



State of New Jersey
 DEPARTMENT OF EDUCATION
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May 27, 2011

Honorable Paul A. Sarlo, Chairman
 Senate Budget and Appropriations Committee
 State House Annex
 PO Box 068
 Trenton, New Jersey 08625-0068

Dear Chairman Sarlo:

Please find the following information in response to questions raised by the Senate Budget and Appropriations Committee during the Department of Education's hearing on May 9, 2011.

Senator Sarlo:

- Please provide a listing of any funding received by the Department of Education from a foundation or other philanthropic entity. Please include the name of the entity, the total amount of funding received, the manner in which the funding was or will be used, and any conditions associated with the receipt of the funding. Additionally, attach any written agreement that the department has entered into with the entities. Last, please provide similar information for school districts that, to the extent that the department is aware, have received grants from foundations or other philanthropic entities.

The Department sporadically receives small amounts of donations from foundations and other philanthropic entities. Please see the list below for amounts received the last two years. The Department does not track grants received from foundations or other philanthropic entities that go to school districts.

Donations received by the New Jersey Department of Education			
2010 and 2011			
Donation	Description	2010	2011*
Holocaust Education (27 in total)	Various donations for Holocaust Education	\$23,096.60	\$10,550.00
William Randolph Hearst Foundation	To be used for the US Senate Youth Program	\$1,000.00	
National Forum to Accelerate Middle Grades Reform	To be used for the Schools to Watch Program	\$1,200.00	
*Through May 1, 2011			

Senator Ruiz:

- Please provide information regarding the number of remaining non-operating school districts in the State, the number of such school districts that employ a superintendent, and total administrative spending in these districts.

Please see the table below.

Administrative Expenditures for the 13 Non-Operating Districts in FY2010 *							
CO	DIST	County	District Name	Superintendent	FY10 ADMINISTRATIVE EXENDITURES **	OCT. 2010 RESIDENT ENROLLMENT	FY10 ADMIN. EXPENDITURE PER PUPIL
1	960	Atlantic	CORBIN CITY	none	43,725	77	572
1	2780	Atlantic	LONGPORT	none	33,414	57	586
3	4500	Bergen	ROCKLEIGH	none	33,593	22	1,527
3	5170	Bergen	TETERBORO	none	8,268	7	1,181
7	810	Camden	CHESILHURST	none in FY11 ***	366,089	168	2,179
7	2130	Camden	HI NELLA	none	62,525	97	645
7	4120	Camden	PINE VALLEY	none	0	0	0
9	730	Cape May	CAPE MAY POINT	none	17,519	4	4,380
9	5700	Cape May	WEST WILDWOOD	none	16,198	70	233
15	3580	Gloucester	NEWFIELD BORO	none	60,038	235	255
25	50	Monmouth	ALLENHURST	none	42,315	3	14,105
25	2320	Monmouth	INTERLAKEN	none	30,952	13	2,381
25	4840	Monmouth	LAKE COMO	none	43,581	218	200
					758,217	970	782
* Two additional districts no longer operate any schools as of FY11 - Seaside Park (Ocean County) and Elmer Borough (Salem County).							
** As defined for Indicator 8 in the FY2010 Comparative Spending Guide. http://www.state.nj.us/education/guide							
*** Chesilhurst still had a Superintendent under contract in FY10 (the first fiscal year the school was not operating).							

Senator Pennacchio:

- What percent of students participating in the New Jersey Student Tuition Assistance Reward Scholarships (NJ STARS) Program are required to take at least one remedial course upon enrolling in college?

The Department has reached out to the Commission on Higher Education to see if this data is available. The Department previously received data from the Commission showing remediation rates of recent high school graduates by community college and state college/university but it does not break out data for students participating in the NJ STARS program. The Department will continue to follow up.

Senator Doherty:

- *Please provide information regarding any impact of certain policies, such as providing tax abatements on certain properties, on the amount of State aid a school district would receive pursuant to the provisions of the "School Funding Reform Act of 2008."*

Property tax abatements, or a municipality's decision to abate property, impacts State aid to the extent that the wealth-equalized component is driven by the total assessed valuation (equalized) for a district. The local fair share calculation, which factors into the wealth-equalized portion of state aid (or equalization aid), is determined based on the district's relative income and equalized valuation. A municipality that chooses to implement property tax abatements, in essence, lowers their relative property wealth which could result in a relatively lower local fair share. Inclusion of abated property in this calculation would not change the overall statewide amount of equalization aid, but would change the distribution among districts. Namely, those districts with large amounts of property tax abatements will see a reduction in equalization aid, while those with little or no abatements will see more equalization aid. As the School Funding Reform Act of 2008 includes a "hold harmless" provision in the form of adjustment aid, the loss of equalization aid will be made up in adjustment aid for eligible districts – the May 11, 2011 State Auditor's report on State aid (page 3) found only four districts with abated property that did not receive adjustment aid or have a state aid growth limit reduction. Inclusion of abated property in the calculation would likely net an overall increase in state aid relative to the current treatment of abated property – districts that do not receive adjustment aid and have not hit the aid cap (10%/20%) could potentially see more aid, while all other districts would not see a change in aid.

I trust that you and the members of the committee will find these responses useful during your continued deliberation.

Sincerely,



Christopher D. Cerf
Acting Commissioner

CDC/DJ/amr/g:2012budget/legislativehearings/sbafollowupquestions/doc -sba follow up q&a dated 5-11-11

c David J. Rosen, Legislative Budget and Finance Office
Charlene Holzbaur, Office of Management and Budget
George LeBlanc, Senate Democratic Office
Rosemary Pramuk, Senate Republican Office
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