, nearly every class at the middle school next year will have a class size of 30 or greater.

Additionally, this past year we faced a shortage of special education teachers. As a result, we had to submit three different applications for waivers to the County regarding class size restrictions for

special education students placed in their least-restrictive environment, a requirement under the IDEA. The maximum group size for in-class resource programs has been set by the state of New Jersey as 10. And although the waivers were approved, this is in no way ideal. We are overloading inclusive classes to ensure special education students have access to the specialized instruction they require in their least-restrictive environment. Simply stated, we do not have the special education teacher resources to adhere to the legal limits under IDEA.

It is because of the dedicated administrators, faculty, and staff that refuse to give up on our students that Kingsway continues to push forward and produce successful and prepared students. Unfortunately, this is done without State's support that is owed to them. Kingsway students are entering into the same competitive environment as those just three miles down the street, receiving at or above the statewide average; yet the State's practice of not funding the formula has generated an unlevelled playing field for our kids. Because of the State's failure to support our students, I fear they will continue to miss out on academic experiences that would provide them with a rounded education, and focused college and career track.

I ask, today, for your voice in this fight so that we can ensure our students and community what is owed to them. I want to make it clear that we are not asking for more than our share; we are asking only for what our students and community have been promised under New Jersey's school funding formula.

J A S O N S C H I M P F: I'll be rapid. (laughter)

Good morning, Senators, and thank you for hosting this event here at Kingsway.

My name is Jason Schimpf; I am the Business Administrator for Kingsway. I've held this position since October of 2011, and have a total of 16 years' experience in the field of public school administration.

As you all know, in 2008, the New Jersey Legislature enacted a new school funding formula, the SFRA. In 2009, the State Supreme Court found the SFRA constitutional, not just for students in the districts formerly known as Abbott, but for all students statewide. With that decision came two conditions in order for the SFRA to continue constitutionality: one, the formula must be fully funded for the first three years; and, two, the formula must be reviewed to make sure that it is functioning properly.

Neither of these conditions was met; and in May of 2011, the Supreme Court ruled the State had violated its Abbott directive after mass cuts to school funding in Fiscal Year 2011, and ordered the State to fully fund the formula in 2011-2012.

However, that ruling was limited to the 31 districts formerly known as Abbott, and did not assist in non-Abbott districts that were underfunded and, in some cases, severely.

The full funding of the SFRA, or lack thereof, was problem number one for school districts. In 2016-2017, the SFRA was underfunded by approximately \$900 million. Since the inception of SFRA in 2008, the State has underfunded its schools by more than \$8 billion.

Problem number two was the inclusion of the hold-harmless provision within the SFRA. In order to ensure that no district saw a

decrease in State aid from 2007-2008 levels, the Legislature amended the SFRA at the last minute to include a hold-harmless provision. This provision was meant to be temporary in order to slowly bring the overfunded districts back down to 100 percent of SFRA funding over a period of five years. As you all know, this too has not happened, and has created large inequities in school funding.

In an Education Funding Report prepared by then-Commissioner of Education, Christopher Cerf, in 2012, when referencing adjustment aid, he said, “It is a symbol of the old Trenton; a paean to the long-standing tradition of refusing to make hard choices, even when hard choices are in order; and failing to make hard choices will cost taxpayers greatly.” And cost taxpayers greatly, it certainly has.

The hold-harmless provision also prevented districts with growing enrollments, like Kingsway, from receiving additional aid, while holding districts with declining enrollments level. According to the Education Law Center, nearly \$570 million was allocated to districts in the form of adjustment aid in 2015-2016 alone; of that \$567 million, nearly \$300 million went to districts already spending above their adequacy levels. This is \$567 million in aid calculated outside of the SFRA, and distributed to hundreds of school districts that are not entitled to these funds.

Problem number three is how the school aid is allocated amongst the State’s school districts. In 2016-2017, 212 school districts will receive more than 100 percent of their State aid. Conversely, 379 districts will receive less than 100 percent of their State aid, with 239 of them receiving less than 70 percent.

The question that has to be asked is, “Why?” Why do the districts that have been overfunded for years continue to be held harmless, when Kingsway, and many other districts, continue to be shortchanged?

Kingsway has had to survive with less than its fair share of State aid each year for more than a decade. Enrollment continues to increase at a rate of approximately 5 percent each year. Kingsway’s taxpayers already contribute more than their local fair share as calculated by the SFRA; and Kingsway will spend, roughly, \$9 million dollars below its adequacy budget in 2016-2017, or less than \$3,500 per pupil than it should to provide a thorough and efficient education, as calculated by the State’s own formula.

Kingsway is also the lowest spending 7-12 regional school district in the State of New Jersey. So I ask, why would reducing aid to those districts that are overfunded, in a reasonable way, be any more catastrophic to them than what Kingsway has had to endure?

We are doing our part. We have made it work, but we cannot stretch the dollar any further. Our resident taxpayers cannot afford any more. Due to our growth, we have had to expand our facilities and have taken on more than \$40 million in debt to do so. This has only exacerbated our funding struggles and continues to cripple our residents’ ability to pay.

The inequitable distribution of school aid has gone on for way too long. Our school district, and the many others that are underfunded, deserve their fair share. The solution is simple, and requires no additional legislation. The SFRA already exists, and provides generous overall funding to school districts. We are simply asking the Governor, Legislature, and Commissioner of Ed to abide by it. Begin to wean the overfunded, over

adequacy districts off of adjustment aid, and reallocate those dollars to the underfunded districts.

Of course, full funding of the SFRA is the ultimate goal, but here at Kingsway, we understand budgetary constraints better than most, and realize the State may not be able to add \$1 billion to school funding next year. Senate President Sweeney has already suggested allocating an additional \$100 million to school funding each year, over the course of the next five years; something the State has been able to do over the last several fiscals. Those funds, coupled with the nearly \$600 million in adjustment aid, will get us to full SFRA funding. What could be more fair than all districts funded at 100 percent of SFRA?

Thank you.

SENATOR SWEENEY: Thank you.

Any questions?

If not, we'll move to the next panel.

Thank you.

ALL: Thank you.

SENATOR SARLO: Very valid points; very valid.

SENATOR SWEENEY: I'm going to ask Dr. O'Neil, Mr. DeStratis, Mr. Frederick, and Ms. Cavallaro.

And we have-- The lights are going to start working on this one. (laughter)

KRISTIN P. O'NEIL, E d. D: I was afraid of that.

SENATOR SWEENEY: And as we bring panels up, try not to repeat what the previous speaker says. It will give everybody a chance to get more of their points across.

But, Ms. O'Neil.

DR. O'NEIL: Absolutely.

Good morning; my name is Dr. Kristin O'Neil. I am the Superintendent of the Swedesboro-Woolwich School District.

Joining me this morning is Mr. Christopher DeStratis, the Business Administrator; Ms. Jen Cavallaro; and also, Mr. Craig Frederick, our Board of Education President.

As you know -- you've already heard from Kingsway Regional, and you are familiar with our history and our background.

As of today's date, our School District, educationally, supports 1,732 students. Currently, Swedesboro-Woolwich receives 55 percent of the full, uncapped SFRA funding, and we are currently underfunded a total of \$3,221 per child, or a total of \$5.6 million. We are also \$2.3 million below adequacy.

However, I must note that I am extremely proud of our School District, because even faced with these challenges, we have managed to continue to provide a good educational program for all.

Most recently, the District was commended by the Gloucester County Executive Superintendent for exceeding efficiency standards in many areas, as compared to the State median: in Support Service Costs, in Administrative Costs, in Operation and Maintenance of Plant costs; in regard to students to educational support personnel, students to administrative personnel, and faculty to administrative personnel.

However, at the same time, due to the decreased streams of funding and increasing expenditures, it has actually been recommended by

the Gloucester Educational Office that the District continue to increase the tax levy by 2 percent, and utilize all cap adjustments.

But now is the time that we must ask, where does this end?

Since 2001, the local taxes have increased an overwhelming 270 percent, which does not include Kingsway's similar increase. At the same time, State aid per-pupil in Swedesboro-Woolwich is down by 19 percent in just 15 years.

While financially doing our job and continuing to maintain a very low total budgetary cost per pupil, my greatest concern for our children focuses on the future. Based on communication with our local municipalities, we are preparing for another wave of significant growth within the next few years. We are anticipating many homes; in fact, one number is as high as 3,000 new homes to our area. What concerns me most is that even today, with a relatively stabilized enrollment and while maintaining the 7th lowest, out of 56 K-6 school district, in total cost per pupil, we were faced with the decision to lay off four teachers this year to balance our District budget. This resulted in kindergarten class sizes increasing between five and six students per class.

Our District is beyond fortunate to have very dedicated and supportive teachers, administrators, and support staff members who find creative ways to make things work. We have found ways to offer the arts at the kindergarten level, even though we do not have enough staff to offer formal music or art instruction to our 3-, 4-, 5-, and 6-year-olds.

We have found ways to offer gifted and talented, STEAM, and enrichment services to students beyond the school day and over the summer, through parent funding.

But again, with our local tax burden continuing to compound each year, our children and our families deserve better. We should be able to expand and fund these opportunities for our children without imposing an additional financial burden.

Although we are very grateful to the State of New Jersey for committing Supplemental Enrollment Growth Aid to our District several years ago, we implore you, the legislators, to prioritize fair funding for all school districts throughout the state.

We also urge you to impose no new legislation that would cost school districts additional monies until this problem is resolved. We just don't have it.

The children of New Jersey did not create this problem, but now you have the opportunity to correct it.

I sincerely thank you for your time, and I thank you for listening to our concerns this morning.

SENATOR SWEENEY: Thank you, Doctor, and I let you go over a little bit. So I really need to -- because there are a lot of people who want to speak, so we really try to hold on to the-- When you see the light blinking, you have 30 seconds, correct? So just so you know. I know it's hard, but we have a lot of people who do want to speak.

Thank you.

And this is the person who Governor Christie talked about on the show -- Ms. Cavallaro. (laughter)

JENNIFER CAVALLARO: Good morning, Senators.

Thank you for the opportunity to testify before the Committee this morning.

My name is Jennifer Cavallaro Fromm; I'm the Co-Chair of the Fair Funding Action Committee, a member of the Kingsway Education Foundation; and previously served as the Swedesboro-Woolwich Board of Education President; and Woolwich Township Committeewoman.

I'm a local taxpaying resident and, most importantly, I'm a mother. As parents, we know there are expectations and responsibilities that are ours to carry in order to set our children up to be successful. We do our part. We pay over and above our fair share in property taxes; we supplement and provide experiences and opportunities the school cannot financially afford to do. We teach our children to work hard, be responsible. We are active partners in learning, and we take that phrase to heart.

The State of New Jersey is not doing its part. It is not contributing its fair share. Leaving us funded at 54 percent of the adequacy threshold in Swedesboro-Woolwich, and a paltry 43 percent in Kingsway, is actually more than not doing your part; it is flat-out failing us.

Today you've already heard from some of the most well-respected, dedicated, and progressive-minded professionals from our local elementary schools, and regional middle school, and high school. As I see it, their job today is to ensure that you have a crystal clear understanding of the fiscal crisis facing our schools. And my job is to, hopefully, have you see and understand the grossly disproportionate State aid we receive and how that impacts our kids.

I asked my daughter Olivia and my nephew Daniel to attend this hearing with me today. Both are driven, competitive, 8th grade students here at Kingsway. They are involved in honors math, athletics,

chorus, and have participated in robotics. While I am continually impressed by the innovative and dedicated teaching staff here, I'm concerned with the challenges that they face. They are expected to keep up with accelerated course pacing, rigorous curriculum -- all while doing it with 27 to 30 kids in a class. I'm concerned that their extracurricular and athletic opportunities continue to dwindle. I'm concerned that with 437 incoming freshman and a class of only 25 for a coveted Business Leadership Academy -- both of which my kids applied for -- they are not going to get that opportunity.

I know the Kingsway team is making the best decisions that they can with the decisions that they have. But you see, we don't have the luxury to fund programs that are more advanced; we just don't have those opportunities. Our District isn't making decisions on how to accept new students in the Mandarin language course, or trying-- What we're trying to do is figure out how to pinch a penny and make a dollar.

As a parent I am beyond frustrated; I am deeply disappointed in the broken educational systems. I'm upset at the crippling of our School District's resources. We may be disheartened, but please don't take that disheartening as passive acceptance, because we do not accept these unfair and inequitable funding practices. We've had enough.

I want you to think about if Olivia was your daughter. I want you to imagine her sharing her desire to explore interests in publishing, writing, business, and law, and doing them at Kingsway. But without an infusion of aid in the spring, I'm going to have to explain to my daughter that those opportunities are not here for her; she's going to have to take another study hall.

It is more than frustrating to have that conversation with your excited daughter; but it's even more frustrating to do it when you know that your property tax bill has gone up 250 percent in a decade.

I know; I'm sorry.

SENATOR SWEENEY: It's hard with the time, but we have so many speakers.

MS. CAVALLERO: Yes.

SENATOR SWEENEY: If you can wrap it up, please.

MS. CAVALLERO: Yes, absolutely, absolutely.

One of the points that I definitely wanted to make is, is it fair that if I lived in the Washington Township zip code of 08080, as opposed to the Swedesboro zip code of 08085, that the school would receive thousands more per year, for my daughter, sitting in their classroom, rather than ours?

I'm a firm believer that every student should have 100 percent academic opportunity. And I appreciate your continued support, Senator Sweeney, and the Committee. The time to take action is now.

SENATOR SWEENEY: Thank you.

Anyone else on this panel? (no response)

Okay, thank you.

DR. O'NEIL: Thank you.

SENATOR SWEENEY: Any questions? One second; anybody have any questions?

SENATOR SARLO: I just--

SENATOR SWEENEY: Senator Sarlo.

SENATOR SARLO: Yes, I just want to say one-- It's more of a general comment to--

We hear Kingsway Regional District, we hear Swedesboro School District loud and clear. And your testimony speaks for itself. And I think we all come from different parts of the state. Although it's not as drastic as what you're facing here at Kingsway, we're all seeing it in some way or another. It's all relative, right?

So where I come from, Bergen County -- I'm also the Mayor of a little town called Wood-Ridge. I was just saying to my colleague, our average property taxes this year are about \$14,000.

Now, granted, we're minutes away from Manhattan; and you know it's a different part of the state, we live in a very expensive part of the state. But our school district-- And granted, people can say, "Hey, your residents could afford to pay," but we're well below the school funding formula. It's relative; it's completely relative. Maybe taxes are average here at \$8,000 or -- up there it's \$14,000. But we're seeing the same thing with this whole hold-harmless provision. And most of your Bergen County towns are well below the school funding formula as well, because of the whole hold-harmless provision.

So we hear your pain. Of course, what we're seeing here is very drastic, in Kingsway. But it's happening in other parts of the state, just on different levels; but it's all relative.

SENATOR SWEENEY: Any other Senators?

Senator Doherty.

SENATOR DOHERTY: Yes, thanks Senator Sweeney.

I totally concur with what the last lady said here.

We have the same situation in northwest New Jersey; and our property taxes are significantly the same; a really bad situation. I would say, Senator Sweeney, when we come up with a solution to this, we should all remember that the Supreme Court of New Jersey -- they looked at this whole funding formula and said it was good; that it passed constitutional muster.

And I'm frustrated as an elected official, and you should all be frustrated -- that if we come up with a solution-- In the past, the Legislature and the Governor have gone back to the Supreme Court for them to pass muster. I think those days need to end. I don't see Chief Justice Stuart Rabner sitting here. He doesn't hear the things we hear; I don't think he even knows-- When I brought this up to him at hearings, "I'm not aware."

So if we do come up with a solution, I really think we need to have-- Under the Constitution, it's the Legislature and the Governor finalize these decisions; not keep having to go back on our hands and knees to the Supreme Court and ask them to bless that.

SENATOR SWEENEY: Thank you, Senator.

Senator Ruiz.

And for the panel, you need to speak into the big microphone, because that's what's on the Internet where people are hearing.

Senator Ruiz.

SENATOR RUIZ: Thank you, Chairman.

Good morning, everyone.

I, too, just what to chime in.

I come from a different part of the state, in Essex County, and we experience the same types of issues. I represent districts that could be

woefully underfunded by \$90 million annually; districts that have been decimated by a budget.

But I want to also call attention to one thing. As Chairman of the Education Committee, part of the issues that have been exacerbating all of this is that flat-funding annually, in times of growth, is really short-funding to districts as well. So as this Committee looks into the school funding formula, I think the State of New Jersey has to pivot. We may have made investments in roads, we make investments in infrastructure. Regardless as to how the economy gets, we have to make a commitment to make investment in education, regardless as to what that looks like.

SENATOR SWEENEY: Thank you.

Senator Oroho.

SENATOR OROHO: Yes, thank you, Mr. President.

Just real quick: I don't think anybody can disagree that enrollment has to be -- obviously has to be the baseline.

But within-- I actually worked, not many years ago, at a Woodstown gas station; also Anchor Hocking. But I come from the northwest corner of the state, and we have a lot of the same issues. And some of the things that are in the complicated aspect of the formula, like, for example, we've all talked many times about the geographic cost factor as part of the formula. So I hope we really do take a look at that, because that does affect, like, Kingsway, here, as well as Sussex County, Warren County, Cumberland County, Cape May County; so some of those things. But obviously, enrollment has to be the baseline.

So thank you, Mr. President.

SENATOR SWEENEY: Thank you, Senator.

Anyone else on the panel?

If not, thank you; and we're going to call up the next panel.

MS. CAVALLARO: I want to just ask a question. Is that possible? No? (laughter)

I was just-- Because we have a solution; it's the SFRA with no adjustment aid or growth caps.

SENATOR SWEENEY: Thank you.

MS. CAVALLARO: All right? That's the solution.

SENATOR SWEENEY: Thank you, thank you.

SENATOR OROHO: You can send that in.

SENATOR SWEENEY: It's kind of what I've been pushing.

Thank you.

SENATOR OROHO: The other thing is--

SENATOR SWEENEY: Next, I'm going to call up Michael Piper, OurFairShare; Steve Robbins, Cherry Hill Parents for Fair Funding; Ms. Margaret Meehan, School Business Administrator, Washington Township; and Mr. Guenther -- I'm sorry, I don't have-- AC Vocational.

If you could please come up, people who I have called.

And again, the light is here; but I will say "30 seconds," just to make it easier. And I know it's hard to sum things up in 30 seconds -- I mean, in 3 minutes.

Who wants to kick it off?

S T E V E N R O B B I N S: I'll go.

Ladies and gentlemen of the Select Committee, thank you for allowing me to testify today.

My name is Steve Robbins; I am testifying on behalf of the Cherry Hill Parents for Fair Funding Committee. My purpose for testifying here today is to inform you of the existence of our group, who we are, our goals, and what you can expect from us in the future.

The Committee was formed in 2013 by a group of parents responding to school officials' call for citizen action. They reported that our State legislators were persuaded more by regular citizens, rather than by the same school officials coming to them, year after year. All the while these same legislators acknowledged the existence of Cherry Hills' State funding deficit, both in absolute terms under the SFRA, and comparatively with similar districts.

What started as a small group of parents culled from Cherry Hill schools' PTAs, has now grown to include parent representatives from the bulk of Cherry Hill's 19 schools, plus school officials, School Board members, District union officials, and other Cherry Hill parents and citizens. The Committee's Facebook page has over 700 followers, and is growing.

The purpose of the Committee is to give voice to Cherry Hill parents and voters who are concerned about an unfair school funding system that is opaque, inconsistent and, in some cases, punitive; and about the continued lack of action to remedy this situation by both the Legislative and Executive branches of government.

The Committee's goals are simple: to recover the millions of Cherry Hill taxpayer dollars confiscated by the State in 2010; to recover the tens of millions in funds Cherry Hill was entitled to, but did not receive, under SFRA since its enactment; and to seek a fair funding system that is

transparent, accurately reflective of a district's actual student makeup, and consistently applied across all districts.

The Committee intends to accomplish these goals by using grassroots lobbying, public engagement, and the active support of candidates for public office who further the Committee's goals. Committee representatives have already met, on more than one occasion, with Cherry Hill's State and local elected officials, as well as representatives from the New Jersey Department of Education's Budget Office. These meetings were constructive and laid the foundation for further discussion to achieve a fair and equitable funding system.

In the days ahead, the Committee intends to extend its outreach, both within the district and with outside leaders, to attain the goals of the Committee.

The Committee is working on other means of engagement beyond the grassroots lobbying I've discussed here today. We intend to partner with similar grassroots organizations across the state, and together we will engage in coordinated direct lobbying and direct support to candidates -- regardless of party affiliation or incumbency -- who will make the Committee's goals a part of their platform and who have a genuine willingness to make it happen.

Thank you again for allowing us to testify.

SENATOR SWEENEY: Thank you.

Sir.

MICHAEL PIPER: Thank you.

SENATOR SWEENEY: If you would move the microphone; move the microphone, please.

MR. PIPER: Oh, I'm sorry.

SENATOR SWEENEY: Thank you; sorry about that.

MR. PIPER: Senate President Sweeney, distinguished members of this Committee, I thank you for allowing my testimony today.

My name is Michael Piper; I am a married father of three from Delran, New Jersey, and Co-Founder of the parent group, OurFairShare, which is a group of parents from underfunded districts across the state fighting for funding fairness.

Recently I had the pleasure of seeing a presentation by the New Jersey Association of School Administrators, and have included a few of their numbers in my testimony.

By now, we should all know the basics of the SFRA. We all know that it is currently underfunded by \$1.4 billion on an annual basis, and that \$600 million was removed from the SFRA funding to provide for State aid outside the formula to keep every district at Fiscal Year 2008 aid levels. This overfunds some districts at the expense of others, largely in the form of adjustment aid.

We have never fully funded the formula, and are currently funding at approximately 85 percent. Having never fully funded the formula, we have short-changed school districts over \$8 billion; yes, \$8 billion.

As I said earlier, approximately \$600 million is removed, every year, as adjustment aid. This has continued the same way for nine years, with no adjustment to a district's economic realities or changing demographics. Rising salaries and health insurance costs are crippling school districts, yet revenue remains flat.

As you may have heard, 212 districts receive more than 100 percent of their aid; 379 receive less than 100 percent; and 239 districts receive less than 70 percent. This results in higher property taxes and, thus, taxpayers from districts all over the state are paying more than their fair share of taxes. The percentage of SFRA aid the State distributes to school districts ranges from a low of 10 percent, to a high of 1,033 percent.

While I sit here and think about the nearly \$90 million my School District has been shorted since 2008 -- we are funded at 46 percent under the SFRA -- I think about how we can manage to pass a law banning the declawing cats, rather than get to the bottom of a problem that has plagued this state for 40 years; a problem that plagues over 300 school districts across the State.

As legislators of this state, it is your duty to take swift action to fix the education funding system in this state. When I say *swift*, I mean *immediate*, so that the students, taxpayers, and school districts have the burden, caused by your inaction, eased. It is completely unfathomable that a school district in this state receives 10 percent of its mandated aid, yet another receives 1,033 percent.

I implore you to take swift and immediate action to fix this issue. I have testified in front of both Senate and Assembly Budget Committees last year, and yet I sit here, today, and nothing has changed.

Senator Sweeney has put forth a plan which we believe is the only feasible plan on the table. Please set aside party lines and work together to make this reform a reality. We've seen how fast our legislators can act when they want to. There's been enough discussions, enough

research, enough excuses. Too much time has passed to allow this to continue.

It's hard; we get it. But that is exactly what you were sent here to do: tackle the hard issues and get results. Underfunded districts need results, and need them now -- not nine years from now.

I thank you for the opportunity to testify.

SENATOR SWEENEY: Thank you.

Next.

MARGARET F. MEEHAN: Senators, good morning and thank you for allowing me to speak today.

I am the Business Administrator for Washington Township Public Schools. During my tenure, there have been the Quality Education Act -- QEA -- and the amendment; the Comprehensive Educational Improvement Financing Act -- CEIFA; the School Funding Reform Act -- SFRA; and various adjustments to the State budget to correct and/or modify each.

Each of these formulas, when I read them, appeared to be equitable. I could understand why the Legislature would vote for them. However, the problems seemed to occur in the implementation of the laws. Each of these formulas had a hold-harmless provision; and, to the best of my knowledge, none of these formulas have ever been fully funded. These hold-harmless provisions were put in place so that no school district would feel the devastating effects of the change.

Our District experienced significant growth in the 1990s and early 2000s. Aid was frozen in a few of those years also. The difference in the formula, during our growth years to now, is that the burden clearly was

placed on the local tax levy. Caps were on total expenditures. The tax levy was the total expenditures minus State aid and other revenues. There were allowable tax cap adjustments for growth, increasing the levy.

The ability to pay has been a common theme in these formulas; however, ascertaining that amount has always had problems. The first year of CEIFA, zip codes were used to determine this factor, and our Township has six different zip codes. A box was then placed on tax returns to help identify the municipality residency. Our Township is very similar to the surrounding towns; however, we do have a small percentage of extremely wealthy households which we believe distorted this calculation.

These formulas gave State funds, which allowed the creation of full-day kindergarten and preschool programs -- not only for the programs, but also for the construction of facilities to house these programs. Our District was apparently too wealthy for this aid. Just this school year, 2016-2017, we finally had space to house a full-day kindergarten program. We redistricted our students and our resources to implement such a program. This now places us on a more competitive level with our surrounding communities.

SENATOR SWEENEY: You have 30 seconds, just so you know.

MS. MEEHAN: During our growth years, we had Senator Matheussen's and Assemblyman Geist's offices on speed dial. We lobbied the same way as the current districts that are now feeling the pain with this formula. On several occurrences, the adjustments that we lobbied for actually occurred after our need; and the districts benefited from them.

And I'm not going to make your 30 seconds--

SENATOR SWEENEY: Thank you.

MS. MEEHAN: --but to make my point and not read this: We went through the growth; the same problems existed during our growth period as is happening now. And that is built into our tax base. And to simply just do away -- reallocate, and not look at the totality of the history of the District, will have a detrimental effect, not only to my District, but for other districts that have experienced similar.

Thank you.

SENATOR SWEENEY: Thank you.

And before the next speaker -- and I'm not going to do a back-and-forth -- but one, districts have 2,300 high school students and get funded for 3,500; you can't justify it. That's my position; there is no justification.

But, next, please.

PHILIP J. GUENTHER, Ed. D.: Thank you, Senator.

Senator Sweeney and members of the Committee, thank you for allowing me to testify today.

My name is Phil Guenther; I am the Superintendent of Atlantic County Vocational School District.

I would like to commend the Senate President for recognizing the unmet financial needs of many school districts throughout New Jersey, and for your continued focus on restoring a more equitable distribution of State aid that recognizes enrollment growth, changing demographics, and the economics in school districts throughout the state.

Our District has experienced tremendous growth since the implementation of the School Funding Reform Act. We have had an

increase in enrollment of 164 percent since the 2009-2010 school year. At the same time, the amount of State aid we receive has actually decreased by \$93,000. By any measure, our School District is severely underfunded.

This unprecedented increase in enrollment was largely the result of Atlantic County's decision to transition our County Vocational School from a mix of full- and shared-time programs, to a comprehensive full-time program that would respond to the overwhelming demand for career and technical education in our county. This transition required a \$40 million expansion and renovation of our facility in 2009, and the addition of new career and academic programs and teachers, as well as the support services required of a full-time high school.

We began planning for this many years before the expansion became a reality. We had to gain a consensus in the county, plan the facility, and then complete construction. All of the budget and planning that went into this process made the reasonable assumption that the State would keep pace with enrollment growth, as dictated by the School Funding Reform Act.

Unfortunately, because the law was not funded, we became a victim of our own success. Our enrollment more than doubled, while the State aid did not follow these additional students to our District. At the same time, Atlantic County has undergone extreme fiscal challenges. With the closing of five casinos, the industry experienced massive job losses and an unprecedented decline in revenue, forcing further budget shortfalls, and a precipitous decline in County ratables of 34 percent, from \$19.5 billion.

Because of this new financial reality facing Atlantic County, it has been difficult for our Freeholders to increase their contribution to our

operating budget beyond their generous support of our facility expansion. Our County tax levy support has grown by 3.5 percent over the last seven years, an average increase of 0.5 percent.

My School District had to make some difficult decisions, including raising our local share of our sending districts' contribution, in the form of tuition. We also had to delay plans to start new career programs in high-demand fields. We simply are not able to accommodate all of the students in the County who wish to come to our school, because of the funding shortfall.

SENATOR SWEENEY: You have 15 seconds; sorry.

DR. GUENTHER: The closure and reduction in workforce in the casinos has resulted in high unemployment and overall economic decline for Atlantic County residents. Workforce development and opportunities for high school students and adults to develop career skills are critically important to keep residents employed and reboot our county's economy.

In short, Atlantic County Vocational School District is suffering because of stagnant State aid and high enrollment growth.

As you review the options for short- and long-term adjustments to the School Funding Reform Act, we ask you to give careful consideration to fast-growing districts like mine, that have experienced not only enrollment growth, but also a declining ratable base to support our schools. And also to county vocational-technical school districts throughout the state, which depend upon their counties for funding, and lack the ability to increase their local tax levy to make up for any aid losses to address emerging needs.

Thank you for your commitment to this issue, and for the opportunity to speak to the Committee today.

SENATOR SWEENEY: Thank you.

Any questions before I call the next panel? (no response)

Okay, thank you.

Dr. Laurie Bandlow, Superintendent of Paulsboro Public Schools; Mr. Tom Ridinger, School Board President of Paulsboro Public Schools; Mr. Pete Calvo, School Board President, Glassboro Public Schools; and Mr. Patrick McAleer, Superintendent, Pitman School District.

I am missing someone; who did I-- I should have four, right?

MR. MAGYAR (Committee Aide): Yes.

SENATOR SWEENEY: Who's not up there? Is Mr. Ridinger not here?

L A U R I E B A N D L O W, Ed. D.: He's unable to make it today.

SENATOR SWEENEY: Okay, thank you.

Whoever wants to start, please.

DR. BANDLOW: Okay.

Honorable Stephen M. Sweeney, Chair, and honorable members of the Committee, thank you for holding hearings on school funding.

We have reached a crisis stage in the state, where funding for schools has not kept up with increased costs, increased enrollment, and changing demographics.

My name is Dr. Laurie Bandlow, and I serve the Paulsboro Public Schools as their Superintendent. I am here today on behalf of the students and families of Paulsboro to applaud your efforts in this matter,

and to emphasize how serious the financial condition of communities, like Paulsboro, has become.

I understand that a proposal for radically changing school funding is being considered by Governor Christie. Please know that the proposed changes to the school aid formula that the Governor has proposed would deprive children, in communities like ours, of 30 percent to 60 percent of the funds necessary to operate schools. Such a proposal would take resources away from children in Paulsboro who have the greatest needs.

Wealthy communities, like Ridgewood and Summit, would see huge windfalls under that plan. Reductions in State aid would take away from children of poverty; funds that pay for essentials, such as textbooks and e-books, food, and counseling services. For the wealthy communities that might benefit from this windfall, we understand that they would be expected to use these funds to reduce taxes. While that may be a worthy purpose under some conditions, it is not appropriate at the expense of low-income families and communities.

Paulsboro, today, is a multicultural and multi-generational village, where family and diversity are celebrated. *Paulsboro Pride* is not just a saying; it is a way of life. Though we in Paulsboro are not wealthy, we are very rich in pride, heritage, and tradition. Our diverse students -- some 80 percent of which live in poverty -- take great pride in their schools and community too. They respect and accept each other; every child is welcome and knows it. This unique culture of acceptance and mutual respect has been created by school and community leaders over generations, and

reinforced by programs like Big Brothers and Big Sisters, and Students United for Respect and Equality.

Because of this supportive climate, I chose to enroll my son to attend Paulsboro High School. It is in this spirit that I speak to you as School Superintendent and as the parent of a Paulsboro High School student.

I also wish to speak on behalf of early childhood education. We operate an Early Childhood Learning Center that provides vital services to the children of poverty. Many of our children do not have books in their home, and many parents lack the resources to support learning at home. Every Friday, some of our teachers gather food to send home with students who--

SENATOR SWEENEY: You have 30 seconds.

DR. BANDLOW: -- we know may not otherwise have anything to eat until they return to school on the following Monday. This is a reality that cannot be ignored. Paulsboro could not offer this important service without the State grant that supports it, so thank you.

The School Funding Reform, SFRA, of 2008 has been criticized by some for failing to serve the needs of New Jersey's school children. But the only problem with SFRA is that the State of New Jersey has never funded it adequately. If the law has shortcomings, it would only be made worse by taking money away from high-poverty students.

I thank you for your time.

SENATOR SWEENEY: Thank you.

You need to move the mike; the big mike has to be moved.

Sorry about that.

No, that big one, right there in front of you. (laughter)

P E T E R C A L V O: Good afternoon, Senator Sweeney, distinguished members of the Committee; good morning -- or, good afternoon.

My name is Pater Calvo; I'm the President of the Glassboro Board of Education.

I want to thank you for this opportunity to testify regarding inequities in school funding.

The Glassboro Board of Education believes that New Jersey's system of financing public schools should enable all local school districts to provide equal opportunity for all children in New Jersey to receive a thorough and efficient education.

Only, since the 2014-2015 school year, Glassboro Public Schools have received a shortfall in equalization on categorical aid amounting to approximately \$63 million. During the same time, the local general tax levy increased significantly, disproportionately, compared with the State aid. This significant loss of revenue not only necessitated tax increases, but impacted the educational programs in the districts. Examples of programs and services that could not be implemented -- or reduced -- included increasing the class size; foregoing purchases of technology for instruction and assessment; limiting or reducing counseling service at elementary and intermediate levels; limiting basic skills; or reducing those programs to address needs of a diverse, at-risk student population; reducing or eliminating after-school and even summer school programs; and also deferring maintenance and repair of capital assets which required bond referenda to get the work done.

Fairly and fully funding SFRA would enable the District to provide the necessary services to all students, including our at-risk population, our ELL learners, and special education students; while also lessening the tax burden on all of our residents.

It's our hope that the New Jersey system of financing public schools will take into account the educational needs of students and the ability of the community to financially support our schools.

Thank you.

SENATOR SWEENEY: Thank you.

PATRICK J. McALEER, Ed. D.: Thank you, Mr. Chairman, and members of the Committee, for coming to Gloucester County for this hearing.

My purpose in coming today is to share my perspective on the current school funding debate, and to ask for your careful consideration of the actions that may ultimately be taken.

I am the Superintendent of Schools in Pitman, a community just a short distance, from here. My school district serves nearly 1,500 students in five schools, from grades pre-K through 12, and has a long-standing reputation of providing an exceptional educational experience for our students.

In the discourse regarding school funding, and the various data points that have been shared over the past 12 to 18 months, my District might be regarded as one of the lucky ones. Recent numbers suggest that our funding levels sit just above 100 percent of the 2008 formula. As such, I'm here to represent the side of this issue which has concerns about the

implementation of any plan to reform the current situation through significant adjustments in State support.

Depending on which numbers you look at, my District stands to lose anywhere from a modest amount, up to close to 20 percent of its State aid, under a plan to phase out adjustment aid. While I can appreciate the concerns of school districts that have not received State funding to which they and their students may be entitled, my concern lies in any solution that has a dramatically negative impact on the students and the community that I serve.

I appreciate and understand the issue of fairness and equity that are central to these deliberations. I merely ask that lawmakers avoid a one-size-fits-all approach to a more equitable distribution of limited State funds. The different circumstances of various communities demands a more nuanced evaluation and implementation. For example, the community of Pitman continues to suffer the negative impact of the closing of the Sony plant several years ago. What had once been the largest employer and taxpayer in the town, now sits nearly empty and underutilized. The property, once valued at \$18 million, is now listed with an assessed value of \$3 million. As a result, the burden of paying the costs of providing municipal services and running the public schools has been dramatically shifted to homeowners. To compound this problem, significantly reducing State support to the school district would fundamentally impact the quality of education of children in my community.

To be clear, I am not opposed to a resolution to the concerns of underfunded school districts. Those districts should be funded at 100 percent. My primary concern is to ensure that my District is fully funded

as well; and that any necessary adjustments are made in a thoughtful and deliberate way that considers the unique challenges faced by each community, and the impact that those adjustments would have on those children.

I am aware that it has been proposed to add additional money in funding as part of concurrent adjustments in aid to districts. But short of that funding materializing, I am concerned that across-the-board cuts in aid will pit school districts and communities against one another in a battle for a limited pool of funds.

Again, I thank you for the opportunity to speak to you today.

SENATOR SWEENEY: Thank you; thank you.

Anyone for this panel?

SENATOR CUNNINGHAM: Yes, I just want to ask one question.

SENATOR SWEENEY: Senator Cunningham, first.

SENATOR CUNNINGHAM: Good morning.

Can you just tell me -- what is the student population of Paulsboro and Glassboro?

DR. BANDLOW: In Paulsboro, we have 1,200 students.

MR. CALVO: We have 2,400.

SENATOR CUNNINGHAM: And you said 80 percent of that 1,200 were poverty, diverse students?

DR. BANDLOW: That is correct.

SENATOR CUNNINGHAM: Okay. And Glassboro -- what was it again?

MR. CALVO: We have 2,400

SENATOR CUNNINGHAM: You have 2,400.

Thank you.

SENATOR SWEENEY: Senator Oroho.

SENATOR OROHO: Yes, just one.

Both testimonies brought up a very important point -- when you talked about the Sony plant; but we also had the -- I think it was the Atlantic City Superintendent mentioned the ratable base.

One thing that the panel -- we need to consider all the time is the regulatory impacts that we put in -- like, for example, the Pinelands and the Highlands have had a significant impact on the ratable base. So we need to take that into consideration.

Thank you.

SENATOR SWEENEY: Thank you.

Anyone else? (no response)

If not, thank you.

DR. BANDLOW: Thank you.

SENATOR SWEENEY: I want to recognize Mayor Schwager of Woolwich, where we are; Mayor Fromm, from the city next door; and Mayor Archer from East Greenwich -- three of the mayors who are dealing with this.

Next, I'm going to call up Mr. Stephenson, speaking as a parent; Ms. Fran Adler, School Business Administrator, Clayton Public Schools; Mr. Nick -- he's a friend of mine -- who is the Superintendent, that I can't pronounce his last name (laughter) -- if he's here.

MR. MAGYAR: I can't either.

SENATOR SWEENEY: Yes, I couldn't do it, and he's a friend of mine.

And Ms. Haney, who is Superintendent of Logan School District.

Nick got mad because I couldn't pronounce his name, and left.
(laughter)

You want to start? Please.

C R A I G S. S T E P H E N S O N: I thank the Committee for the opportunity to speak today.

My name is Craig Stephenson, and I am a resident of East Greenwich Township, as well as the Principal of Kingsway Regional High School.

Many within our communities and schools have worked for a decade to draw attention to this critical issue. We are cautiously optimistic that we are now on the pathway to finally addressing inequities in school funding.

My wife and I both worked as teachers at Kingsway Regional High School for eight years, before moving into East Greenwich. Like many of our friends and fellow East Greenwich residents, we moved here because it is a great community with excellent schools. The schools have lived up to our expectations. But my position as Principal here at Kingsway offers me a unique insight. I can see the precipice at which we are now standing; and I know if the grossly inequitable funding practices are not addressed with urgency, our children will suffer. Given our appreciation of the current and future impact of decades-long unfair funding practices, my wife and I -- both employees of Kingsway, a wonderful school; with two children

currently at the Samuel Nicholas School, another wonderful school -- have actually had recent discussions about whether or not we made the right choice moving into this community, a community we, and our children, love.

We moved into East Greenwich in 2009. Like so many of my fellow East Greenwich residents, our property taxes have increased at a seemingly exponential rate since that time. And I understand why this is the case. As State aid is distributed, the two most underfunded school districts in Gloucester County are Kingsway Regional and East Greenwich Township.

My colleagues have shared those numbers, so I don't need to revisit those.

What I will say is, on behalf of the taxpayers, we are angry. Because years of inequitable funding practices by the State has placed an inordinate burden for funding our school districts on us, the local taxpayers. State funding that should be provided to Kingsway, East Greenwich, and other underfunded districts throughout the state, has instead been sent to a number of school districts that actually receive more than what the established funding formula indicates they should receive.

I know my wife and I are not alone in our frustration. Conversations with friends and with parents of children in the East Greenwich Schools and Kingsway reveal that many are having the same discussions. A Kingsway parent -- who I actually saw in the audience here today -- recently told me that her family is moving simply because they can no longer afford to live here.

As strictly a parent with children in our school districts, I am even more angered and frustrated. While I don't possess the insider knowledge of East Greenwich Schools, I can say that, from my perspective, they provide a quality education, and they do so in a fiscally responsible manner. And I can tell you at Kingsway, we work hard -- very hard to stretch every dollar, and have implemented a number of shared services agreements as part of this effort.

I am proud of the product we deliver, and the fiscally responsible manner in which we do so. However, we've officially reached the tipping point. We can no longer support the demands of a growing district as we attempt to address a significant budget deficit. We are facing layoffs and program cuts in an already-lean district that is likely to see a 5 percent increase in enrollment next year.

SENATOR SWEENEY: We need to--

MR. STEPHENSON: This will significantly impact our students.

So on behalf of my fellow residents and parents, I'm telling you, we need action and we need it now. Our children deserve the same opportunities that other children throughout the state are afforded.

Unless action is taken to ensure our schools are funded equitably, our students will be at an extreme disadvantage, starting next year. And I believe I speak for all of the parents of East Greenwich and all the Kingsway sending districts when I say this is simply unacceptable.

But again, I thank you; I thank the Committee for this opportunity for giving attention to this matter. And as our elected officials,

we trust that you will not rest until this gross inequity is rectified.
(applause)

SENATOR SWEENEY: Thank you.

(Chairman gavels)

We're not going to have applause or booing. Normally, we get booing. (laughter) But if we could just let the speakers speak, please.

PATRICIA L. HANEY: Good afternoon.

I am Patricia Haney, Superintendent of the Logan Township School District.

After reading the January 23 *Philadelphia Inquirer* article, which stated that Senate President Steve Sweeney wants to start drawing down aid from districts he says are overfunded, I decided to provide this testimony.

I want to share with you the perspective of a Superintendent whose District has been labeled as *overfunded*. Logan Township School District does not have an overabundance of resources. We are a District that focuses on best practice. We consider ourselves to be efficiently run, while striving to provide a 21st century learning environment for all of our students. This includes having a STEM program, a one-to-one Chrome Book initiative, appropriate class size, well-maintained buildings and grounds, and high PARCC State assessment scores in both English language arts and mathematics.

These are the types of programs which could be cut if State funding is significantly reduced, as proposed by a change to the formula. These cited successes have not been easily attained at Logan. Approximately 20 percent of our student population is considered

economically disadvantaged, and approximately 15 percent have special needs. Over the years we have expanded the services provided to our at-risk and special ed students, while increasing our counseling services for all grade levels. We now stand ready to expand the services available to our special education high school students -- up to age 21 -- who presently receive out-of-district services. Our Board is beginning to look at the possibility of adding an alternative high school program. This exciting opportunity is something which most districts only dream of being able to provide for their special needs students. However, if there are changes to the proposed funding formula, this dream will never become a reality for this at-risk student population.

As a pre-K to 12 District, we are financially responsible for the tuition and transportation of all of our high school resident students. Therefore, the proposed adjustments to the present funding will most likely negatively impact Logan twice: First, Logan would receive reduced State aid of approximately \$190,000 for the next five years, based upon our understanding of the proposed adjustments which would take place. Kingsway, the District that receives the majority of our high school resident students, is set to receive additional State aid, which will then increase Kingsway's per-pupil cost. As a result, Logan will see a significant increase in our tuition cost for the high school students we send to Kingsway, as well as suffering a reduction in our State aid.

We currently send approximately 270 students to Kingsway. If Kingsway's tuition was to increase by \$1,000 per student, our budget would have to absorb an increase of \$270,000, at the same time we experience a reduction in our State aid of approximately \$190,000.

Two possible ideas are to allow districts like ours to have a cap adjustment for tuition increases over 2 percent; or to cap the annual tuition increase billed by receiving districts to sending districts.

We are not ignoring the fact that the State funding formula needs to be fixed. It took eight-plus years to create this problem; we would ask consideration of solving the problem at least over an equal number of years. However, any proposed solution that this Committee recommends should consider the impact of all districts, and not fix one problem only to create others.

I personally invite members of this panel to visit our District; to experience firsthand the types of programs which stand to be lost, and subsequent staff layoffs which would follow, if this proposed funding plan takes effect.

Thank you very much for your attention.

SENATOR SWEENEY: Thank you, Superintendent. And we can't wait eight years to fix this problem any longer. (applause)

So, I'm sorry.

No clapping, please; with all due respect.

MS. HANEY: I would ask your consideration of the points that I made, especially about--

SENATOR SWEENEY: Yes, we--

MS. HANEY: --the double jeopardy.

SENATOR SWEENEY: Thank you.

MS. HANEY: Thank you.

SENATOR SWEENEY: Anyone else?

Senator Cunningham.

SENATOR CUNNINGHAM: I just wanted to know -- and I don't know if I missed this -- how much does it cost to educate -- are you paying to educate your students?

SENATOR RUIZ: Per pupil.

SENATOR CUNNINGHAM: Per pupil.

MS. HANEY: I think, I don't -- I think our per-pupil-- I am not sure of our per-pupil because we educate -- in our budget is both pre K-8 children, as well as our 9-12 high school students -- they are embedded in our budget. So I don't have that figure in front of me.

SENATOR CUNNINGHAM: Okay.

MS. HANEY: That's really important for -- to understand that we are a pre-K District; and we have embedded in our budget our high school tuition and transportation.

SENATOR SWEENEY: Well, can you forward to this Committee--

MS. HANEY: Yes, I can.

SENATOR SWEENEY: --that information, please?

MS. HANEY: Yes, I can.

SENATOR CUNNINGHAM: Thank you.

MS. HANEY: Yes.

SENATOR SWEENEY: Thank you.

MS. HANEY: Yes.

SENATOR SWEENEY: Anyone else?

Senator Thompson.

SENATOR THOMPSON: I would echo your sentiments, Mr. President, that, again, you have had eight years of overfunding. And so to ask for another eight years to make up for it is too much.

Yes, we must make some adjustments here to bring equitable funding throughout the state.

SENATOR SWEENEY: Thank you.

Anything further? (no response)

If not, thank you.

Next panel.

I'm sorry; Senator Oroho.

SENATOR OROHO: No-- As they come-- The other panel, as they come up, I'll comment.

SENATOR SWEENEY: The next panel is Ms. Moran, Ms. Moore, and Ms. Keyes-Maloney.

SENATOR OROHO: I think the issue, because of the 2 percent cap-- Maybe a 2 percent cap on the tuition costs -- why don't we look at.

SENATOR SWEENEY: Well, again, there are a lot of things we do need to look at--

SENATOR OROHO: Agreed.

SENATOR SWEENEY: --Senator.

Point well taken.

SENATOR OROHO: I actually had a bill in for that. (laughter)

SENATOR SWEENEY: Of course. (laughter)

Okay.

JENNIFER KEYES - MALONEY: Good afternoon.

Thank you for the opportunity to speak.

My name is Jennifer Keyes-Maloney, and I represent School Principals around the state.

With me I actually have two very august Principals, both-- Heather Moore from Logan Middle School -- excuse me, Nicole Moore from Shamong; as well as Heather Moran from Logan Middle School.

I'm just going to encapsulate a couple of points; I'm not going to read from my testimony.

SENATOR SWEENEY: Good.

MS. KEYES-MALONEY: We'll leave that for you guys to digest.

SENATOR SWEENEY: Thank you.

MS. KEYES-MALONEY: Very quickly -- you've heard from a number of speakers who begin with the idea that we need to start, as a baseline, with the funding formula itself. In essence, that has to be the starting place for any discussion, and that we cannot universally act without understanding the full complexity of any choices that we make. Whether we talk about adjustment aid and how that impacts districts that are over and under adequacy -- you've heard from a number on both sides of the transaction; whether you're talking about special education and how that census-based approach may not truly reflect the cost that districts are experiencing; or whether you're talking about extraordinary special education, and how that affects individual budgets.

Ultimately, what we would ask you to do is first consider the efficacy of the formula, use it as your baseline, and then act with care and

deliberation with full understanding of what the parameters of any changes are.

And to illustrate that best, that's why we brought along two Principals, who actually experience this in real ways, both at different economic benchmarks around the state. And we'll continue with the conversations as you deliberate in other areas within the state.

But I want you to understand, universally, that not being on formula has impacted schools almost universally in a couple of ways: and that's the narrowing of the curriculum; that is the elimination of extracurriculars, at times; that is the changing from full-day to half-day kindergarten; and it also has exhibited in terms of facilities changes.

And with that, I'm going to hand it over to Ms. Moore, who is going to talk a little bit about how that's impacted her and her District.

NICOLE MOORE: Great; good afternoon.

Is this the mike I need to use?

SENATOR SWEENEY: Yes, please. Thank you.

MS. MOORE: Thank you for the opportunity to share the impact that a loss in school funding has had in my District.

And my name, as Jen said, is Nicole Moore. I am the Principal of Indian Mills School in Shamong, New Jersey. Shamong is a small district, with two schools and a little under 800 students. We're a rural-suburban community in Burlington County; we're in the Pine Barrens.

SENATOR SWEENEY: Yes.

MS. MOORE: Because we do not receive a whole lot in State aid, our loss may not be considered *extraordinary* by some. That is not to say that it is not impactful to the students we serve, however.

As a District, we have had to sustain cuts year after year, since 2009, making even a modest cut in State aid significant over time. Last year alone, we lost \$81,000. Capitalize that loss over the last nine years and, frankly, the impacts become very real and harmful to the students we serve.

Our mantra is, has been, and will continue to be, *do more with less*. We continue to dig deeper, dip deeper and deeper into what reserves we have, and have implemented a freeze on spending.

As for facilities, we piece-meal projects, only doing a portion per year what the budgets could handle. With the limited SDA funding we receive, we would not have been able to complete critical security upgrades in our building. Let me be clear: These years of flat budgets have actually meant operating at a budget deficit. If we had not used reserves and frozen spending, we would have gone over the allowable 2 percent property tax cap, just based on increases in health costs alone. We have no fat left.

I'm thankful that my Board has worked incredibly hard with the Administration to ensure that we don't have to limit instructional programs, or extracurricular programs, or activities. We had the discussion; but with their support, we did not exercise this option. I do not know if we will be able to continue, however; if we do not see some relief in the future we very might well have to.

As my fellow speakers have said, the way special education is funded via a census-based approach is a problem. The percentage of current funding -- 16 percent -- does not equate the needs of the students in our District. We have to rob from other accounts to ensure that the needs of the students are met. In addition, the numbers continue to increase. In our

little District alone, this past year, more than 18 students enrolled with special education needs, adding to the deficit in funding that the State provides.

Similarly, we do have students with extraordinary educational costs and needs; and this year, it equated to \$215,396 in costs, that, as a District, we had to absorb; and we funded it from our General Fund.

This is a critical problem that's not going away. We have a duty to educate every student, regardless of their situation, and it's getting increasingly hard for all the students.

So I understand the difficult task before you, and it's echoed every year in our District annually. I see the strain on the faces of my boss, my Superintendent; my BA, and our School Board. We need your help to right the ship and get back to the formula aid that recognizes the needs of students more accurately, and fund them.

Thank you.

SENATOR SWEENEY: And just a real quick note: Part of what we're doing -- the legislation we actually passed in the Senate does address special education.

MS. KEYES-MALONEY: Good.

SENATOR SWEENEY: Because besides fixing -- getting back to the formula -- we don't need to fix it, the formula works -- but we have to address the things that are outside that aren't being funded at all. And we're probably not funding special education close to \$150 million to \$200 million.

MS. KEYES-MALONEY: The census-based approach doesn't take into account the true costs that districts are experiencing.

SENATOR SWEENEY: Exactly. So we, in the bill that we passed in the Senate--

MS. KEYES-MALONEY: And we appreciate that.

SENATOR SWEENEY: --stated special education has to be dealt with.

MS. MOORE: Absolutely; thank you.

H E A T H E R M O R A N: Good morning, Mr. President, and members of the Senate Select Committee on School Funding issues.

I am Heather Moran, the Principal of Logan Middle School, within the Logan Township School District, a K-12 District that sends our high school students, right here, to Kingsway.

I am here today to share not only my strong commitment to my school and District, but also to welcome you to our South Jersey community. I also would like to share my concerns as a building-level Principal -- about the impact any additional funding cuts would have on the quality of education we currently provide our students in Logan Township.

Let me begin by telling you about my students and our wonderful school. I have about 270 students in the middle school, grades 6 through 8. Our student population is about 20 percent free and reduced lunch, and 15 percent special needs.

As a Principal, I can tell you, firsthand, that quality staffing is the key to a school's success. When I arrived at my school, in 2013, our School District was still suffering the effects of staff cuts from State funding shortfalls a few years earlier. My students did not have the benefit of a school counselor onsite, a media specialist, a reading specialist, or any math intervention when I came onboard. This hurt our students and our

instructional program within our school, and performance suffered as a result.

My school was identified, at that time, as a school *in need of improvement*, based on NJASK scores.

Fortunately, we have been able to restore these positions over time. I cannot emphasize enough how significant these staff members have been in our effort to move our students forward, both academically and developmentally. If you know a middle school student, you understand the breadth of emotional concerns and issues they bring to school each day. Our school counselor embraced our students dealing with their home, social and learning issues, and helped foster a very positive school climate.

Math and reading specialists have added one-to-one assistance for students, helped to identify learning gaps, and provided much needed expertise. By freeing up my time, these critical staff members have allowed me to work more closely with my teachers, setting new instructional goals and leading our school forward.

I am proud to say that in a few short years in me being there, our students are now among the top performers on the PARCC test in our county.

Consistent and adequate school funding is critical to my school's continued progress. Our school has fought hard to cut costs wherever possible in order to maintain our school quality, and our budget is lean. We do not have sports teams that compete with other districts; we are able to afford to provide school clubs. We have prioritized technology with our students, but we are unable to update our staff's technology. We limit professional development out of the school, due to the cost of

substitutes. We have limited field trips as well, and our spending is focused on staff and instructional programs. There are no frills to cut.

My point in sharing all of this with you is to illustrate the potential and significant impact a school funding cut would have on one school's buildings, programs, and progress. As you consider issues of funding fairness, please keep my school and my students in mind. Any funding cut that threatens our ability to maintain our staff and educational program will impact the quality of education we provide to our students in Logan Middle School.

On their behalf, I ask for your support and consideration on this important issue of school funding.

Thank you so much for your time and consideration.

SENATOR SWEENEY: Thank you.

Anyone from the panel?

SENATOR OROHO: Just real quick.

SENATOR SWEENEY: Yes, Senator Oroho.

SENATOR OROHO: As we've had many experts come up here--

SENATOR SWEENEY: Yes.

SENATOR OROHO: --and we have the testimony -- which is excellent; thank you.

The ideas later on -- the ideas of the shared services that have been talked about; the regulations that always come down from Trenton, that we should be looking at to help you reduce the time commitment-- But also the ideas -- new technologies; whether we can help provide those programs that -- academic programs that you're looking for.

So those ideas would also be very helpful.

SENATOR SWEENEY: Thank you, Senator.

SENATOR OROHO: Thank you.

SENATOR SWEENEY: Anyone else? (no response)

If not, thank you panel.

MS. KEYES-MALONEY: Thank you.

SENATOR SWEENEY: The next panel is Dr. Kozak, Mr. Bethea, Ms. Katz, and Ms. Buckley.

UNIDENTIFIED MEMBER OF AUDIENCE: I didn't have a copy in advance, but I have it now -- if you want--

SENATOR SWEENEY: That would be great. Someone will come get it from you.

Thank you.

So, Mr. Bethea.

Again, just as you speak, make sure you speak into this (indicates) microphone; the big one.

Where are we starting? I guess we'll start with you.

MICHAEL G. KOZAK, Ed. D.: Okay.

Good afternoon, Senate President Sweeney, and members of the Senate Select Committee on School Funding Fairness.

My name is 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.

You will receive the presentation that is being passed out now. But the first page -- or the second page of the presentation shows a picture

of our students in our middle school, that is so overcrowded that we do not have lockers for the number of students in our overcapacity middle school due to our continued student growth.

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

The next picture is a picture of our high school students in a very crowded hallway. Our high school is six years old, and we're already over capacity, due to our continued student enrollment. Yet, even though our enrollment is rapidly growing, and one of the fastest -- maybe along with Kingsway -- but one of the fastest growing in the state, our State aid remains flat.

Our student enrollment is experiencing -- or the Monroe Township School District is experiencing unprecedented student growth. We've added 1,330 students since 2008; and in the next five years, our demographic report predicts another 1,440 students entering our 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 (*sic*) students for the 2017-2018 school year will cost an additional \$7.1 million, based on the \$15,000 per student projection.

The next graph -- or the first graph that you see -- is our budget appropriation considerations. And that graph basically demonstrates the addition of the 1,330 students over the past eight years.

Our State aid: In 2008, the Monroe Township School District received \$5,467,365 in State aid. In 2016, we received \$3,344,439 in State aid. That equals an eight-year cumulative decrease in State aid of \$2,122,926, a reduction of 39 percent in our State aid. But our eight-year cumulative student enrollment increased by 1,440, which is a 25 percent increase.

So our neighboring districts are receiving \$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 districts to avoid placing the burden on the taxpayers in that community.

This next graph -- hopefully clearly demonstrates--

SENATOR SWEENEY: We have to wrap up soon, please.

DR. KOZAK: Okay.

--the decrease in State aid with the addition of the enrollment.

So in conclusion, thank you for providing this opportunity to present our funding concerns to you.

And 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 underfunded school districts, beginning with the 2017-2018 school year.

Thank you.

SENATOR SWEENEY: Thank you.

ANDREA KATZ: Hi; good afternoon, now. Good afternoon.

Thank you, Chairman Sweeney and members of the Committee for being here today. I know you're here listening to us because you know that this is a problem in the state.

I am a Township Committeewoman in Chesterfield; and prior to coming to the Township Committee, I was on the Chesterfield Township Board of Education.

Chesterfield has the unfortunate distinction of being the most underfunded -- based upon percentages -- District in the State of New Jersey. We are receiving 11 percent of the aid that we should.

We have been chronically underfunded for years, with State aid staying flat and enrollment increasing every year. The taxpayers of Chesterfield have been forced to shoulder the cost of educating the ever-growing student population on our own without help from the State.

Now, you have all my written testimony; and I'm going to go a little off-script, if I may, please.

A Superintendent was just up here, and she was telling you all of the things that her district can do. They're going one-to-one with technology. We don't have enough money for textbooks. We're using box tops to buy the bare minimum technology needed to administer PARCC. And Senator, I asked you yesterday -- I asked the room yesterday if anyone had box tops. We're collecting them, so if you have them (laughter), I will take them, because that's where we're at right now.

So I think it's wonderful that districts can go one-to-one; that's fantastic. We dream of that. But that just shows the disparity of where we're at in the State right now, and I think that's the problem that we need to address.

The SFRA, at its core, isn't the problem. It's constitutional and, if followed -- with a few exceptions, a few provisions -- it would provide what I believe to be a fair distribution of aid.

The hold-harmless provision, I think, is a problem. If a district gets decreased enrollment or an increased tax base, shouldn't their aid reflect that? Isn't that the basis of the formula?

And then there's also the growth cap. No one capped our growth, so please don't cap our aid. (laughter) It's just -- we've been growing every single year.

Legislators -- your job as legislators is to look out for your districts. That's what you're elected to do. But school funding is so important that that needs to be taken out of it. We need impartial arbitrators to come to the table and make decisions. Because Chesterfield is a small, little, tiny town in the 12th District, and so I understand that that's -- your job is to look out for your districts.

And I could sit here and throw numbers at you all day, and tell you how we're under adequacy, and we're taxed at our fair share -- over our fair share. I've also included -- I know I'm getting low on my time here -- I included in my testimony some letters from parents, because I want you to see what they're saying. I included some little Facebook blurbs -- where people gave me their comments -- because I want you to know what our residents are dealing with; that the status quo isn't fair, it isn't right. Our taxpayers are drowning in tax bills while the school is operating on a shoestring budget. We need change and we need it now.

I know things in Trenton have a tendency to move a little slow, and there isn't a lot of extra money floating around. But I ask you, please,

to act quickly, or at least provide some bridge funding in the meantime while a permanent fix can be found.

And I thank you so much for your time today. I really appreciate it.

SENATOR SWEENEY: Thank you.

M. T O N I B U C K L E Y: Good afternoon, honorable members of the Committee. And I thank you for hearing me today.

My name is Toni Buckley. I am a parent, I am also an educator, and I am a member of the Board of Education of South Harrison Elementary School, which is a sending district to Kingsway.

As a member of the Board of Education in Gloucester County, I'm asking you to ensure that our school districts receive their fair share of State aid. South Harrison Township is primarily a residential community. Unlike many neighboring districts, it has few commercial ratables. Accordingly, the financial burden to fund the school falls on local homeowners. Without significant increases in State aid, our District will be unable to keep pace with the costs to educate our students, forcing a reduction in programs and staff.

Despite this difficult economic environment, our Administration secured significant savings and cost efficiencies through a combination of school choice election, school funding advocacy, and shared administrative services with Kingsway Regional High School. This enabled the Administration to redirect funds back to education.

However, we are out of options, as costs continue to rise. It's unconscionable that eight school districts in Gloucester County alone receive more than 100 percent of full, uncapped SFRA funding -- including

Wenonah Elementary School District, which receives 286 percent funding -- while South Harrison and two of its sister elementary sending school districts to Kingsway receive only 86 percent, 56 percent, and 49 percent of State aid.

Furthermore, as South Harrison students advance to Kingsway Regional High School to receive their middle and high school education, they continue to be deprived at the secondary level since Kingsway is grossly underfunded, at 46 percent.

Accordingly, on behalf of South Harrison Township school district, as a member of the Board of Education, I ask you to end the disparity today, and provide the sorely needed aid that has been lacking for so long.

Most sincerely, we thank you.

SENATOR SWEENEY: Thank you.

EDWARD BETHEA: Good afternoon, Senators.

My name is Edward Bethea; I am a resident of Bridgeton, and a member of the School Board.

I would first like to thank all the Senators and, especially, Senate President Sweeney, for having the hearing down here in South Jersey, a part of the state that is often overlooked; so we really appreciate that.

Too many times we have issues, when they become really political, of *us against them*. And, you know, we definitely don't benefit, and our children don't benefit, when we do that. So we certainly would like for these issues to -- as hard and as difficult as they are, to not come down to

what resources that can go in *this* community or *that* community. Because, quite frankly, we all need these resources.

I happen to live in a town where industry has abandoned us. We have ratables that have declined over decades. So we don't have the ratable base that a lot of the communities, maybe, throughout the state, have. So maybe those issues are a little bit more-- But we have our children and families that struggled, that try hard. So we need all the resources, quite frankly, that we can have.

So we don't argue about fairness and equity. As a matter of fact, we want to make sure that it is fair and that it is equitable.

So we definitely, 100 percent, support the operation and the position that the Senate President is proposing. And we ask for it to be fair and equitable across the board.

So thank you very much.

SENATOR SWEENEY: Thank you.

Anyone for this panel?

Yes, Senator Thompson.

SENATOR THOMPSON: Yes, Mr. President.

I do have a question for Dr. Kozak.

Doctor, you indicate that over the last eight years, your enrollment has increased by 25 percent, or 1,404 students. And like many other districts, despite the increase in enrollment, State aid has not increased but, in fact, you indicated it has actually decreased. So do you know why it may have decreased? I mean, I can understand they just haven't been compensating for increased enrollments; but the actual decrease you referred you -- could that be because there's been an increase

in ratables? With that many new students, I assume there's a lot of new residents, new development, etc. Could it be because of increased ratables is why it actually decreased, or what?

DR. KOZAK: No, I believe-- And one of the charts shows that in the last five years it's been flat. But prior to that, going back to 2008 and 2009, I think all the districts through New Jersey were receiving more funding.

SENATOR THOMPSON: Okay, so it was throughout everything.

DR. KOZAK: Yes, that's where the decrease--

SENATOR THOMPSON: Okay.

DR. KOZAK: That's where-- If we're looking at it over an eight-year period; that's why.

SENATOR THOMPSON: All right; thank you.

DR. KOZAK: Sure.

SENATOR SARLO: Thank you, Senator Thompson.

Okay.

SENATOR DOHERTY: Could I say something?

SENATOR SARLO: Anybody else?

Senator Doherty, yes.

SENATOR DOHERTY: I just wanted to-- I read some of the quotes from Chesterfield, about the condo -- a person in a condo paying \$9,000. It's sort of insane -- the property taxes. I just wanted to-- When we come up with a solution, I just want the panelists here to know -- in the past, when we've come up with a solution and work with the Governor, we've always had to go back, once again, to the Supreme Court. I just want

everybody to know that we should not do that in the future, in my opinion. We should come up with a solution that, when the Legislature makes a decision with the Governor-- We're supposed to have co-equal branches of government. And in my opinion, the whole system has been hijacked. And none of the folks on the Supreme Court are here; they're not going to hear these arguments; they're not going to work on legislation; they're not going to hear it from the local elected officials who are dealing with this. But at the end of the day, in the past, we've gone back to them and they've passed muster on this.

So they've said the current system is moral, ethical, and constitutional -- where you're getting 11 percent of what you're supposed to get for your kids.

And so I think whatever the solution is, we have to control it. The elected officials -- we're the policymakers; we can't keep turning over our authority to these folks who never sit in these meetings, never hear these arguments, never come up with a solutions, never take the phone calls.

SENATOR SARLO: Well, we have to fund it.

Thank you; thank you to this panel.

MS. KATZ: May I respond to that, though?

As I understand, the funding formula is constitutional. It's just not being followed.

SENATOR SARLO: That's correct.

MS. KATZ: That's the problem, is that--

SENATOR SARLO: And there are two--

MS. KATZ: That's what's constitutional.

SENATOR SARLO: Right, the funding -- SFRA 2009 has been found constitutional. The hold-harmless provision, adjustment aid, unfortunately, is impacting many school districts.

Thank you.

ALL: Thank you.

SENATOR SARLO: Next panel up is Dr. James Lynch, Superintendent of East Greenwich School District; Ms. Margaret Delia, Superintendent, Quinton Township School District; and Dr. Cittadino; and Ms. Hughes.

Okay. All right, folks in the back, if you're planning on-- (gavels) Folks, if we could have everybody's attention in the back. I know the day's getting long. Just if you could move to the outer corridor for any conversations, we will continue.

Go ahead, sir.

J A M E S J. L Y N C H, Ed. D. If I could just have an extra 15 seconds.

You guys have been sitting for an hour-and-a-half. Why don't you just stand up for a minute and stretch? (laughter)

SENATOR SARLO: We're good.

DR. LYNCH: You're good?

SENATOR OROHO: We're used to this; we're used to this. (laughter)

DR. LYNCH: Fair enough.

I'm Dr. Jim Lynch; I'm Superintendent of Schools in East Greenwich. I've lived in New Jersey my entire life; and for the past 10

years, have been Superintendent in a New Jersey school district, for the last four in East Greenwich.

The packet that's going around -- probably the best place to look is the graph. The graph that is depicted as a bar graph shows that our enrollment has increased 2.5 times over the past 15 years. In 2002, we had an enrollment of 567; this year, we have an enrollment of 1,278 students.

Interestingly enough, our revenue from local sources, back in 2002, was every \$2 of local resources gained us \$1 of State aid. With that increased enrollment, we are now collecting from our taxpayers four times that amount, and only getting almost the same amount in State aid.

We are a member of the Kingsway Regional School District. We do have the notation of being one of the top three fastest-growing school districts in the state. Additionally, in speaking to our building inspector and our Mayor, we have over 240 houses that, most likely, will be built over the next five years; most of them with tax abatement, if not all of them. So the School District, in essence, can get more students, and not necessarily get increased funds to educate those children.

We do run a very efficient -- very, very efficient School District, as indicated by our mid-year budget review by the Department of Education. We do show that our support services are less than the State median; our administrative costs are less than the State median; our legal costs are lower than the State median; and our operation and maintenance costs are also below the State median.

Our employees pay a true fair share for their medical benefits -- having to pay Tier IV in the contributions rate. And also they pay

additional money in the prescription program that the School District offers.

The East Greenwich School District can only levy \$250,000, if we go to cap; which indicates that we will likely not have any additional money to spend on anything other than the fixed costs that we have.

If fully funded, our taxpayers would receive a revenue decrease of -- or a tax decrease of about \$400 a year. If Kingsway were to get a similar kind of reduction, we truly would receive a fair amount of money back to the taxpayer.

The position of the East Greenwich School Board -- which several of them stand behind me; my Board President, my Business Administrator, Board member, and also the Board Vice President -- indicate that if, in fact, we do get any additional State aid -- which we're hopeful for -- the bottom line is, is that some of it would go back to tax relief.

I would almost ask you to legislate that into whatever proposal you come into, to make sure that some of that happens.

I thank all of you for your time today. You certainly have given up a lot, not only in your service to our State, but also in coming down here today. And I commend you -- for the first time in my career in education -- you have seriously looked at a problem that needs to be fixed, both for those who are overfunded and underfunded. We truly wish a nonpartisan solution to the problem.

And attached you will see the graph, my bullet notes, and also, at the same time, a question that we asked our residents who signed a petition for us, asking you to do what you're currently doing; and asking

your partners, in both in the Assembly and the Senate, to do the exact same.

Thank you so much for your time.

SENATOR SARLO: Thank you, Dr. Lynch.

DAVID CITTADINO: Thank you.

Greetings; my name is David Cittadino. I am Superintendent of Old Bridge School District, and I thank you for having us here, and I thank our hosts from Greenway (*sic*).

You know, I'm not going to play Monday morning quarterback and say what went wrong in the past, and place blame, because I actually carpooled with one of you, and it's a long drive back to Middlesex County; or at least a walk. (laughter)

SENATOR OROHO: It's even further back to Sussex. (laughter)

MR. CITTADINO: As the chief school administrator of Old Bridge, we are a national District of Character. Old Bridge is a blue collar community -- FG -- but we perform way above average. We have 44 square miles, 9,000 students, 1,100 staff, 12 elementary schools, two middle schools, one large high school with over 3,000 students, and one pre-K facility. We have 26 percent economic disadvantaged, and 16 percent special education.

Since 2012-2013, we have had flat State aid. However, mandates such as the assessment technology we've needed, professional development, and Achieve New Jersey have significantly impacted those costs. Even things that are out of your hands and my hands, such as lead water testing. You know, when that first came out, as a dad of boys and --

four kids -- I wanted to act as a dad to every kid in my community. I'm not going to wait for someone to mandate we test the water; we tested it right away. And we found that this year, well, we have to test it again, and we won't be reimbursed for the money -- the \$25,000 we've already spent to test it. So it's just money that goes out that we really don't need to spend.

So since 2013-2014, Old Bridge has been under adequacy, according to the SFRA. And it places a greater burden on our local taxpayer.

Even at the maximum of 2 percent, we can't even close the gap in the tax levy. So looking at 2017-2018 -- without any new adoptions, with just incremental costs, and healthcare benefits with everyone at Tier IV of Chapter 78 -- we're already at \$1.3 million in the hole, and that's not even buying a keyboard going for next year.

Since the introduction of Chapter 78, as you've known, we've seen double-digit increases in healthcare costs.

So what we've done -- we've tried to roll back the costs that are usually out of our hands. We've introduced RTI, and had a 50 percent reduction in first-time referrals to special education. We brought back 20 percent of out-of-district tuition students. And we didn't save a dollar because the out-of-district placement tuition, which is unrestricted, has skyrocketed and gone through the roof.

I said that we were already \$1.3 million in the hole. Now we're facing a charter school application that's before us, that looks to take \$1.6 million to \$3.6 million out of the local tax base.

And it shouldn't even be that far. As I said before, our students perform above average. On the application, it states that Old Bridge needs

a charter school because our students are performing below average in the PARCC. Well, that data they took from another school district. It states that we -- they can perform better as a charter school because they can introduce health benefits that will start in June 2015. That's right; it said *June 2015*. They copied and pasted the whole financial application from an earlier application. I spoke to one of the proponents of the charter school, and he said, "The people in Trenton don't read the application anyway, so we put anything we want in the application." It's a joke.

SENATOR SARLO: If you could just wrap up, sir.

MR. CITTADINO: You got it.

SENATOR SARLO: You've used your allotted time.

MR. CITTADINO: So in closing, I implore that in future years -- in financial year 2018 -- we fund the under adequate districts according to the SFRA; we phase out the hold-harmless districts; and we place a 2 percent cap on all charter schools like there are placed upon regular public schools. The charter school application before us -- their sister school has 33 percent excess fund balance. I would love to raise 33 percent excess fund balance; I don't even know what I would do with 33 percent excess fund balance.

I thank you all for this time. As a father of four, when my kids are sick and they don't take their medicine, I say to them, "You're not going to get better until you take the medicine." SFRA is the medicine; we just have to take it as prescribed.

SENATOR SARLO: Thank you.

MR. CITTADINO: Thank you.

SENATOR SARLO: Thank you.

MARGARET DELIA: Good afternoon.

My name is Margaret Delia, and I proudly represent the School District of Quinton Township.

Thank you for this opportunity to represent Quinton Township School, which is located in rural Salem County.

Our District works diligently to deliver a comprehensive educational program for our students within the constraints of the budget. Every staff member wears numerous hats, and we work together as one unit to ensure that students receive the targeted and differentiated instruction required to optimize academic, emotional, and social growth.

The Quinton Township School District has been able to make great strides by optimizing our minimal amount of resources. Our discretionary expenses make a little less than 3 percent of our overall budget, to ensure that our staff members and students are receiving the necessary tools.

Our District has applied for and received numerous grants to fill some of the already-existing gaps. Over the past three years, we have applied for and received several local grants, which are competitive and they're not guaranteed on a yearly basis. The grant funds have enabled the District to hold a summer enrichment program for our most at-risk students to assist with the summer slide; increase our School District's security system; enhance our existing fine and performing arts offerings; and provide afterschool and weekend activities for our middle school population.

With the allowable 2 percent tax levy cap increase of approximately \$48,000, Quinton Township already faces budget cuts on a yearly basis and strives to maintain our current programming. Having full

knowledge of the budgetary constraints, I -- just as many other employees who serve in the Quinton Township School District -- wear many hats. I serve as the PARCC coordinator for grades 3-8; I complete staff evaluations -- half of the staff evaluations, to be exact; I am the curriculum coordinator; I am a crossing guard every afternoon; I am a grant writer; I am the professional development coordinator; I serve on the DEAC, SCIP, SIT, School Safety and Crisis teams; and I am the District 504 Compliance Officer. The list goes on and on. We are doing the best that we can to make the most of the funds that the District is afforded each year.

Our first round of PARCC scores have proved to be among the highest across the state with regard to our Demographic Factor Group, which is A; and the data to support this statement is included within your with other school districts in the higher Demographic Factor Groups around the state.

The point that I want to make is that we are making progress with the minimal resources we have, and we want to continue to do so. If the fairness formula proposed by Governor Christie were to come to fruition, we have calculated that our District would lose approximately \$1.2 million in State aid. Such a drastic cut would cause devastation to our existing program. We operate with minimal personnel -- many part-time, no health benefits, two to three days a week. It's very hard to secure people to come into the District with those conditions. And our resources are minimal as well.

And I am here today to support the adequate school funding that you are proposing, and to ensure that the students of Quinton

Township, as well as the other underfunded districts around our state, are treated fairly and have the same opportunities as others.

I have worked in larger school districts, and I know what those students are able to receive. And when I arrived at Quinton four years ago, I saw the disparity immediately; and I worked diligently to apply for grants to bring them to some sort of a level playing ground.

Thank you.

L U A N N E J. H U G H E S: Hi; good afternoon.

My name is Luanne Hughes, and I'm a parent of three Kingsway Middle School and High Schoolers, and I live in South Harrison Township.

You do have a copy of my complete testimony, but I just wanted to focus, actually -- given the interest of time -- on one particular thing.

I wanted to relay how the unfair funding here in the District is impacting just my one child. My youngest son, Zachary, is a 7th grader; and he has dyslexia. Recently, Zachary's neurologist determined that he should receive instruction with the Wilson Reading System. And the Wilson System is an intensive Tier 3 program for students in grades 2 through 12 who require multi-sensory language instruction, or who require more intensive structured literacy instruction due to a learning-based disability, like dyslexia.

Through this program, my son could actually master fluent decoding and encoding skills with specialized instruction by specially trained professionals. Now, this District -- I'd like to be very clear -- goes above and beyond working with me to service the needs of my son.

Kingsway does not currently have anyone on staff who's trained in the Wilson Intensive Instruction. An estimated 1 in 5 children are dyslexic, yet our teachers don't have the specialized training to support instruction.

And I was good with that, until I contacted the Wilson company and asked for a list of tutors, because I thought, "Well, you know, let me see. Maybe we can afford a tutor. Let's see where this goes."

So I got a list of tutors, and I went through part of that listing, and just looked at tutors who were local to my area in South Harrison so that we could easily reach them and drive to them conveniently.

As I went through the list of trained Wilson instructors, I stopped reading after I reached 10 teachers from the Washington Township School System, which is overly funded; 10 of their teachers -- and that's only the ones who use the Washington Township Public Schools' e-mail address -- 10 of their teachers are trained. Yet here in our District, we do not have the resources to have our teachers trained.

IDEA says that my son is entitled to a free and appropriate education. And again, I'd like to be clear: I firmly believe that this District does the best it can to provide that education. But meeting the IDEA requirements starts with funding my school so they can train my teachers to provide my son the education he's entitled to.

Thank you.

SENATOR SWEENEY: Thank you.

Any questions from the panel? (no response)

Thank you.

ALL: Thank you.

SENATOR SWEENEY: Mr. Heino, Ms. Judge, Dr. Meloche, and Dr. Brain Brotschul -- I guess.

UNIDENTIFIED MEMBER OF AUDIENCE: (off mike)
(Indiscernible) what was the first name, please?

SENATOR SWEENEY: Heino; Heino? (indicating pronunciation)

I butcher names; I apologize. (laughter)

SCOTT HEINO: That's okay; that's fine.

SENATOR SWEENEY: Who wants to go first?

LYNN E. SHUGARS: I'll go first.

My name is Lynn Shugars; I am the Assistant Superintendent of Business for the Cherry Hill Township School District. Dr. Meloche had to return to the District for another appointment, so he asked me to read his statement.

SENATOR SWEENEY: Thank you.

MS. SHUGARS: "Members of the Committee, colleagues, and community members, my name is Joseph Meloche; I am the proud Superintendent of the Cherry Hill Public School District in Camden County. I am grateful for the opportunity to address the Committee, and to humanize the impact the current approach to school funding has on the children of the Cherry Hill School District.

"Cherry Hill is an incredible community in which to live, and work, and especially raise a family. Cherry Hill is where I grew up, where I attended school, and where my wife and I are raising our four children. The Cherry Hill School District is a wonderfully diverse tapestry of families of so many different backgrounds and means. Among our 11,254 children, 57

languages are spoken at home, more than 2,500 are bilingual, and in our six Title I schools, nearly 1 in 3 children are on free or reduced lunch.

“Our community supports education; in fact, our community demands a top quality education for each of our children. I am incredibly proud of our outcomes, our successes, our test scores, and the external validation that we receive. In fact, we were notified yesterday that the Cherry Hill School District was named a *State District of Character*.

“The Board of Education in Cherry Hill, as a fluid body, has maintained focus on student achievement and on fiscal responsibility. We have taken advantage of a myriad of opportunities to partner with the Township on projects, and squeeze everything we are able from our resources.

“But we are at a crossroads. The 81 percent of our budget that is funded by our community as result of the disproportionate amount of State aid that we receive is negatively impacting our children. I currently have Advanced Placement classes at the high school level in excess of 40 students. We have eliminated staff, we have eliminated professional development, we have eliminated extracurricular opportunities, we have frozen spending, and we have even heralded the nostalgic value of chalk in one of our middle schools instead of installing white boards.

“We allow our students to carry more books, because we have lockers that are unusable and must be replaced; just not yet. We have buildings that are tired at best; in fact, I had a legislator suggest creating a crisis in the community by allowing a building to be condemned to shed light on the inadequacy of the current state of funding.

“We are at a crisis, today. We bandage, and polish, and shine, and accommodate, and explain to our parents that we are focusing on instruction, and relationships, and outcomes -- which are critical, and in which we are so successful -- and we ask them to look beyond the facilities, and the potholes, the equipment that is not replaced, and innovative programs that are not pursued; that while our neighbors have full-day kindergarten, or one-to-one technology initiatives, we do not.

“Fair funding? On behalf of the Cherry Hill School District, I want equitable funding. I want funding based on who we are today, in 2017; not who we were in 2005, or in 1995, or in 1985. I want the Legislature to uphold the commitment that was established in the adoption of the funding formula.

“I am grateful for the opportunity to address the Committee. Thank you for your time and your willingness to support children.”

SENATOR SWEENEY: Thank you.

KATHRYN BAY JUDGE: Good afternoon, Senator Sweeney and ladies and gentlemen of the Committee.

My name is Kathryn Judge; I’m a Board member from Cherry Hill, the 12th largest School District in New Jersey. I also sit on the Garden State Coalition of Schools’ Executive Board. You will hear many stories of Garden State Coalition Schools’ districts during your tour of the state on this topic.

In Cherry Hill, we were faced with some very difficult decisions when the Governor confiscated \$3.2 million from our fund balance in 2010, and slashed our budget. Today, we do not receive what we received in

2009, even though many other school districts have been brought back to, at least, the 2009 budget levels.

For the last decade, we have focused our energies on maintaining low class size and instruction of the children of our District. This has concentrated our resources in the classroom, but has also restricted important programs in the District. We cut spending on professional development, and reduced stipends in each sport and club, which saved the district almost \$300,000. However, at the middle school level, sports are now restricted to approximately 20 children per sport. There is no money. Previously, any child could participate.

The average age of our 19 buildings is over 50 years old, and working space is limited. Our current budget severely restricts maintenance efforts. We would need a multimillion-dollar referendum just for black top.

We have no plans for a one-on-one technology initiative in Cherry Hill, to the surprise of our Executive County Superintendent. In fact, we use technology much longer than the expected life of three to four years, with some of our technology extending well beyond seven years. We don't have the money.

In some of the AP classes, at both East and West High Schools, there are 41 children sitting in the classroom. Our classrooms were not built to hold 41 desks. Some of the children sit on the floor and hope that someone is absent so they can have their desk that day.

We do not offer full-day kindergarten. We don't have the money for staffing, and we don't have the space. If there is a mandate that we must offer full-day kindergarten, it will not be in the traditional sense of home elementary schools because, again, we don't have the space.

At one time, our District Factor Group was IJ. As of the last time District Factor Groups were analyzed, we are now GH. Even that designation no longer accurately reflects our District. Of our 19 schools, a third are Title I schools. In those six building, 1 in 3 children are eligible for free and reduced lunch; 33 percent. Eighty-one percent of Cherry Hill's school budget is from our local taxpayers; 81 percent.

In closing, clearly Cherry Hill is no longer the wealthy or affluent School District it once was, and that the local media continues to refer to Cherry Hill as.

Thank you for the opportunity to speak in front of you today.

SENATOR SWEENEY: Thank you.

MR. HEINO: Good afternoon, everyone.

Thank you for this opportunity to speak.

I speak into this one? (referring to PA microphone)

SENATOR SWEENEY: That's fine.

MR. HEINO: Okay.

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

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

In 2008, when the SFRA was enacted, Chesterfield School had an enrollment of 433 students. Our current enrollment is 774 students. Over the past eight years, we've averaged 43 new students each year; that's significant growth for us. If you were to stand on the front sidewalk of our

school and you look to your left, you would clearly see the ongoing construction of a new housing development of over 280 new homes. In other words, our growth is far from over.

In 2008, with an enrollment of 433 students, our State aid was \$362,000. Since then, we've grown by 341 students, and our aid has only increased to \$419,000. So even though we have seen that tremendous growth, and have almost doubled in size, the aid has only increased by \$57,000.

As I mentioned, last year the Chesterfield Township School District received \$419,000 in State aid. This represents only 11 percent of the \$3.6 million aid we should receive through the SFRA. Under the SFRA, the taxpayers of Chesterfield should contribute \$6.5 million of our \$9.5 million budget. Due to the unfair funding, our taxpayers pay 139 percent of what they should, and pay \$9 million of a \$9.5 million budget.

Other than the obvious conclusion that the School District is underfunded through the SFRA, and the taxpayers are paying well above their fair share, what does this mean? Last month, our auditor addressed the Board of Education and summed it up with this statement, "I have never seen a budget as tight as this one."

Earlier this month-- I'm going to skip that part, just in the interest of time.

We are growing tremendously. However, last year we did not have the money to add any classroom teachers. As we prepare our budget for the 2017-2018 school year, things are actually getting worse. Even with our growth of 41 new students, we may have to cut staff.

I share these examples with you for several reasons; but for the main reason: We need your help. The one thing I can tell you, with complete frustration, is no one is doing anything. I know legislators agree with me on how fair our current funding is, and hopefully that's the reason why you're sitting here today. But I have sat in hearings like this for the last year-and-a-half, and I have seen no change in what was happening within the state. I've testified many times; still, no change in what's happening within the state.

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

I sat in a hearing, last week, in Trenton; and I was hopeful for change, based on the fact that school funding fairness finally has some momentum behind it. I cannot describe to you how frustrating it was to sit and listen to legislators -- as well as some who testified -- talk about how, if we reallocate the adjustment aid, there will be winners and losers. And obviously, they don't want losers.

You don't have to reallocate the adjustment aid to get losers; here I am, the biggest loser in the state. The SFRA is currently being funded at 85 percent, but Chesterfield only receives 11 percent. I don't know how you can sit there and not feel a responsibility to address this issue. That being said, I understand that is why you're here, and I appreciate that; it's much appreciated.

Unfortunately, Chesterfield Township School District doesn't have the time to continue to discuss this issue. Enough talk; we need

action. We may not make it through another year. We understand that the need for reform is now -- right now.

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

Yes, little Chesterfield is just a small part of the state; probably a town many New Jerseyans have never heard of. We are the little brother in the family, and we need a big brother to look out for us. For whatever reason, we are not being heard, or no one cares to hear. But we are a part of this family, and we need to be heard. We need you to make this your priority. The fact that I'm worried about not having enough money to finish out the fiscal year, and neighboring districts are completely satisfied with flat-funding, is a problem. The taxpayers of Chesterfield have given well beyond their fair share.

We know the SFRA is currently underfunded by \$1.4 billion dollars. I'm not sitting here before you asking you to increase the SFRA by \$1.4 billion. I'm simply asking for our fair share.

To hear about districts that are overfunded and communities that are not paying their fair share is tough. Fund the formula. If you can't fund the formula, distribute the money fairly. Chesterfield has given all they can give; there is nowhere else we can go. We are counting on you to

do what is fair for the children of Chesterfield and throughout the State of New Jersey.

Thank you for this opportunity to speak today.

SENATOR SWEENEY: Thank you.

And just so you know, the Senate is not looking to protect-- You know, there's-- We're not looking to protect; we're looking to be fair. You know, there are some glaring issues here. And adjustment aid and enrollment cap are not the only problems; we recognize that. There are other problems. But they are two of the biggest contributors to the problem right now. And there shouldn't be any losers and there shouldn't be-- You know, we all should be winners. And the last time I checked, if we can get this to 100 percent, 100 percent is pretty good.

So we, on this panel, and my colleagues, have already voted once to move legislation; to give up our right to amend, which is what screwed up the formula to start with.

It's unfortunate we are having a disagreement with the Assembly; but there is no predetermined outcome. What we know is, what we're doing isn't working, and we're willing to do what's necessary to fix it.

And the Senate has already acted, and we're doing this because this issue -- we are not letting it go away again. We are not letting it get put on the back burner; this is going to stay in front of everybody until it's resolved. The people of this state deserve that; educators deserve that. It shouldn't be us against them; we should be in it together -- is the way it should be. And I have to tell you, in the Senate -- my colleagues in the Senate overwhelmingly, in a bipartisan fashion, voted to do exactly that.

So your testimony is not falling on deaf ears. We are angry and frustrated also, because we know how to fix it. And some people should stop protecting the status quo and allow us to move forward and fix it so that everyone-- As the NJEA always says, "Let's run the formula, and let's fund the formula." I'm engaged and onboard with that. But nowhere in that conversation do they say, "Let some districts be 140 percent, and other districts be 60 percent." So we are very much focused on fixing this.

MR. HEINO: Thank you, Senator.

SENATOR SWEENEY: Anyone else? (no response)

Thank you.

ALL: Thank you.

SENATOR SWEENEY: The next panel-- We have two panels left, I think.

The next panel is Mr. Frank Domin, School Business Administrator, Berlin School District; Kristen Martello, Superintendent, Berlin School District; Mr. Pete Castellano, School Board member, Egg Harbor Township; and Chris Jones, from the New Jersey School Boards Association.

There is one more panel after this.

F R A N K D O M I N: Good afternoon.

We represent, in Camden County, Berlin Borough School District. I'm here with my Superintendent, Kristen Martello. I am Frank Domin; I'm the Business Administrator.

Why are we having this hearing? There is a need for a fair and equitable funding formula, something that schools and taxpayers can rely on. It's time to step up to the plate and stop relying on creative accounting

to get out of the next budget year, without thinking of the future. Some of us leave our positions, moving on, getting voted out. But the decisions we make, based on the information we have to work with, affects the communities long after we leave.

I can go into what impact the current formula has on my local District, but I want to talk in broad terms -- simple terms -- of what impact an equitable funding formula would have. Everyone can tell you what they could buy with more money. Spending money isn't always the answer; having time to spend it wisely is. But there are so many roadblocks and time constraints that are in place to protect the use of public funds. Even if the economy quickly turned and projected revenues provided an increase in education aid, it would be hard to implement timely. Case in point would be the windfall in aid the Abbott districts abruptly received. They could not expend it for years. I worked in an Abbott district for six years.

Since the current formula uses actual enrollment in the base calculation to project future funding, districts should be able to make short-term budget projections based on their current enrollment patterns. To work with what we have, we need to institute a mechanism to make the formula work as it was intended to, based on actual enrollment, with long-term, save-harmless money added back into the formula. Save-harmless provisions in the formula are good for sudden changes in enrollment patterns that may only be a one-year bubble moving through. Save-harmless provisions give districts time to plan, and help eliminate the seesaw effects on school programs, local taxes, and budgeting for personnel. But there is no current mechanism in the formula to gradually remove the save-harmless monies.

Can we make the existing formula work the way that it was intended to? Take a page out of the Chapter 78 phase-in process, and build in a phase-out of save-harmless mechanisms. This provides for equitable distribution of the existing aid, and gives school districts planning time to properly budget for program and personnel changes. Of course, it will be painful for some of us. I work for two districts; one would be affected adversely. I would do a shared service with another district.

Is there a need to come up with a new funding formula? That would be the ultimate goal. But in lieu of that, we need to let the existing formula work as it was intended to. Since we are not in a perfect world, funding the formula will always be impacted by the amount of State money that is available. We know that. But as long as it is distributed as an equal percentage, local districts could budget accordingly. A good educational budget is developed over three to five years; not to be finalized within six to nine business days of the Governor's address. That is why I am here.

Your job is not an easy one, but I applaud your willingness to seek information that can assist you in completing the task that you have accepted.

There's more in my paper that I handed out, but I'll pass to the next person.

SENATOR SWEENEY: Thank you.

KRISTEN MARTELLO, Ed. D.: Good afternoon.

I'm Kristen Martello, Superintendent of the Berlin Borough School District.

We've heard from many today, and we know that the distribution of school funds in New Jersey continues to grow in

disproportionate rates every year. All districts -- you've heard from all of us -- want to provide the very best possible education to our students. In order to make this happen, districts have had to make cuts and require more of our taxpayers in order to provide education that fosters academic success.

New Jersey continues to implement new initiatives and programs that districts are required, or strongly suggested to implement, without ensuring that all districts have the funds necessary to make it happen. *Future Ready* is simply one example of an initiative New Jersey is currently supporting. The summits and information have been exceptional; however, without the money to fund the technology required, to put into each child's hand to be *Future Ready*, the effort will fail.

Something must be done now to gradually begin the process of moving toward equal funding to all districts. We cannot wait another day, never mind another year. I am urging that we develop a gradual process to equal out school funding to all districts, starting today.

SENATOR SWEENEY: Thank you.

P E T E R E. C A S T E L L A N O, Esq.: Chairman Sweeney and members of the Committee, thank you for allowing us to be here today. We appreciate it very much.

And on a personal note, we want to thank you again, Senator, for coming and making a personal visit to Egg Harbor Township this past summer. It was much appreciated.

SENATOR SWEENEY: Thank you.

MR. CASTELLANO: My name is Pete Castellano; I'm a member of the Board of Education in Egg Harbor Township. I have with

me fellow Board member Justin Riggs; School Business Administrator Chandra Anaya; and our Interim Superintendent, Mr. Fred Nickles.

On behalf of the Egg Harbor Township School District, we're testifying today to bring to your attention our desperate situation with regard to State school funding.

As a School District located in a Pinelands Regional Growth Area, the State Pinelands Commission dictates the amount of residential growth in our Township. During boom times in our region, between 2000 and 2007, our Township was forced to grow from 30,000 to 40,000 residents, and our District was forced to grow by 2,000 students. That's the highest growth rate in the state during that period of time.

But at that same time, caps placed on budget and aid growth, coupled with years of flat aid, simply did not allow us to keep pace with the growth. The Egg Harbor Township School District has lost over \$250 million in State aid since 2000, due to caps, freezes, and outright cuts.

The Egg Harbor Township School District paid a price for the economic boom times in the early 2000s; however, right now, Egg Harbor Township is now bearing the brunt of a persistent regional recession. As you know, casino closures have severely impacted Egg Harbor Township residents. Atlantic County has the highest foreclosure rate in the nation, and Egg Harbor Township currently has 951 properties in some phase of foreclosure. This year, 2016-2017, our District had \$27 million in State aid withheld. Our State aid, according to the formula, should be \$67 million. This difference has to be made up by the property taxpayers.

Our State aid never caught up with our forced growth mandated during the boom years, and we have no choice now but to go to

cap each year, while simultaneously making budget cuts and reducing educational services to our students.

Next year's budget looks to be nothing short of disastrous for us, and we will need to cut \$6 million from the current budget. We spend our funds wisely. Our budget remains \$8 million below adequacy. That does not allow us to get done what we need to do.

On a final note, please don't require us to pay back the part of the aid that we do get in the form of an EDA assessment. That needs to be looked at. The path we are on is unsustainable; our District is being slowly starved of the resources we need to educate our students, and our property taxpayers are paying a disproportionate part of the burden.

So thank you very much, again, for having us. We would be glad to answer any questions.

SENATOR SWEENEY: Thank you.

C H R I S T O P H E R J O N E S: Thank you, Chairman Sweeney and Senators.

I'm Chris Jones from the School Board Association. I have submitted written testimony; I'm not going to read it verbatim.

But I just wanted to make a couple of points on behalf of the Association.

The Association was supportive, back in 2008 -- passing the original SFRA. And we supported it because it -- we understood the principles of looking comprehensively at what it cost to educate every single child in the district, and then looking at what a district can support at the local level and making up the difference from the State level in those cost factors.

Of course, the dream of the SFRA was short-lived, as the economy took a downturn. That was in the very same year, and we have never really fully realized what it was meant to be.

Many points have been brought up; I'm not going to rehash from both districts that are chronically underfunded, districts that have been receiving over 100 percent such as-- Again, I'm not going to beat a dead horse.

Two items I did want to put on the radar screen of this Committee, to give due consideration as you factor -- as you think about what to do next. And one is to differentiate when we're talking about districts that are over adequacy -- differentiate between districts that might be overfunded by the State; and districts that are actually adequately funded by the State, but have made a choice to locally raise above and beyond at their local level, to put more in -- more money in to provide more than just an adequate budget. So please differentiate between the two there.

And in addition, if it does come to a point where districts are going to lose funds -- or not going to receive the same amount of funding that they have been receiving over the past eight years; when the SFRA was originally passed, when adjustment aid was originally conceived, there was no such thing as the 2 percent levy cap that exists now. So if districts are going to be told they are receiving less from the State, it may be worth considering giving them sort of a waiver so that they may be able to make up the difference.

With that, I'm done.

SENATOR SWEENEY: Thank you.

MR. JONES: I could answer any questions.

SENATOR SWEENEY: Any questions from the panel? (no response)

If not, we're going to call up our last panel.

Thank you.

Bob Dailyda -- Bob Dailyda (indicating pronunciation), Sue Altman, Robert Goldschmidt, and Michele Blair.

MICHELE BLAIR: Good afternoon, and thank you so much for being here, and all your hard work on this.

My name is Michele Blair; I'm a Kingsway Board of Education member.

My question jumps to -- where we could potentially receive some immediate relief is being stalled. From my understanding, Assembly Speaker Prieto is refusing to place Bill SR-100 on the agenda. So my question roots in -- why is it being withheld? Is it that Prieto's constituents are among those overfunded?

So as a Board of Education member, I'm an elected school official, and held to a high standard of ethics. I'm required to fill out an ethical questionnaire, Code of Ethics, annually; I have to disclose affiliations, or find out and disclose if I stand to gain in any way; and maybe, recuse myself, if that's a potential. Now, barring the financial aspects of that, there is still a question of ethics, because is it ethical when 80 percent of the schools in New Jersey stand to gain from the SFRA without the adjustment aid being placed in? So we can immediately find relief on this from the SR-100 bill, and it's not being -- even up for a vote.

Thank you.

SENATOR SWEENEY: Thank you.

B O B D A I L Y D A: Hello; thank you.

My name is Bob Dailyda; I'm from Egg Harbor Township. I'm a parent and taxpayer.

And Pete Castellano made a lot of the same remarks I'm going to try to avoid repeating. But I thought it was important to hear from a normal citizen who really cares. I took the day off of work to come here, I thought it was so important.

Egg Harbor Township is located in the Pinelands Regional Growth Area. As dictated by the Pinelands Commission, we have experienced particularly high growth since 2000, with an average of 500 single family housing unit starts per year over the decade, the highest in the state.

In 2000, we had roughly 5,800 students; and about a decade later we hit 8,000. That's an increase of 40 percent; 2,200 students coming into our District. This kind of growth comes at a significant cost; but we were mandated to grow by the State, without adequate compensation, in what amounts to an unfunded mandate. We have borne the brunt of the cost by steep increases in our local taxes, which have risen by 20 percent in just the last six years, and are becoming unaffordable for many.

In 2001, our State aid was approximately 60 percent of our school budget; this year, it's down to, roughly, 30 percent. Over the last several years, our State aid, per year, has been way less than what the funding formula requires, and that has been a continuing theme. At the same time, caps placed on our budget and the aid growth, coupled with the

flat funding over five years, didn't allow us to keep pace. We have been behind the curve for a decade, and it is only getting worse.

Our funding is even unfair when compared to other districts. As a comparison, we receive only \$5,300 per student in State aid, while Pleasantville -- right around the corner -- gets over \$16,000 per student, as a former Abbott district. We rank near the bottom of our peer group of districts in State aid per student. From this peer group, why does Pennsauken get over \$9,000 per student, while we get \$5,300? Why does Winslow get \$8,800 per student, and we get \$5,800? Belleville, Neptune, and others -- the same story. We're not even close.

Compounding matters is our local economy -- in a regional recession with five casinos closings. We have a Township unemployment rate that peaked in 2013 at 13.8 percent, the worst in the country. More recently, it is close to 7 percent. Why? Because the EHT labor force is down over 10 percent. People are leaving for better pastures. Making matters worse, is that these people who are leaving can't sell their homes, and their homes are left empty and in foreclosure. We have almost 1,000 properties in some stage of foreclosure. We're underemployed.

SENATOR SWEENEY: I'm sorry sir, but you have to wrap up. We're two minutes over the allotted time.

MR. DAILYDA: We're experiencing a perfect storm of high growth -- last paragraph -- and we could not keep up with less-than-expected State aid, and a devastating blow to our local economy. Our residents are hurting, and this hurt has been forced upon us by the State -- by the unfunded growth mandate and severe underfunding.

We're only asking for our fair share.

SENATOR SWEENEY: Thank you.

MR. DAILYDA: Thank you.

SENATOR SWEENEY: You need to-- Okay, you got it.

SUE ALTMAN: Oh, okay.

Oh, two of them; thank you.

Hi, my name is Sue Altman. I am, simultaneously, representing myself as a citizen; and also Save Our Schools New Jersey, which is a large public school advocacy group across the whole state.

I have to say, I am a little confused. Because on one hand, what I'm hearing is that all these districts -- from all over the place -- are really suffering from all these really, really heavy cuts. And I went to public school in New Jersey, up in Hunterdon County, and I had all the bells and whistles in my education. And it is shameful that these next generations of students are getting cut tremendously. It's absolutely, positively shameful.

And what I don't understand is, if we have a funding formula that could possibly address this, and it hasn't been for the last eight years -- and we could talk about why that is -- but we have a funding formula that could address these problems, and yet we haven't funded it, and now we're looking at adjusting the formula? I think it makes way more sense if we, instead, look to fully fund SFRA (applause) before we go changing all the formula, because clearly--

SENATOR SWEENEY: One second; I'm sorry to interrupt you.

We're not talking about adjusting and changing the formula at all. We're saying run the formula; fund the formula, run the formula. We're not changing it.

MS. ALTMAN: Has that view been consistent from the beginning, Senator?

SENATOR SWEENEY: I have been consistent from day one.

MS. ALTMAN: Okay. So we're in agreement then, that we should take the formula with all the weights the way they are, and we should run it; and then we should find money in the Legislature to fund all these folks with their schools, and their bands, and their tracks, and everything that these schools need.

SENATOR SWEENEY: We can't fund it if we're going to leave \$600 million in districts that are overfunded. You see, you can't have it both ways. I've heard this. We figured out-- We can fund this; everyone can be at 100 percent. There is \$600 million in districts that are overfunded. Washington Township -- 2,300 high school students funded at 3,500.

MS. ALTMAN: What do you mean, "Funded at \$3,500"?

SENATOR SWEENEY: They're being funded as if they had 3,500 students, when they have 2,300.

MS. ALTMAN: Is that after the weights-- So taking into account--

SENATOR SWEENEY: It's everything; yes

MS. ALTMAN: Okay, so that's -- But that's part of -- that's not the heart and soul of the SFRA; it's not that there are additional students. It's that--

SENATOR SWEENEY: They don't have--

MS. ALTMAN: --education funding is effectively a cross subsidy, and there are some students who take more to educate than others--

SENATOR SWEENEY: They don't have--

MS. ALTMAN: Go ahead.

SENATOR SWEENEY: Yes, thank you. It's my hearing.

MS. ALTMAN: Well, it's my turn.

SENATOR SWEENEY: Yes, but I wanted to clear up something, because you misspoke--

MS. ALTMAN: Okay, go ahead.

SENATOR SWEENEY: --and (indiscernible) my representation.

Thank you.

Funding for 3,500 students, when they have 2,300 students. It's not that complicated.

But go ahead, please.

MS. ALTMAN: Okay.

Well, I suppose we could go back and forth on that particular example. But I'd like to get back to what my original talking points were, which are the following.

We have advocates all over New Jersey who have experienced these cuts, and I think they're worth reiterating, even though they represent and they resemble many of the concerns we've heard so far. Many of our members are parents and Board of Ed members who have reported the following problems with their own districts: one, personnel cuts. We all think that jobs are really important in New Jersey, but when you cut

personnel, you're also cutting jobs; teachers and staff are jobs. And we need to think about it in that lens.

Second, class size. Don't let anybody tell you that class size doesn't matter; it matters vitally. I worked in very fancy, independent schools for six years, and I can tell you that the hottest marketing point to top-end parents is the number of students in the class size. There is loss of electives in some districts; student activity fees are implemented; cuts in teachers' supplies; districts that have planned full-day kindergarten have put these on hold. There is a disparate effect of these cuts because, in some districts, families can raise money to cover the things that have been cut.

Our members in Red Bank report a 36 percent increase in enrollment, but haven't been able to fund reading specialists, content area teachers, or writing programs. Red Bank cut its orchestra program and can't fund a middle school after-school program and field trips. To make things worse, the district sends half of its \$3 million State aid each year to the Red Bank Charter School.

So across South Jersey, students and educators are suffering. We have to fund the formula fully; it's a progressive formula, it's a national leader, and should be an example to all states.

I'll leave that right here.

Thank you very much.

SENATOR SWEENEY: Thank you.

Next.

Thank you.

ROBERT H. GOLDSCHMIDT: Good afternoon.

My name is Robert Goldschmidt, and I currently serve as the Interim Superintendent in Woodbury City. I serve in the role formerly held by Mr. Joseph Jones, whom I know many of you have heard from, as Joe was the single most tireless and articulate advocate for full funding I know.

In the SFRA of 2008, many of us thought we had an answer -- proportional funding which would take into account the dizzying combination vexing our schools and educators: children in poverty who require additional and intense services; children with special needs, who need and deserve every bit of help we can give; and an avalanche of new Federal and State mandates, every one of which requires either additional dollars or additional staff to meet; and the issue of local taxes and how to meet the needs above efficiently and at a reasonable burden to taxpayers.

The failure during the last eight years to fully fund this formula, and to allow it to exercise the periodic adjustments it needed, has, in many cases, compromised the avowed mission of our schools.

I am here to testify not only as a citizen and taxpayer, but as an Administrator who has worked, now, in two districts of great need that have consistently been shortchanged in meeting the needs of their children -- Woodbury City and Riverside. In each city, aside from high poverty rates and severe economic instability, committed families and educators remain handicapped in their efforts to assist their children in getting a truly equal chance to succeed. In fact, students in these two communities often succeed not because of State funding, but in spite of its limitations. This is absolutely contrary to the reasonable and truly fair intent of the SFRA.

In many of these communities, a large number of children can be the first in their families to graduate from college. But if financial and

academic issues prevent that, then New Jersey faces a dire kind of future no one wants to discuss. Recent distortions of the concept of *fair* are almost Orwellian in their intent, and we can ill afford to fall victim to them in the state or in our nation. Complex problems can rarely be solved by simple answers or clever mottos.

Public education, we can never forget, is a State right and a State responsibility. It developed in this country to prepare a qualified citizenry and a productive workforce, factors which should unify and strengthen us. We can no longer afford to be 580 isolated systems, pitted against each other based on wealth, property value, race, or zip codes. But the first step in true recovery will be a fair, deliberate, and predictable adjustment of State aid based on the formula already in place.

Woodbury has been designated as a District Factor Group B *District*, meaning, simply, that after the 31 former Abbott districts, it is in the next tier of districts with high poverty, poor tax valuation of property, and other factors which hold down the ability of the local community to fund real educational need. Since the State demands a system of thorough and efficient education, it is only the State which can correct this inequity.

By the SFRA formula, Woodbury City is shortchanged by the State of New Jersey an incredible \$4 million dollars in aid, almost \$25 million in the last eight years--

SENATOR SWEENEY: You have 30 seconds.

MR. GOLDSCHMIDT: --receiving only 75 percent of what it needs and should get.

Let me just add, with time running away.

This is a problem across the state, where poverty meets unfair funding of the formula to create some dire circumstances.

In Burlington County, Riverside is short \$5.5 million; in Hudson County, Kearney is short over \$34 million; in Bergen County, Lodi, is almost \$20 million; in Camden County, tiny Runnemede is \$2.5 million short; and in Cumberland County, Cumberland Regional is \$3 million short.

I applaud the courage inherent in SR-100, and all of you for your willingness to serve on this Committee. I join the voices of all of my fellow parents, taxpayers, and citizens, and the community in which I proudly serve, to ask you to make the adjustments necessary to better level the playing and learning field of our children. These are all New Jersey children; they deserve the constitutional right guaranteed to them here. And as change races forward, we and they cannot afford more delay.

Thank you.

SENATOR SWEENEY: Thank you.

Senator Ruiz, do you-- Senator Ruiz?

SENATOR RUIZ: Well, just-- If you want to call the next--

SENATOR SWEENEY: I have one more person? Okay.

SENATOR RUIZ: Well, right.

SENATOR SWEENEY: All right.

SENATOR RUIZ: I just assumed-- I might leave a little bit early. I didn't know we were at the very end.

First, I want to thank the Superintendent, and the High School, and the School District for hosting us and making the accommodation. It was well worth the hour and 45 minute drive here. (laughter)

I want to thank everyone who came up to testify. One thing that's clear -- and Senator Cunningham and I were sharing it with one of your staffers -- they said, "Well, you recognize the problem; is it difficult to sit through a meeting and listen to it again?" And I said, "No, absolutely not, because what brings New Jersey together is more of our sameness, as opposed to our differences." And what's being experienced down here in student -- in our districts, versus our students, are the same ailments and impositions that are experienced up north. So I want to thank everyone who took that opportunity.

I also want to commend Senate President Sweeney; and also for allowing me to be co-prime and sponsor on this initiative where we really traveled over the state to get some input.

I wasn't there when the school funding formula was voted on, but we do know, from history, that a lot of politics came into play so that there was a final equation that would get into play -- one that was supposed to have a two-year phase-out; one that has never, ever had the opportunity to be fully funded, or have those variables phased out so that we could see equal funding across the board. What we're trying to get at here is that it would be great to run the funding formula and leave every school district intact and not impact them negatively. That's what we want to see. However, that would cost over a billion dollars more. And in this time and age, when we look at every single dollar figure in the budget, and attribute it to some great cause, how do we figure this out? I think these are the first steps to really coming to a meaningful way to secure actual numbers and revenue to get us to a halfway mark, and to start running the formula wholeheartedly.

So thank you to all my colleagues who are here, also, in this encouraging fight. And I continue to make a commitment to move the students of New Jersey forward.

So thank you.

SENATOR SWEENEY: Thank you, Senator.

Anyone else? (no response)

I have one more speaker.

Thank you.

Tony -- and I'm going to butcher this name, too -- Trongone (indicating pronunciation), Superintendent of Pemberton.

And after this speaker, we'll go down the panel for any comments from the Senators.

T O N Y T R O N G O N E: State Senator Sweeney -- pardon me for my voice, but I'll get through it. I had a Board meeting last night.

I'm Tony Trongone, Superintendent of Pemberton Township Schools.

We are one of the schools that receive adjustment aid, and we're over adequacy. And I'm here as part of the solution, not part of the problem; and I've voiced my opinion in front of Senator Sweeney before.

And so Pemberton Township Schools serve over 5,000 students, of which 1,127 are connected to Joint Base McGuire-Dix-Lakehurst. Pemberton Township Schools offer academic and extracurricular programs commensurate to other school districts that were mentioned before, serving low-income and poverty-level families.

But there are some important factors that separate us from other school districts, including our relationship with our military families.

Joint Base McGuire-Dix-Lakehurst is recognized as an *Extraordinary Family Member Program* Base. This means it has criteria, when a soldier is deployed or assigned, and is predicated upon the schools and the services that are connected to that said base. So there are some services on the base, but there are services in the schools connected to that base; so that when they're deployed, we provide those services.

But many of those services are provided over and above the level of compensation provided by the Federal Impact Aid. I want to make sure that we're clear about that. So I know Governor Christie wants to cajole the folks from the base and work with them. This is not a good move with cutting our aid in Pemberton. It's affecting our military families on and off base.

The second consideration is in regard to our ability to pay for our local fair share. New building and land development is prohibited in 95 percent of Pemberton Township, due to regulations set forth by the Pinelands National Preserve, protected Wetlands regulations, Farmland Preservations, and County-occupied land. This severely limits our potential to increase our tax base.

A final factor separating us from many urban schools is the geography and the expanse of our location. Pemberton is 62.5 square miles, with a population of just a little over 27,000. Busing, staffing, and accommodating all students' needs remains a challenging endeavor in our rural, low-income Township.

We will be unable to close a \$52 million funding gap, as proposed by Governor Christie's plan. As a fiscally prudent District, we have continually been working in reducing our reliance on the adjustment

aid that's been mentioned many times today. And we plan to reduce our expenses -- as mentioned earlier at a previous Committee meeting -- over the five years. We will also begin working with the Pemberton Township municipality in analyzing the fiscal impact that the increase in the local share above the 2 percent will have on its citizens; and if anything comes, as far as a waiver, which does not exist.

And a little folktale: I have a strong curriculum background. And history will tell you that we want to follow a curriculum. And a curriculum is usually based on research. And that research includes a regimented implementation plan, correct? But often, what happens with that implementation? The first year we do it correctly -- math curriculum, language arts -- and then, what does it do? It kind of unravels, and we change this and we change that. And we look over four or five years later, and then we expect certain results; and we don't get those results.

And then what do we do? We blame the curriculum; we never look at ourselves, and look at the implementation.

I see a parallel with what we've done in curriculum in the State in some districts, and in how we funded the formula

So I'm asking the Governor -- not this Committee -- to follow the school funding formula as it was intended to be implemented.

Thank you for allowing me to speak today.

Thank you.

SENATOR SWEENEY: Thank you, Superintendent. Thank you very much.

And I'm going to ask my members of the panel if they want to add some comments before we adjourn the meeting.

Senator Cunningham.

SENATOR CUNNINGHAM: Yes.

First of all, I want to thank the school Administration for hosting us today. The lunch was absolutely delicious. (laughter)

But I think it's really important for us to travel around the state and talk to our constituents. And you are our constituents; all of you.

It's easy to forget when you're dealing with these kinds of problems that you're not the only one dealing with them. It's important for you to know that this is an issue that's touched all of us. Every single student, every single child in the State of New Jersey should expect to receive the best education possible. They should always be able to get the best education possible. Our job, as elected officials, is to do everything that we can to make that happen.

I've enjoyed being here today because I needed to hear what some of the issues were, here; I needed to hear that. That meant a lot to me. And that gives me the information that I need to actually work on them.

So I'm very happy that everyone was here; I thank you for your testimony. And I want you to know that there is only one New Jersey -- one New Jersey. And to New Jersey, we can fix whatever needs to be done to help all of us. Because that's what we are: one New Jersey; there is not a division. So we're all in this together.

Thank you.

SENATOR SWEENEY: Thank you, Senator Cunningham.

Senator Sarlo.

SENATOR SARLO: Thank you, Senate President; thank you for having me.

In 2009, we passed the school funding formula; it was sound, constitutionally. We've heard a lot about it here today; we heard a lot of recurring themes. Eight years later, here we find ourselves eight years later. The formula works, but we need to run it the right way, and we need to fund it. I think a lot of the concerns in this room would be resolved. There are always going to be some winners, and there are going to be some losers. But we've been elected to make difficult decisions. And that's our job, to make those difficult decisions.

Senator Doherty said it; he doesn't want the courts to handle it. Well, that's going to come up to us. If we're going to have the political will to do it. And we heard, firsthand, from people who are on the ground -- Superintendents, curriculum coordinators, Board of Ed -- the situations that you're facing here, where there is extreme population growth. We're not seeing that -- as I spoke to some folks -- we're not seeing that population growth, perhaps, in more of the densely populated -- Bergen and Hudson and-- You are seeing some in Hudson, on the waterfront. But we are seeing that the hold-harmless provision is really impacting some of the schools. So this was a great learning experience, I think, for all of us.

And I just want to give a shout-out to the Kingsway School District, to the leadership team, to the faculty, the staff, and to the students. I took it upon myself to walk around a little bit, talked to some of the staff, talked to some of the students. I have a junior in high school; I love talking to the students. As I told them, they have a pretty cool place here to hang out, and learn, and play sports.

So you guys are all doing a great job here. Keep up the good work.

SENATOR SWEENEY: Thank you, Senator Sarlo.

Senator Thompson.

SENATOR THOMPSON: Thank you, Mr. President.

First, I commend you, Mr. President, for particularly sponsoring the resolution that created this Select Committee to address the problems that we're facing today. It's long overdue; thus, again, we had the SFRA enacted in 2008, and there have been problems with its implementation ever since. Things that were intended to be temporary -- hold-harmless and etc. -- should have been done away with years ago. Finally we're going to address them. There are, certainly, inequities in the application of the funding that is there, and it is time that we took care of those.

Of course, we will be looking at the overall problems related to it. I mean, there are inadequacies in funding -- that's something we have to address as we get the money there. But we can certainly make it more fair, and more equitable, and we -- certainly I anticipate will achieve that before we finish our hearings.

So I thank those who have testified today; and Kingsway Regional School for hosting us.

SENATOR SWEENEY: Thank you, Senator.

Senator Doherty.

SENATOR DOHERTY: Yes, thank you, Senator Sweeney. Thanks for creating this Committee and hosting this hearing today. And to

the local folks at Kingsway Regional High School; a very nice meeting location here today.

At the end of the day, the government has to treat every one of its citizens equally. And we heard a lot of testimony today -- how we have a system where, depending upon your zip code, the government treats folks totally differently. And so we need to focus on that.

And I know that this has been a very positive -- a lot of positive energy here today, and I want to continue in that vein, Senate President. I heard a lot, over and over again, "If we fully fund the SFRA, if we fully fund the SFRA--" I'll keep an open mind, if folks can convince me. But I feel that sometimes that is sort of a simple mantra that we can repeat -- that we're going to get to nirvana, the promise land, if we just fully fund the SFRA. I know, a few years ago, we had a millionaire's tax on the table; and they ran all the numbers on the SFRA, and said, "Oh, this is going to be great if we just pass the millionaires' tax here in New Jersey." And my analysis was that it really wasn't going to make much of a difference for my students who were suffering a lot of the same problems here.

So I do appreciate we're looking at trying to make the government treat all of our school districts equally; and that there are folks --some seem to be getting more revenue than they should; a lot are getting disadvantaged. And we need to focus on that, and correct that situation.

And thank you to everybody who came here and testified.

And I don't have to drive as far as Steve Oroho, but I'm probably the second-furthest. (laughter)

SENATOR OROHO: Yes, I'm sure you are.

SENATOR DOHERTY: He's probably three hours, and I'm only two. So I consider myself lucky.

SENATOR SWEENEY: Thank you, Senator.

Senator Oroho.

SENATOR OROHO: Yes.

Senate President Sweeney, thank you very much.

Over your career, you've always tackled the difficult issues head-on--

SENATOR SWEENEY: Thank you.

SENATOR OROHO: --and for many issues.

I want to thank Kingsway here. I traveled past this road many times; my wife is actually -- Rita in the back; and Charlie, my brother-in-law -- from Salem County. And we married at Saint Mary's in Salem.

So anyway-- But we have to tackle a difficult issue here. And the hold-harmless provision is a problem, because it helped to push off tough decisions that, obviously, have to be made. However, we also have to recognize that there are a lot of unintended consequences that we now know, because of the way the-- Now, the formula is extremely complicated. I read it; understand it; had to diagram it. But there are a lot of unintended consequences that are there -- like, for example, we mentioned before the geographic cost factor.

The other thing -- the issue that we have -- is that we heard a lot of testimony about the regulations that the Legislatures and the Administrations have put in place that affect the ratable base of the formula, or affect the economy of those areas. And we don't take that into

-- I don't think we take that into consideration, and I think that we have to as we come through and come up with something different.

The other thing I really-- And I know this is about school funding itself, but we have an opportunity here. We're going to have a lot of experts come before us. And I'm not an educational expert, but there are a lot who are going to come before us, as to how do we-- New Jersey makes a huge investment in our education. We firmly believe that education is one of our true assets. However, we can always do things more efficiently, more effectively; and I'd love to continue to hear those ideas about how do we deliver our educational systems more efficiently and effectively, because there's been a lot of changes over the years.

So Senate President, I want to thank you very much. I look forward to the next meeting.

SENATOR SWEENEY: Thank you; thank you, Senator.

And I'm going to wrap up

And you know, I've heard a lot of people talk about how this is divisive -- I mean, we're trying to divide; we're taking from others and giving to others. It's absolutely not. We're trying to get back to what everyone wanted, which was run the formula, fund the formula. I have been consistent from day one, just for the record. We don't want to hurt districts that are overfunded. That's why we proposed a five-year phase out. But if anyone thinks there's an extra billion laying around, on top of, to give to school districts, you're wrong. We have pension obligations, we have many obligations that we need to fund in the State.

There are no predetermined outcomes. All I know is the system that we have right now is not good. You have districts like Kingsway,

looking at districts like Washington Township and saying, “How come? Why do you get more than me?” It’s not acceptable any more.

We are not going to let this issue go; we are going to stay on top of it until it gets resolved. There have been many testimonies-- Look, we convened this hearing after we passed legislation because the Assembly wouldn’t move. So now the Assembly is finally holding hearings. I welcome them to the discussion. We’ve been at it -- Senator Ruiz, Senator Cunningham, myself -- we’ve been at it for over a year. It needs to be fixed. If I sound angry, I am.

I’m tired of this. There is no excuse to have this injustice where we treat some kids better than others. We are all in this together. We will fix this, and we will not let it go until it does get corrected. And we intend to address it in this budget year, I can tell you that right now.

So I want to thank everyone; I want to thank Kingsway for hosting. You know, the woman who drove the Governor crazy -- that he remembers her? But that’s the point. If you do not give up, if you stay on and you keep hammering, you’ll win. So don’t give up.

Thank you. (applause)

(HEARING CONCLUDED)