



New Jersey School Boards Association

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STATEMENT ON FY2017 PROPOSED BUDGET

The New Jersey School Boards Association (NJSBA) is a non-partisan federation of the state's local boards of education and includes the majority of the state's charter schools as associate members. It provides training, advocacy and support to advance public education and promote the achievement of all students through effective governance. We appreciate the opportunity to provide input on the proposed FY2017 state budget on behalf of the local school boards throughout the state.

The NJSBA is grateful that no district would experience a reduction in formula aid in the proposed budget for FY2017. Direct aid to local districts now totals a little more than \$9 billion. Additionally, we appreciate the continuation of the new aid category to assist districts in the implementation of the Partnership for Assessment of Readiness for College and Careers (PARCC), as well as the new Professional Learning Community Aid category.

However, it is important to consider that the total increase in direct aid to schools in the FY2017 proposed budget is a little more than one percent over last year's aid totals. The \$94.3 million increase includes two large sums – Host District Support Aid (\$25.9 million) and Commercial Valuation Stabilization Aid (\$32 million). The actual increase in formula aid is roughly 0.46% above the current year funding level. Both of these new aid categories are displayed as “other aid,” separate from the formula aid category in the FY 2017 budget document appendices. Are these new programs or one-time appropriations?

The NJSBA recognizes the tight budgetary constraints under which the State must operate. In turn, the legislature and the executive branch should recognize the difficult financial constraints facing our members as a result of the proposed amounts of state funding and the 2% local tax levy cap.

Additionally, school districts face many financial constraints that result not from local board of education decisions, but from state requirements, such as the implementation of TEACH NJ, the implementation of the Common Core State Standards and the requisite PARCC assessments, and continued compliance with requirements of the Anti-Bullying Bill of Rights. On behalf of our members, we ask the State keep these financial constraints in mind before considering any new educational mandates or initiatives.

Bullying Prevention

The NJSBA is concerned with the continued lack of funds to help local school districts comply with the State's Anti-Bullying Bill of Rights. We strongly support the goals of the law. However, school districts need additional support to continue the implementation of the Act.

The Council on Local Mandates had ruled the original act constituted a new unfunded state mandate. As a result, an additional appropriation of \$1 million for grants to local school districts was implemented in FY2013 and FY2014, along with other changes. However, according to the State's Anti-Bullying Task Force, in FY2014 alone, requests to the Bullying Prevention Fund totaled approximately \$9 million.

Unfortunately, the Bullying Prevention Fund has not been funded since FY2014. Consequently, in its now 5-year history; the Anti-Bullying Bill of Rights has gone from an *unfunded* to an *underfunded* and back to an *unfunded* mandate.

In its final report, the State Anti-Bullying Task Force strongly recommended the State provide financial assistance for districts in implementing bullying prevention measures. In light of the \$9 million demand displayed by local districts in the last year of the Bullying Prevention Fund's existence, we ask the State to strongly consider reinstating the fund.

Charter School Funding

Last year's budget required public school districts to pay for their per pupil enrollment at a charter school based on either 2013-14 or 2016-17 data, whichever is higher. The result of this provision was many districts paying for students who are no longer enrolled in a charter school. Last year, according to OLS, 83 districts wound up having their payments to charter schools increased unnecessarily by \$37.5 million.

NJSBA is pleased that the FY2017 budget proposal appears to end this practice.

Although the NJSBA supports efforts to hold charter schools harmless and address fluctuations in their enrollment, any effort to do so should be funded directly from the State to the charter school. The current construct unnecessarily pits traditional schools against charter schools.

We also note that the new line item for Host District Support Aid suggests a recognition that districts' collectively need the State to subsidize the costs of charter schools operating within their jurisdiction.

School Building Aid

The proposed FY 2017 budget contains language provisions (page D-90) further limiting districts' School Construction Debt Service Aid and School Building Aid to 85% of the districts' approved October 16, 2015 application amounts. An additional language item also limits districts' School Building Aid to the aid percentage calculated for the 2001-2002 school year.

The NJSBA was pleased that the School Development Authority (SDA) assessment on districts is held to FY2014 levels. However, our support of this provision is tempered by our opposition to the very existence of the SDA assessment.

We believe the Educational Facilities Construction and Financing Act of 2000 only gave the state authority to charge for administrative and organizational costs. The SDA assessment does not qualify as either administrative or organizational. Beyond that, it is unfair for districts to be assessed a share of the state's principal and interest costs—fees that were never discussed when the construction grant program was initiated. The fees were not established until FY2011—a decade after the grants were first awarded.

Opportunity Scholarships

The FY2017 budget proposal includes \$1 million for an Opportunity Scholarship Demonstration Program. The NJSBA supports school choice initiatives within the public sector, including charter schools and inter-district choice. However, NJSBA objects to the diversion of state resources away from public schools to non-public schools. Though only \$1 million, these private school vouchers are close to half of the total proposed increase for all direct aid to public school districts. These resources would be better served supporting those districts, not private schools.