



FY2024 Budget Testimony
New Jersey School Boards Association (NJSBA)
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Assembly Budget Committee
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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 Governor Murphy's proposed budget for fiscal year 2024.

Path to Full Funding First and foremost, the NJSBA is pleased to see that the Governor remains committed to following the glidepath to fully funding the school funding formula. The \$832 million increase in direct formula aid in his proposed budget will bring New Jersey another step closer to the goal of providing our members with 100% of their full aid amounts under the School Funding Reform Act (SFRA). Continuing to make record investments in formula aid is no small feat and has never been more important as school districts continue to reckon with record inflation, escalating health care costs, and increases in transportation and special education costs. This support is also necessary to invest in programs that enhance student mental health and districts' learning recovery efforts as we continue to emerge from the COVID-19 pandemic. We thank the Governor and the legislature for ensuring that schools remain a top budget priority.

Easing the Transition for Districts Experiencing State Aid Reductions: We also recognize, however, that districts seeing a state aid reduction in FY24 may face considerable difficulty transitioning to their new funding amount in a way that ensures continuity of high-quality education programs for all students. In many cases, these difficulties are exacerbated by a statutory tax levy growth cap that hinders districts' efforts to raise the local share envisioned by SFRA. The initiative recently announced by the Governor, Senator Gopal, Senator Zwicker, and Assemblyman Freiman to restore 66% of the initially proposed reductions will help provide needed short-term relief for these districts. We thank the entire legislature for acting so swiftly to approve this legislation (S-3732/A-5328) and look forward to its final passage by the legislature on March 30.

Tax Cap Relief While the Association is sensitive to the effects of increased property taxes on working and middle-class taxpayers, we have heard from many of our member districts that they need and want relief from the levy cap in order to continue providing vital programs and

services to students. We urge the legislature to pass, and the Governor to sign, legislation providing this relief by allowing school districts an exception from the 2% property tax levy growth cap to raise their local fair share, particularly for those experiencing state aid reductions.

Additional Recommendations: As the Legislature considers the Governor’s budget proposal, NJSBA would like to offer several recommendations to ensure adequate and equitable state funding for schools.

- **Health Premium Relief** With skyrocketing health care premiums in the School Employees Health Benefits Program (SEHBP) – that will be absorbed primarily by boards of education and taxpayers – the Legislature should dedicate funding to help offset these costs. As proposed, the Governor’s plan does not include any assistance for school districts to help absorb these cost increases. These increases are predicted to be substantial. According to an Office of Legislative Services fiscal estimate on legislation (S-2995/A-4699) that would require the use of federal Coronavirus State Fiscal Recovery Funds to reduce increases in premium rates for the SHBP and SEHBP in calendar year 2023, school districts will be faced with an overall increase of \$318 million in premium rates for active school employees. Particularly in light of the fact that recent changes to school health benefits programs, commonly referred to as “Chapter 44,” have in many cases failed to deliver promised savings to districts, NJSBA asks the legislature to include some relief for rising health care costs.
- **Increase Extraordinary Special Education Aid** The NJSBA greatly appreciates that recent budgets have made substantial progress in increasing the appropriation for extraordinary special education aid, which helps offset the costs of educating our most vulnerable students. However, the proposed budget would keep this funding flat (\$420 million) compared to FY2023. We encourage the Legislature to follow the same course it has taken over the past few years and add to the Governor’s recommendation.

Combatting Staffing Shortages The NJSBA would also like to lend support to the proposed appropriation of over \$20 million in funding for several new initiatives to address the growing teacher shortage, which has reached crisis levels across the state. These include: stipends for student teachers; certification fee waivers; Culture and Climate Innovation Grants; paraprofessional training; a public media campaign; a teacher apprenticeship program; and expansion of the Teacher Leader Network. Making the teacher pipeline more robust is a high priority of the NJSBA, and we were proud to have a representative on the Governor’s Task Force on Public School Staff Shortages. We hope that, as this process moves forward, the Legislature will consider additional funding to implement the Governor’s proposals, as well as others put forward by the task force.

Other Areas of Support Lastly, NJSBA would like to express support for the following budget items. We urge the legislature to maintain or expand on:

- Maintenance of the School Based Youth Services Program while launching the N.J. Statewide Student Support Services (NJ4S). By maintaining current programs while investing more dollars in NJ4S, we are hopeful that more students will receive the mental health and behavioral supports they need;
- Dedicating \$30 million this year in State and federal funds for high-impact tutoring and other programs to help students in their academic recovery in a post-COVID environment;
- \$20 million for Stabilization Aid, an important aid category designed to assist districts that are adjusting to new funding levels;
- \$109 million increase in preschool education aid, including \$40 million to expand programs into new districts or support other expansion needs such as workforce development;
- \$3 million in funding to expand community schools;
- \$80 million in awards for capital maintenance and emergent needs projects; and
- Maintaining funding for the Men of Color Hope Achievers program and the Minority Teacher Development Program.

Thank you for your consideration of the NJSBA's comments on the proposed FY2024 state budget. If you have any questions or would like additional information, please do not hesitate to contact me.