

NJDOE Meeting -- SFRA Concerns

Monday, February 1, 2016

- David Hespe, NJDOE Commissioner
 - Robert Bumpus, NJDOE Asst. Commissioner
 - Kevin Dehmer, NJDOE Executive Director -- Office of School Facilities and Finance.
 - G. Kennedy Greene, Superintendent -- Newton Public Schools
 - Joseph Jones III, Superintendent -- Woodbury City Public Schools
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1. There is basic agreement on this issue, and it is being discussed publicly.

a) Quality Counts reveals macro adequacy vs. micro inequity.

- NJ scores A in spending, C+ in equity.
- We are among *the bottom 20% in the nation* in the amount of spending disparity across districts. This can be addressed.

b) SFRA is underfunded and inequitably distributed.

- Commissioner Hespe, in his address at the NJSBA Workshop in October 2016 referenced this concern. “At the New Jersey School Boards Association annual conference this week, Education Commissioner David Hespe and a group of state legislators said they are discussing how to *balance the growing inequities in state school aid distribution*.” (Press of Atlantic City, October 29, 2016, emphasis added)
- Senate President, Steven Sweeney, was referenced talking about school funding in the Asbury Park Press: “Sweeney said he’s been talking with Sen. Jennifer Beck, R-Monmouth, about *a more equitable school funding plan*. One change he envisions: eliminating the so-called “hold harmless” provision that protects some districts from having their aid cuts — even if enrollments decline.” (January 16, 2016, emphasis added)

c) SFRA won't be fully funded any time soon.

- This is a reality of today’s finances. We have been told this year after year -- but what can be done to begin to correct the imbalance? To continue on this path actually makes funding matters worse each year for some districts.
- We propose a focus on districts identified by the Funding Fairness Index (FFI), created by G. Kennedy Greene -- this index identifies the districts that are spending BELOW adequacy but already taxing their local residents ABOVE their fair share amount.

d) SFRA at 85% is not ideal but should be distributed more equitably.

- There are districts funded well OVER 100% of their uncapped SFRA allocation while many who rely on state aid to meet adequacy languish significantly short of their SFRA allocation.
- Money could be reallocated. Or, if new funds are found, the 70 districts identified by the FFI could be targeted. Bringing these districts up to their 85% SFRA funding threshold -- the amount that the state currently contributes overall -- would be a more just allocation for these communities doing all that they possibly can to provide for their students.

2. Holistic SFRA picture illustrated on Woodbury site.

a) The Funding Fairness Index identifies districts UNDER adequacy and OVER local fair share. Woodbury City Public Schools and Newton Public Schools are two of the 70 districts identified:

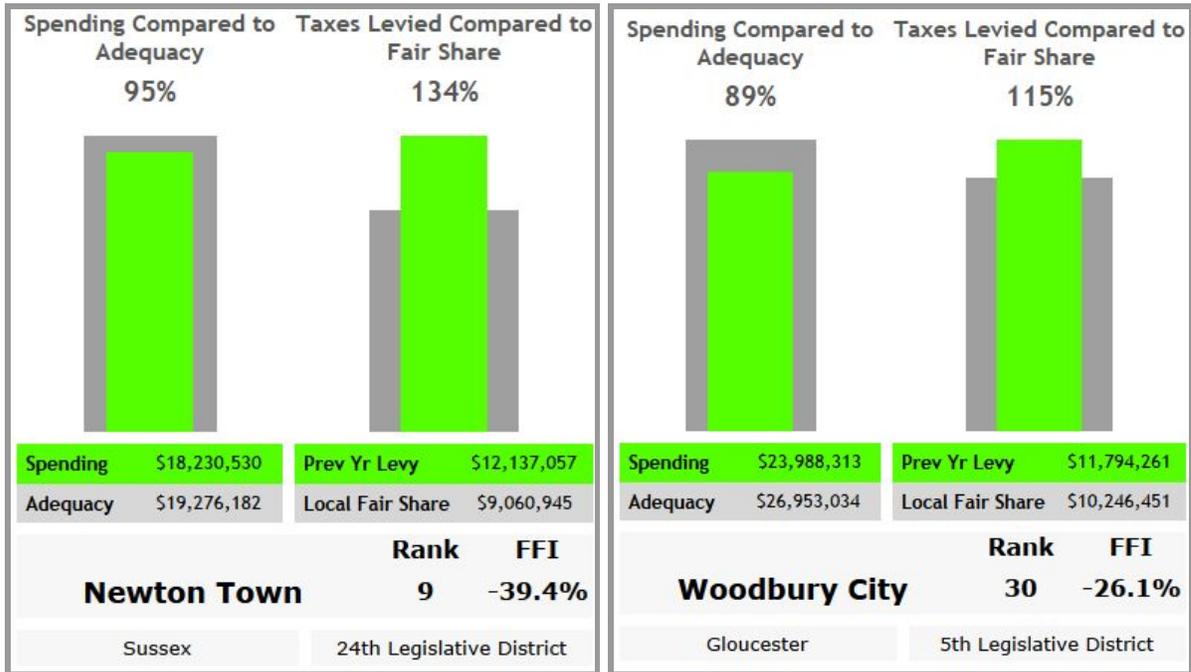


image of Woodbury, image of Newton -- graphs from Woodbury City Public Schools website

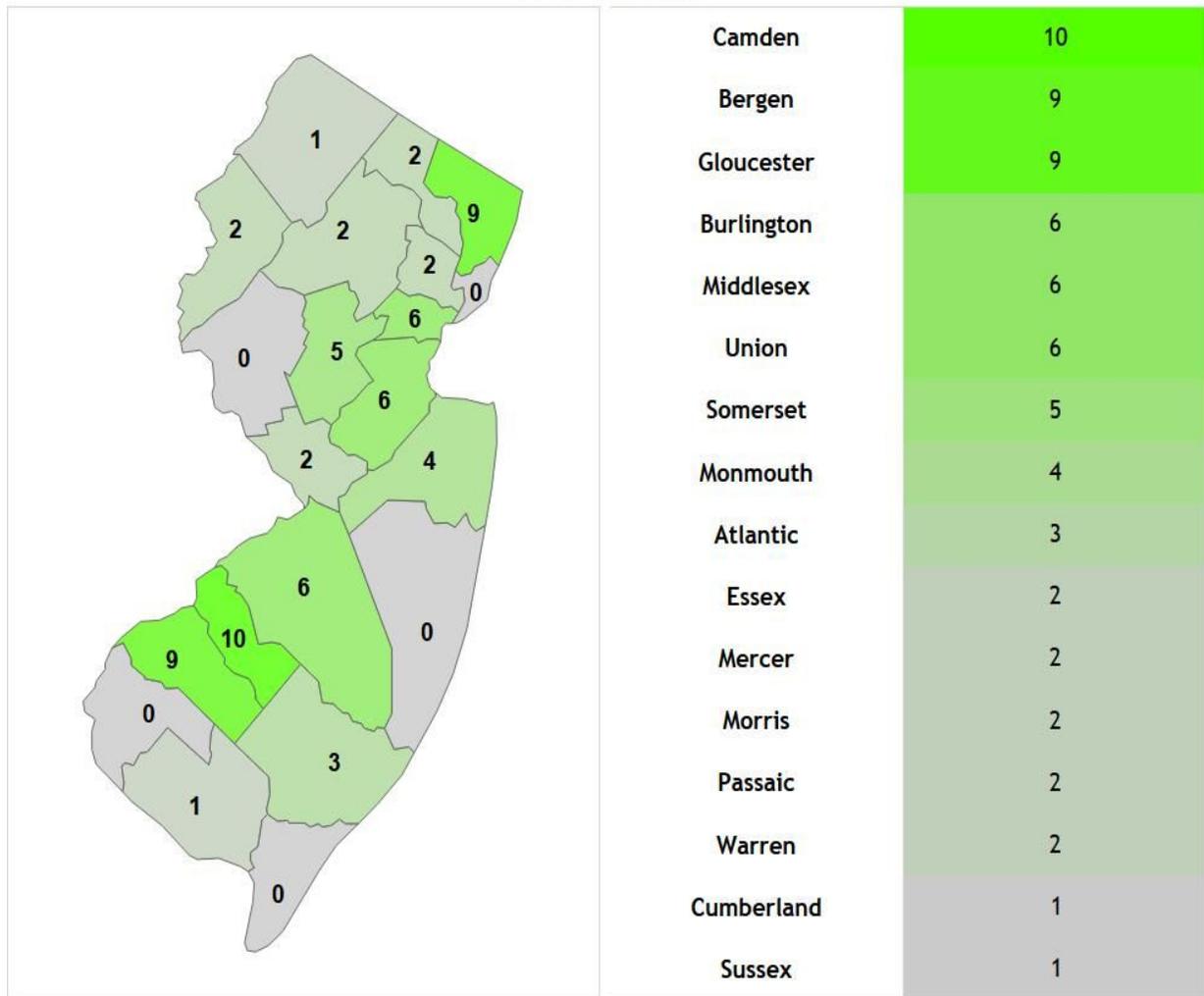
b) Under-adequacy, over-taxed districts are found in legislative districts in all regions of the state (29 of 40 districts).

**Top 70 by
Legislative
District**

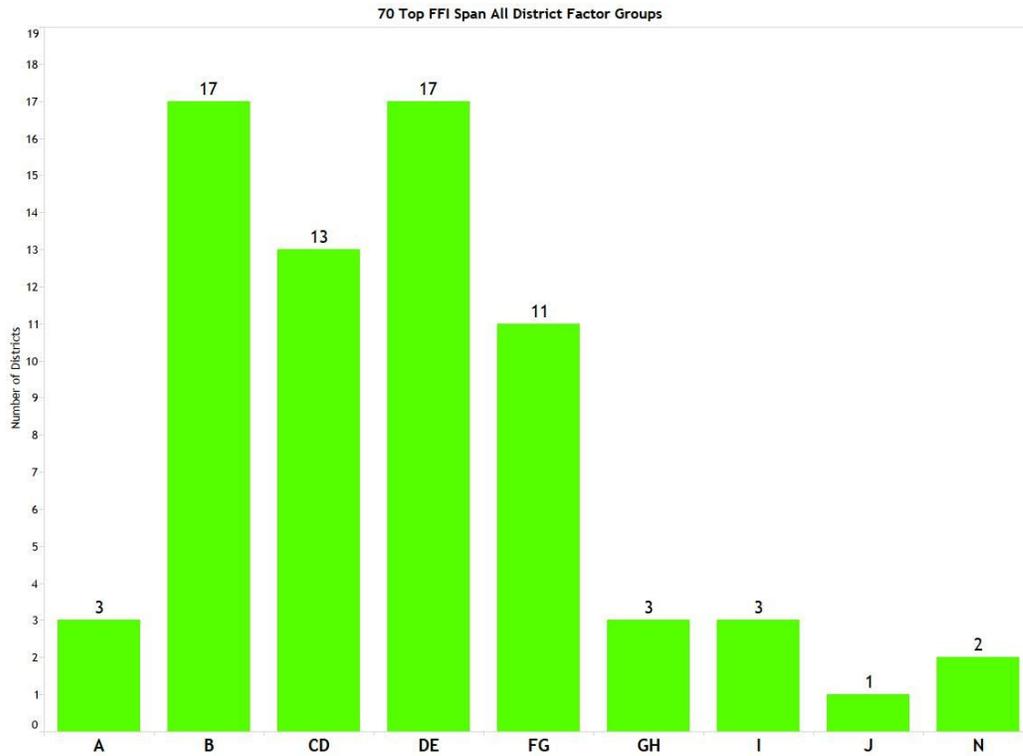
| | |
|------|---|
| 3rd | 7 |
| 5th | 7 |
| 22nd | 5 |
| 6th | 4 |
| 7th | 4 |
| 23rd | 4 |
| 38th | 4 |
| 2nd | 3 |
| 35th | 3 |
| 4th | 2 |
| 12th | 2 |
| 14th | 2 |
| 16th | 2 |
| 20th | 2 |
| 21st | 2 |
| 25th | 2 |
| 36th | 2 |
| 37th | 2 |
| 8th | 1 |
| 11th | 1 |
| 13th | 1 |
| 15th | 1 |
| 17th | 1 |
| 18th | 1 |
| 19th | 1 |
| 24th | 1 |
| 27th | 1 |
| 28th | 1 |
| 30th | 1 |

c) Under-adequacy, over-taxed districts are found in most counties in the state (16 of 21 counties).

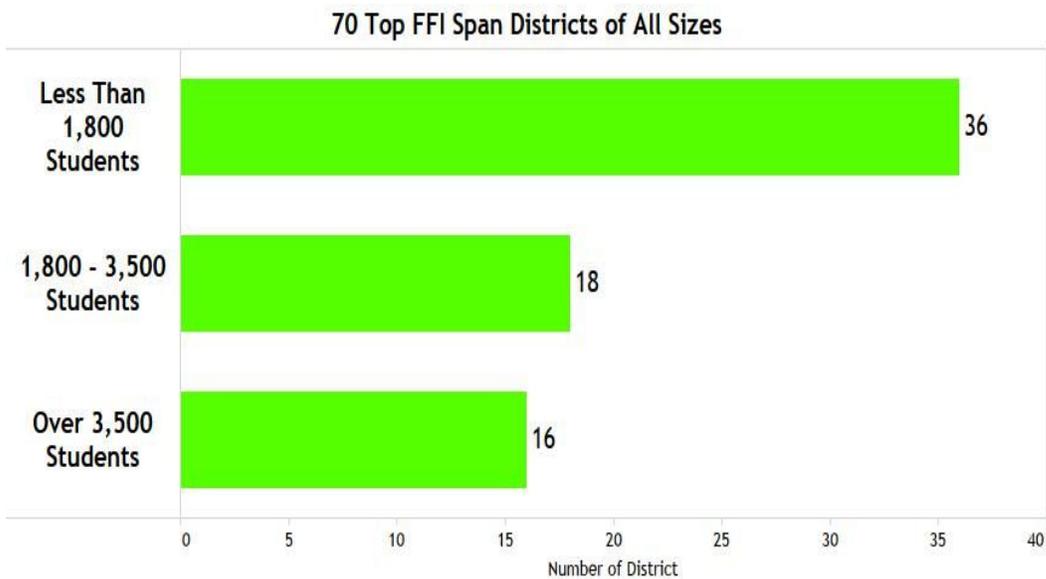
Top 70 by County



d) The FFI identifies rich, middle class, and poor districts -- all DFG's are represented.



e) The FFI identifies districts of all sizes -- large, medium, and small enrollments.



3. The FFI 70 are a legitimate starting point to address inequity.

- a) Under adequacy and overtaxed – *these are the most needy districts!*
- b) These districts are not being held harmless . . . every year of flat funding causes these districts to fall further behind others who are overfunded or who have the ability to raise more local tax dollars.

4. What about under-adequacy/under-LFS districts? They need to see a path to increased revenue.

- a) Create a cap waiver -- up to their local fair share or some fixed percentage greater than the current 2% available to all school districts
- b) The recent Education Law Center post on adjustment aid is silent on taking it away from these districts. Solution -- grant waiver up to amount of adjustment aid reduction for districts receiving adjustment aid
- c) Those who raise local taxes and ultimately reach 100%+ of local fair share could then be targeted by the FFI for additional state funding in future years.