



New Jersey School Boards Association

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FY 2022 Budget Testimony

The New Jersey School Boards Association (NJSBA) represents all of the state's local boards of education in their pursuit of quality education for all students. We welcome the opportunity to comment on education funding under Governor Murphy's proposed state budget for fiscal year 2022.

NJSBA greatly appreciates the addition of \$578 million in formula aid, which will benefit the majority of the state's school districts. This is crucial to returning the state to path toward full funding of the School Funding Reform Act (SFRA) formula by 2025. About two-thirds of the districts throughout New Jersey have been chronically underfunded since the state funding formula's inception. In recent years, the state has made great strides toward getting these districts to full funding per the formula. However, last year these districts saw their increases retracted by the state and they ultimately received flat funding. NJSBA is pleased that this budget not only restores those cuts, but adds significantly to that amount. This increased funding demonstrates that state's commitment to the importance of investing in our students and providing districts with the resources they need.

At the same time, approximately one-third of the state's school districts continue to experience state aid reductions. These reductions are compounded by restraints on the ability to replace these funds due to the two percent property tax cap and, more recently, unforeseen costs associated with COVID. NJSBA applauded the creation of Stabilization Aid last year to help these districts; and we were disappointed when this aid ultimately did not make it in to the final budget agreement. It has returned in this budget proposal, and we want to emphasize how critical this aid could be in helping districts adjust to new state funding levels to help districts adjust to new state funding levels. We also encourage the Legislature to consider alternative methods to assist these districts absorb aid losses, including property tax levy flexibility and PILOT (payment in lieu of taxes) reform.

NJSBA was also appreciative of the proposal to increase Extraordinary Special Education funding by \$25 million. If adopted, this would represent a 55 percent increase in funding in four years. The state

Testimony: Fiscal Year 2022 State Budget/New Jersey School Boards Association

has been making a concerted effort to get this line item to full funding, and we applaud that. However, it should also be noted these costs continue to rise as well. From FY2019 to FY2021, Extraordinary Special Education Aid was increased in the budget by \$80 million. Over the same time span, the costs incurred by districts for these expense increased by a little over \$52 million. NJSBA encourages the legislature to increase this line item by \$55 million, as it did two years prior, to make more progress toward full funding of this critical program.

Additionally, the NJSBA supports the Governor's proposed \$50 million increase for preschool investment; including \$26 million for new programs. This expansion will bring preschool to 30 new districts. NJSBA also supports the \$75 million earmarked for the NJ School Development Authority to support capital maintenance and emergent needs in school districts.

Moving on from the Department of Education's budget, last year NJSBA opposed efforts to eliminate the School Based Youth Services Program in the Department of Children and Families. We were relieved to see the program restored in the final FY2021 budget. As one of the most effective state programs, it has consistently achieved positive results for students and parents across New Jersey and should not only be maintained, but strengthened and expanded. The NJSBA is pleased to see that funding for school-linked services proposed for an increase to over \$21.5 million in FY2022.

In closing, this statement has covered many items in the budget we support. It should be noted, however, that many of our districts are not realizing the savings promised with the enactment of the 2020 teachers' health care reform law, commonly referred to as "Chapter 44." Many, in fact, have seen quite the opposite. NJSBA would ask that, in the absence of more permanent legislative relief, the budget include some sort of aid for these districts to offset any financial losses they have experienced due to implementation of this new system.

Thank you for your consideration of the NJSBA's feedback on the governor's FY2022 budget proposal. We stand ready and willing to work with the Legislature throughout the budget process on ways to advance the achievement of all students.