



New Jersey School Boards Association

413 West State Street • Trenton, NJ 08618 • Telephone: 609.695.7600 • Toll-Free: 888.88NJSBA • Fax: 609.695.0413

STATEMENT ON FY2018 PROPOSED BUDGET

The New Jersey School Boards Association (NJSBA) is a non-partisan federation of the state's local boards of education and includes the majority of the state's charter schools as associate members. It provides training, advocacy and support to advance public education and promote the achievement of all students through effective governance. We appreciate the opportunity to provide input on the proposed FY2018 state budget on behalf of the local school boards throughout the state.

The NJSBA is gravely concerned this budget continues the recent trend of essentially flat funding for districts. In fact, direct state aid to school districts has cumulatively increased by a mere 2.7% in the last five years. By comparison, according to the Consumer Price Index, the rate of inflation last year alone was 2.07%. Moreover, this problem has been compounded by the creation of new funding categories rather than formulaically allocating any new funds to ensure they are steered to the districts most in need.

When the School Funding Reform Act (SFRA) was enacted in 2008, a little more than one-fifth (22%) of the districts in the state were labelled "below adequacy," but were promised assistance by the state to reach adequacy. Today, nearly a decade removed from SFRA's enactment, one-third of the state's districts are below adequacy (188 districts). To this day, the SFRA is held up in the national education community as a model of a quality education funding formula. However, the difference between what is in law and what is reality is stark; and it is felt by many NJSBA members.

We urge the Governor and the legislature at minimum to find some assistance for districts that have seen rapid growth in their student populations since the enactment and essential freezing of the SFRA formula.

Unfunded Mandates

The flat funding issue has been compounded for many years by unfunded and underfunded mandates imposed by the state on the local school districts. Our members continue to suffer the "double whammy" of funding that does not keep pace with inflation partnered with new requirements that result in spending increases. All while trying to exist within the 2% property tax cap.

Bullying prevention, special education, PARCC readiness, and new teacher evaluation systems are just a few examples of well-intended changes that have increased costs for our members in recent years. To be clear, NJSBA did not oppose any of the aforementioned initiatives and supported many of their goals. But without accompanying these initiatives with enhanced funding, many of their implementations have been exceedingly problematic at the local level. As NJSBA has heard from many members, each new initiative in and of itself would not be burdensome. But taken as a whole, they are causing death by a thousand paper cuts.

Last year, NJSBA spearheaded a study of this issue. The resulting report; *Unfunded and Underfunded State and Federal Mandates: A Burden on Local School Districts* may be accessed here: www.njsba.org/mandates-2016. If the state is unable to provide additional funding to school districts to assist with meeting these new mandated requirements, we invite its officials to engage with NJSBA in considering the recommendations of this study.

Charter School Funding

The FY2016 budget required public school districts to pay for their per pupil enrollment at a charter school based on either 2013-14 or 2016-17 data, whichever is higher. The result of this provision was many districts paying for students who are no longer enrolled in a charter school. That year, according to Office of Legislative Services, 83 districts found that their payments to charter schools increased unnecessarily by \$37.5 million.

This issue was addressed in the FY2017 budget by the state reimbursing host districts for any such spending. NJSBA is pleased the FY2018 continues this practice.

Although the NJSBA supports efforts to hold charter schools harmless and address fluctuations in their enrollment, any effort to do so should be funded directly from the State to the charter school. The current funding construct unnecessarily pits traditional schools against charter schools.

School Development Authority Assessment

The NJSBA continues to support the holding of School Development Authority (SDA) assessments to FY2014 levels. However, our support of this provision continues to be tempered by our opposition to the very existence of the SDA assessment.

We believe the Educational Facilities Construction and Financing Act of 2000 only gave the state authority to charge for administrative and organizational costs. The SDA assessment qualifies as neither “administrative” nor “organizational.” Beyond that, it is unfair for districts to be assessed a share of the state’s principal and interest costs—fees that were never discussed when the construction grant program was initiated. The fees were not established until FY2011—a decade after the grants were first awarded.

Opportunity Scholarships

The FY2018 budget proposal includes \$1 million for an Opportunity Scholarship Demonstration Program. The NJSBA supports school choice initiatives within the public sector, including charter schools and inter-district choice. However, NJSBA objects to the diversion of state resources away from public schools to non-public schools. Though only \$1 million, these private school vouchers are close to half of the total proposed increase for all direct aid to public school districts. These resources would be better served supporting public school districts, not private schools.