



New Jersey School Boards Association

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DATE: March 19, 2020

TO: Members of the New Jersey State Senate

FROM: New Jersey School Boards Association
Garden State Coalition of Schools
New Jersey Association of School Administrators
New Jersey Council of County Vocational-Technical Schools
New Jersey Association of School Business Officials
New Jersey Business and Industry Association
New Jersey Chamber of Commerce
Chamber of Commerce Southern New Jersey
New Jersey State League of Municipalities
New Jersey Association of Counties
New Jersey Council of County College
New Jersey Association of State Colleges and Universities

Re: Opposition to Senate Bill No. 2303

Thank you for the opportunity to express our organizations' collective concerns with Senate Bill No. 2023, which concerns subcontracting agreements entered into by New Jersey's public school districts, county colleges and other public institutions of higher education. The legislation would impose burdensome and costly requirements on any of the state's public educational institutions seeking to subcontract non-instructional services. Therefore, we respectfully oppose S-2303 and urge you to vote "no" on the bill when it comes before the full Senate on Thursday, March 19th.

Subcontracting has a proven track record of success in New Jersey and is a financial management tool that saves public school districts, colleges and universities millions of dollars annually. School districts use these savings to expand educational programs and services, hire instructional staff, and control the growth of property taxes and tuition. As it provides benefits to both students and taxpayers, subcontracting should remain a viable option for public employers overseeing our educational institutions to pursue.

Unfortunately, the obstacles that S-2303 places in the way of subcontracting would essentially take the subcontracting option off the table without providing any educational benefit that could justify such an action. The narrow window within which employers would be able to subcontract, as well as the lengthy negotiation and potential arbitration that would result from the requirements imposed by S-2303, would make subcontracting unfeasible and tie the hands of school districts, colleges and universities to effectively manage their operations. These employers must maintain the flexibility that subcontracting provides in order to adapt to changing economic circumstances and fiscal emergencies while avoiding any adverse impacts such circumstances would have on educational programs and services.

As you are aware, public schools and institutions of higher education are under constant pressure to deliver high-quality results while keeping property taxes and tuition down. Boards of education must also adhere to a hard two-percent property tax levy cap that constrains their spending. Rather than limiting employers' options in balancing the interests of students and taxpayers, the Legislature should be empowering those employers by providing them with the tools that are necessary to maintain New Jersey's reputation as having one the best educational systems in the nation.

Absent the ability to subcontract, particularly during times of fiscal crisis, the employers impacted by S-2303 will need to explore other ways to balance their budgets, including cuts to critical programs and services, staff layoffs, and increases in property taxes, tuition and fees. None of these alternatives is desirable from an educational or financial standpoint and should only be considered as a last resort.

Thank you for your consideration of our organization's position on this legislation. Any questions may be directed to Jonathan Pushman, NJSBA Legislative Advocate, at (609) 278-5248 or at jpushman@njsba.org.