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**TESTIMONY OF EDUCATION LAW CENTER ON  
GOVERNOR'S PROPOSED FY16 BUDGET  
SENATE BUDGET AND APPROPRIATIONS COMMITTEE  
MARCH 25, 2015**

Thank you, Chairman Sarlo, and members of the Senate Budget and Appropriations Committee for the opportunity to testify on behalf of the Education Law Center (ELC) on Governor Christie's proposed FY16 State Budget as it relates to school funding for New Jersey's 1.3 million public school students in preschool through high school. My name is Sharon Krengel, and I am the Policy and Outreach Director for ELC.

Governor Christie's Budget proposal marks the sixth straight year of his refusal to provide our students with the resources and funding required by the School Funding Reform Act (SFRA), New Jersey's landmark weighted student formula enacted with bipartisan support in 2008, and upheld as constitutional by the Supreme Court in 2009.

The Governor proposes to increase K-12 school aid by a mere \$5.2 million, and to allocate this paltry sum to just 83 districts participating in the Interdistrict Public School Choice program. All districts across the state face another year of flat funding under the SFRA of equalization or foundation aid and the formula's categorical aids, including aid for special education.

Make no mistake. This budget will have real impacts on our schools and students, as districts will make additional cuts to teachers, support staff, intervention services and programs essential to ensuring students a thorough and efficient education.

The Governor's miniscule aid increase comes against a backdrop of an Administration that has amassed a cumulative \$6.1 billion in underfunding under the SFRA formula. As a result, the aid levels in 80% of our school districts are below what they were in 2009-10, when the Governor took office. Statewide, districts are currently a mere \$24 million, or 0.03%, above their state aid levels of five years ago.

The Governor's dismal record of SFRA underfunding is taking its toll on funding fairness and equity across the state. An ELC analysis shows that, when adjusted for additional costs required for at-risk students, English language learners, and students with special needs, the gaps in funding between the lowest and highest wealth districts are growing. In 2009, the first year of SFRA funding, the gap between low wealth and high wealth districts was \$1,254. In 2015, that gap has grown to \$2,850. With state aid levels largely stagnant, need-adjusted funding in high wealth districts, largely supported by local property taxes, grew from \$11,490 in 2009, to \$12,807 in 2015, while funding for the lowest wealth districts actually declined from \$10,236 to \$9,958. High wealth districts now have nearly 30% more per pupil funding than low wealth districts to support the general educational needs of their students.

It is important to note that this sixth year of stagnant and reduced state aid is occurring as districts are struggling to implement a host of unfunded mandates from the Department of Education, including new teacher and principal evaluation systems, the Common Core State Standards, online PARCC tests, bullying prevention programs, interventions for low performing priority and focus schools, and other required initiatives.

Further, despite the importance of preschool education and the documented benefits of New Jersey's best-in-the-nation Abbott preschool program, the Governor continues his stubborn refusal to fund expansion of preschool beyond the former Abbott districts to high need "universal" districts and at-risk children in "targeted" districts statewide. This expansion, as mandated by the SFRA, should have been completed this year, but due to the Governor's staunch opposition, it hasn't even begun. This means that almost 40,000 three- and four-year-old, at-risk children in Freehold Borough, Dover, Pennsauken, Hammonton and elsewhere will be deprived for another year of the early start they must have in order to succeed academically when they enter kindergarten.

Our students can ill afford another year in which their schools are starved of the resources needed to give them a meaningful opportunity to achieve state academic standards. We, therefore, strongly urge the Legislature to flatly reject the Governor's school aid proposals, and recommend the following:

- 1) Increase K-12 state aid in all SFRA formula categories by at least 5%, or \$370 million. This is the minimum amount necessary to stave off another round of cuts to staff, programs and services, and to chip away at the substantial current gap between district's adequacy budgets and the funding levels prescribed by the SFRA formula;
- 2) Increase preschool education aid by 5% or \$30 million. This increase must be expressly dedicated to the expansion of high quality preschool in high need universal

and targeted districts in order to begin the phase-in of the Abbott preschool program statewide over the next five years, as mandated by SFRA;

3) Remove from the budget the Governor's proposal for \$2 million to provide vouchers for private and religious schools. Two years ago during budget negotiations, you understood that the Governor's proposal was a brazen gambit to roll a new school voucher program into the Appropriations Act solely because he has been unable to get the Legislature to enact the Opportunity Scholarship Act (OSA) throughout his two terms. The Governor's attempt to enact a substantive voucher program through the Appropriations Act – and do an end-run around the Legislative branch, which has refused to enact voucher legislation – is not only an affront to the Separation of Powers between the Executive and Legislative Branch, but also is a blatant case of unconstitutional "logrolling," the prohibited practice of rolling an unpopular measure into the State's annual fiscal law in violation of the single object provision of the New Jersey Constitution. NJ Const. Art. IV, Sec. 7. para. 4.

ELC understands the constraints facing the State Budget overall. But quite frankly, six straight years of ignoring the SFRA and failing to provide even the most minimal of formula increases – and no funds for preschool expansion – has been too long for our students to wait and, even worse, is taking a toll on educators and schools and threatens our standing as among the top performers in public education in the nation and around the world.

Finally, I want to bring to your attention the September 1, 2015, deadline for the Governor and Commissioner to submit the next Education Adequacy Report (EAR) to the Legislature. The SFRA requires the Commissioner to, every three years, evaluate the costs, weights and aid amounts based on implementation of the formula, and to recommend in the EAR the adjustments to the formula's cost components for the next three-year implementation cycle. As you recall, when the Governor submitted the prior EAR in December 2012, the Legislature objected in Senate Concurrent Resolution No. 134 to his attempt to lower, without any evidence or study, the costs and weights for at-risk and English language learner students, and established this September as the date for submission of the next EAR.

As part of your budget deliberations, we ask that you promptly remind the Governor and Commissioner of their responsibility to submit the EAR by September 1 and to advise your Committee of the actions that will be taken to conduct an in-depth analysis of the formula's implementation. Let's try to avoid in this go-round the difficulties you had with getting the Governor to submit the EAR in the first place, and the clear lack of any study

or analysis in the EAR of how the formula is working and whether the costs need to be adjusted to take into account new cost-drivers and program mandates.

We count on the Legislature to stand up for our children and schools by enacting a school aid budget for FY16 that is educationally and fiscally responsible and, through implementation of the SFRA formula, puts New Jersey back on track to fair and equitable school funding. ELC stands ready to work with you to enact a budget that achieves these critical goals.