

VII. FINANCING SCHOOL SECURITY

*Our state aid cap and our budget cap have made it impossible to work with our municipality to rehire School Resource Officers or to pay for other upgrades.*²³⁰

— School Business Administrator, Atlantic County

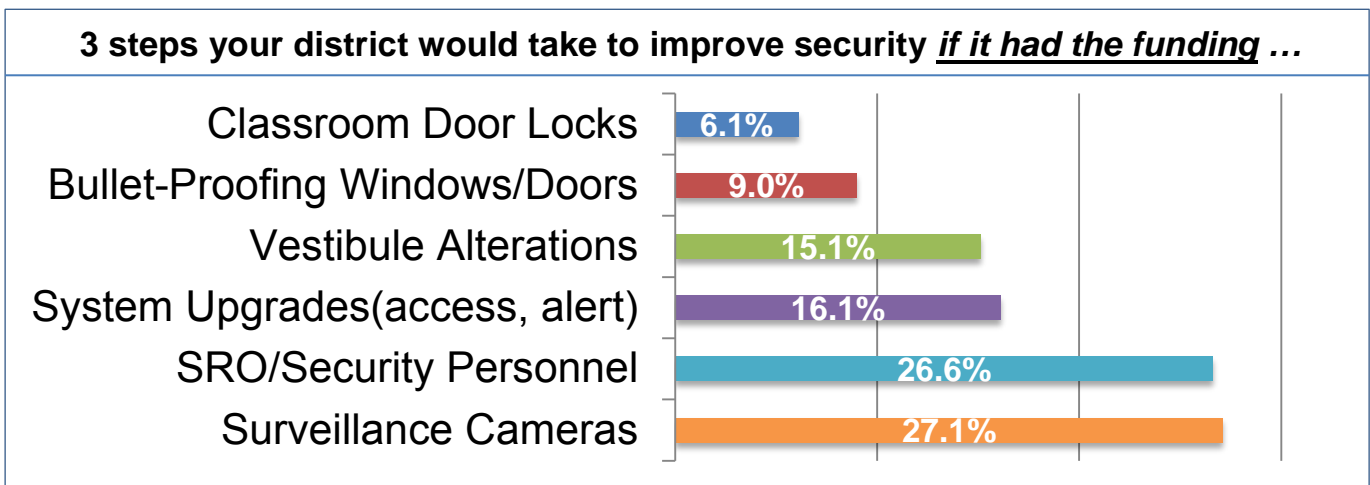
*Given the situation related to security in our communities, the state needs to increase funding for our schools. ... new windows, enhancements to cameras, electronic warning systems and check-in systems, etc., all cost money - a lot of money in some cases.*¹

— School Board President, Bergen County

Current Status

Ensuring a safe school environment can be costly, especially when the effort involves additional personnel, architectural changes, or systems installation and upgrades, according to research by the NJSBA School Security Task Force reported in Sections I, IV and VI. A key charge to the task force involved collecting information on how districts have funded security and identifying possible changes in school financing that would facilitate security upgrades.

Needs exceed resources. In the NJSBA Task Force survey, school officials identified desirable security enhancements that their districts were unable to implement due to funding. Over one-quarter of the respondents identified the high-cost enhancements of surveillance cameras and the employment of school resource officers (SROs). Concern over securing the perimeter of school property was likely a factor in the identification of cameras, while the limited funding available for SROs, played a role in the responses. (See Section I, pages 8 through 14, for a discussion of financial challenges and other considerations in assigning security personnel.)



²³⁰ Comments from NJSBA School Security Task Force survey, administered July 25-September 26, 2013 to local school board presidents and school business administrators. Two hundred seventy-three (273) officials participated.

In the survey, the local school officials most frequently cited the state’s 2 percent tax levy cap as a challenge in financing security enhancements. Limited state and federal financial support was the second most frequent response.

The survey also showed that most districts (55.1%) fund security enhancements through their operating budgets. A smaller proportion cited state construction grants or bond proceeds as sources of funding.

<u>Current Methods to Fund Security Enhancements</u>	
Operating budget	55.1%
Reallocation of funds within budget	16.8%
Capital reserve	10.2%
Grants ²³¹	9.7%
Construction bond proceeds	4.6%
Municipal budget support for SRO	3.6%

Approximately one-third of the responding school officials indicated that their districts had sought grant funding² for security enhancements in the past. Of those that obtained grants, the state’s school construction grant program (commonly called “ROD” grants for “regular operating districts”) was the most frequently cited source, followed by funding through the district’s insurance carrier.²³² Also cited were cooperative arrangements with municipal governments, police departments and county governments. Many of these cooperative arrangements involve funding SRO positions. For a number of school districts, however, the curtailment of a federal grant program for SRO employment in 2005 eliminated their ability to implement this effective security and educational program.

Since the Newtown tragedy, only four districts have asked voters to spend above the 2 percent levy cap to fund security measures. In April 2013, such proposals were approved in Secaucus and the School District of the Chathams. Separate security expenditures were rejected by voters in Ridgefield and Dunellen in November 2013.²³³

More recent developments show an increase in the use of construction funding for security purposes. For example, during the March 11, 2014 special school election²³⁴, five of the 13 districts presenting

²³¹ Current information on the availability of federal grants is available through the U.S. Department of Education at <http://www2.ed.gov/fund/grants-apply.html>. Accessed Sept. 10, 2014.

²³² Information about the New Jersey Schools Insurance Group’s 2014 School Safety Grant program is available at <http://www.njsig.org/news/News@NJSBAIG%20Issue%2029%20October%2010.pdf>. Accessed Sept. 10, 2014.

²³³ New Jersey School Boards Association, “Voters Decide Seven Ballot Questions,” *School Board Notes*, November 6, 2013, Vol. XXXVII, No. 13 (<http://www.njsba.org/news/sbn/20131106/voters-decide-2013-school-ballot-questions.php>); “Voters Approve 92% of School Budgets, All Additional Questions,” *School Board Notes*, Vol. XXXVI, No. 37 (<http://www.njsba.org/news/sbn/20130423/voters-approve-92-percent-of-school-budgets-all-additional-questions.php>)

²³⁴ *P.L.* 2001, c.98 (http://www.njleg.state.nj.us/2000/Bills/PL01/98_.HTM), or *N.J.S.A.* 19:60-2, allows school districts to present voters with construction bond proposals during special elections which may take place on any of four dates: the fourth Tuesday in January; the second Tuesday in March; the last Tuesday in September, and the second Tuesday in December. In addition, a school district may also present bond issues during its annual school board election, which takes place either at the November General Election or on the third Tuesday in April.

construction bonds to voters included security enhancements in their plans.²³⁵ (Four of the proposals were approved.) In the September 2014 special school election, at least 12 of the 21 proposals on the ballot had security components. Voters approved 10 of the 12 proposals.²³⁶ Earlier this year, the New Jersey Schools Development Authority, the agency that administers state school construction grants, identified the funding of recent projects involving security.²³⁷

State Construction Grants

In December 2013, the New Jersey Department of Education, which determines which school construction projects will receive state construction grants, announced the commitment of \$507.7 million for projects in 331 school districts.²³⁸ The money came from the \$1 billion replenishment²³⁹ of the grant program in 2008. The grants were originally established by the 2000 Educational Facilities Construction and Financing Act (*P.L.* 2000, c.72). That statute allows regular operating districts (“RODs,” formerly known as “non-Abbott” districts) to receive state funding equivalent to at least 40 percent of the eligible costs of school construction.

The remaining money, the “local share” of school construction costs, is most frequently provided through locally financed bonds, which require voter or board of school estimate approval. Districts may also use capital reserve or other sources, such as a lease-purchase agreement of five years duration or less. The local share must be secured before the Schools Development Authority will release the ROD grants.

Awarding of state construction grants is based on priorities set by the commissioner of education.²⁴⁰ “Security and communications systems,” such as building entrance security, are among the projects placed at the highest of three levels. They are grouped with other “level 1” projects, for example, roof and window replacements, HVAC upgrades, hazardous material

²³⁵ New Jersey School Boards Association, “Voters Approve \$116 Million in School Construction,” *School Board Notes*, March 11, 2014, Vol.XXXVII, No.30. (<http://www.njsba.org/news/sbn/20140311/voters-in-13-districts-to-act-on-construction-proposals-on-march-11.php>)

²³⁶ New Jersey School Boards Association, “Voters Approve \$300.2 Million in School Construction Projects,” *School Board Notes*, Sept. 30, 2014, Vol.XXXVIII, No.9. (<http://www.njsba.org/news/sbn/20140930/voters-approve-300-point-2-million-in-school-construction-projects.php>)

²³⁷ New Jersey Schools Development Authority, “Christie Administration Visits Allendale School District to Highlight the Distribution of Grant Funding for School Improvements,” April 15, 2014 (http://www.njsda.gov/Archive/2014/04/04.15.14/nr_04.15.14.pdf, accessed Sept. 10, 2014) and “Christie Administration Announces Tuckerton Borough to Receive \$45,468 in Grant Funding from Schools Development Authority,” February 11, 2014 (http://www.njsda.gov/Archive/2014/02/02.11.14/nr_02.11.14_2.pdf, accessed Sept. 10, 2014).

²³⁸ New Jersey Department of Education, “Christie Administration Approves More Than \$507 Million in School Facilities Grants,” December 4, 2013. (<http://www.nj.gov/education/news/2013/1204grant.htm>, accessed Sept. 10, 2014)

²³⁹ *P.L.* 2008, c.39, “An Act concerning State support for school facilities projects and amending and supplementing *P.L.* 2000, c.72,” *N.J.S.A.* 18A: 7G-1 *et seq.* (http://www.njleg.state.nj.us/2008/Bills/PL08/39_.HTM)

²⁴⁰ *P.L.* 2008, c.39, *N.J.S.A.* 18A:7G-5.

abatement, code compliance, ADA upgrades, site drainage, elementary playgrounds, and special population needs. Exterior enhancements, such as security lighting, are placed at level 2.²⁴¹

Only a fraction of funding remains from the \$1 billion replenishment of the grant fund program. An additional amount or previously committed funds may also be returned the grant pool if, after 18 months, recipient districts are unable to gain voter approval of locally financed bonds or to secure other funds for the local share.

School Security Aid

New Jersey K-12 education funding is based on the School Funding Reform Act of 2008, although the formulas designed to drive that finance system have not operated as intended due to state revenue issues. The SFRA included a new category of funding—school security aid—which remains in place.²⁴² For the school year 2014-2015, security aid totals \$195.4 million, or \$143 per pupil on average. All school districts receive various amounts of the funding.

Use of the funds, however, is not prescriptive—that is, school districts are not required to apply the money to school security. As with other elements of the SFRA, the account was based on the concept of what an average district might spend on certain functions, in this case, school security. Over the years, the amount of school security aid provided to districts has faced the same limitation as other state school funding programs.

Standards for Receipt of State Aid

In addition to the 2 percent tax levy cap on school and municipal budgets, state administrative code may present obstacles to the funding of security enhancements.

The state's Accountability Regulations establish *standards for the receipt of state aid*, which the Executive County Superintendents use when reviewing proposed school budgets and districts' requests to seek voter permission to spend above the tax levy cap.²⁴³ Many of these benchmarks are based on median statewide expenditures in several areas, including "Operations and Maintenance"—the account that includes most security expenditures.²⁴⁴

²⁴¹ New Jersey Department of Education, Office of Facilities, *Grant Program for School Facilities Projects*, (Trenton, NJ, September 3, 2013), 2-3. (<http://www.nj.gov/education/facilities/projectapplication/rod/guidelinesFAQ.pdf>, accessed Sept. 10, 2014)

²⁴² *P.L.* 2007, c.260, "School Funding Reform Act of 2008," *N.J.S.A.* 18A:7F-56. (http://www.njleg.state.nj.us/2006/Bills/PL07/260_.HTM)

²⁴³ *N.J.A.C.* 6A:23A, "Fiscal Accountability, Efficiency and Budgeting Procedures," 133-137. (<http://www.nj.gov/education/code/current/title6a/chap23a.pdf>)

²⁴⁴ New Jersey Department of Education, *Taxpayers' Guide to Education Spending 2014*, (Trenton, N.J., 2014), 9. (<http://www.nj.gov/education/guide/2014/intro.pdf>, accessed Oct. 14, 2014)

In a 2009 NJSBA survey, a large number of responding school business administrators sharply criticized the standards related to school facilities, noting that they do not take into consideration the age, condition and configuration of buildings.²⁴⁵

Although it did not directly address the standard relating Operations and Maintenance, the Governor's Transformation Task Force, charged with identifying burdensome education statute and regulation, recommended elimination of several other benchmarks used for the executive county superintendents' budget review, finding that they have in fact become an "unintended norm" for all districts. "In light of the 2 percent property tax cap, which properly constrains increases in aggregate district spending, district administrators should have greater flexibility with regard to the nature of their expenditures," states the group's final report.²⁴⁶

Legislative Proposals

As the Senate and Assembly reconvened following their summer recess, 12 school security-related proposals had been introduced in the Legislature. Several of the bills address financing and are currently at the committee level. These proposals would provide the following:

- The exclusion of increases in school security expenditures from the tax levy cap for school districts, municipalities and counties.²⁴⁷
- The financing of school security improvements through proceeds from bonds issued by the Economic Development Authority.²⁴⁸
- A School Safety and Security Fund, financed through assessments placed on criminal offenders.²⁴⁹

²⁴⁵ New Jersey School Boards Association, *Accountability Regulations: The Cost to Local School Districts*, June 2009, 10. (<http://www.njsba.org/accountabilityact/survey-summary-report09.pdf>)

²⁴⁶ New Jersey Department of Education, *Education Transformation Task Force: Final Report* by Dave Hespe, et al. (Trenton, N.J., September 5, 2012), 138. (<http://www.state.nj.us/education/reform/ETTFFinalReport.pdf>, accessed Sept. 10, 2014)

²⁴⁷ A-1505 (DeAngelo), http://www.njleg.state.nj.us/2014/Bills/A2000/1505_1I.HTM; A-1506 (DeAngelo), http://www.njleg.state.nj.us/2014/Bills/A2000/1506_1I.HTM; and S-824 (Beach, Van Drew), http://www.njleg.state.nj.us/2014/Bills/S1000/824_1I.HTM.

²⁴⁸ A-1472 (Diegnan, Coughlin), http://www.njleg.state.nj.us/2014/Bills/A1500/1472_1I.HTM.

²⁴⁹ A-3189 (Lagana), http://www.njleg.state.nj.us/2014/Bills/A3500/3189_1I.HTM.

FINANCING SCHOOL SECURITY: RECOMMENDATIONS

Based on its research, the NJSBA School Security Task Force makes the following recommendations in the area of finance.

Local School District/Community

41. Local school districts and municipalities are encouraged to share costs to enable the assignment of School Resource Officers.

State and Federal Government

42. The Commissioner of Education should amend state regulation (*N.J.A.C. 6A:23A*) to eliminate “Operation and Maintenance of Plant cost per pupil equal to or less than the State median” as a standard for receipt of state aid when reviewing proposed school district budgets or requests to seek voter approval to exceed the tax levy cap.
43. The state should designate additional construction grant funding for the express purpose of enhancing school security.
44. The legislature should provide additional options to enable school districts to hire and retain appropriately trained security personnel.
45. The federal government should restore grant funding to support the assignment of School Resource Officers.