



**TESTIMONY OF EDUCATION LAW CENTER ON
GOVERNOR'S PROPOSED NINE-MONTH FY21 STATE BUDGET
SENATE BUDGET AND APPROPRIATIONS COMMITTEE**

September 10, 2020

Education Law Center (ELC) thanks Chairman Sarlo and members of the Senate Budget and Appropriations Committee for the opportunity to submit testimony on Governor Murphy's proposed nine-month FY21 State Budget.

Governor Murphy previously announced that the \$335 million in increased state school aid in his original FY21 budget proposal would be cut from in his revised budget. With that cut, we are back to where we were for seven years under former Governor Christie: flat state aid in the face of substantial deficits under the School Funding Reform Act (SFRA).

No increase in state aid in FY21 means the State will owe our students \$2.14 billion under the SFRA. And the lion's share of this debt is to students in districts spending below – and in many cases far below – what's required for a thorough and efficient education under the State Constitution. Many of these students are in urban, or former "Abbott," districts segregated by poverty and race.

These underfunded districts were already experiencing teacher and support staff shortages prior to the pandemic. For example, ELC recently analyzed 2019 data showing 300 schools across the state with no school nurse. And as schools make every effort to safely reopen, their resource needs and costs are growing, not diminishing. Districts are facing not only expected inflationary increases, but also the need to purchase technology for remote learning, PPE for staff and students, updated equipment for enhanced ventilation, and myriad other cost drivers caused by the impact of COVID-19 on our public school system.

Even worse, a significant subset of districts is facing not just flat funding but actual cuts under the Governor's proposed budget. The proposal would cut \$153 million from 196 districts, which includes \$89 million from 31 districts with budgets below the adequacy level. These cuts, authorized by Senate Bill 2 (S2) passed in 2018, were conditioned on the State's commitment to phase-in aid increases over seven years to pay down the debt owed under the SFRA to students in underfunded districts. There is now simply no

justification for the S2 aid cuts when the State has reneged on its promise of full funding.

The budget proposal also provides no additional funding to address the disproportionate impact of COVID-19 on districts segregated by poverty and race across New Jersey. These districts are facing an estimated 230,000 students on the wrong side of the digital divide, the unsafe condition of many school buildings, and the urgent need for additional staff and resources to remedy the profound academic, social and emotional losses suffered by countless children residing in our poorest communities.

And finally, the Governor's proposed budget does not address the need for additional, emergency school construction funding to make all of our school buildings safe to reopen. Districts with classroom overcrowding, lack of ventilation, HVAC concerns, aging infrastructure and other conditions cannot wait any longer for the State to fulfill its constitutional obligation to students. Without remediation, districts will be unable to meet the health and safety requirements of the pandemic and beyond.

For these reasons, ELC urges the Legislature to modify the Governor's budget proposal as follows:

- 1) Stop Senate Bill 2 cuts to state aid to any district below adequacy.
- 2) Provide an increase in state aid provided to under adequacy school districts sufficient to reduce the amounts owed under the SFRA.
- 3) Allocate \$1 billion of the emergency bonding authority approved by the Legislature and the Supreme Court to finance emergency health, safety and other repairs required to meet the NJ Department of Education guidelines for reopening school buildings for in-person instruction in the pandemic, and direct the NJDOE and Schools Development Authority to immediately undertake an emergency facilities needs assessment to determine which buildings require remediation and to prioritize use of bond funds.
- 4) Restore the \$11 million for the School-Based Youth Services program the Governor has cut from the Department of Children and Families. This crucial program, providing in-school mental health counseling and other services for students, is needed more than ever given the toll the pandemic has taken on young people. The program has been in place for decades in districts, including those serving large numbers of at-risk middle and high school students.
- 5) Direct the Murphy Administration to take up ELC's five-point program, outlined in our August 27 letter to the Governor and Legislative leaders, to end the digital divide, starting with providing the Legislature and the public with exact

information on the number and location of NJ students who do not have devices, internet connectivity, or both for remote learning and the specific technology deficits facing those students.

While we support the Governor's call for a millionaire's tax and additional revenue raisers in the FY21 budget, we do so only if sufficient funds are directed to increase state support for K-12 public education, as set forth above.

One bit of good news: our representation in court of the NAACP and school districts across the country resulted in a ruling last week declaring invalid Secretary of Education Betsy DeVos' rule requiring districts to set aside emergency CARES Act funds for all private school students, not just low-income students. This has diverted millions more from district budgets to even the most elite private schools in the state. We will be urging Attorney General Grewal and the Governor to immediately notify districts that they should no longer pay out these funds and seek to recover any funds that may have been provided under the now illegal rule.

Put bluntly, Governor Murphy's proposed budget will only widen the pre-COVID-19 resource and outcome gaps for students in the state's high poverty, racially isolated districts and schools. We already know this because COVID-19 requires our public schools to protect the health and safety of students, staff and families in unprecedented ways. Those same districts are struggling with remote learning and how to ensure that every student receives a thorough and efficient education, whether at school or at home. These circumstances demand bold solutions at the state level, not more passing the buck to underfunded and under-resourced local districts.

It's time for the Legislature to build a truly progressive budget for the 2020-21 school year – one in which the education rights of our state's most vulnerable, at-risk students are paramount and fully protected.