

# ***Newton Public Schools***

**57 Trinity Street ♦ Newton, NJ 07860-1831**

**973-383-7392 phone ♦ 973-383-5378 fax**

**[www.newtonnj.org](http://www.newtonnj.org)**

***Dr. G. Kennedy Greene***  
***Superintendent***

***Donna C. Snyder***  
***Business Administrator***

**Remarks by Superintendent Dr. G. Kennedy Greene**  
**State House Press Conference**  
**Friday January 12, 2018**  
**1:00 pm -- Room 103**

Good afternoon and thank you for coming. My name is Dr. Ken Greene, Superintendent of the Newton Public Schools. Today I am joined by our Board of Education President Stella Dunn, Newton Mayor Wayne Levante, and representatives from 14 school districts and municipalities to announce the filing of legal action in the form of a petition to the Commissioner of Education to address the ongoing discrimination by the State of New Jersey in the distribution of state aid to its schools.

In addition to the Newton Public Schools (Sussex County), the petitioning school districts are:

- Middlesex School District (Middlesex County)
- Little Ferry Public Schools (Bergen County)
- Kingsway Regional School District (Gloucester County)
- Chesterfield Township School District (Burlington County)
- North Brunswick Township Schools (Middlesex County)
- Jamesburg Public Schools (Middlesex County)
- Emerson Public Schools (Bergen County)
- Wallington Public Schools (Bergen County)
- Swedesboro-Woolwich School District (Gloucester County)

Our coalition remains open to amending the petition in the near future to include other affected school districts as their leaders continue to consider the merits of joining us.

We want to acknowledge four municipalities and their elected leaders who have pledged financial support on behalf of their residents named in this action. They are: Town of Newton, East Greenwich Township, Borough of Swedesboro, and Woolwich Township.

And we also must thank the 30 individual taxpayers in these communities who have stepped up to be named in this petition. Their courage and conviction will be essential to driving home the message that property tax fairness in this state is an existential issue that must be addressed now. And we all know this is not just about school funding: it is about basic equity for our taxpayers.

The petitioners represent a group of 96 school districts educating more than 250,000 students throughout the State that are both overtaxed and severely underaided -- defined as (a) receiving less than 70% of their state aid; and (b) taxing above 100% of their local fair share. These communities are being shorted some \$739 million in state aid in FY18, and trying to make that up in part by taxing their residents more than \$475 million above the State-calculated local fair share. Clearly, this is neither a minor problem nor an isolated one.

I'd like to briefly outline that problem, which makes our petition today so vital to the health of our schools and communities:

- Although figures such as \$1 billion or more get thrown around in public, the actual size of NJ's school funding predicament is nearly \$2 billion, made up of two parts.
- The first, and larger, of the two is a shortfall of \$1.3 billion in state aid for FY18 payable to school districts under the legislatively-approved and court-sanctioned School Funding Reform Act of 2008 (SFRA). **This under-aiding affects nearly two out of every three school districts in every region of the state among all income groups and all enrollment sizes.** The State currently provides about 85% of what is due under SFRA, but that aid is not distributed according to the formula, which brings up the second part of the problem.
- The State has set aside nearly \$670 million outside the funding formula to keep every district at FY08 aid levels. These funds, largely in the form of Adjustment Aid, are not distributed according to the formula. This results in the over-aiding of 38% of NJ's school districts at the expense of the rest of us. It happens regardless of pre-2008 fairness issues, enrollment increases and decreases, or other demographic changes experienced by school districts over the past decade. To show that this over- and under-aiding represents a completely irrational approach to the State's funding of its schools, let me give the following example:
  - In FY18, one of our petitioners, Chesterfield Township, is receiving 19% of the state aid they are due, and there are 225 school districts (literally 38% of the state) that receive less than 70% of their state aid.
  - At the same time, there are 150 other school districts that receive more than 130% of their calculated state aid. In fact, there are districts receiving 200, 300, even 500% of what the formula says they should receive.
- The fact is the majority of NJ school districts continue to be harmed every year by the status quo distribution, a situation which has gone on since the income tax was established to support free public schools in 1976. Concerned about their children's education, many of these underfunded communities have responded over those 40 plus years by raising local taxes to levels far beyond what the State acknowledges to be a local fair share.
- **This is an important connection we must make...NJ's school funding problem is directly responsible for its property tax problem.** Just as there is discrimination in state aid allocations, there are also tax burdens that are unreasonable compared to the community's ability to pay.

- For example, in Newton our taxpayers are contributing 48% above their fair share (over \$4 million more) just to maintain an adequate school budget. The petitioners from all of our communities are contributing more than their fair share too, and in some cases are not able to provide even the basic necessities for their students ... all because the State is not providing full or fair school funding.
- And you guessed it, a majority of communities throughout NJ (325 of them to be exact) are not contributing what they should be. Fully one-third of them are providing less than 70% of their local fair share, and many of them are being over-aided by the State in spite of that lack of effort.

Let me sum this up:

1. The school funding dilemma is large (nearly \$2 billion), and it creates wildly unjust tax hardships on NJ communities. This deficit grows every year, and it will not go away by wishful thinking...action is needed now;
2. The State of New Jersey has a fundamental obligation to fully fund its own school aid formula and an even greater moral obligation to distribute what it does fund without bias or prejudice. These steps must begin in earnest in order to reduce the unreasonable tax burden that has overwhelmed many communities for over 40 years; and
3. We intend that this petition and our continued advocacy for equitable school funding and local tax fairness will result in significant steps on a sustainable path toward equitable school funding for all. **Today we ask our governor and legislators to act now on your promises to provide the justice our taxpayers and children need and deserve.**

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Further school funding background and data analysis can be found at:

<http://newton.innersync.com/superintendent/School-Funding.cfm>