

ASSEMBLY, No. 4060

STATE OF NEW JERSEY

212th LEGISLATURE

INTRODUCED FEBRUARY 26, 2007

Sponsored by:

Assemblyman CRAIG A. STANLEY

District 28 (Essex)

Assemblyman BRIAN P. STACK

District 33 (Hudson)

Assemblyman JOSEPH VAS

District 19 (Middlesex)

Co-Sponsored by:

**Assemblymen Manzo, Hackett, Assemblywomen Truitt, Voss,
Assemblyman Steele, Assemblywoman Pou and Assemblyman McKeon**

SYNOPSIS

Directs Legislative Services Commission to provide for a comprehensive Statewide costing-out study to determine per pupil costs required to provide a thorough and efficient education.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/11/2007)

1 AN ACT concerning the cost of providing a thorough and efficient
2 education to public school students.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. The Legislature finds and declares that:

8 a. The State has a constitutional and moral obligation to ensure
9 that New Jersey's children have access to a thorough and efficient
10 education;

11 b. New Jersey's current public school funding formula
12 established under the provisions of the "Comprehensive
13 Educational Improvement and Financing Act of 1996" (CEIFA),
14 P.L.1996, c.138, has not been used to calculate State aid for public
15 schools since the 2001-02 school year. The Supreme Court
16 declared CEIFA unconstitutional as applied to urban special needs
17 or "Abbott" districts in 1997 and the State Board of Education in
18 2005 determined CEIFA unconstitutional as applied to certain rural
19 districts;

20 c. State aid for nonAbbott districts has remained relatively flat
21 since 2001-2002 while the cost of living has increased on average
22 by 2.9% per year and certain fixed costs, such as utilities, and other
23 costs, such as those associated with special education, have
24 increased more dramatically, resulting in increases in local property
25 taxes to maintain quality public education in many communities;

26 d. While the Abbott districts have received State aid increases in
27 some years, the State has sought approval from the Supreme Court
28 in four of the past five years to restrict those increases to the cost of
29 living or to the funding levels of the prior year;

30 e. In December 2006, the New Jersey Department of Education
31 released a "Report on the Cost of Education" which presented the
32 education cost determinations derived from a study performed by
33 the department in 2003, adjusted for inflation and other factors;

34 f. Following the release of the department's study, education
35 stakeholders and school finance experts raised substantial and
36 significant concerns over the study's methods and cost
37 determinations, and have called for additional study in order to
38 ensure cost determinations that are current, accurate, and take into
39 account the actual needs of students and schools in New Jersey's
40 unique and diverse school districts, including urban, rural, and
41 suburban districts;

42 g. In order to assist the Legislature in developing a new public
43 school funding formula that is educationally fair, adequate, and
44 constitutional, it is critical that the Legislature obtain a new,
45 independent, professionally sound, and accurate education cost
46 study as soon as feasible, building upon the data and information
47 developed by the department in its 2003 study, the published 2006
48 report, and the comments of stakeholders and experts on the 2003

1 study. The development of this cost study and a new funding
2 formula would not only ensure that the State's students have access
3 to a constitutional education as defined by the core curriculum
4 content standards, but would also help to reduce property taxes and
5 assist communities in planning to meet their educational expenses.
6

7 2. The Legislative Services Commission shall hire or retain
8 independent consultants to conduct a Statewide costing-out study to
9 arrive at a determination of per pupil costs and such other costs as
10 are necessary to enable all students, including low-income students
11 and students with disabilities and other special needs, to achieve the
12 State's core curriculum content standards and State performance
13 and assessment standards.
14

15 3. The costing-out study required pursuant to section 2 of this
16 act shall be consistent with the constitutional principles for
17 determining adequate and equitable funding for grades K-12 regular
18 or foundation education for all students, and preschool and
19 educational and educationally-related programs and services for
20 low-income students as established in the Abbott Supreme Court
21 decisions.

22 The study shall, at a minimum:

23 a. determine the actual per pupil cost of providing regular or
24 foundation education to K-12 students, including full-day
25 kindergarten, as defined by the core curriculum content standards,
26 in schools and districts of differing size, characteristics, and
27 locations across the State, including urban, rural, and suburban
28 school districts and charter schools;

29 b. identify and determine the actual cost of maintaining and
30 providing research-based education and educationally-related
31 programs and services to low-income students and school districts
32 with significant poverty rates, consistent with the requirements
33 established in the Abbott Supreme Court decisions;

34 c. identify and determine the actual cost of providing additional
35 programs and services to meet the needs of students with
36 disabilities, limited English proficiency, and other special needs;

37 d. identify and determine the actual cost of maintaining and
38 providing well-planned, high quality preschool programs for three-
39 and four-year olds, especially for low-income students and in
40 school districts with significant poverty rates, consistent with the
41 requirements established in the Abbott Supreme Court decisions,
42 and utilizing cost data from implementation of the Abbott preschool
43 program;

44 e. identify and determine any additional costs to districts and
45 schools to comply with requirements of the federal "No Child Left
46 Behind Act of 2001," Pub. L. 107-110, and State-mandated and
47 required school reform programs and initiatives;

1 f. provide recommendations for improving and sustaining the
2 programs, reforms, and accountability measures established in the
3 Abbott Supreme Court decisions in those school districts designated
4 as poorer urban or Abbott districts, and any other school district not
5 providing a thorough and efficient education as determined by the
6 Legislature and the State Board of Education; and

7 g. recommend a process and mechanism for updating every two
8 years the information compiled pursuant to subsections a. through e.
9 of this section.

10
11 4. a. The costing-out study shall use established methodologies
12 for determining the education costs set forth in section 3 of this act,
13 including

14 (1) the method that determines the regular or foundation
15 education costs set forth in section 3 of this act in educationally-
16 successful school districts in the State, taking into account the
17 District Factor I & J districts that serve as the benchmark for
18 education cost adequacy in the Abbott Supreme Court decisions;
19 and

20 (2) the method that considers evidence, including best
21 educational practices, gathered from focused panels of educators
22 and stakeholders concerning the inputs and resources necessary to
23 determine the education costs set forth in section 3 of this act,
24 taking into account the differing size, characteristics, and locations
25 of schools and districts across the State, including urban, rural and
26 suburban districts, charter schools, and community preschool
27 providers.

28 b. Any cost adjustments or indexing recommended in the study
29 shall be based on geographic characteristics of districts across the
30 State.

31 c. The study shall include a transparent and public process to
32 obtain input from educators, parents, and the public on the costing-
33 out study's methods and cost determinations, including public
34 hearings with adequate advance notice in communities throughout
35 the State and at times and locations designed to maximize public
36 comment and input on the study.

37
38 5. a. The Department of Education shall make available to the
39 consultant selected to perform the costing-out study all documents,
40 materials, data, and other information related to the department's
41 efforts since 2003 to determine education costs and shall make
42 available appropriate staff and other resources as requested by the
43 consultant.

44 b. The costing-out study shall utilize to the maximum extent
45 feasible and appropriate the documents, materials, information, and
46 data developed by the department for its 2003 study in an effort to
47 avoid duplication, maximize efficiencies, conserve resources, and
48 complete the study in accordance with the provisions of section 6 of

1 this act. The documents, materials, data, and other information
2 shall include, but need not be limited to, expert and stakeholder
3 review and comments on the department's study and any other
4 information obtained by the department in the course of the study
5 that would be of continued reliability and validity in conducting the
6 costing-out study required pursuant to the provisions of this act.

7
8 6. The independent consultant shall complete the costing-out
9 study no later than November 15, 2007.

10
11 7. Notwithstanding any provision of the annual appropriations
12 act to the contrary, the Legislative Services Commission shall
13 identify available appropriations made to the Department of
14 Education and shall request, subject to the approval of the Director
15 of the Division of Budget and Accounting in the Department of
16 Treasury and the Legislative Budget and Finance Officer, a transfer
17 to the Office of Legislative Services of an amount not to exceed
18 \$700,000 for the purpose of the costing-out study.

19
20 8. This act shall take effect immediately.

21
22
23 STATEMENT

24
25 This bill requires the Legislative Services Commission to retain
26 independent consultants to conduct a Statewide costing-out study to
27 determine the cost of a thorough and efficient education. The bill
28 requires that the study be consistent with the constitutional
29 principles for determining adequate and equitable funding for
30 regular or foundation education for all students in grades K-12, and
31 preschool and educational and educationally-related programs and
32 services for low-income students as established in the Abbott
33 Supreme Court decisions. The study would, at a minimum:
34 determine the actual per pupil cost of providing regular or
35 foundation education to K-12 students, including full day
36 kindergarten, as defined by the core curriculum content standards in
37 schools and districts of differing size, characteristics, and locations
38 across the State, including urban, rural, and suburban school
39 districts and charter schools; identify and determine the actual cost
40 of maintaining and providing research-based education and
41 educationally-related programs and services to low-income students
42 and school districts with significant poverty rates, consistent with
43 the requirements established in the Abbott Supreme Court
44 decisions; identify and determine the actual cost of providing
45 additional programs and services to meet the needs of students with
46 disabilities, limited English proficiency, and other special needs;
47 identify and determine the actual cost of maintaining and providing
48 well-planned, high quality preschool programs for three- and four-

1 year olds, especially for low-income students and in school districts
2 with significant poverty rates, consistent with the requirements
3 established in the Abbott Supreme Court decisions, and utilizing
4 cost data from implementation of the Abbott preschool program;
5 identify and determine any additional costs to districts and schools
6 to comply with requirements of the federal “No Child Left Behind
7 Act of 2001” and State-mandated school reform programs and
8 initiatives; and recommend a process and mechanism for updating
9 every two years the information compiled through the study.

10 Additionally, the bill requires that the study be conducted using
11 established methodologies for determining education costs, that any
12 cost adjustments or indexing in the study be based on geographic
13 characteristics of districts across the State, and that the study
14 include a transparent and public process to obtain input from
15 educators, parents, and the public on the costing-out study’s
16 methods and cost determinations.

17 The independent consultant is directed to complete the study by
18 November 15, 2007.