



March 23, 2022

**FY2023 Budget Testimony**  
**New Jersey School Boards Association**  
**Submitted by Jonathan Pushman, Director of Governmental Relations**

The New Jersey School Boards Association (NJSBA), a federation of all of the state's local boards of education, appreciates the opportunity to provide testimony on the governor's proposed budget for fiscal year 2023.

NJSBA strongly supports the governor's inclusion of over \$19 billion in overall school aid in his proposed spending plan for the next fiscal year, which includes both direct aid to schools, as well payment the state makes on behalf of school districts. The amount constitutes approximately 40 percent of the overall state budget, and demonstrates the governor's ongoing commitment to public education.

We are particularly pleased to see that the governor's plan keeps the state on schedule to fully fund the school funding formula in the coming years. In 2018, the Legislature and governor developed a plan that would gradually increase state school aid over several years with the goal of eventually providing all school districts with the state assistance they are entitled to pursuant to the School Funding Reform Act, or SFRA. After years of flat funding during which the state failed to live it up to its statutory obligations, it is indeed encouraging that we are now giving school funding the attention and prioritization it deserves, which is critical to ensuring that New Jersey remains the number one place for a student to receive a public education.

Under the governor's budget proposal, approximately two-thirds of New Jersey's school districts will experience an increase in state aid. The plan calls for an increase of about \$650 million in formula aid, a total of just under \$10 billion. This means that the vast majority of our member districts, many of whom were chronically underfunded for far too long, are well on their way to eventually getting the resources to which they are entitled. We thank the governor for making good on his commitment to achieving full funding, and we urge the Legislature to adopt the governor's proposal that will narrow the gap between what the state is supposed to provide to schools, and what it actually does.

While most of our members will directly benefit from the governor's budget, we must also acknowledge that a significant number of the districts we represent will experience reductions in state aid as result of the 2018 school funding reform law commonly referred to as "S-2." While that law put us on a pathway to full funding, it also stipulated that districts who were receiving more than what SFRA dictates would experience some pain as they adjust to new levels of state assistance. The governor and Legislature clearly acknowledged that this reality would lead to a difficult period of transition, as they not only adopted a plan that would phase in any state reductions over several years rather than immediately, they also included a new category of state aid in the FY2022 budget known as "Stabilization Aid." Grants distributed under this new category are specifically intended to assist districts that are adjusting to new funding levels. We supported and appreciated the inclusion of the \$50 million in Stabilization Aid in the

current budget, and are glad to see that it has been preserved in the governor's FY2023 proposal. However, the amount proposed for the upcoming budget has been reduced to \$20 million. We encourage you to consider adding to this line item as you deliberate a final spending plan to send to the governor. With the reductions in state being accompanied by the significant inflationary pressures and supply chain issues that so many districts are encountering, more transitional support may be necessary to avoid severe cuts in staff, programs and services in these districts.

In addition to the proposed increase in overall school aid, NJSBA also lends support to the governor maintaining a substantial appropriation of \$400 million for Extraordinary Special Education Aid, which helps offset the cost of providing educational services to our students with special needs. Getting the state to meeting its obligation to this funding category has been a longtime priority of the NJSBA, and \$400 million included in the current budget got us even closer to realizing that goal. However, more still needs to be done to reach 100 percent of what the state is supposed to be providing towards Extraordinary Special Education Aid. And we hope that, as the budgetary process continues, the Legislature will continue the trajectory towards full funding of this category by adding to the governor's proposal, as it has done in recent budget cycles.

NJSBA was also delighted to see the governor plans to send \$5 million to school districts to help them implement the new climate change standards. On this matter, NJ has truly been a leader and NJSBA has been a steadfast supporter of this initiative. Over the past year, NJSBA teamed up with experts from Sustainable Jersey and other stakeholders from the education community to form a Climate Change Education Thought Leader Committee. That committee recently released a report that will serve as a resource for the school community to successfully navigate new learning standards that made New Jersey the first state to incorporate K-12 climate change education across content areas. In that report, the committee recommended that state funding be made available to all school districts to assist with implementation of the standards, and the governor's proposal would be great first start.

Addressing student mental health, particularly as we emerge from the COVID-19 pandemic, is another high priority of NJSBA and our members. So, we greatly appreciate the governor indicating that he plans to work with the Legislature to develop and implement student mental health and success initiatives with the American Rescue Plan State Fiscal Recovery Fund. Strong mental health and social-emotional well-being is critical to maximizing student achievement, and we look forward to hearing more details on how the state plans to leverage federal resources meet our student's needs.

Other parts of the governor's plan that NJSBA hopes that the Legislature will adopt include:

- \$430 million for school infrastructure needs, such as the \$350 million for current SDA projects and \$80 million in awards for capital maintenance and emergent needs;
- \$5 million for a new funding stream to implement regional school consolidation to effectuate the recently signed law concerning school district regionalization, in addition to the continued \$10 million line item for Local Efficiency Achievement Program (LEAP) grants that also fund school consolidation studies;

- \$1.1 million for two teacher loan redemption programs, which is but one of several methods by which we hope to alleviate the growing teacher shortage throughout the state; and
- \$2 million for a new Reading Acceleration and Professional Integrated Development (“RAPID”) grant program to assess learning loss statewide in order to develop long-term solutions. NJSBA has been advocating for the state to develop a report on what students learned during the shutdown of our schools as well as a strategic plan to address learning loss, and this program could help us design a path forward.

In additions to the comments and suggestions above, NJSBA has a few additional suggestions to propose as the Legislature continues its deliberations:

- Add funding to offset districts’ costs associated with P.L.2021, c.461, which requires school districts to upgrade their websites to make them more accessible to persons with disabilities. NJSBA supports the intent of this new law, but has encouraged the state to provide resources to assist districts with implements;
- Consider granting tax levy cap flexibility, particularly to school districts spending below adequacy and experiencing reductions in state aid;
- Reform the current system of distributing funds received by municipalities through PILOT (payment in lieu of taxes) agreements to provide school districts with a fair share of the financial proceeds
- Appropriate funding to support two new laws concerning student mental health – P.L.2021, c.322 and P.L.2021, c.456. The first would create a grant program to encourage school districts to partner with colleges and universities to train school-based mental health services providers, and the second establishes a Student Wellness Grant Program in the NJDOE; and
- Release more of the funds provided to the state through the federal American Rescue Plan on initiatives that promote student mental health, address learning gaps, and assist districts meet infrastructure needs; and
- Ensure that the highly successful School-Based Youth Services Programs, threatened with elimination but thankfully restored in a recent budget, is not only maintained, but strengthened.

Thank you for your consideration of the NJ School Boards Association’s perspective on the FY2023 budget proposal. Any questions may be directed to Jonathan Pushman, NJSBA Director of Governmental Relations, at [jpushman@njsba.org](mailto:jpushman@njsba.org).