



TESTIMONY OF EDUCATION LAW CENTER ON
GOVERNOR'S PROPOSED FY13 BUDGET
ASSEMBLY BUDGET COMMITTEE
MARCH 19, 2012

Thank you Assemblyman Prieto and members of the Assembly Budget and Appropriations Committee for the opportunity to testify on behalf of the Education Law Center on Governor Christie's proposed FY13 State Budget as it relates to public school funding, preschool to grade 12. As we will explain, the Governor is proposing radical changes to the funding formula in the School Funding Reform Act (SFRA) – not through amendatory legislation, but through the annual appropriations act. Further, if these budgetary changes are approved, funding for all school districts, especially districts with high numbers of poor or “at-risk” students, would be substantially reduced not just in the coming school year, but for the next five years.

First, the FY13 proposal for school aid would, if approved, continue the Governor's stated goal of cutting funding to school districts far below the levels required by the SFRA formula. Along with this testimony, we've included a chart that shows the amount of SFRA underfunding since 2009-10 for every district in the state. Under the Governor's FY13 budget, NJ school districts will have lost a total of \$3.6 billion in SFRA formula aid in just four years time. Of this total, districts will lose \$750 million just from the current year (FY12) to the next school year (FY13), with the impact falling hardest on those very districts the SFRA formula was expressly designed to benefit: those with growing numbers of “at-risk” students outside the 31 former Abbott districts.

In short, the Governor's proposal leaves all districts far below the levels of funding carefully determined to be “adequate” to deliver a high quality education for all students

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under the SFRA formula, as enacted on a bipartisan basis in 2008, and approved by the Supreme Court in 2009. Even worse, the proposal makes a mockery of the core legislative policy embedded in the SFRA, namely that adequate funding “follow the student,” especially “at-risk” students, English language learners and students with disabilities, regardless of zip code.

Second, the Governor is not only proposing to cut school funding again in FY13, he is also proposing radical changes to the SFRA formula itself, and trying to accomplish that objective by doing an “end-run” around the legislative process. These changes are contained in the so-called “Education Funding Report” released by Acting Commissioner Cerf on February 23. As outlined in this report, the Christie Administration is proposing, without any study, analysis or educational justification, to substantially reduce the cost or “weights” in the SFRA formula for low-income (“at-risk”) students and English language learners. This reduction would decrease the funding available for districts to provide programs essential for these students wherever they attend school, but the reduction would be felt most in high need districts where funding will be cut by well over \$1000 per at-risk student. [Please see the attached chart, “Proposed Modifications to the SFRA.”] This change in the formula will be devastating to schools that serve higher percentages of at-risk students. Such precipitous drops in aid will mean that districts will not be able to maintain programs that provide the academic and other supports these children desperately need to succeed.

In addition, the Acting Commissioner is proposing to calculate aid not on the basis of a district’s enrollment count early in the school year, as the SFRA law currently requires, but instead using a method known as “Average Daily Attendance.” ADA, which is so discredited that few, if any, states use it, would deprive districts of the funding necessary to serve all students. This would result in a significant drop in funding for districts that serve poor students whose daily attendance in school is compromised by ill health, family challenges and other issues, problems over which the district has no control.

What's more alarming is that the Governor is not proposing these changes by asking the Legislature to adopt amendments to the SFRA statute, or even through the issuance of the "Education Adequacy Report" as required by the SFRA law, but rather through language in the budget bill, language that the Governor has signaled he will propose for next year's budget and beyond. Put simply, this proposal is nothing more than a bald usurpation of the Legislature's authority as a co-equal branch with the Executive and must not be allowed to stand.

For these reasons, we urge you to flatly reject the Governor's school aid proposal. Instead, we urge you to do what the Legislature did in FY12 – rewrite the provisions for school aid in the budget based on the educationally necessary, and legally required, costs, weights, enrollment and other parameters in the SFRA formula. This also means allocating funding to all districts based on the current SFRA formula to ensure all districts are either "fully funded" under the formula or, for those districts under their adequacy budgets, moving towards adequacy. Only in this way can you be assured that all districts will have the resources they need to educate all students so they graduate college and career ready and become productive citizens of our state.