

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 354

STATE OF NEW JERSEY

DATED: FEBRUARY 3, 2022

The Senate Education Committee favorably reports Senate Bill No. 354.

This bill establishes the School Funding Formula Evaluation Task Force. The purpose of the task force is to study, evaluate, and assess the provision of State school aid pursuant to the “School Funding Reform Act of 2008” (SFRA). The task force will consist of seven members, including: the Commissioner of Education or a designee; and six public members, each of whom shall have educational experience and expertise in education and municipal finance and school budgeting. Two of the members will be appointed by the Senate President, two members will be appointed by the Speaker of the General Assembly, and the Minority Leaders of the Senate and General Assembly will each appoint one member.

Under the bill, the duty of the task force is to study the effectiveness of, and provide recommendations on potentially improving, various aspects of the SFRA including, but not limited to:

- the manner in which school district adequacy budgets and local shares are calculated;
- the current methodology of measuring and weighting at-risk students and students with limited English proficiency and the impact on the educational outcomes of those students;
- the weights applied to students in different grade levels, as well as those applied to students enrolled in county vocational school districts;
- the current methodology used to calculate the geographic cost adjustment;
- the formula’s use of the census-based funding methodology for determining the amount of State aid a school district receives to educate its special education population and the effects of potentially employing different methodologies;
- the provision of extraordinary special education aid and the cost thresholds used as the bases for reimbursement of extraordinary special education costs;
- the methodologies used to calculate security categorical aid and transportation aid; and

- the impact that the reallocation of State school aid pursuant to P.L.2018, c.67, commonly referred to as “S-2,” had on school districts’ finances.

The bill requires that the task force will issue a final report detailing its findings and recommendations to the Governor, and to the Legislature, no later than one year after the organization of the task force. The report will be posted in a prominent location on the Internet website of the Department of Education.

This bill was pre-filed for introduction in the 2022-2023 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.