
Committee Meeting

of

ASSEMBLY EDUCATION COMMITTEE

“The Committee will receive testimony from members of the public regarding the "School Funding Reform Act of 2008," P.L.2007, c.260, and other matters related to education funding in the State”

LOCATION: Committee Room 11
State House Annex
Trenton, New Jersey

DATE: February 23, 2017
3:00 p.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblywoman Marlene Caride, Chair
Assemblyman Angelica M. Jimenez
Assemblywoman Patricia Egan Jones
Assemblywoman Angela V. McKnight
Assemblyman Adam J. Taliaferro
Assemblyman Robert Auth



ALSO PRESENT:

Allen T. Dupree
Kathleen Fazzari
*Office of Legislative Services
Committee Aides*

Nicole Brown
*Assembly Majority
Committee Aide*

Natalie Ghaul
*Assembly Republican
Committee Aide*

***Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey***



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Chairwoman

TROY SINGLETON
Vice-Chairman

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COMMITTEE NOTICE

TO: MEMBERS OF THE ASSEMBLY EDUCATION COMMITTEE
FROM: ASSEMBLYWOMAN MARLENE CARIDE, CHAIRWOMAN
SUBJECT: COMMITTEE MEETING - FEBRUARY 23, 2017

The public may address comments and questions to Kathleen Fazzari, Allen T. Dupree, Committee Aides, or make bill status and scheduling inquiries to Larkin Cugnitti, Secretary, at (609)847-3850, fax (609)984-9808, or e-mail: OLSAideAED@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.

The Assembly Education Committee will meet on Thursday, February 23, 2017 from 3:00 PM until 7:00 PM in Committee Room 11, 4th Floor, State House Annex, Trenton, New Jersey.

The committee will receive testimony from members of the public regarding the "School Funding Reform Act of 2008," P.L.2007, c.260, and other matters related to education funding in the State.

Persons wishing to testify should register with the Office of Legislative Services either online at www.njleg.state.nj.us and click on the Assembly Education Committee for 2/23/17 or by phone at (609) 847-3850 and should submit 15 copies of written testimony.

Issued 2/13/17

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ASSEMBLYWOMAN MARLENE CARIDE (Chair): Good afternoon, everyone.

I want to thank you all for joining us.

This will be our last public hearing on the school funding formula.

I won't speak for my colleagues, but I will say it's been an eye-opener for me, having been able to go to different areas of the state and hear from different school districts, on how the school funding formula has affected each of these towns in different ways.

So I want to thank everyone for being here.

I want to thank my colleagues for making the trip; because I know by the time we finish, everyone just runs out the door. So I want to thank you all ahead of time.

And again, as I've been saying throughout these meetings, we're not looking to tear apart the school funding formula; we're just trying to find a way where we can make it work. It's a formula that has been upheld constitutionally; it's a formula that's a role model throughout the country. So we're just trying to find a way to make sure that we're able to provide our children with a good education; we're trying to find a way where we can implement free kindergarten (*sic*), and full-time kindergarten, and help our special education children. We're trying to find a way where we can make it fair to our taxpayers, because they're the ones who are also bearing this burden.

So hopefully, we'll be able to take back all of the information -- the suggestions that we've been hearing throughout the last two months --

back to leadership, and figure out a way to make this work. It's important for our children, and it's important for the residents of New Jersey.

Before we begin, I just want to do a little housekeeping.

Catherine Suarez, my Chief of Staff -- you will see her raise a sign that says 30 seconds. (laughter) She will do that so that way you'll know to start wrapping up your testimony.

And then, someone has a clock, I think. And my friend here, Mr. Dupree-- Oh, no; sorry. She has the clock; so once you see the 30-second sign, shortly thereafter, you will be hearing a beep; or you'll see me jumping off of my seat, because I get so entrenched in the conversation that it throws me off.

If you have any written material, what I would ask is that you don't read it. Just give it to us; it will be part of the record, and then just summarize for us.

When I say everything that you say is important, I really do mean everything that you say is important. We are listening to you, and we are hoping to take everything back, and it will be part of this record.

With that said, I think we did everything with the housekeeping, Nicky? Yes; we're good?

All right, so I'd like to welcome our Senator and our Assembly members, please. Assemblymen DeAngelo and Benson; and our Senator Greenstein.

Good afternoon, and welcome.

A S S E M B L Y M A N W A Y N E P. D e A N G E L O: Good afternoon, Madam Chair and fellow members.

SENATOR LINDA R. GREENSTEIN: Thank you, Chairwoman Caride, for affording me the opportunity to speak today in the house I used to be in, and have fond memories of.

I applaud you, and all the Committee members, for holding these hearings, as school funding fairness is one of the most significant issues facing our state.

Before I begin, let me also thank and recognize my colleagues, Assemblyman DeAngelo and Benson, for being here and joining me in this fight.

We, too, in the Senate, are focused on fixing this problem of school fairness. I see there are a number of people here today from Monroe and Robbinsville in our District. These Districts are very underfunded, and were further hurt by the Christie Administration's billion-dollar education cut in 2011. They cannot afford to wait to get relief and their fair share.

As we all know, the School Funding Reform Act determines how much each municipality should get from the State, based on the constitutional formula. But we have two problems we must fix, and we must fix them now. One, we must remove the growth cap that froze enrollment and the formula at 2008 numbers. Monroe Township school enrollment has increased over 20 percent in the last eight years, well over 1,000 new students; yet they have received almost no new aid because of this cap. We are committed to moving forward to fix this issue now.

Some districts get 150 percent of the State amount they should receive, while others get only 30, or 50, or 80 percent of their State funding share. That makes no sense; and we need to bring everyone to 100 percent, with the growth cap removed.

Lastly, any district that is underfunded by the State and received adjustment aid would not lose that funding. One hundred percent funding is fair funding.

In closing, I think this is an issue that can no longer wait for a solution, and I look forward to working with all of you, in both houses, to advance legislation.

Thank you very much.

ASSEMBLYWOMAN CARIDE: Thank you, Senator.

ASSEMBLYMAN DeANGELO: Thank you, Madam, Chair.

Good afternoon, everyone; Chairwoman; and fellow board members.

Thank you for the opportunity to speak today to express the needs of my 14th Legislative District.

I won't read my testimony, as I have submitted copies. But I would like to just highlight some of the few issues.

My District, like many others in New Jersey, is largely suburban, working-class residents. We don't have an urban center; but we're not at the other end of the spectrum, either, with large, sprawling rural areas.

The vast majority of our residents are middle class who struggle with bills. We all know it's property taxes and the cost of school funding that's driving up the costs behind those very high taxes.

This Committee is now in its third (*sic*) public hearing, and I'm sure you heard school funding needs: Schools need to be built; the growing size of classes; districts struggle to keep teachers; costs of security, classroom technology. In the last seven years, towns in the 14th District

and throughout New Jersey have been reeling from the hatchets that have been taken to the State aid.

In the 14th District -- I'd like to start with one of the largest towns that we have. It's Hamilton Township, which is approximately 90,000 residents; 17 elementary, 3 middle, and 3 high schools. It's not a small district.

A significant number of the students in Hamilton face the same challenges as those in the neighboring town of Trenton, but the funding levels don't seem to reflect that.

West Windsor-Plainsboro Regional Schools, considered one of the top school districts in the state, is being underfunded by 29 percent.

Other districts-- The joint district of East Windsor Regional -- that serves the doughnut hole town of Hightstown as well -- was underfunded by 15.8 percent. These towns are largely built out, with little opportunity to add to their tax base.

Then we take a look at towns like Robbinsville, a swiftly growing community, underfunded by 14.8 percent.

On the opposite end of the spectrum are the towns of Jamesburg and Cranbury. Both towns are very small and very built-out, with no room to grow to widen their tax base. Jamesburg is currently at 15.8 percent underfunded; they send their kids to Monroe Township High School. And just a few years ago, the town was struggling to pay the bill to Monroe Board of Ed.

Cranbury sends their kids to Princeton High School. They have one school, and they're underfunded by a jaw-dropping 38.1 percent.

And then there's one -- the last town, Monroe Township. This town is about 42 square miles; one-third of its 40,000 residents are senior citizens. Much of the town makeup is closed, age-restricted senior communities. Failure to fully fund this has been devastating to the town; they're underfunded by 39.3 percent. It's enormous.

As the legislative representative, I'm working diligently to try everything possible to help that town. We have met with officials from the Governor's Office, the Commissioner from the Department of Education, and State officials.

Monroe is one of the few communities and one of the school districts that has 100 percent student busing; 100 percent. They received just under \$600,000 in transportation aid; they realistically need approximately \$3 million. So that is devastating to their tax base. These are some of the major things that we have here. We have devised special legislation throughout the course of the past decade to resolve that matter.

Again, I thank you very much for your attention in this matter.

Thank you for having my full testimony today. I didn't want to delay any of the information. But I have numbers on the back. And it's just -- we are trying to get fairness here throughout the State of New Jersey, especially for those sprawling suburban districts.

Thank you for your attention.

ASSEMBLYWOMAN CARIDE: Thank you, Assemblyman.

A S S E M B L Y M A N D A N I E L R. B E N S O N: Thank you, Chairwoman; thank you members of the Committee.

I'm not going to repeat the things that my Senator and colleague have stated. You'll hear testimony from two of our districts --

both Monroe and Robbinsville -- and I think they're emblematic of some of the issues that we've seen; Robbinsville, particularly, related to what happens when you have underfunding in a growing district that is high performing, under a cap, while you're having expenses that are baked in. You start seeing that pressure to have to cut services, year over year. And what does that mean?

We know we are the top -- as a statewide, education performer -- in the country. And if we continue down this path -- of both underfunding and providing these restrictions -- how long can we maintain that advantage?

Secondly -- and you've heard, individually, kind of how underfunded some of the other towns, like my hometown of Hamilton -- which is a much older school base; needs improvements as well, and is underfunded by a large amount; and has some of these same issues -- both socio-economic and educational needs -- that you find in any urban center.

On top of that, though, you'll hear some startling testimony from Monroe, which really seems to get hit on multiple angles of what happens when you're not fully funding the formula; as well as in a town when you have a population that is well over 33 percent seniors in gated communities. The formula creates a perceived sense of wealth in that community, which is -- I call it the *myth of wealth* in Monroe. What that means is, that not only are they not funded; it means that their transportation funding is cut short. And as you heard, over 93 percent is bussed; the remaining are folks (indiscernible) who drive themselves, at high school level. It means that your special needs education funding also gets cut short; which means the municipality has to make up that.

And even more, I think, kind of insulting to the residents of Monroe -- they've made a conscience decision that, in spite of all this barrage of cuts, that they're going to step up to the plate and make sure to try to maintain that high-performing nature of their school district. People move to that district, now, because of the education quality.

I want to make sure they're not at the back of the line when we talk about solutions; that they are not put in the back because they did the right thing, as a community, and tried to maintain what they had while waiting for us to come up with a solution.

So you'll hear, again, those impacts. I think there's something very unique about Monroe; as well as some of these other districts, like Robbinsville, that are facing some severe cuts over the next couple of years in programs. This is not about tightening the belt; both districts are looking to cut on their own; and they know that's not enough of a solution.

And so they're looking to us to try to find those solutions. And I think that's that balance of, how do we get to full funding; but in the meantime, how do we make sure the funding that we do have is distributed fairly and takes into account some of these special circumstances, like Monroe.

Thank you very much.

ASSEMBLYWOMAN CARIDE: Senator, Assemblymen, thank you so much for your statements.

And I believe, Assemblyman -- you and I had mentioned this a few minutes ago. Throughout these hearings, you see and hear different things, depending on what part of the state you're in. And up north, you

don't hear about the growth that's occurring in towns; I'm hearing it more down here. So for me, that was an eye-opening situation.

By the same token, up north I'm hearing of school districts that are selling scrap to raise money for the schools. So it's been very interesting and very educational -- these hearings.

So thank you very much for appearing here--

SENATOR GREENSTEIN: Thank you.

ASSEMBLYWOMAN CARIDE: --and sharing your thoughts with us.

Okay; first off, forgive me if I mispronounce your last name. Please correct me when you come up.

First we'll have Steven Riback; Dr. Michael Kozak; and Michael Gorski, from Monroe Township.

Good afternoon, gentlemen; welcome.

MICHAEL G. KOZAK, Ed.D.: Good afternoon.

Good afternoon Assemblywoman -- or Assembly Chairwoman -- sorry -- Caride, and members of the Assembly Education Committee.

My name is Dr. Michael Kozak, and I am the Superintendent -- the proud Superintendent of the Monroe Township School District in beautiful Middlesex County.

I am here to present how the hold-harmless provision is actually harming Monroe Township.

I've handed out 15 copies of the slide presentation, and I promise to be concise in my presentation.

The first page of this presentation shows a picture of our middle school, where the students don't have lockers -- a lot of the students

don't have lockers. And the reason they don't have lockers is that we have grown so much in the past five years -- and we're expecting another 1,500 students in the next five years -- that our schools are overcapacity by 1,000 students, at least, in each of our middle school and high school. And we don't have room for the lockers.

We've already cut the library in half to make more classroom space. We've gotten rid of locker rooms to make room for classroom space.

The next picture shows our high school, which is only six years old and is already over capacity. The reason for that is just the growth in the Township.

Now, New Jersey has been suffering from a declining enrollment; and we're trying to attract our best and brightest to stay in this state, to continue to go to our wonderful colleges and universities in the state, and then to continue to work in the state. So we want to keep our families here, in Monroe Township. And there's a reason why they're moving to Monroe Township. I believe -- I'm biased, of course -- but I believe we offer an excellent education for all of our students -- from our students whose parents suffer financially, to our special ed students. We have many parents who move in just because of the services that we offer to our special ed students. And we have to be careful, or we're looking to cut back, just because we can't accommodate everything.

In addition, we have families moving in from across the state, and from out of the country to come to Monroe. We get calls from India because they heard, through friends or relatives, that we have an excellent education system in Monroe, and they want to be in this state.

So I am pleading with the Assembly Education Committee to please help us in the funding so that we can keep these families within our Township, and keep our schools-- And I have 30 seconds, and I'm going to move quicker (laughter).

I have the page with our Board of Education members. Our student enrollment, as I said -- 1,330 students; 1,330 students in the past five years, and another 1,500-plus students coming in in the next five years.

This graph shows you how the enrollment has gone up; and the next page shows you how the -- our State aid has actually gone down over that period of time.

And I am getting to my concluding slide.

ASSEMBLYWOMAN CARIDE: No, just-- I want to interrupt you.

DR. KOZAK: Yes.

ASSEMBLYWOMAN CARIDE: Your slide that says *Budget Appropriations* -- that's the one that shows the increase in the students?

DR. KOZAK: No. That shows that we-- That shows how the budgets are driven by student enrollment.

ASSEMBLYWOMAN CARIDE: Okay.

DR. KOZAK: So that's the growth in the student enrollment. The page before that shows how our enrollment has gone up, but our State aid has actually gone down from 2008. And my colleagues will present that in more detail.

So I know I have to conclude with that. And I would just like to say "thank you" for providing us the opportunity to come and speak to you today.

And on behalf of the Monroe Township Board of Education, the students, the staff, and the entire community of Monroe Township, we respectfully ask that you begin to fund the Monroe Township School District -- and all of the underfunded school districts -- beginning in the 2017-2018 school year.

Thank you very much.

ASSEMBLYWOMAN CARIDE: Thank you.

S T E V E N R I B A C K: Hi; good afternoon, Madam Chairman, members of the Committee.

My name is Steven Riback--

ASSEMBLYWOMAN CARIDE: If I can just ask you to take the other mike.

MR. RIBACK: This one?

ASSEMBLYWOMAN CARIDE: And then press it, so you that you have the red light.

MR. RIBACK: I want to say, "can you hear me now?"

ASSEMBLYWOMAN CARIDE: Press the red button.

There you go; you're good to good.

MR. RIBACK: Can you hear me now? Okay.

Good afternoon, Madam Chairwoman, and members of the Education Committee.

I'm Steven Riback; I'm a member of the Board of Education in Monroe Township, Middlesex County.

I'd like to thank you for hosting this meeting today; and I would also like to thank Assemblymen Benson and DeAngelo for inviting

me and my colleagues to speak before you, for their testimony. As well, I'd like to thank our Senator Greenstein for her testimony today as well.

The topic of State aid has been quite a hot button issue, to say the least, for quite some time. We, representing Monroe Township, hope you all agree that what is happening to districts like Monroe has been grossly unfair and must be rectified.

Unfortunately, the conversations have been ongoing, but the corrections needed, for various reasons, are left unaccomplished.

Monroe is undergoing a tremendous amount of development. As impact fees for developers are unlawful in our state, the taxpayers are left holding the bag. We currently need a new middle school; elementary school; and expansion to the high school, which is six years old. At this moment, we have 1,000 unhoused students and, in five years, expect that number to grow to 1,500.

Although we are currently planning a bond referendum, the increase in student population has been so rapid that we must plan to rent trailers for the start of the 2018-2019 school year. That will be another increase for taxpayers, along with the cost of additional teachers and support staff; yet no additional State aid is expected.

Monroe's taxpayers currently fund 88 percent of the cost to provide for our schools. That is a staggering amount and, needless to say, people are hurting.

I think it's important to speak with constituents; and when I do, it is clear that taxes are their main concern, as many of them are considering moving to a more tax-friendly state.

Approximately 60 percent of Monroe residents live in adult communities; one-third of that demographic is over 65. These seniors are retired and looking to enjoy their savings; yet there is a limit on the growth aid formula, which has cost Monroe millions of dollars in lost State aid.

A number of years ago, Senator Greenstein and Assemblymen Benson and DeAngelo supported bills -- written by our District Business Administrator, Michael Gorski -- which would have corrected this inequity. It never made it out of the Senate; but I believe it's still on the floor -- somewhere -- in the Assembly. That bill does not mirror the prior Senior Supplemental Stabilization Aid, because it asks for what the State's own model provides, and no more. The stabilization/hold-harmless provision has been an added detriment to towns like Monroe with a growing student population.

Of course, towns where the student population is shrinking are benefiting financially and, I might add, unfairly. And I will refer to an article in today's *Star-Ledger*, where there's a school district up north concerned about the lack of State aid going for poorer students in the area; I'm assuming the cities. But what's been happening is, that city has been getting more than its fair share because their student population has been declining, and yet the wealth of that district has been increasing. So hold-harmless has been benefiting them, just as it has been hurting us.

So let's get the story straight; let's put it together.

At the Senate Select Committee hearing on school funding, held on February 2, once again Mr. Gorski, our Business Administrator, noted how, in 2010-2011, our school district was handicapped by a 95 percent reduction in State aid, of \$4.4 million; leaving us with just

\$238,000. This resulted in \$4.2 million being shifted from the State's obligation to the taxpayers. This is just an example of the ongoing problem caused by the lack of equalization aid, resulting in residents using their savings to pay tax bills.

Monroe sends the State \$39 million of tax dollars, and we get back \$3 million. That's not equitable.

This is an issue that's been ongoing, and we don't want to wait for November to have an answer. We need an answer before November. Let's not make this a campaign issue; let's make it an issue that's resolved so that when you go before your constituents, you can say, "We solve problems, and here's one of the most important problems we solved."

Thank you all.

ASSEMBLYWOMAN CARIDE: Thank you.

M I C H A E L C. G O R S K I: Good afternoon, Madam Chair, members of the Education Committee.

My name is Michael Gorski; I'm a CPA, and School Business Administrator/Board Secretary, Monroe Township Schools. I'm an Adjunct Professor at Rider University in the Graduate Department of Education, where I teach school accounting and school finance.

And I would like to testify before you today that Monroe is the poster child for an underfunded school district. You're not going to hear any testimony where anybody else receives as little as \$439 in total State aid from the State of New Jersey to support a school district. Eight-eight percent of every dollar of revenue needed to promote the school comes from the local tax levy. And as was said before, one-third of the residents of

Monroe are age 65 years or older and live in planned retirement communities.

I field the calls from them, complaining about the taxes going up every year; I hear from them. I hear their pains that they don't have the income -- the dividend income anymore; and every year their taxes just continue to go up, and up, and up, because the State has shifted the burden of funding education in Monroe from the State's obligation to the tax levy.

As Dr. Kozak said, Monroe's population has increased 1,330 students over the last eight years, a 25 percent increase; while the State aid contribution has decreased \$2.1 million, or 39 percent. Twenty-five percent more kids, almost 40 percent less aid.

Monroe has been harmed by the stabilization/hold-harmless provision to the tune of \$1 million to \$2 million a year for the last couple of years. Additionally, the State's failure to fully fund their own formula, subsequent to the 2008-2009 school year, has cost Monroe approximately \$7 million dollars a year over the last eight years.

Monroe's funding was handicapped with the 2010-2011 school budget when Monroe received a 95 percent reduction in State aid of \$4.4 million, leaving us with only \$238,000 to run a school district. Four-point-two million dollars shifted from the State's obligation to fund schools to that of the local taxpayers, where it has remained ever since.

Monroe is one of the three districts in the county that receives no equalization aid, which is the most substantial type of State aid. Monroe is grossly underserved in terms of the State's obligation to fund education.

Now I would like to touch, briefly, on the adequacy calculation, that also reduces Monroe's categorical aid.

Monroe is over 43 square miles, the largest land mass in Middlesex County. Sidewalks are not prevalent in most neighborhoods, causing the District to spend millions annually in the transportation budget to safeguard students on hazardous routes.

There was a transportation aid category that was put into place, years ago, to reward efficient districts that provided an efficient transportation system. Monroe's rating, from the last *Taxpayer Guide to Educational Spending*, 2016, is a 2.67; that's the highest in the county, that's among the highest in the state. From our State aid award, Monroe qualifies for \$2.6 million of transportation aid, but it's reduced to only about \$500,000 because of our over adequacy status, and because of the growth limitation.

Monroe has not qualified for equalization aid in the last decade. I bring your attention to the spreadsheet on my handout. The far column shows that Monroe receives \$439 per student in State aid. That barely covers the amount of textbooks required for their coursework, and nothing else. The rest of it goes to the local taxpayers. And whereas Monroe's meeting and overfilling our obligation in certain areas, it's a matter of fundamental fairness. Should it be on the tax levy, when other districts like Lakewood and Freehold Borough seem to have funding available even mid-year; where Monroe was told there is no more of that type of aid available?

And what I propose is that the State develop a more graduated scale to ensure that every public school district receives some level of

adequacy budget funding, by modifying the local fair share calculation to ensure that districts receive a minimal amount per pupil required to responsibly operate a school district. This is not the idea that each student receives the same amount of State aid; but a more responsible method of delivering the promise of SFRA 2008 that, under an equitable system, wealthy municipalities will still be expected to pick up a larger share of the cost of public education in their districts than poorer communities, but every district will continue to receive some State aid. Monroe is not nearly receiving its fair share, and the taxpayers are hurting severely for it.

ASSEMBLYWOMAN CARIDE: Thank you.

Does anyone have any questions?

ASSEMBLYWOMAN McKNIGHT: I do.

The question -- one of my questions-- It says 1,000 *unhoused students*. Can you give me a definition of *unhoused*?

MR. GORSKI: Yes, yes; absolutely. Good question.

An *unhoused* student is a student enrolled in the District that is beyond the capacities of the school; the functional capacity. Right now, Monroe is squeezing in 1,000 students beyond the aggregate capabilities of our schools. And it is projected -- because of the incredible growth that Monroe is experiencing -- that we're expecting another 1,500 in the next five years. That's 2,500 unhoused students. That's requiring us to go to the taxpayers again for a bond referendum to the tune of two-and-a-half new schools, to accommodate all the unhoused and projected unhoused students to come.

ASSEMBLYWOMAN McKNIGHT: And I just want to make a statement in reference to the senior population.

I agree. Seniors are living longer; their medication costs are increasing, as well as their caregiving. So we need to ensure that they're provided a relief. We can't just keep taxing them.

So I know we're working on this formula, so we just -- that's a component that we have to add to ensure that seniors are not taxed so much, because of their own -- what they have to do for themselves.

ASSEMBLYWOMAN CARIDE: Thank you, Assemblywoman.
Anyone else?

ASSEMBLYWOMAN JONES: Yes.
Assemblywoman.

ASSEMBLYWOMAN JONES: This is a question and a comment, I guess, together.

And this is our fourth hearing; and some of us also participated in the Joint Committee chaired by Senator Rice -- the Joint Committee on Education (*sic*). And at that time a reporter said to me, "Are we having the wrong conversation?" And so I'm going to put it to you. Is it because we base school funding -- local share -- on property taxes, that we are just shooting ourselves in the right foot and then the left foot, because property wealth is not the way we measure wealth, really, anymore?

You know, we have this wonderful, archaic term of *freeholders* throughout our wonderful State because, way back when, freeholders were white men who held property freely; because that was a measurement of wealth. Today it is not. So are we having the wrong conversation? Should we be talking about how we fund education, period?

DR. KOZAK: I would like to offer an answer, if I could, respectfully.

ASSEMBLYWOMAN JONES: Absolutely.

DR. KOZAK: Okay.

I think I understand your question; and are we asking the wrong--

ASSEMBLYWOMAN JONES: Hit the button.

DR. KOZAK: I did.

ASSEMBLYWOMAN JONES: Oh; I know. The other two are on--

DR. KOZAK: Okay.

I think I'm answering your question.

I think that is a great conversation to have, because there are many communities throughout New Jersey where the property wealth may be better or higher than the wealth of the students, or the families of the students, in that school district. However, my caveat to that would be: Can we make that conversation for the long-term goal; but the short-term goal, we're really struggling. And that the formula that was put in place, to my understanding, that passed the Supreme Court muster, might help us address the issue in the short-term; and that would lead very nicely into that long-term conversation.

ASSEMBLYWOMAN JONES: Well, I can assure you that-- I served as a Freeholder at one point. And at that time, the Governor who was in position here put together a property tax study commission, at which time I testified. And I can pull out, 20 years later, the same testimony that was used then; and use it again today, with only a few numbers changing.

So when the reporter asked me the question, I said, "Hmm." But I agree with you. Obviously, it's long-term -- that conversation. Because here I am, 20 years later, asking that kind of question again.

But I know-- I spoke to one of your Board members at our last -- our first hearing, I think, here -- and heard the numbers that you are now expressing to us today. And I'm boggled. I have also spent time meeting with those districts in my District that will -- that benefit from a few extra dollars, if you will -- nothing horrific or exorbitant; but still, their fear of losing revenue is well placed and appropriate.

So I don't know; I feel like a biblical person, at this point; and so must our Chairwoman. We need to do something -- there's no question -- in the short-term.

DR. KOZAK: Yes.

MR. GORSKI: Assemblywoman, may I add to that?

ASSEMBLYWOMAN JONES: Sure.

MR. GORSKI: A district's adequacy budget, under SFRA 2008, is designed -- it's a hypothetical model, created by the State, to ensure what a reasonable K-12 school district -- an efficient one -- should run. What funds an adequacy budget is equalization aid; it's the largest type of State aid. And equalization aid is based on local fair share--

ASSEMBLYWOMAN JONES: Local fair share.

MR. GORSKI: --income and property wealth -- aggregate property wealth in a community. Monroe's residents are being severely harmed by the latter -- the property wealth piece. There are entire communities whose wealth mainly consists of their homes -- in retirement, in their golden years -- who don't have the income anymore, as I said

before, because of quantitative easing, and other measures. And that property piece does have to get adjusted.

And I may also add to that -- that basing school funding solely on property taxes is a model that's long overtaxed by itself. I have a study, years ago, that said many retirement communities in Monroe had tax increases greater than the minimum tax that Bristol-Myers Squibb was paying for CBT in that entire year.

Contributions across the board need to be looked at to better fund the school education system.

ASSEMBLYWOMAN JONES: We're so out of balance; it's just frustrating.

Thank you, though; thank you very much.

Thank you for your efforts on behalf of your students, by the way.

DR. KOZAK: Thank you.

And it's an open invitation to every member of this Committee -- if you ever would like to see our schools, I would be honored to have any of you come to our school district, and I would be more than happy to show you our students and what they're doing; and our teachers and our staff.

So please, don't ever hesitate. I would love to have any one of you -- or all of you -- come to our District.

Thank you so much.

ASSEMBLYWOMAN CARIDE: Gentlemen, the Assemblyman has a question.

DR. KOZAK: Yes.

ASSEMBLYMAN AUTH: Good afternoon, and thank you for your testimony.

So you mentioned that you didn't think a dollar amount per student was a panacea that, I guess, the Governor was thinking it might be.

However, you suggested some amount that should go across the board for every student. So you're suggesting, perhaps, some sort of hybrid between what's currently taking place now, and what the Governor is suggesting. Is that correct?

MR. GORSKI: That's exactly correct.

Local fair share shouldn't leave the District, like Monroe, penniless when it comes to equalization aid -- which is designed to support the largest part of your budget.

Keep in mind, our adequacy budget in Monroe is about two-thirds State mandates; thorough and efficient education being the largest. So we're doing all of that on the backs of the taxpayers; again, one-third who live in the planned retirement communities.

What I proposed is a review of the local fair share calculation so that districts, like Monroe, at least get a minimum amount per pupil to make some contribution toward that equalization budget -- that adequacy budget.

ASSEMBLYMAN AUTH: Thank you.

To you, Madam Chairman.

Have you had the opportunity to review Senator Sweeney's plan, or Speaker Prieto's plan, with regard to the change in the funding formula? And what are your thoughts on those?

MR. GORSKI: Yes. As a matter of fact, the members before you met with Senator Sweeney; we were fortunate enough that our Mayor got us private audience with Senator Sweeney. We were introduced to his bill in its design stages. And that was going to help Monroe to the tune of about \$3 million a year, going up to as much \$7 million. So, you know, that was attractive; right now, Monroe will take anything we can get. It's a starting point.

But, you know, I've been fighting this, personally, for over a decade. I'm the Business Administrator in Monroe; I'm responsible for facilities, transportation, food service, accounting, budget. And I become the *Chief Legislator of the District*. I wrote our legislation, S-1701, previously -- which was sponsored by Senator Greenstein, Benson, and DeAngelo -- and that was designed to lift the growth limitation for districts that had greater than one-third senior populations, like Monroe. In other words, the State should fully fund the formula for districts with large senior populations, out of respect for those elders, who probably paid for generations of people who went through public schools already.

ASSEMBLYMAN AUTH: Thank you.

So have you determined -- between Senator Sweeney's plan, Speaker Prieto's plan, and Governor Christie's plan -- how the municipality of Monroe will bode best?

MR. GORSKI: Well, whereas-- You know, Governor Christie's plan appeared to Monroe to be like the great, big, pink sugar doughnut, where we would get the total State aid award divided by pupils; and we would get tens of millions of dollars of aid per year. It's our understanding

that was unconstitutional and it was a nonstarter. So we haven't really pursued that beyond that point.

We have met with Senator Sweeney; and we have reviewed Assemblyman Prieto's plan. And to be honest with you, either one would be satisfactory to Monroe. We're more familiar with Senator Sweeney's plan, as we met with him, and there was some great traction to it.

But, you know, again -- we need some fundamental change in Monroe; even if it's a constitutional convention and a review of the entire funding formula. We're not just going to go along with Save Our Schools and other agencies that say that the current formula is perfect in its form, it's been supported, it's been tested. Because even if it's fully funded -- as it was in the last year of the Corzine Administration -- Monroe is looking at a several million dollars of additional aid; \$7 million, maybe. And that's a drop in the bucket, compared to the local tax levy. That barely picks up the shift of monies that happened years ago from the State's obligation to Monroe, when we had that terrible cut.

ASSEMBLYMAN AUTH: Thanks.

I'm just a little bit taken aback -- a little bit.

There was testimony taken yesterday in Newark. And Mayor Fulop from Jersey City had a contentious argument with Senator Sweeney over his plan; and there seemed to be some differences of opinion. And the Mayor, basically, came out and said he thought that there was misinformation being disseminated about the Sweeney plan, in regard to cities like Jersey City, for example.

Could you comment on that?

MR. GORSKI: I feel uncomfortable commenting on the specifics of how that would affect Jersey City

You know, both Democratic plans that we've reviewed are attractive to Monroe; they're responsible. And staying out of the political arena, we would support either one.

ASSEMBLYMAN AUTH: Thank you.

Thank you, Chairman.

ASSEMBLYWOMAN CARIDE: Mr. Gorski, I just wanted to make sure that we were all on the same page.

When we referenced both plans by the Speaker and the Senate, you're talking about the task force that they're both looking to put together, correct?

MR. GORSKI: Yes.

ASSEMBLYWOMAN CARIDE: Okay; thank you.

You mentioned something about a referendum. Did it go through already, or is it -- will be coming up?

DR. KOZAK: No. We are in the planning process for that. We're in the process of looking at available land; we're working with Mayor Tamburro to help us identify land in the Township. We also looked at other areas, and we're working with an architect and an engineer.

But already, as we've said, we're overcapacity. Our middle school -- 1,600 students, or 1,800 students; and over 2,000 in our high school. And the schools weren't built to house that many students. So we're trying to move as fast as we can. We feel like, you know, mice inside a little wheel; we're running faster and faster, but we're not getting anywhere.

But even with the referendum -- we're hoping, for next year, to propose a referendum. And I'm afraid to take it the taxpayers, because it's looking like it would be over \$100 million for a referendum. And they are already upset and frustrated, now, by the lack of State funding that we receive. And we're going to have to go to them and say, "We're going to need to put trailers in, in the meantime, which will cost us a million or more a year; which will come out of our operating budget, which means we'll have to cut services and other plans in the District. And, oh, by the way, would you fund this referendum -- which will have a severe impact on your taxes -- to build more schools?"

ASSEMBLYWOMAN CARIDE: Are you talking one referendum; or one for this year and one for next year?

DR. KOZAK: No, one referendum to build a new elementary school, a new middle school, and an addition to our high school. Because 1,500 students, you know, on top of what we already have, requires that we have new buildings.

ASSEMBLYWOMAN CARIDE: Thank you; I appreciate that information.

DR. KOZAK: Thank you.

ASSEMBLYWOMAN CARIDE: Thank you, gentlemen.

ALL: Thank you.

ASSEMBLYWOMAN CARIDE: And we're going to continue with Monroe -- we have Mr. Parab; we also have Ken Chiarella; and we have Kathy Kolupanowich.

Good afternoon, and welcome.

KEN CHIARELLA: Good afternoon.

ASSEMBLYWOMAN CARIDE: Good afternoon.

KATHY KOLUPANOWICH: Good afternoon.

Thank you, Madam Chair.

My name is Kathy Kolupanowich, and I am currently President of the Monroe Township Board of Education.

It has been my honor to serve the community as a Board member for the past 18 years.

During that time, our school district has gone from being a good enough district to an excellent school district. And that didn't happen overnight. It came with a vision, a plan to move us forward, and much time.

During the same period -- 18 years -- we have grown approximately 250 students per year; and next year, we expect 476 new students in our District, and that is the equivalent of an elementary school.

Why are we adding so many students to our District? It's because of the reputation Monroe has for giving all students the educational opportunities needed for them to succeed. While we succeed in many areas, it is in the area of special education that attracts families -- many of them from out of State and even out of the country -- so that their children can take advantage of our excellent in-district special education programs.

Eighteen percent of our student population is classified; and that affects 30 percent of our operating budget.

In the past few years, Monroe has won State and national recognition for many of our programs, including in the areas of technology and innovation. And this past December, the Monroe Township Marching Band was chosen to represent the State of New Jersey at the 75th

Anniversary of Pearl Harbor in Hawaii, and that was a major honor for our staff and our students.

Monroe is a rural town that is quickly becoming suburban. At 43 square miles, we bus approximately 93 percent of our students, since the majority of our schools are located on main roads with no infrastructure, such as sidewalks. With a current student population of 6,712, we transport 6,235 students daily; and we do so because it is a matter of safety and security of our children.

Sixty percent of our residents live in planned retirement communities. Our senior citizens have worked hard their whole lives to be able to enjoy the fruits of their retirement years. But as 88 percent of our school budget is funded through local property taxes, we have burdened them with yearly tax increases to cover the costs of educating our ever-increasing student population and the decrease of State funding.

With a much-needed upcoming referendum for new schools to accommodate 2,500 unhoused students, we, again, will be asking our seniors for additional funding. We also ask them to foot the bill for unfunded mandates handed down by the State. A mandate coming from the State should be paid for by the State, and not our taxpayers.

Monroe needs help, and we need it now. As our Mayor recently stated, \$39 million of Monroe tax dollars goes to Trenton, and we receive back, from the State, only \$3 million. That means \$36 million coming out of the pockets of Monroe residents goes to other districts. So our taxpayers are paying to educate students in other districts, while covering 88 percent of the costs of educating Monroe students.

The hold-harmless provision of the School Funding Reform Act is hurting school districts like ours with growing student populations, while benefiting those who have shrinking enrollment.

This conversation has been going on for years, and it is now time for less talk and more action. We can't wait until November; we can't wait until next year to fix this unfair tax burden. So I ask that you please work together to help us fix this problem now.

Thank you.

ASSEMBLYWOMAN CARIDE: If I could just ask you-- I know that the Assemblywoman had asked the question before, and I'm going to need to hear it a couple of times so I can finally understand it.

Can you just explain to me, again, the unhoused students? I just want to make sure I understand this.

MS. KOLUPANOWICH: Each of our schools is built to hold a certain number of students.

ASSEMBLYWOMAN CARIDE: Yes.

MS. KOLUPANOWICH: And the unhoused students are over that--

ASSEMBLYWOMAN CARIDE: Limit.

MS. KOLUPANOWICH: Yes. So at this time, every one of our schools -- we have six elementary schools, we have a middle school, we have a high school -- and they all hold unhoused students. We've been trying to put students in more -- more students in less classrooms; we've been trying to convert different pieces in our schools into classrooms. And they're holding the unhoused students.

But, right now, we still have 1,000; and 1,500 more coming in the next five years. We don't know where to put them.

ASSEMBLYWOMAN CARIDE: So would it be fair to say that the unhoused students are the students that came in with the growth--

MS. KOLUPANOWICH: Yes.

ASSEMBLYWOMAN CARIDE: --and that the school itself doesn't have the capacity to hold them?

MS. KOLUPANOWICH: Right.

ASSEMBLYWOMAN CARIDE: But you're making do with what you have. So you have larger classes--

MS. KOLUPANOWICH: When we build -- when we put out a referendum, the State -- one of the State mandates is, we can only look ahead -- we can only project ahead five years. If we could project ahead 10 years, or 15 years, we would not have that problem of unhoused students. But the State says five years; so we can only build for five years out.

By the time we built our high school -- and we opened it in 2011 -- it was already filled to capacity.

ASSEMBLYWOMAN CARIDE: Years ago, I had studied -- I had majored in education; and I had done a clinical in Eastside High School in Paterson. And I remember the teacher who I was assigned to had said to me -- and it was a very sad comment -- that if every student who was enrolled in that high school appeared on just one day, they would have students in the parking lot. Is that what we're talking about here?

MS. KOLUPANOWICH: Well, we're lucky that our absenteeism isn't very high. We have been very creative in scheduling and working with different areas of the school. So we are looking, in the next

few years -- that we won't have them in the parking lots, but we will have them in trailers.

ASSEMBLYWOMAN CARIDE: Okay.

MS. KOLUPANOWICH: We just got rid of trailers, and now we're looking to put them back again. And that's at a cost of approximately \$1 million per year; if we have them five or six years, that's money we could put towards a referendum.

ASSEMBLYWOMAN CARIDE: And that's why I'm asking, because I thought the comment was so sad -- that he actually used the words the *parking lot*, instead of *trailers*. But it was the growth that they had there in that school.

Does anyone else--

Assemblywoman McKnight, and then Jones.

ASSEMBLYWOMAN McKNIGHT: So in reference to the unhoused students -- I'm just going to use some numbers to help me.

The school -- one school, you can house 500. I'm just using these as fictitious numbers.

MS. KOLUPANOWICH: Yes.

ASSEMBLYWOMAN McKNIGHT: Five hundred. So the unhoused is 100; that makes -- that's 600. So on a daily basis, you have 600 students entering the school, right?

MS. KOLUPANOWICH: Correct.

ASSEMBLYWOMAN McKNIGHT: Five hundred is based on the requirements; and 100 are unhoused.

So I'm a little concerned. What happens if a fire breaks out?

MS. KOLUPANOWICH: We have monthly fire drills, so we're prepared--

ASSEMBLYWOMAN McKNIGHT: No, no. no. I'm not looking for you to answer; I'm just saying--

MS. KOLUPANOWICH: Oh, okay.

ASSEMBLYWOMAN McKNIGHT: --like, this is a serious issue--

MS. KOLUPANOWICH: It is.

ASSEMBLYWOMAN McKNIGHT: --because you have 100 students -- that it's over the capacity of your school. And you think of safety--

MS. KOLUPANOWICH: It's also making our classes larger, and it's harder to teach a larger class than it is to teach a smaller class. We don't want our staff -- which is an excellent staff -- to go to other districts, where they can have smaller classrooms either.

ASSEMBLYWOMAN McKNIGHT: Yes.

So this is an immediate matter that we need to come up with-- Because 600 students in a 500 building should not occur.

MS. KOLUPANOWICH: Our high school was at capacity at 1,800 students when we opened it up. And I'm not exactly sure of the number, but it's approximately 2,200 now; there are 400 unhoused students.

ASSEMBLYWOMAN McKNIGHT: Okay.

ASSEMBLYWOMAN CARIDE: Assemblywoman.

ASSEMBLYWOMAN JONES: You know, sometimes you may see us exchanging comments back here; and it is, really, because we are paying attention.

Two things: One is, have you ever been forced to consider split sessions?

MS. KOLUPANOWICH: That has come up in the past; and we are very reluctant to do that.

ASSEMBLYWOMAN JONES: Well, I can appreciate the reluctance. But we had a regional district that was forced to do that because of the safety concerns that my colleague had.

The other question-- I'm having a terrible time seeing through this thing (laughter). And my chair is very low, so I look even smaller--

MS. KOLUPANOWICH: I'm sure.

ASSEMBLYWOMAN JONES: Is there a number that you cannot add to those buildings? Do you get to a place where you can no longer put another student because of safety concerns, classroom sizes, whatever? Does the Department of Education say anything to you about that, or any other district?

MS. KOLUPANOWICH: I don't know of an exact number--

ASSEMBLYWOMAN JONES: Yes.

MS. KOLUPANOWICH: --all I know is that next year we're going to be okay. But the year after that, we have to have trailers; we have no place else to put the kids. So that's the option -- is trailers.

ASSEMBLYWOMAN JONES: So you're forced to spend whatever you have to spend to do that--

MS. KOLUPANOWICH: Yes.

ASSEMBLYWOMAN JONES: --which is what you've been doing.

Thank you.

ASSEMBLYWOMAN JIMENEZ: Thank you.

I represent the 32nd District, and it's not far from your District.

I don't know if you're aware of it, but North Bergen, being one of our towns -- my Senator's town, Senator Nick Sacco -- which is-- Our District is one of the worst-funded; that happens to be, also, our Speaker's town -- our District.

But North Bergen actually has -- we have kids in trailers because of the situation. You know, so I could understand where you're coming from; and believe me, our Speaker -- as well as Senator Sacco -- wants some sort of resolve to come to this.

But we do have kids in trailers because of the *unhoused*, as you call it; it's more like a terminology. You have no choice; we have no choice but to accept the kids to our schools. You can't turn anybody away. So I think that's how they term it.

Unfortunately, it is what it is; so you have to come up with ideas. And I don't think that-- I did ask the question, one time, about -- you know, maybe changing the school hours or something. But I think there are -- the union, the teachers union and all of that -- there's a lot that comes into play with all this.

MS. KOLUPANOWICH: It's all contractual.

ASSEMBLYWOMAN JIMENEZ: So that's-- You know, because that-- I said, "Why can't we do this?" You know, we tried to come

up with alternatives, and different methods that, maybe, could work. But it's just a really hard fix.

But, you know, just -- that's something that-- I pass by the park all the time, because we keep them in a park -- the trailers. So it is what it is, unfortunately, for now.

Thank you.

MS. KOLUPANOWICH: Thank you.

ASSEMBLYWOMAN CARIDE: Does anyone else--
Assemblyman.

ASSEMBLYMAN AUTH: Good afternoon; thank you.

MS. KOLUPANOWICH: Thank you.

ASSEMBLYMAN AUTH: I empathize with you; I'm going to tell you right from the start.

One question -- the Business Manager from Monroe said that you were getting \$465 per student -- I think was the number he said; somewhere around there, right?

MR. GORSKI: Yes.

ASSEMBLYMAN AUTH: I forgot to ask him; maybe you can help me.

The Governor suggested \$6,599. He didn't seem to think that was a viable solution; or it wouldn't catch on with everybody in the Legislature; or whatever his reason was for thinking that. My question to you is -- through your budgeting process and everything else, could you give me an number that would work for you? In other words--

MS. KOLUPANOWICH: A number that we would like to get?

ASSEMBLYMAN AUTH: Well, yes. I mean, you know, less than \$6,599 -- what the Governor's offering. So in other words, what number would make it possible for you to increase your facilities to house the amount of students you are anticipating in the next five years; and what number -- included in that number, or to increase that number, to make sure that your students had the appropriate amount of materials, books, pencils, and all those types of things -- that we sometimes hear teachers saying, "I have to bring pencils into the classroom." I think that's probably in more mismanaged districts, and it doesn't sound like your district is mismanaged, from the way you've been speaking.

MS. KOLUPANOWICH: No, it's not mismanaged.

ASSEMBLYMAN AUTH: I didn't think so.

MS. KOLUPANOWICH: And I think the Business Administrator would probably be better to answer that question; but it's kind of twofold. One, is getting money for our operating budget, which we need now. The other is -- we're looking at a referendum, probably in a year-and-a-half, to put out to all our community. And we're looking at \$130 million.

ASSEMBLYMAN AUTH: A hundred and thirty million?

MS. KOLUPANOWICH: Yes, for a new middle school, a new elementary, and an addition to our high school -- which is only six years old. And we're concerned that the \$130 million isn't going to go.

ASSEMBLYMAN AUTH: Yes.

MS. KOLUPANOWICH: And yet, we don't know what to do, because we need all of those schools.

ASSEMBLYMAN AUTH: And how many students in the system, may I ask?

MS. KOLUPANOWICH: I have 6,712 students, currently; and we're expecting another 1,500 in the next five years.

ASSEMBLYMAN AUTH: I'm sorry? Could you--

MS. KOLUPANOWICH: Another 1,500 in the next five years.

ASSEMBLYMAN AUTH: Another 1,500 in the next five years.

I don't have a calculator; I wanted to make a calculation.

But if--

MS. KOLUPANOWICH: It's approximately 8,300 students, within the next five years.

ASSEMBLYMAN AUTH: Another 300 in the next five years?

MS. KOLUPANOWICH: It would be 8,300.

ASSEMBLYMAN AUTH: Oh, 8,300; I'm sorry.

Okay, thank you.

Thank you.

ASSEMBLYWOMAN CARIDE: I do have a question, based on the testimony that I've been hearing.

My understanding is that you have this growth of students coming into Monroe, but I also hear that you have a growth of seniors as well. Is that correct?

MS. KOLUPANOWICH: It is correct. We're trying to balance out -- with not just having families moving in, but the seniors moving in also. So if we have a new retirement community, we put in a new family community.

ASSEMBLYWOMAN CARIDE: Okay, thank you.

P R A K A S H P A R A B, Ph.D.: Dear Chairwoman, I'm Prakash Parab; citizen of Monroe Township, okay?

So I am happy to be here with the Committee members to testify.

We, the citizens of Monroe Township, New Jersey -- we fully endorse the testimony today provided by our Board members, with respect to fair funding for our schools.

Our school budget -- what I learned -- for 2016-2017 is about \$108 million. About 30 percent -- that is \$30 million -- about \$30 million of our budget goes to support special needs students, which represent 18 percent of our school children. We receive only about \$3 million dollars from the State to support special needs students. That is what I have learned.

The State has mandated what we should provide for our special needs students, so we expect that the State should pay for it.

Our Township sends \$39 million dollars to the State, and we receive about \$3 million from the State to support our schools. This is not fair for Monroe Township citizens. We feel we are taxed twice.

We request that you consider fair funding for our schools.

Thank you.

ASSEMBLYWOMAN CARIDE: Thank you.

Does anyone have any questions?

Assemblyman.

ASSEMBLYMAN AUTH: Thank you, Chairwoman Caride, again, for your indulgence.

Ma'am, I made the made calculations. May I come back to you for a second?

MS. KOLUPANOWICH: Sure.

ASSEMBLYMAN AUTH: Thank you.

I'm trying to just get my head around this.

With 6,712 students and the proposed \$130 million, it's about \$19,368 per student. And then, if you go up to the 8,300, it brings the number down to \$15,667.

So if the Governor's plan went into place -- the \$6,599 -- you'd be saving about a third of the expense that the municipality has to pay. You'd be paying 66 percent with your local taxes; instead of what you're currently paying now -- which you said was 88 percent, correct?

MS. KOLUPANOWICH: Correct. Right now we're paying 88 percent of our operating budget.

ASSEMBLYMAN AUTH: So that plan seems to be a pretty reasonable plan, if it was put into effect, wouldn't you think?

MS. KOLUPANOWICH: We would take any plan that would help us.

ASSEMBLYMAN AUTH: Oh, okay.

MS. KOLUPANOWICH: We would support--

ASSEMBLYMAN AUTH: So, then, the question I have for you, also, would be -- have you looked at the plans being suggested by Senator Sweeney and Speaker Prieto; have you seen those, or heard about those?

MS. KOLUPANOWICH: Senator Sweeney's; the other one is new, and I have not looked at that one yet.

ASSEMBLYMAN AUTH: Oh, so you were at that meeting, too, when they had that plan, I guess? Or did you -- were you in that conference when Senator Sweeney was there; or no?

MS. KOLUPANOWICH: No, I was not.

ASSEMBLYMAN AUTH: Oh, okay.

Because I'm hearing it's vague and a lot of vagaries. And I'm not saying that in a disparaging way; but they just don't know how they're going to plug the numbers in. As opposed to this plan, where they're saying, "Hey, this is what we're going to do. This is a precise amount, so you can actually budget off of this."

Would that be a better plan for you, you think?

MS. KOLUPANOWICH: If we knew how much money that we could get from the State -- that would help us budget better; yes.

ASSEMBLYMAN AUTH: Thank you very much.

Thank you.

ASSEMBLYWOMAN CARIDE: Does anyone else have any questions? (no response)

Please.

MR. CHIARELLA: Hello; thank you very much for having us.

My name is Ken Chiarella. I'm a Board of Education member in Monroe Township.

I want to thank Senator Greenstein for speaking on our behalf; and I'd like to also thank Assemblyman Dan Benson and Assemblyman Wayne DeAngelo for also speaking on our behalf.

I want to also say, if I may, Assemblywoman Egan Jones -- if I got that right -- that when you were talking about property taxes and

funding our schools through property taxes, I almost jumped out of my seat and screamed, "Amen." (laughter) But then I realized that probably would have been inappropriate. So for the one time in my life, I had some self-control. (laughter)

What I want to do today is just give you a feel for what's going on in Monroe. Our taxpayers are in a worsening situation; we basically self-fund our schools, as you've heard everyone speak about today.

We have a \$108 million budget this year, and the taxpayers are funding, basically, 90 percent of that.

We have a lot of other issues, though, in Monroe, that are also impacting us negatively. So for instance, even though the funding is a major issue, if we had some other laws and rules in place, that funding -- the funding need would be mitigated, to a certain extent; and it would have helped us. So for instance, what I'm talking about are things like municipalities being able to ask for impact fees; and also things like the pay-to-play laws with the Super PACs, and things like that that help fund our local politicians -- and, maybe, even some of you -- where the developers are-- And special services, like the attorneys; and the Township engineers are paying for these Super PACs, which then send the money to the different organizations on the Republican side and on the Democratic side, and then those make their way down. And, in a lot of cases, those donations are violating the spirit of the law, even if they are not violating the law. And I think that those loopholes need to be closed.

I also think that the affordable housing commitments are a burden, and that they are further destroying our residents' ability to pay for their slice of the American dream. In fact, the continuous property taxes in

Monroe Township have forced many of our long-term residents to leave their homes for other towns.

And I'd like to also say that we would have affordable housing in Monroe if our property taxes weren't so high. And that's, really, a major thing that I want to hammer home.

The mood of our residents is shifting, and they are becoming angry. So we had a town before that was primarily a Democratic town. And that anger, now, is palpable. I can tell you that -- I ran for the Board of Ed just this past November. And I was on the Board of Ed for two terms prior to that; I took some time off, and then came back and ran again. And I received about 8,000 votes, which is more than anyone has ever received in my town. And I'm not bragging; but I can tell you that the reason that that happened is because the people are angry. Because I was talking about funding, I was talking about property taxes, and I was talking about development. And it got them to come out and vote. And they're mad; they want change, they want action. And we have to be the ones who create that massive action.

And you have an opportunity to do that. My fear is that if something isn't done, we're going to be facing a revolution in this state. Maybe even a nationwide revolution; but in New Jersey, a definite revolution, and we're not going to be able to contain that.

So I think it's incumbent upon all of us to work to control that; to get funding where the funding is. I think that it really boils down to our residents being -- feeling like they're the piggybank for the State. And it's not that they don't care about the children in other districts; they absolutely do. Their problem is, is that they care, also, about feeding

themselves, feeding their own kids, and helping themselves. And when they get to the point where they're struggling just to survive in a town that, maybe, they've grown up in, or were born into their whole life, they start to look at our elected officials and say, "Where's our help? Where's our representation? What are you doing for us?" And that's where we are today.

So I just want to say that if something isn't done -- and it isn't done before November -- I'm telling you, that there are going to be a lot of angry voters out there, and a lot of people-- And there is going to be pushback.

The Democrats and Republicans were able to get together to raise our gas tax. All I'm asking you to do is get together this time and lower our property taxes and fund education properly.

Thank you.

ASSEMBLYWOMAN CARIDE: Does anyone have any questions?

ASSEMBLYMAN AUTH: That's a tough act to follow.

ASSEMBLYWOMAN CARIDE: I've got a question.

Is there a lot of construction going on -- development going on, in Monroe?

MR. CHIARELLA: Yes.

ASSEMBLYWOMAN CARIDE: Are there any kind of tax abatements for these developments?

MR. CHIARELLA: Tax abatements, in what way? For--

ASSEMBLYWOMAN CARIDE: Creditors -- credits to the developers on their taxes for a few years -- like a PILOT?

DR. PARAB: Actually, that is what I presented as-- I'm not big on this; I read in the newspaper Woodbridge received so much funding under the PILOT. So I talked to-- But they're just debating. I heard that, long-term, it is not good.

ASSEMBLYWOMAN CARIDE: Okay, thank you.

Assemblyman.

ASSEMBLYMAN BENSON: Chairwoman, just one other point.

You may recall, a number of years back -- I think it was in 2010 -- there was a particular bill, to help the economy, that age-restricted communities that had not built out could be converted -- without the approval of the municipality -- into single family homes. Monroe was one of those communities -- because it had senior housing -- to try to stem growth in the schools. They were very, severely impacted by that bill; and that's been some of the growth impact that we're even feeling now.

ASSEMBLYWOMAN CARIDE: Thank you; thank you for the clarification.

ASSEMBLYMAN AUTH: Assemblyman, can I ask you a quick question?

ASSEMBLYMAN BENSON: Sure.

ASSEMBLYMAN AUTH: May I?

ASSEMBLYWOMAN CARIDE: Yes, of course.

ASSEMBLYMAN AUTH: Thank you.

So to clarify -- you kind of hit on something.

ASSEMBLYMAN BENSON: Sure.

ASSEMBLYMAN AUTH: So they initially built the senior housing; and somewhere along the line, they went to regular housing?

ASSEMBLYMAN BENSON: Not-- And it was not the choice of the municipality; in fact, the municipality fought some of these in court. But it was a State law that was passed to try to encourage these vacant properties to start being -- building to jumpstart the economy. It was something that I was opposed to when I was a Freeholder; still opposed to it. I think the State should pick up the costs to the municipalities, particularly for the children who are in the school system.

But I think that's a discussion for another day.

I just want you to understand -- when you're hearing this growth, some of that, in terms of impact on the schools, is not the fault of the municipality. They actually did try to have a smart balance in their planning. And this was something that was a policy at the State level.

ASSEMBLYMAN AUTH: Do you know, offhand, just how much it increased the enrollment, if I could ask?

ASSEMBLYMAN BENSON: Just from the conversion housing? We can get you those numbers. I wouldn't want to do it off the top of my head, but it's a significant impact.

UNIDENTIFIED MEMBER OF AUDIENCE (off mike): The number of--

ASSEMBLYMAN BENSON: For the housing that was converted from senior to family in the district, because of the Sarlo Bill.

We can talk about-- Yes, we can get you some-- That's a pretty tough to figure out.

ASSEMBLYMAN AUTH: Thank you, Assemblyman Benson; I appreciate that.

Thank you.

ASSEMBLYWOMAN CARIDE: Assemblyman, real quick.

Have there been tax abatements--

ASSEMBLYMAN BENSON: No.

ASSEMBLYWOMAN CARIDE: No tax abatements; okay. Because I've heard complaints about that as well.

Okay, thank you.

DR. PARAB: I have a question.

Are tax abatements -- I saw 25 pages yesterday in the Google event. Do you think it will benefit Monroe Township and other townships if they go that approach?

ASSEMBLYWOMAN CARIDE: I would not be able to discuss that, or give you any kind of advice on that.

I will tell you that the information that I've heard -- it has been complaints against the tax abatements--

DR. PARAB: Okay.

ASSEMBLYWOMAN CARIDE: --because it's less money going, I guess, to school districts.

You may want to discuss it with your -- with the Business Administrator.

DR. PARAB: Okay; thank you.

ASSEMBLYWOMAN CARIDE: Does anyone have any more questions?

ASSEMBLYMAN AUTH: One last one, please.

ASSEMBLYWOMAN CARIDE: Go ahead.

ASSEMBLYMAN AUTH: Sir, just to get back to something.

You said you were running around, running for election. That's kind of an eye-opening experience; I've done it myself. You hear a lot from your potential voters and constituents.

So I wanted to ask you a couple of things.

You said that there was an issue about property taxes funding the schools; and that it was getting very cost prohibitive, and that you thought people were going to become unsettled, to a degree.

So I'm just wondering if you can tell me, through your experience there, what it was that may have increased-- In other words, is there a larger increase in the enrollment by -- oh, let's say, foreign-speaking students? Has that increased the cost? And would you know how much it increased by changing the development codes, as Assemblyman Benson had just recently said -- how much that increased? And how much it may have increased the bill on the school district, and the PILOTs -- as the Assemblywoman -- the Chairwoman said?

MR. CHIARELLA: I'm not sure I understand the questions; I don't know-- Our residents speaking other languages -- I don't think that had any impact on enrollment--

ASSEMBLYMAN AUTH: Well, on enrollment, or additional-- I mean, we have-- In this state -- a very diverse state -- we have a lot of foreign-speaking students. Does that increase the cost dramatically, in your system, for education; or has that not been a factor?

MR. CHIARELLA: No, I don't think that's been a factor.

ASSEMBLYMAN AUTH: Okay.

MR. CHIARELLA: I think that our population is highly educated; and we do have a lot of people -- a lot of residents who come from other countries. But they're also very educated; it's a very educated populace, and they're usually bilingual. So that has not increased the cost.

I think that what has increased the cost is-- And where I do disagree is that I think that we've bent over backwards to help developers in our town; so you asked about that.

ASSEMBLYMAN AUTH: Right.

MR. CHIARELLA: By tinkering with the Master Plan, and those sorts of things -- those are the kinds of things that absolutely need to stop; and that's the kind of stuff that's caused us headaches.

So although some of that conversion -- those conversion issues may have been a problem, we have tons -- tons of new housing going up. We have affordable housing obligations that are slated to increase development. We have townhouses going up, single-family homes going up. So although there are some senior communities also being built, we still have an inordinate amount of single-family homes and townhouses.

ASSEMBLYMAN AUTH: So you're being offset, predominantly, by the change that Assemblyman Benson spoke about. And then affordable housing-- What's your allotment for affordable housing, do you know?

MR. CHIARELLA: Our obligation?

ASSEMBLYMAN AUTH: Yes.

MR. CHIARELLA: From what I understand, we were looking at something like 4,000 units over the next 20 years, or something, from what I understand.

ASSEMBLYMAN AUTH: Has anybody made an estimate of what the increase of enrollment would be as a result of that?

MR. CHIARELLA: No, we haven't, because when we talk about those kinds of things, we're told it's 10 years, and 20 years out; and we have a 5-year horizon. So we're basically dealing with the development that's gone on -- that's going on right now, and that has gone on over the last few years. Because we can't guess, right? And I understand that, having been on the Board for two terms -- this is my third; I also served on the Planning Board for a short while. I could tell you that things like 2008 happen, where you're planning along and then, all of a sudden, the economy drops, the real estate market crashes, and all development stops.

Then you have other times when you think maybe it's going to rebound a little bit, and then it zooms back and it catches fire. So you know, those are things that are hard to gauge for; but we're doing our best.

ASSEMBLYMAN AUTH: I can tell you are.

Thank you very much.

MR. CHIARELLA: Thank you.

ASSEMBLYMAN AUTH: Thank you.

DR. PARAB: Can I add one more point, please?

ASSEMBLYMAN AUTH: Yes.

DR. PARAB: My taxes have gone up, in the last 14 years, from \$5,500 per year to, now, \$16,000; tripled. So my salary -- our salaries have not increased three-fold. I learned from New Jersey -- the salaries of the people are stagnate for the last 10 years.

So this is a serious question. When the next election is coming, we are going to ask these questions. So my request is, let us act and find a solution. And it is not just in Monroe Township; it is a question of New Jersey State itself.

ASSEMBLYMAN AUTH: Thank you.

ASSEMBLYWOMAN CARIDE: Thank you, everyone.

MR. CHIARELLA: Thank you.

ASSEMBLYWOMAN CARIDE: Matthew O'Grady.

Good afternoon; welcome.

MATTHEW T. O'GRADY: How are you?

Don't mistake, that I'm here alone, that this isn't important to Robbinsville.

Honorable members of the Assembly Budget (*sic*) Committee, I wish to thank you for permitting me to testify on behalf of the taxpayers and, most importantly, the students in Robbinsville Township.

You are all very well aware that equitable funding for public education in New Jersey has been under attack since 1985. For the last 32 years, this State has done the very thing that I despise the most. We have politicized our most important responsibility, educating our children. Along the way, we have created a situation where communities are forced to argue, who deserves more and who deserves less.

I am here before you today to talk to you about how this situation is negatively impacting the taxpayers and the children of Robbinsville. I'm also here today to talk about doing the right thing -- about being fair, about following the written law and, most importantly, to

remind you that decisions regarding education need to consider all of the children of New Jersey.

As you know, approximately 38.5 percent of our entire State budget is spent on education; which is commendable. The problem lies in how this money is being allocated and, more importantly, how our system doesn't reward fiscal efficiency. Robbinsville is the third-lowest spending school district of the 69 New Jersey K-12 of similar size, at \$11,142 per student. We are the lowest-spending school district in Mercer County.

Robbinsville has been forced to seek efficiency since 2004, when we opened our high school and our total State aid started its rapid decline. Since then, Robbinsville has been a frontrunner in finding alternative revenue, aside from State aid or tax increases, to fund our programs. Through this work, we have accomplished the following.

The District has eliminated numerous out-of-district tuition costs by building in-house programs for our special needs population.

We have outsourced our custodial services at a savings of \$500,000 in additional health benefit costs to the District.

We have reduced the number of full-time instructional aides, saving health benefit costs of \$390,000.

Our collective bargaining units comply with New Jersey Chapter 78 Tiered Health Benefit Contributions, and contribute the maximum amount towards their health benefit costs.

We charge student activity fees; we rent out our facilities to generate revenue; we have a tuition-based preschool program; we have a tuition-based kindergarten program for students residing in neighboring

districts; we have transportation jointures; we have tiered busing; we have shared service agreements.

We have maximized energy cost reduction through an ESIP project, Demand Response, and solar initiatives.

We have created a revenue-generating, in-house, before-and-after school program, known as RED.

Robbinsville has received letters of commendation from the County Superintendent for our fiscal efficiency, prudence, and discipline. We've accomplished these initiatives, even as our student population has grown at an annual at rate of 3 percent.

In essence, we have built a high-performing school district at a time in our state's history where taxes are increasing, and the financial burdens on the members of our community are very difficult.

In 2009, our total State aid was \$2.8 million, and our student enrollment was 2,697 students. As of January 2017, we have 3,118 enrolled; and our projected aid for the next year will be \$300,000 less than it was in 2009.

Since 2009, Robbinsville residents have contributed an additional \$5,482,000 in local tax levy. Robbinsville also sends over \$30 million in income tax to the State of New Jersey. This inequitable disparity isn't fair, considering the State's legal obligation to educate all children in New Jersey. Where would the students of Robbinsville be today without this community support? How many more Robbinsville residents would have left our town over these burgeoning taxes and our impaired ability to provide core programs?

This doesn't even reference what happened to us in 2011, when our State aid, like many districts, was cut by over 50 percent. During that time, we eliminated 26 FTEs and significantly reduced programs that other like-districts routinely provide. To the detriment of our students, we have yet to recover all of those FTEs and some of those programs.

Since 2009, our total underfunding -- according to SFRA -- calculates to about \$8.7 million. Obviously, if we considered uncapped aid, our cumulative underfunding, since 2009, would be nearly \$60 million.

Despite our fiscal diligence, our latest budget cycle finds us with a gap of \$1.5 million. With continuous effort to stay within the 2 percent cap, Robbinsville is again facing serious decisions regarding personnel and program reductions, which result in increased class sizes and the potential for more unhoused students in order to close this gap as a consequence of years of being underfunded by the State.

In a year when our school district budget is decreasing and our enrollment is increasing by 3 percent, it seems fundamentally unfair that the taxpayers of Robbinsville should, again, have their taxes increased, while the programs for their children decrease.

As it stands today, Robbinsville residents fund 93 percent of their entire school budget through local taxes. Because our budget is already lean and efficient, we have exhausted any additional opportunities to reduce expenses without causing irreparable harm to the students of Robbinsville.

With all due respect -- and great appreciation for the work that you must do to ensure our State's financial situation improves -- I am not here to ask you to refund our previous years of underfunding; nor am I here

to ask you to fund us at our uncapped aid. What I am asking you to do is this: One, fully fund us, based on SFRA, without the annual limitations established at the onset; two, base this calculation on the original 2009 levels; three, fully consider our growth since that time.

Robbinsville students deserve access to the same programs and opportunities as every student in the State of New Jersey, on an equal and fair basis. Robbinsville taxpayers have already funded more than their fair share, and have done so for far too long. It's time to do the right thing and reward fiscal prudence with fiscal justice.

Our School Board and administrative teams are prepared to work through this very difficult budget cycle in a fashion that protects the interests of our students and our community. But it is unreasonable to ask taxpayers to pay more and get less.

In your deliberations, I respectfully request that you reallocate these resources to support the members of the Robbinsville community.

I want to thank you, today, for your kind attention in considering this request.

I failed to mention at the onset that I am the sitting Board President of Robbinsville. I've been on the Board -- this is my fourth term.

I heard everything about Monroe; I sympathize with their situation. We've had children in trailers; we've had failed referendums. We have unhoused students as well.

I think what saddens me the most is that we don't have a funding problem at the State level for education; we have an allocation problem, and it has gone on far too long. And I've heard questions -- since I waited to testify today -- about which plan do you think is better or worse.

We want action. We need to stop the political debate. Put a line in the sand, and move forward for all the students in this state. Because Robbinsville has lost residents; this state is losing residents. We will continue to lose residents. I don't want to see Robbinsville -- which has become a high-performing school district -- become a ghost town because people are fed up. Our taxes, in a 10-year period, have tripled. And it comes down to -- the question earlier -- should we look at funding from a different method? There are too many hands in the bucket; the bucket is too small; all residents of New Jersey are being asked to pay more and get less. And it's just not right.

I appreciate your time.

ASSEMBLYWOMAN CARIDE: Does anyone have any questions?

ASSEMBLYMAN AUTH: Mr. O'Grady, thanks for your testimony.

I agree with you. I want action too.

What's the number to get the action rolling? In other words, when I go see the Speaker, and say, "Hey, we had this round of hearings." When I go with Assemblywoman Caride, and we sit down with Speaker Prieto and we say, "Hey look, you know, this isn't going to work -- \$6,500; but certainly there are districts that are not getting enough. We need to help them out, at least to a point where we can create action." What's the number? Where should we start?

MR. O'GRADY: I think the number starts at a reasonable baseline, on a per-pupil dollar. And in my opinion, it's above the \$11,000 and change that we receive today. You know, having worked in and around

education and municipal finance for the better part of 22 years, I've seen other states' systems, and I see how they allocate funds. I think, in New Jersey, you need to start around \$12,500.

ASSEMBLYMAN AUTH: Per student.

MR. O'GRADY: Per student. And then beyond that, you do need flexibility to address each individual town and set of students.

I heard your question earlier about, "Well, you know, are the impacts by the change in culture within the student body?" I would say that there has to be; there are functional changes. Because as different ethnicities move into towns, they have different demands.

And you know, at the end of the day, yes, it's the public school system, but we need to meet these demands. And so some challenges are going to be different than others. And then it's dual-fold in the fact that, yes, you have a space issue; so you have to worry about buildings. Do you have adequate room? But then you have your operational budget. The majority of my operational budget -- some upwards of 87 percent -- is contractual, and State mandated, and beyond my control.

So while my budget is much smaller than Monroe's, I don't have any levers left. And when we want to silo everything, you're going to find multiple districts that can't run their operating budget. And then, where does that leave us?

I think that action is taking far too long; and I hate the politics of it. You know-- And, oh, by the way -- yes, we have a senior development in our town, that courtesy of Governor Corzine, was turned to market rate

You want numbers? We already have 55 students in the school as a result of that conversion; and when it's complete, we'll have

another 85. That's not 10 percent of my population; but we have other properties that are being developed.

It's not like our District is sitting there in a vacuum. We're trying to work with the Township; we're trying to work with our legislative partners. But, you know, there are only certain things we can do legally.

You asked about PILOTs. I think PILOTs should have their own regulations; because PILOTs, in my opinion -- you're just kicking the can down the road. You're enticing those developers to put their buildings in your town, and you're doing it at the expense of the central services, including the school districts.

And the school district has no say over PILOTs; we don't get that money. And, you know-- So it's-- I think the broader question is, what's the tax base look like; what are the tax revenue opportunities for every person at the table; and then how do we fairly and equitably divide those up? You know, I don't think that, you know, we can continue to expect the central services to do more with less. What crisis are we waiting to have happen? We have security needs that are unmet; we fund it as much as we can. You know, I don't -- I have almost zero money in capital reserves.

So I can tell you that our budget gap, right now, is a serious number; and that next year's budget -- without any other change -- is going to be even more detrimental to the students of Robbinsville. And I have requested meetings with the Governor; I've met with the Commissioner of Education, prior to his resignation. I don't know what else to do.

So I would elicit any and all suggestions.

ASSEMBLYMAN AUTH: Thank you.

Thank you, Chairwoman.

ASSEMBLYWOMAN CARIDE: Assemblywoman.

ASSEMBLYWOMAN JONES: Okay; I sometimes have the most fun with these little lights.

Thank you.

You pointed out something that I've been, sitting here, actually writing down -- about every district is different. And we tried to put everybody in one pot. And I'm going to have my staff member pass out these lovely booklets about Camden -- a guide to Camden's city schools, which is, obviously, a very important community in my District.

And the reason I'm doing that is because this is a school district that now supports 53 percent of their student body in charter schools. And that issue has come up repeatedly. But I want everybody to see, here, in this panel what this school district has been able to do with and for the students with charter schools. There's an issue that we probably need to address.

We need to address the fairness of transportation funding; we need to address the issue of a population in a community, as was pointed out in Hamilton (*sic*), of a huge senior citizen population. They sure don't want to pay for education anymore. I think they're wrong, because it goes to the greater good of the community. We all need to share certain things.

And, certainly, we probably need to actually, physically adjust the School Financing Reform Act. We have to deal with growth aid. How do we tell a district, "You can't get any more money, but you have 1,000 more kids." I don't know how we do that; that doesn't even make sense to

me. But in this world we live in, a lot of things don't, necessarily. But we're charged here--

And just one other thing. I guess I came for show and tell today, because this is actually my fifth meeting.

This is the booklet I received from the State Board of Education, predicated on the new information coming out of D.C. about the Every Student Succeeds Act, which replaces the No Child Left Behind Act. We're asking school administrators to deal with this. I'm telling you, you all should have Ph.Ds -- most of you do, anyway -- and I just think we ask so much of our educators in this state that it is incredible to me. I think you all do an extraordinary job; you've just all listed the incredible things you're doing. And we've heard from school districts, up and down the state, doing the same thing.

And the job is ours to work some kind of a pathway out of neglect. Because I think the Legislature put something in place -- granted, the Governor pulled the money the next year -- but we needed to address it.

And I have such respect for our Chairwoman here, and other legislators, who are attempting to address this most serious issue. Our future is our kids.

And I thank you all; but I am done with show and tell now.

MR. O'GRADY: If I could just comment on your comments.

And I appreciate you sharing your perspective.

I think that New Jersey needs to look at some other states that have faced similar issues and have looked at similar solutions. Some of their inaction has caused vast majorities of these urban districts to be ghost towns. And no one wants that.

ASSEMBLYWOMAN JONES: No.

MR. O'GRADY: But we have to make the tough decisions.

And, you know, everyone will fight for a child, no matter what the discussion is; and everyone takes it personally. But at some point, we have to look at New Jersey children in totality, and decide what we can do that produces the greatest good for the greatest number of students. And then, how do we look at at-risk children and make sure that they don't slip through the system.

And every district, by the way, has their own version of *at-risk children*. And I think it's unfair for people to say, "Well, my at-risk children are more important than your at-risk children." They're all children, and they're depending on adults to make prudent decisions to ensure that they have a bright future.

ASSEMBLYWOMAN CARIDE: Mr. O'Grady, I have a question for you.

When you were addressing the Committee, you had stated three asks -- the first one being fully funding your town, based on the formula, without the annual limitations established at the onset from the formula. Are we talking about the capped aid?

MR. O'GRADY: No, not the uncapped aid.

ASSEMBLYWOMAN CARIDE: The uncapped aid?

MR. O'GRADY: And I'm sorry if I was unclear.

So part of the big problem in Robbinsville is that the town decided to grow at a really bad time. You know, the high school came online in 2004; we immediately saw a dramatic drop in State aid, which has

continued to where we were in 2009. So our 2009 State aid number was still inadequate, no matter which funding mechanism you want to look at.

ASSEMBLYWOMAN CARIDE: Okay.

MR. O'GRADY: And it doesn't take into account growth. Part of the current growth models puts you in bags. So you can gain 150 students and not eclipse the next hurdle; so the meter doesn't start running, okay? Then you have the other situation with new development -- where the house is sold, but they haven't actually started to collect the property tax. But we still, operationally, have to serve those children. So we're serving more children without getting the additional tax revenue. There's no catch-up provision for that, either.

And so -- and the third ask is that, yes, we have 3 percent annual growth; but we've had dramatic growth for the last -- I call it, the last 15, 20 years. And not much of that has been captured.

And I can't stress enough that -- I'm here for Robbinsville; but I heard everybody from Monroe, and I know there are other districts in the same situations. And if we don't choose a fair and equitable path the next go-round, you're going to have different districts with different stories; but they're all going to be as dramatic and serious. And I think we need to stop the cycle.

ASSEMBLYWOMAN CARIDE: Thank you.

Thank you very much.

Anybody else? (no response)

Thank you.

MR. O'GRADY: Thank you very much.

If you have any follow-up questions, please don't hesitate to reach out.

ASSEMBLYWOMAN CARIDE: Thank you, Mr. O'Grady.
Mayor Palmer.

Mayor, I apologize. I didn't realize you were signed up to speak; otherwise, I would have had you up earlier.

MAYOR KEN PALMER: That's all right; no problem.

ASSEMBLYWOMAN CARIDE: Welcome.

MAYOR PALMER: Thank you for having me, Madam Chairwoman and panel.

I am the Mayor of Manchester Township, which is located in Ocean County. And like Monroeville (*sic*), we have a significant senior population. But you take that population, and think of it on steroids. We have 43,000 people in our town; 29,000 of them are senior citizens.

The most dangerous thing I do in the week is drive to ShopRite and try to get through the parking lot. (laughter)

Manchester Township is a great Township. We welcome our seniors; more likely than not, you folks may be there in about 20, 30 years, or one of your family members will be there. If you're going to retire in New Jersey, Manchester is the town to go to.

But that poses two problems with the funding formula: one in the funding formula itself; and then we have a separate problem. And the folks in Monroe -- Monroeville touched upon that.

The equalization aid that's handed out by the town -- by the State -- the \$6 million -- we don't get a penny of that, although Manchester Township is in the bottom 10 percent of average per capita income, average

household income, and average household value. Our average household income is \$36,000. I looked at Monroe's while they were talking; theirs is \$67,000. Our average house value is \$150,000. We have 20,000 homes in Manchester Township; over 12,000 of those are senior homes; about half of those are valued at \$60,000 or less. So those are the co-ops, where our residents live on \$800 a month.

And so what happens is, the other homes -- the non-senior homes, or the higher-end senior homes -- are now carrying the brunt of the 86 percent of the school tax bill that we're required to pay -- similar to the townships that testified before me.

The reality is, is by putting that tax burden on a small percentage of our township, people are leaving, and the home values are not returning. In 2013, as a result of the housing crisis, we lost \$80 million in assessed value of our properties. We didn't get any additional tax revenue through the State -- tax benefits from the State, so that \$80 million of lost revenue was shifted to the top 20 percent of the property values in town.

As a result, seniors -- who have moved to our Township to retire -- when they had a home that had property taxes of \$4,000, now it's \$8,000; plus they're paying their homeowners association fees of \$2,000 to \$3,000. So you have seniors on fixed incomes paying \$10,000 to \$12,000 a year, where they just can't afford it.

When I was campaigning several years ago, I gave them my mumbo-jumbo about lowering property taxes, "I'll do this, I'll do that." And I came across these two women who lived in -- they were sisters -- and they lived in a co-op in Whiting, the Whiting section of Manchester; Crestwood Village 3, I believe, it was. And they said, "I don't want to hear

that. Tell me what you're really going to do." And I said, "Well, what do you mean?" She said, "Well, during the winter, we live in one bedroom and the kitchen. We quarter off the rest of our house, because we can't afford the electricity."

So everybody has their own stories about the inequities of the school funding formula; and that's ours. Because of the large number of seniors that we have, and the fixed income that they're on, and the large number of households, the ratios that the equalization aid is based on doesn't work for us. It's an anomaly that we definitely feel. Berkeley Township, in Ocean County, feels it; and it sounds like Monroe feels it as well.

Assemblywoman McKnight, I wanted to-- As the other guy said, I wanted to jump out of my chair when you said we have to take care of seniors. So if there's one thing that I can impart upon this panel, is when you are reconsidering the funding formula, when you are considering the equalization aid, there has to be some type of allocation made to those senior districts. Because, number one, their incomes don't go up like working residents do -- they're living on fixed incomes; and if you tax them out of their homes, where are they going to go? Where else are they going to go to find a \$40,000 co-op that they can live in, where they pay \$200, \$300 a month? There is nowhere else, I give you, in the State of New Jersey, where they can go. And if they can't afford Manchester, I don't know where they're going to go.

The second problem that we have is, Manchester Township is 82 square miles; it's a huge Township. Over 52 percent of that is landlocked, because half of it is in the Pinelands; and so that land is not

able to be developed. There's a better chance of you catching a meteor than getting something developed in the Pinelands area.

But not only that, we are paired with -- the other part our town is in the CAFRA area. And actually, both -- there are some areas that are covered by both regulatory agencies. So try to get something developed there; you just can't. So getting development in our town is extremely hard.

Several years ago we had a pad site in front of the ShopRite, where the Realtor was trying to get Chick-fil-A to come. We don't really have any drive-throughs or any restaurants there. And so they looked at our pad site; and then they went down the road five miles, and went to Bricktown. When the Chick-fil-A folks took a look at the average household incomes of my folks, of \$36,000, compared to Brick Township, of \$70,000 a house, where do you think that Chick-fil-A went? It went down the road. So we don't have that ability to entice the commercial businesses to broaden our tax base.

So again, the one thing I implore upon you to consider is, when you are looking at the way equalization aid is distributed, please consider the plight and the condition of the senior citizens. Like I said, we have 29,000 of them who are relying upon you to keep them in their homes.

And with that, thank you very much.

ASSEMBLYWOMAN CARIDE: Thank you, Mayor.

Does anyone have questions?

ASSEMBLYWOMAN McKNIGHT: Just a comment.

I read an article online, and it mentioned one of the reasons why seniors are leaving the State of New Jersey -- and it's mainly because of

the taxes. And we need to do something to keep them in, because we need them here.

So, you know, thank you for just reconfirming what we're talking about; it's education--

MAYOR PALMER: Sure.

ASSEMBLYWOMAN McKNIGHT: --and it affects so many, at so many different levels.

MAYOR PALMER: And actually, our Township, without our seniors -- schooling, or paying for the schooling of our children, would get even more expensive for the non-senior (indiscernible). We rely on the seniors to pay, because they don't burden the schools.

But if they start leaving Manchester Township and it's left to the single family residents, they're not going to be able to afford their homes, because the taxes will go up. And then the town, as was mentioned before, will become a ghost town. So I appreciate your comment, and I hope that you do consider--

I heard it mentioned -- the bill that talked about towns that were 30 percent and over senior citizens; there would be some type of allocation or consideration. Years ago, I guess it was in 2004, senior stabilization aid was enacted. And then with the revisions to the school funding in 2008 -- that was removed because we got the adjustment aid.

But it forgot, or it didn't equate to us in the equalization aid; and that is significantly hurting us. Years ago, the Assembly recognized that senior-dominant towns needed some additional consideration. That was removed in 2008; and we ask that you reconsider that.

Thank you very much.

ASSEMBLYWOMAN CARIDE: Anyone else? (no response)

Mayor, I will say that this is probably the first hearing that we've held where the issue of seniors has come up. And so, thank you very much -- to everyone who has been here, who has testified about--

MAYOR PALMER: Sure.

ASSEMBLYWOMAN CARIDE: --the impacts it has on the senior community, and how the senior community impacts the school district.

MAYOR PALMER: You know, in Ocean County at large, probably-- Well, talking about the equalization aid, when I took a look at the lowest 10 percent -- those townships that were in the lowest 10 percent of income, and what they were getting in equalization aid-- When you look at the graph, there are three towns that don't get any; and they are Manchester Township -- you heard the numbers I gave you, 29,000 residents out of 43,000. Berkeley Township, also in Ocean County; they have -- I'll let Mayor Amato talk on his town -- but they have over 50,000, and also 50 percent senior citizens. And I believe there is one in Cape May; they only have about 2,000 residents. But those towns do not receive equalization aid, and they are in the bottom 10 percent of the average income in the State of New Jersey.

So it is an anomaly, certainly; I'm sure the Legislature didn't mean it. But it does have a real effect, and we ask that you consider it.

So thank you.

ASSEMBLYWOMAN CARIDE: Thank you.

Frank Heelan and Theresa Ward.

Good afternoon, and welcome.

THERESA E. WARD: Thank you very much.

FRANK HEELAN, Ed.D.: Good afternoon.

Thank you for having us, Honorable Assemblypeople.

My name is Frank Heelan; and I serve as President of the Edison Board of Education.

Edison -- the Township itself was, I think, ranked about 19th in the nation, as far as desirability of living, in *Money* magazine. And also, with Niche.com, we are in the top 25 school districts of 210 school districts in the State of New Jersey.

We have 16,000 students, now, attending our schools every day; 12,000 on the buses, going around town, making us the fifth-largest school district in the state. However, in terms of funding, we are among districts receiving the lowest fraction of our fair share -- 38 percent of the SFRA entitlement. According to the SFRA formula, Edison should have received \$37 million for 2016-2017. The District was given \$14 million in State aid, thereby depriving our students and taxpayers of \$23 million.

Some of the key points that I would like to point out are:

Funding for districts must increase in accordance with the previous year's October 15 enrollment. That is critical. The enrollment in many school districts has decreased since 2008; yet State funding continued to increase for those districts. We have had a 12.4 percent increase in enrollment since 2008; that's 1,900 students. Just this year alone, in September 2016, over 500 additional students registered in our schools. And even as we go on in the school year, they are still coming in. However, State aid per student in Edison has continued to decline since 2008.

The second point I'd like to make is, four districts had a higher enrollment than Edison in 2016-2017, and received an average of 15 times the State aid, per student, than Edison. Between Newark, and Jersey City, and Paterson, and Elizabeth, they received in the area of about over \$14,000 per student; and as the fifth-largest district in New Jersey, Edison got \$951 of actual aid per student, the lowest of the 17 districts with 10,000-plus enrollment.

Edison's schools are severely overcrowded. The New Jersey Department of Education uses the Facilities Efficiency Standard, the FES, to analyze school building capacity. The FES capacity at J.P. Stevens High School was 1,237; the total enrollment, however, stood at 2,340 during 2016 -- almost double the capacity, in terms of safety and other considerations. Edison High School's FES capacity is 956; but the enrollment during 2016 reached 1,947 -- so more than double what it should be. Edison taxpayers cannot afford another high school without additional State aid.

The next point is that low income is not restricted to a limited number of districts, but is spread throughout the state. Most elementary schools in Edison are Title 1 schools, with 20 to 40 percent free lunch; and one school has over 40 percent free lunch.

The next point is that 56 percent of property taxes in Edison is earmarked for the schools; in favored districts, less than 25 percent of property taxes is allocated to the schools. I understand, Jersey City -- the wealthiest one in the state, in terms of aggregate income, and also in terms of equalized valuation -- only pays about 16 percent towards their schools.

Next is adjustment aid or hold-harmless aid -- ensuring that no district would receive less State aid than the amount previously received -- is intrinsically inequitable. To be fair, adjustment aid must be abolished, and the funds redistributed according to the SFRA law.

Finally, we implore the legislators to focus, urgently, on school funding by eliminating adjustment aid and growth caps; those are the two critical things. Adjustment aid -- the \$550 million that you used, to decide where it's going to go -- it should be fair. And enrollment figures for State aid must be based on the previous year's October 15 enrollment.

Please have a heart and the courage to embark upon a more just system so that students in Edison, and other school districts, are not being shortchanged.

I also included in your packet -- if you want to take a brief look at the total spending -- you have, first of all, for the students, the districts with 10,000-plus percent SFRA aid received. Jersey City received 146 percent. It goes on down, if you look at Edison -- we received 38 percent of what we should receive. And you can also see the total spending for pupils -- the latest year was 2014-2015 -- but it ranges from \$25,000 in Camden City, down to Toms River, \$15,000; and Edison is down at the very low end there. We spend, per student, very little.

And also the surplus or the deficit -- you can see there's another page for those at 10,000 enrollment. You can see that Woodbridge would be the lowest one; they're worse off than Edison is. Some of our Board members said, "Just concentrate on Edison; don't tell them about the other figures for all those other school districts; that there are others even worse off than we are."

In terms of the actual aid per student, in rank order, we are the lowest of the districts with 10,000-plus enrollment, at \$951. And in terms of equalized evaluation, we do very well. It's \$21.7 billion for Jersey City; and also they are the tops in aggregate income at \$7.5 billion. And you can see all of the others there. As I said, Edison does very well in that account -- coming in second and third, in terms of aggregate income and equalization valuation -- because of all of the businesses and everything else there.

And I also included some for Middlesex County, just so that you could see. We're basically a middle class district in a middle class county. So that-- And that's where the money had been taken, way back when. The rich districts didn't really -- it wasn't affected, with them, too much; I just happened to look at one of those figures of Alpine, with about \$48,000 per student. So they weren't really affected too much.

But it's the middle income districts that were most affected, and that's why I wanted to give you some more material, as far as Middlesex County is concerned.

ASSEMBLYWOMAN CARIDE: Thank you.

Does anyone have any questions?

ASSEMBLYMAN AUTH: One quick one.

ASSEMBLYWOMAN CARIDE: Sure.

ASSEMBLYMAN AUTH: Thank you.

I -- lamenting the numbers that you've cited; I'm looking at your sheet with all the different -- the various expenditures per student in different cities. I took the liberty and looked your school up on *U.S. News and World Report*. And your school comes at 59, which is an outstanding number, compared to what they say-- They gave you great rankings; they

said you have a very high minority base of students in your school, and you're doing an exemplary job.

English proficiency, 96 percent; mathematics proficiency, 84 percent; and AP passed, 91 percent.

First of all, I want to commend you for your outstanding work, because those numbers are riveting. And I would really like to sit down with you, somewhere along the line, and find out what it is you're doing so we can export that into some of the other districts. Because you apparently-- I mean, I understand; you are not being treated fairly here. You are not being treated fairly

However, despite that, you're creating an environment where your students are excelling. So I think, to be honest with you, we need to take a combination of what you're doing and increase spending in your particular district, and maybe reduce some in districts that are being overfunded; and find out what your formula is -- the paradigm that you're using that's working so well.

Can you--

DR. HEELAN: Well, it's the teachers and the others who are in the district; and we do pay our teachers well, I must say. And it is very -- it is very competitive. Whatever it takes, we pay our teachers well.

And also, it's because we do have so many immigrants, and those who are here the first time, they are-- They are so extraordinarily concerned over academics; they really go in, very heavily, for academics. And we have a heavily Asian population, a heavily Indian, and Chinese, and Korean, and Gujarati -- in terms of the Indians, they are the largest population.

And so it's amazing to me that, in J.P. Stevens High School, for instance, there's about only 38 percent of the students who speak English as a first language in their home; and yet they rank up with Millburn, in terms of SAT scores. So I think it's really phenomenal; and I wish I had the answer, because -- I wish there could be some silver bullet that-- But certainly, the teachers working together, and the parents who are so excited about making sure their children do so well, I think, is really the connection.

ASSEMBLYMAN AUTH: Well, I don't think anybody would bemoan paying teachers properly if you could get those kinds of results. I congratulate you.

And I empathize with what you're saying, and I'm in accord with you -- with regard to a fair distribution of money; equitable distribution of money for students, per student.

So I thank you for your testimony.

Thank you.

DR. HEELAN: Thank you.

ASSEMBLYWOMAN CARIDE: Anyone else?

Please, Assemblywoman.

ASSEMBLYWOMAN McKNIGHT: So I represent Jersey City -- the 31st District, Jersey City and Bayonne. And, you know, to hear the comparison between Jersey City and other cities is disheartening.

Jersey City -- 70 percent of the students receive free and/or reduced lunch. They also have many different challenges, as other cities. So we shouldn't-- I can't say-- We should not compare schools; but what

we should do is fight the fight to ensure that all schools receive the money that they need to educate.

So I see the numbers -- that Jersey City is getting more money. But what I don't see on this is, where the money is going. Is the money going to special education; is the money going to rehab buildings?

So I feel you, and I understand, and that's why I'm here on this Committee. Because I want to make sure that your school receives adequate funding.

And the Assemblyman just said, you are doing a marvelous job with your teachers and with the communities. But then there are some cities where the teachers are struggling because of the different family dynamics, or maybe they are new -- they are not that tenured.

So I would love to be in that meeting -- or you can give us a presentation -- and we can take those strategies and then begin to talk to our districts and say, "Hey, look at this. Try this model."

So thank you so much; and congratulations on what you are doing with what you have.

DR. HEELAN: Right.

ASSEMBLYWOMAN McKNIGHT: You know, with the little bit that you have, you're doing a marvelous job. And I know all of us here will do what we can to ensure that you get the right funding that you need.

And we should not want to take money from other districts, because we don't know what they're doing with that money. And it's hard when you just see the numbers on papers; but what we need to see is what's behind the numbers.

DR. HEELAN: Okay; thank you.

ASSEMBLYWOMAN McKNIGHT: Thank you.

ASSEMBLYWOMAN CARIDE: Ms. Ward.

MS. WARD: My turn?

ASSEMBLYWOMAN CARIDE: Your turn. (laughter)

MS. WARD: Okay.

ASSEMBLYWOMAN CARIDE: The floor is yours.

MS. WARD: Thank you very much for having us today.

My name is Theresa Ward; I'm a member of the Board of Education in Edison Township. And I am Chair of the Board's State Aid Committee.

For years, legislators have been plied with pleadings, resolutions, letters, e-mails, and phone calls regarding the inequities of our State aid, *ad nauseam*. And still we are here, today, recoiling under the weight of our desperation in the hope that, soon, you will right the wrongs compounded by legislative decisions over the past eight years, and somehow make school funding fair.

With the best of intentions, the Legislature has burdened school districts and educators with external directives that wreak havoc on the finances and valuable time of those who are charged, by law, with managing the school finances and classroom time, with no thought of real educational soundness or long-term consequences. By your leave, fully funding your own law, Common Core, PARCC, NJSBA, and the pending onslaught -- charter schools -- are draining us.

We are here trying to straighten out one of the issues the legislature has come up with; and the Legislature, on the other hand, is chartering schools which may or may not draw from a single school district;

which may or may not be educationally sound; which may violate the intent of the charter school initiative; which may be for profit; and which may be of questionable backing.

Local boards of education must forfeit their monies to support these schools, over which they have absolutely no control. If the State charters a school, then the State should foot the bill, and the charter schools' expenses and enrollments should not be part of a school's budget. Otherwise, we'll all be back here, turnaround time, trying to straighten out another State Legislature-created mess. Please consider the consequences of your actions.

You and I know that the current overfunded districts will feel entitled to maintain their privileged status, and any inkling of a decrease will spill over into the courts. And you and I know that the Governor and underfunded districts -- taking the court route for what is rightfully theirs -- are up against a partial system that will send them dancing through the courts. And the only people who make money are the lawyers.

For eight years the legislators have poked, prodded, tweaked, and shuffled school monies with impunity. Senator Sweeney recognized the inevitability of any new or revised legislation being subject to the vicissitudes of repeated political partisan pressures when he spoke at Middlesex County College in July and, again, in Atlantic City last fall. The very nature of your work precludes those pressures.

What I am suggesting is that you move beyond all of the above and come up with a formula that cannot be tweaked or altered at whim, and the bases of which are accurately verified annually. They are: school enrollments; the median income of the school district; the number of school

districts in the state; and the amount of State aid allocated in the State budget. By the end of February, we would all know what our State aid would be.

Devising the formula would require persons capable of doing so, not political appointees, not education organizations. Once the State budget is passed, school districts can know what their aid is to be, and will be constrained to operate with that amount of aid. The plan, the formula, and amounts per district should be firmly in place before July 1 of this year. No excuses.

School budgets, property taxes, property values, valuations, adjustment aid, PTRs, FES, debt service, building programs, equalization aid, State caps, et al, will not be part of the mix.

For six decades, the Federal government, State government, businesses, organizations, philanthropists, and fundraisings of all sorts have poured money into the more needy districts for enhancement of the school programs. They would be free to continue to do so, along with existing Federal -- NCLB, IDEA -- programs, and any additional State aid you deem necessary. These would not be affected.

Charter schools would be funded by, and be the responsibility of, the State, and not the local boards of education. And their accountability should be strictly monitored.

The poor, the homeless, limited English speaking, bilingual, those with disabilities, and/or at risk are all beneficiaries of the above programs; and caring for their needs would additionally be reflected in the formula, with median income as a base. Changes in the demographics and

fiscal conditions in each school district would be adjusted annually, automatically.

The original goal of SFRA 2008, to “create a fair, equitable, and predictable funding formula, based on student characteristics, regardless of the community in which the student resides,” would be met.

Taking SFRA, as it is now implemented, and jockeying some more numbers and variables will not accomplish what should be done. The simple, direct approach -- to which I pray you will give serious attention -- will spare you the time, the energy, and the embarrassment of pouring old wine into new bottles and toasting yourselves for having done the job when, in fact, you still have not complied with the law.

Thank you for all of this.

ASSEMBLYWOMAN CARIDE: Thank you, Ms. Ward.

Does anyone have any questions or comments? (no response)

Thank you very much.

DR. HEELAN: Thank you.

ASSEMBLYWOMAN CARIDE: Avi Schnall.

Good afternoon; welcome.

R A B B I A V I S C H N A L L: Good afternoon, Madam Chairwoman; good afternoon, members of the Committee.

I will try to be as brief as possible

I've attached on my written testimony a more detailed analysis of one district, in particular, that I am going to mention; but I am going to be brief in my oral testimony.

First, my name is Avi Schnall; I have the privilege to represent the New Jersey Office of the Agudath Israel of America.

And I would, first, like to applaud the members of this Committee, and the Assembly leadership, for recognizing how important and critical it is to fix and improve the State education funding formula.

As you look for ways to improve the funding formula, I ask you to please consider a factor which seems to have been overlooked in the past, but which plays a significant role in properly funding many districts in the state. I call it the *invisible children factor*.

There are 150,000 children in the State of New Jersey who attend nonpublic schools. These children are counted when it comes to services funded directly by the State -- like nursing services, security services, and technology -- because New Jersey has the admirable policy of ensuring the health and security of every student, no matter where they attend school.

But suddenly, these children disappear when it comes to calculating the funding formula. Leaving them out creates several serious challenges. Allow me to explain.

In order to determine how much funding a district receives from the State, the current formula calculates the number of children in the public school system in proportion to the local tax base; and then adds in other factors as well. Children who attend a private school are not included in the calculation.

Even though the district is responsible to provide services to these students -- such as transportation for qualifying nonpublic school students, the costs of their out-of-district placement with special education, the administrative services for State and Federal programs -- all of these expenses must come from the same local tax base. Overlooking these

children and ignoring the costs borne by the district can result in districts being significantly underfunded.

The best example of the unintended results of the current system is the Township of Lakewood. In that District, there are 6,000 children attending public school supported by a local tax levy of \$90 million. At first glance, Lakewood appears to be a wealthy District, which should require a smaller amount of State aid. However, the reality is that that Lakewood is also responsible for an additional 30,000 children attending non-public schools, which also must receive certain services from the local tax base. Transportation alone costs the District nearly \$15 million. Out-of-district special education, last year, was at a cost of \$28 million.

A town that appears to have \$90 million for 6,000 children must stretch its budget to meet an obligation of over \$40 million to serve the 30,000 non-public school students as required by law. This results in Lakewood facing, once again, a \$12 million deficit.

Lakewood is one example, and there are several other districts in the state that have this problem -- such as Teaneck; Passaic is coming soon, and others as well.

As you continue to search for solutions to fix the funding formula, please remember the 150,000 children living in New Jersey, whose parents are equally contributing to their district's tax base. These children count a lot to their parents, they count a lot to the districts that have to swallow millions of dollars in expenses to cover their mandated services. They need to count to the State's funding formula.

I thank you for the opportunity to express our concern; and I sincerely hope that you consider our request.

ASSEMBLYWOMAN CARIDE: Thank you.

Does anyone have any questions?

RABBI SCHNALL: That was easy. (laughter)

ASSEMBLYWOMAN CARIDE: Just real quick -- a quick comment.

I believe that we gave Lakewood \$3 million for busing just last year. So I think we have addressed that particular issue with regards to aid for transportation.

RABBI SCHNALL: Yes. And just to comment on that.

That is a -- and we are very grateful -- that was a three-year pilot program which, at the end of three years, we are going to be back to square one again. And that is proof of the State recognizing the shortfall in not accounting nonpublic school children in the calculation.

If the Lakewood school children -- the 30,000 nonpublics -- were in the calculation in regard to the transportation aid, we never would have had that shortfall. If the out-of-district children were part of the calculation, we never would have had that shortfall.

Lakewood was blessed, last year, that our fearless leaders fought very, very hard for our community and we were able to pull off this pilot program. There are other districts that don't have this pilot program; Teaneck is one of them, Passaic is on the verge. They don't have busing, but they have thousands of children who are receiving services from the local tax base. And it's a very strong, fast-growing community.

Edison -- Highland Park has a significant nonpublic school community. Lakewood is extreme; there are 30,000 of them, much more than any other district. And we happen to have that pilot program. I'm representing all the nonpublic school children; and if we were part of this consideration -- and I am looking towards the future-- In the future -- the pilot program is a three-year program -- it is going to run out; and this is a quick, easy fix, not only for Lakewood, but it will help every single district that has nonpublic school children.

ASSEMBLYWOMAN CARIDE: Thank you.

RABBI SCHNALL: Thank you.

ASSEMBLYWOMAN CARIDE: Anyone else? (no response)

No? Okay.

Thank you very much.

Rodney Logan.

Good afternoon, and welcome.

R O D N E Y L O G A N, Ed.D.: Good morning -- or afternoon; I'm sorry. (laughter) It's been a long day.

ASSEMBLYWOMAN CARIDE: It's been a long day.

J E N N I F E R K E Y E S - M A L O N E Y, Esq.: I'm just going to do a brief introduction.

ASSEMBLYWOMAN CARIDE: Please.

MS. KEYES-MALONEY: Jennifer Keyes-Maloney, from New Jersey Principals and Supervisors Association.

With us today is, actually, our incoming President from the Association, Dr. Rodney Logan from Ewing Township. And Dr. Logan will

share a little bit in terms of his impressions associated with funding losses within the Township over the last several years.

Just a cautionary tale that I expressed at prior hearings-- Whatever we do, if we can do it with deliberation, and with care, and as a starting point -- the actual School Funding Reform Act as a baseline and they build from there.

And then take into account -- as Assemblywoman McKnight indicated -- regardless of where a district is, the decisions that we make have to be made in a rational, and I would argue, incremental way.

And so with that, I will hand it over to Dr. Logan, who can provide some specific evidence of what funding losses have meant in an individual district in Mercer County.

DR. LOGAN: Good afternoon, Chairwoman; and members of the Assembly Education Committee.

My high school has 1,100 students -- over 1,100 students in a District of 3,800, in Ewing.

As a school leader, I am dedicated to meeting the academic, social, and moral needs of my students; and enhancing their ability to be productive responsible citizens. We are constantly focused on expanding our programs to provide a challenging academic program that sets high expectations, while meeting State mandates.

Today I would like to share with you the impact that the State's failure to properly fund my District, according to the School Funding Reform Act, has had on my school, my District, and my community.

Ewing has been significantly underfunded by the State since 2009, equating to \$26.9 million. During that time, we have made increasingly tough choices. Our staffing is bare bones, with very little opportunity to expand current programs or introduce more programs to support student growth.

As Principal, I can tell you, firsthand, that quality staffing is the key to a school's success. Unfortunately, the lack of State funding has impacted our staffing levels, and our ability to attract and retain high-quality teachers and other key staff.

Like many districts, our special education costs continue to increase. Our autism class alone has grown every year; and in 2014-2015, the budget for this program exceeded \$600,000. Unfortunately, our special education funding has not kept up.

Similarly, we've had to forgo critical facility upgrades and repairs, resulting in malfunctions, leaks, and numerous basic structural repairs. We need help to deter further damage to our building.

At the same time, in order to keep up, our local taxpayers have shouldered an ever-increasing burden. As a District, we've gotten to adequacy by asking more of our residents, year after year. In Ewing, that equates to a local tax levy that has increased 24 percent.

My point in sharing all of this is to illustrate the significant impact the State's underfunding of my school district has had on our students and the quality of learning opportunities that we can provide. I am concerned that with rising standards and expectations for our students, we will not be able to meet the critical benchmark of college and career readiness that our students deserve.

Continued flat funding, without running the funding formula, has already eroded educational opportunities in my District. I ask you to begin to restore State levels to Ewing, and to consider loosening the overly restrictive caps on local budgets -- particularly in the high cost areas like insurances and special education -- in order to provide needed relief.

Thank you for taking the time to hear my concerns as a school leader; and for travelling across New Jersey to help this complex issue.

ASSEMBLYWOMAN CARIDE: Does anyone have any questions? (no response)

Principal Logan -- so, would it be fair to say that you would not have a problem with the formula being run with whatever money is put into the budget, to just see how it goes?

DR. LOGAN: I would like to see the formula be funded. And I think it would go a long way.

Like the previous people have said, we want something. And giving it a per-pupil cost is just not fair; it's just not going to work.

ASSEMBLYWOMAN CARIDE: Thank you. I appreciate that.
Thank you.

DR. LOGAN: Thank you.

ASSEMBLYWOMAN CARIDE: Lisa Bakanas.

L I S A B A K A N A S: Great pronunciation.

ASSEMBLYWOMAN CARIDE: Oh, good. (laughter) I usually tend to butcher names; but thank you.

Welcome.

MS. BAKANAS: Thank you.

I'm going to say good *evening*; I feel like good *afternoon* seems -- as the time goes on, I'm not sure if we're still in the afternoon or not.

ASSEMBLYWOMAN CARIDE: We're getting there.

MS. BAKANAS: I'm not sure where we're drawing the line on there.

My name is Lisa Bakanas, and I'm the President-Elect of the New Jersey Association of School Librarians.

This testimony is on behalf of the 900 members of our Association, the professional organization of school librarians in our state; and the 1.37 million students in New Jersey public schools who deserve to have access to state-of-the-art school libraries staffed by highly trained, State-certified school librarians.

NJASL asks that the State fulfill its obligation to fund schools at the full rate required by the School Funding Reform Act. The consequence of the lack of funding has been disastrous to school libraries and for the students of New Jersey. Since 2008 -- which coincides with the last year that schools were fully funded -- there has been approximately a 20 percent decrease in the number of school librarians. Additionally, according to an NEA report on school libraries in the United States, New Jersey ranks 30th in access to online databases, and 32nd in access to books and print resources.

The average expenditure on all information resources -- which includes books, periodicals, AV materials, databases, and software -- for the 2011-2012 school year was \$1,500.

Students need resource-rich school libraries staffed by State-certified school librarians in order to graduate with skills necessary to be

ready for college and careers in the 21st century. School libraries and school librarians help staff and students navigate print and digital information in the digital information world, and prepare students for skills needed to become competitive in the global economy of the future.

In this time of economic challenges, school library media specialists are the qualified staff who can help schools adapt to the changes of the digital age, assisting staff to teach students to become reflective learners who are capable of locating, evaluating, and creating knowledge from the information found in multiple formats.

For the past 10 years, I've had the privilege of working as a high school librarian at Cherokee High School in Marlton, New Jersey. Cherokee High School has 2,200 students, and we are fortunate to have a well-staffed and funded library program. Here's just a brief snapshot of what the activity at my school was like for the last school year.

We checked out 3,600 books; I have 400 students each day using the two media centers in my school just during our community lunch hour program. We had 170,000 database searches. I took part in 1,975 class visits with teachers, collaborating with teachers and my other librarians to work on research and technology-based projects. We do that number, divided by how many days in the school year; we're quite busy. And we had 58,000 student visits to our media centers over the course of the school year -- and that's between lunch, study hall, and our vibrant afterschool program.

I believe there's a direct correlation between the services delivered by my library program and our high-achieving students. Cherokee High School has a graduation rate of 97 percent, and 84 percent of the

students continue onto two- and four-year colleges. My students are ready to take on whatever challenges the future holds.

But all students in New Jersey deserve access to effective school library programs, up-to-date resources that lead to increased academic achievement and digital literacy, giving them 21st century competencies, and the flexibility needed to have success in future careers and higher education endeavors. It is time to reinvest in our school library programs to advance instructional services that will provide New Jersey students with strong literacy and information skills.

NJASL urges you to include school library programs, staffed by certified school librarians, as part of the basic education funding.

Thank you for this opportunity to speak on behalf of the members of our Association, and for all of the students of New Jersey.

ASSEMBLYWOMAN CARIDE: Thank you.

Anyone have any comments or questions? (no response)

Let me ask you -- with regard to the members of your Association, has there been any talk about the library program being reduced due to the failure to fully fund the formula?

MS. BAKANAS: I think there's concern amongst our members, not only due to that, but, I mean, just-- We've seen a decline in library positions over the last -- since 2008; a dramatic-- I think it's 20 percent, is the number.

MARY MOYER STUBBS: There are a number of districts that do not have a State-certified school librarian, and are not offering library media services to students.

ASSEMBLYWOMAN CARIDE: Can you just state your name for the record?

MS. STUBBS: I'm sorry.

ASSEMBLYWOMAN CARIDE: That's okay.

MS. STUBBS: Mary Moyer Stubbs. I'm the consultant for NJASL.

ASSEMBLYWOMAN CARIDE: Thank you.

So there's been a lack of hiring, you were saying?

MS. BAKANAS: Lack of hiring, lack of positions. Some districts have completely cut and eliminated school library media programs.

MS. STUBBS: Yes.

MS. BAKANAS: At all--

MS. STUBBS: They may have one certified librarian handling three, four, five schools.

ASSEMBLYWOMAN CARIDE: Okay.

MS. BAKANAS: So there are many students in New Jersey who receive no training, no teaching, no instruction -- nothing from a school library media specialist. Not a book to check out, not a -- nothing.

ASSEMBLYWOMAN CARIDE: Thank you.

Anyone have--

Please, Assemblywoman.

ASSEMBLYWOMAN McKNIGHT: Do you feel that this has something to do with the wave of technology? You know, a lot -- the electronic media?

MS. BAKANAS: I think it's really-- It's a funding issue. I think if school districts realized what librarians could offer-- We are tech

savvy; we are leaders in technology. We have a bigger place in what -- teaching students how to evaluate resources now. We are not replaced by Google; Google gives you 6,000 answers, I think the quote is; and a librarian comes back with one good one. We need to teach children now, more than ever, to be -- how to evaluate resources, how to be able to check their alternative facts and their fake news.

So I think districts need to realize that we are technology leaders. We provide so much professional development at my school that I can't imagine how they could do without us. Why go outside when you have people who are ready to be tech savvy in your building?

ASSEMBLYWOMAN McKNIGHT: One more question.

Do you have any-- Are you running any type of programs -- like how to check alternative facts -- inside of any school now that can, like -- that shows the need for the libraries?

MS. BAKANAS: Yes, we -- we run an annual conference every year that provides professional development for our-- Almost 600 librarians attended this year; that was in the fall. We have a spring meeting coming up.

News literacy is hot on everybody's plate. I know I've taught that to seniors this year who are getting ready to graduate. And it's something that we're going to look to provide professional development on.

But there are so many literacies now: There's -- news literacy is hot, but there is also all kinds of digital literacies, visual literacy -- all the things that kids really need to be able to be 21st century learners and take advantage of that. We are there to be on the cutting edge of whatever

technology -- whether it's on a phone -- whatever we have to do to reach whatever students we can.

But there are so many students in New Jersey who don't have access to us; that we would like to see, you know, us made essential and fully funded.

ASSEMBLYWOMAN McKNIGHT: Is your contact information on here?

MS. BAKANAS: Yes.

ASSEMBLYWOMAN McKNIGHT: Okay; thanks.

ASSEMBLYWOMAN CARIDE: Thank you so much.

Does anyone else have any questions or comments? (no response)

Thank you, ladies. I appreciate your comments.

MS. BAKANAS: Thank you.

MS. STUBBS: And we have a bibliography, of course. We wouldn't include a testimony without a bibliography, because we're librarians. (laughter)

ASSEMBLYWOMAN CARIDE: Next, we'll call Charles Sampson. (no response)

Hey, Betsy.

ELISABETH GINSBURG: Yes.

ASSEMBLYWOMAN CARIDE: You don't look like Charles.

MS. GINSBURG: Clearly, I am not Charles Sampson; (laughter) but I do have his words with me.

ASSEMBLYWOMAN CARIDE: Well, you are next on the list anyway, so-- (laughter)

MS. GINSBURG: Okay.

ASSEMBLYWOMAN CARIDE: Good to see you again.

MS. GINSBURG: Yes, it's good to be here.

Thank you for your patience, and for staying so long.

Those of you who don't know me, I'm Betsy Ginsburg. I am Executive Director of the Garden State Coalition of Schools.

And I am here today speaking for Chuck Sampson, who is the Superintendent of Freehold Regional School District. He is our Past President.

He had hoped to be here today, but a situation in his school district took him away from us. So he delegated the job to me, and it is an honor to speak on his behalf.

You have his testimony. I will say that Freehold Regional is a very large district; 11,000 students. In addition to being the Superintendent of that, and the Past President of Garden State, Chuck has four children, and he also serves on his local School Board in Clinton, New Jersey. So he works on school issues all the time.

And he has such a wide range of students, because he has eight sending school; and they range from CD to I, in terms of District Factor Grouping.

So I won't go over his whole testimony, because you have it. But his major concern-- There are three portions, or three components of equalization aid that he believes need the best -- the greatest attention. And he points to areas of vulnerability, but I think of them as areas where we can actually do something practical.

And these -- equalization aid is approximately 75 percent of SFRA. What Chuck wanted me to stress today is three pieces: The adequacy budget, which is the district-by-district measure of the amount of money necessary to provide a thorough and efficient education. The point of vulnerability is that the underlying cost model fails to faithfully provide the scope of required services at current cost levels. So that's something we can do within the formula to update it -- to make it more relevant.

The local fair share--

ASSEMBLYWOMAN CARIDE: Betsy, I'm sorry to interrupt you.

Could you just repeat that again, because I missed it.

MS. GINSBURG: I'm sorry.

ASSEMBLYWOMAN CARIDE: I'm sorry.

MS. GINSBURG: The adequacy budget is the district-by-district measure of the amount of money necessary to provide a thorough and efficient education. And the point of vulnerability in the current adequacy budget calculation that is the underlying cost model fails to faithfully provide for the scope of required services at current cost levels. In other words, it hasn't been updated.

So updating the adequacy budgets -- or, at least, looking at them with an eye to updating them -- would be something that could be done within the formula that would help.

The local fair share -- which is a community's ability to locally fund the adequacy budget. The point of vulnerability here is the conversion of wealth indicators, including income and property values, into ability to

pay property tax. And that can be unpredictable or it can be unrealistic. So there needs to be some examination of the local fair share calculation.

And finally, equalized aid. And this is, of course, the big point of vulnerability and the big difficulty: the State shares of the adequacy budget funding. Adequacy budget, minus local fair, share equals equalized aid. The problem is, insufficient State funds available.

So that leads me to our point of view, and Chuck's point of view -- which is that we support the SFRA formula; but we do also support the kind of examination he recommends of these three factors to bring it up to date. And we know that full funding is probably not possible right now; so that we would also advocate for a proportional allocation of the available money according to the SFRA formula.

So thank you.

ASSEMBLYWOMAN CARIDE: Thanks, Betsy.

Anybody have any questions or comments?

MS. GINSBURG: Thanks.

ASSEMBLYWOMAN CARIDE: Wait, Betsy; I have a question for you. (laughter)

No, I do; Betsy, I really do. (laughter)

MS. GINSBURG: I walk away while you're still asking questions-- It's probably better that way.

ASSEMBLYWOMAN CARIDE: You were trying to make it to the door. I'm sorry. (laughter)

MS. GINSBURG: No, no, no; it's okay. It's okay. I'm sorry.

ASSEMBLYWOMAN CARIDE: With regards to the testimony that has to do with updating the adequacy budget within the

formula, are we talking about looking at the districts that are overfunded and those that are underfunded, and trying to balance them out?

MS. GINSBURG: I think for the adequacy budget, we're looking at the required services. What does it really cost to run a school? So that would be for all districts.

ASSEMBLYWOMAN CARIDE: Okay, thank you, I appreciate it.

MS. GINSBURG: Any other questions?

ASSEMBLYWOMAN CARIDE: No; that's okay. (laughter)

Thanks.

Scott--

S C O T T H E I N O: Heino (indicating pronunciation).

ASSEMBLYWOMAN CARIDE: Thank you; Heino (indicating pronunciation).

And Patricia Haney.

P A T R I C I A L. H A N E Y: Yes.

ASSEMBLYWOMAN CARIDE: Welcome.

MR. HEINO: Thank you.

ASSEMBLYWOMAN CARIDE: And I am still going to say *good afternoon*, so-- (laughter)

MS. HANEY: Yes, it is.

MR. HEINO: Dios it matter who goes first?

ASSEMBLYWOMAN CARIDE: It doesn't matter.

MR. HEINO: Okay.

Do you want to go?

MS. HANEY: No, you go.

MR. HEINO: Good afternoon -- or good evening, at this point. My name is Scott Heino; I am the Superintendent of Chesterfield Township School District.

I want to share one fact with you that I hope you will keep in your mind as I speak today.

I represent the Chesterfield Township School District, the most underfunded school district in the State of New Jersey.

In 2008, when the SFRA was enacted, Chesterfield School had an enrollment of 433 students. Our current enrollment is 774 students. Over the past eight years, we've averaged 43 new students each year. That's significant growth, and our growth is far from over.

Last year, the Chesterfield Township School District received just over \$400,000 in State aid. This represents only 11 percent of the \$3.6 million aid we should receive through the SFRA; 11 percent.

Under the SFRA, the taxpayers of Chesterfield should contribute just under \$6.5 million for our \$9.5 million budget. Due to the unfair funding, our taxpayers pay 139 percent of what they should pay, according to the formula. So our taxpayers pay \$9 million of our \$9.5 million budget.

Other than the obvious conclusion that the school district is underfunded through the SFRA, and the taxpayers of Chesterfield are paying well above their fair share, what does this mean?

Last month, our auditor addressed the Board of Education, and he summed it up with this statement, "I have never seen a budget as tight as this one."

After almost going into deficit last year, our outlook doesn't look good. I could sit here and list the things that we don't have, like a chorus program, current technology; or talk about the programs we've cut, like Rise and Shine, a program designed to provide additional instruction to our students who struggle the most. I could share with you the frustration our taxpayers experience each year during budget time. But I won't. I just want to give you a glimpse of our current situation.

Earlier this month, I cut off all spending in the District, from now until the end of the year; essential expenses only.

We have a geothermal system in the school with an underground vault that is a control room for the system. That vault is taking on natural ground water and requires repair. It is costing us over \$6,000 just to determine the problem. We can only imagine what the potential repair costs will be.

We've had two students move into the District this year with special needs who require out-of-district placements. This is all money that was not budgeted.

For some districts, these situations can be addressed; for Chesterfield, we are scrambling to find the money to address these issues and finish out the school year.

Again, we are growing tremendously. However, last year we did not have the money to add any classroom teachers. Our class sizes are increasing. As we are preparing our 2017-2018 budget, it is actually worse. We are in a position where we may need to cut staff. Again, we are averaging 43 new students each year, and we are cutting staff.

I share these examples with you for one reason. We need your help. I sat in a seat just like this last year; testified in front of this same group, this same room. I've attended hearings in Trenton to support school funding fairness; we've worked to educate our community on school funding. I also belong to a group of other underfunded school districts that are working for change in school funding.

And one thing that I can tell you, with complete frustration, is no one is doing anything.

I know legislators agree with me on how unfair our current funding is. Hopefully, that is the reason you are all sitting here today. However, the fact is that there is over \$600 million in adjustment aid that has continued to be disbursed in the same way for the past eight years, with no adjustment, based on the State's economic realities or due to changing demographic circumstances.

The message is clear: No politician is willing to do what is right for school funding fairness. If our legislators were willing, we would have seen at least a change in adjustment aid.

I sat in a hearing last month in this very same room. I was hopeful for change, based on the fact that school funding fairness finally had some momentum behind it. I cannot describe to you how frustrating it was to sit and listen to legislators -- as well as some who testified -- talk about how, if we reallocate the adjustment aid, there will be winners and losers. And, obviously, they don't want losers. You don't have to reallocate the adjustment aid to get losers; here I am, the biggest loser in the state, with Chesterfield being funded at 11 percent.

The SFRA is currently being funded at 85 percent; but Chesterfield only receives 11 percent.

I am not an expert on school funding; I started this fight last year and have been working to become more knowledgeable on this topic. However, from listening to others who I do consider to be experts, the New Jersey SFRA is a model for other states. Three states recently approved similar weighted funding formulas.

In my opinion, we have what we need to fairly fund our schools in New Jersey. The problem is, it is not being used.

We need you to make this your priority. We all know that the SFRA is currently underfunded by \$1.4 billion dollars. I'm not sitting here before you asking you to increase funding for the SFRA by \$1.4 billion; I am simply asking for our fair share. To hear about districts that are overfunded and communities that are not paying their fair share is tough. Fund the formula. If you can't fund the formula, distribute the money fairly.

Chesterfield has given all they can give; there is nowhere else we can go. We are counting on you to do what is fair for the children of Chesterfield, and for the children throughout the State of New Jersey.

Thank you for the opportunity to testify today.

ASSEMBLYWOMAN CARIDE: Thank you, Superintendent.

Does anyone have any questions or comments?

Please.

ASSEMBLYMAN AUTH: Thank you for your testimony.

In light of-- You've been here for a while; I've seen you in the audience. So you've heard my questions--

MR. HEINO: I was the first person here. (laughter)

ASSEMBLYMAN AUTH: We'll note that.

MR. HEINO: Thanks.

ASSEMBLYMAN AUTH: You've heard me ask, then, about the three varying plans. Which one fits your model the best, if I may ask?

MR. HEINO: As I've mentioned, I believe the SFRA -- it is a formula that does work for us. You know, I did hear you ask certain people to justify a number, and things like that. As Assemblywoman McKnight had mentioned -- you know, I think to say that \$6,500 to fund a student in Chesterfield is the same as \$6,500 to fund in Jersey City -- I believe I don't think that's a fair thing to say, because there are different needs in different districts.

So again, I'm not an expert on school funding; but to the best of my ability -- as I've listened to people testify, and talking with different people who do study this quite closely, our funding formula is a model formula. It's just that we're not using it.

ASSEMBLYMAN AUTH: If I may, just so-- You've expressed that you don't like the way a single number per student works. That's fine. I kind of like it, only because in my District -- the districts that I represent -- we don't get anything. So anything would be an improvement

MR. HEINO: Yes, any funding formula out there is going to give us millions more than what we're getting.

ASSEMBLYMAN AUTH: Right. So--

MR. HEINO: But this is bigger than just Chesterfield, I believe.

ASSEMBLYMAN AUTH: I agree with you.

So my question then-- We're in the same boat.

So my question is, you're an educator and you're working with all these moving parts. I'm a legislator; I'm trying to help you move those parts as seamlessly as possible. What would be a good benchmark to say, "Look, let's start at this number -- a number; and then from that number, we can assess where we need to raise more." What number should be coming back into the districts -- all the districts, and then adjusting? I mean, if it's not \$6,599--

MR. HEINO: Yes -- and I don't believe it's that simple.

And I was talking with a colleague, earlier, after you had asked that question. And we sort of joked, "The number is \$1.4 billion." That's how much we need to fully fund the SFRA.

But if you're asking me to tell you, what do I think is a single number to fund a child -- to educate in New Jersey, I don't think it's fair to say that; because what may be right in Chesterfield, may not be right in Jersey City, or in Cape May.

You know, I think about it this way. Before I left the office today, my BA joked -- I said, "Hey I'm just going up to Trenton for a hearing." And he said "Hey, get us an extra \$500,000." And we sort of laughed about it. And the funny thing is, an extra \$500,000 would put us at about 22 percent funding. We'd be dancing in the streets in Chesterfield if we got that. But that-- I can't tell you there's a single number for every child in New Jersey; I just don't think that's a fair question.

ASSEMBLYMAN AUTH: Well, I didn't intend to be unfair--

MR. HEINO: No, no. I'm not-- (laughter) I'm not trying--

ASSEMBLYMAN AUTH: I'm trying to gauge, you know, what would be a benchmark to say, somewhere along the line, "All right, we know -- for pencils, this, that, and everything else -- paper, notebooks, the edifice, and the maintenance of it, and the structure of the payment to the educators, and so on -- we need to get this amount of money." And then we need to say, from this point forward, there are special needs. Like Assemblywoman McKnight said -- Jersey City, for example, has these specific issues that they need to address, which is understandable, and you would want to make additional funding for that.

But it would be easier -- at least for me; and maybe, you know, my colleagues are a lot smarter than I am, perhaps. I have a business background--

MR. HEINO: I'm not going to give you a number, because I don't think that's -- I don't think that's a--

ASSEMBLYMAN AUTH: Right, right. No, I'm not trying to press it; but I'm just trying to explain-- It's difficult just to take the big number and try to break it all apart. It's easier, I think, sometimes, to go from the lower number and add onto it, you know.

MR. HEINO: Right.

ASSEMBLYMAN AUTH: But if you can't give it to me, you can't give it to me.

MR. HEINO: Yes.

ASSEMBLYMAN AUTH: It's not a problem.

And I thank you very much.

Thank you.

ASSEMBLYWOMAN CARIDE: Superintendent, I have a question for you. And I don't want to put you on the spot; if you don't have the answer, that's fine.

MR. HEINO: Okay; thank you. (laughter)

ASSEMBLYWOMAN CARIDE: In your testimony, and in your written testimony, you say that, in your opinion, we have what we need to fairly fund our schools. Can you just expound on that for me? What is it that we have that you feel--

MR. HEINO: I'm referencing the SFRA.

ASSEMBLYWOMAN CARIDE: Okay.

MR. HEINO: I just believe that it's just not being implemented; it's not. Well, plain and simple, it's not. In other words, it was implemented that first year, and nothing has changed.

So you had mentioned earlier, in testimony, something to the effect of growth being one of the-- That's my issue: growth. I mean, we have been growing like crazy, and there's been no adjustment for that. You know, in other districts it may be a higher level of ELL population; it may be structural. I mean, we have a fairly new building; it's not those kinds of things. It's strictly growth.

ASSEMBLYWOMAN CARIDE: Thank you so much. I appreciate it.

ASSEMBLYMAN AUTH: Excuse me, Chairwoman. May I ask one thing?

ASSEMBLYWOMAN CARIDE: Sure.

ASSEMBLYMAN AUTH: Thank you.

Just-- I'm sorry; just to follow back.

To go to one question.

You said the number would be \$1.5 billion just to fund the formula entirely. In the event that there is not \$1.5 billion to give--

MR. HEINO: I understand that; there's not. (laughter)

ASSEMBLYMAN AUTH: Right, right.

What you're saying to us, though, is whatever amount it is, run it through the system. Is that--

MR. HEINO: That's correct; yes.

So in other words, right now, the State is funding the formula at 85 percent.

ASSEMBLYMAN AUTH: Yes.

MR. HEINO: So if that's the money the State has, that's great. But at least give me my fair share.

There are other districts out there that are receiving well above the 100 percent funding; and their communities are not paying their fair share. My community is paying more than its fair share, and I'm getting much less than what I should be receiving through the SFRA.

So all I'm saying is, just give me my fair portion of that.

ASSEMBLYMAN AUTH: So if we were going to go back to Speaker Prieto -- and I'm sure we will be -- and Senator Sweeney, it would be safe to say that the majority of the suburbs -- like yourself, unlike municipalities that I represent -- would probably be -- I wouldn't say *elated*, but certainly feel like they were being -- their issues were being addressed if we did it exactly that way. In other words, if we had 50 percent to fund, and we took that 50 percent and we ran it through the formula, and you got 50 percent rather than the 100 percent -- and, hopefully, you could get

more funding as the economy gets better, or whatever -- but that would work for you.

MR. HEINO: It would work for me.

And I just want to caution you on the fact that you grouped us as a *suburban-type district*, in the idea that I think this issue with school funding is not a suburban school issue. It's an issue that crosses all economic lines, whether it be inner city schools, rural schools within the state. It's not -- it's large districts, small districts; it's not just-- You know, I'm a very tiny District, honestly. It's not just tiny suburban districts. It crosses all those lines.

ASSEMBLYMAN AUTH: Thank you.

Thank you, Chairwoman.

ASSEMBLYWOMAN CARIDE: Please.

MS. HANEY: If you don't mind, if I don't start my three minutes yet and just make a personal comment.

ASSEMBLYWOMAN CARIDE: Sure.

MS. HANEY: The man sitting next to me -- we just happened to randomly be placed together. But I am so proud of his testimony.

We started -- he started his career as an Assistant Principal in the same district that I was, as a Director of Curriculum. So I'm at the end of my career, sitting next to someone who I've mentored; and so I'm so proud.

And that's just a personal comment.

We happen, at this point, to be in different spots. (laughter) Comparing districts is something I'm going to be talking about -- and I don't believe it should be.

But I just had to mention the personal factor in this whole thing -- in that I think Scott represents us proudly, as fellow Superintendents now.

ASSEMBLYWOMAN CARIDE: Well, thank you for your comments.

MR. HEINO: (off mike) Thank you.

MS. HANEY: Now you can start my three minutes. (laughter)
Good evening; it is evening.

ASSEMBLYWOMAN CARIDE: It is evening.

MS. HANEY: Good evening, Madam Chair and members of the Assembly Education Committee.

I am Patricia Haney, Superintendent of the Logan Township School District, located in Gloucester County -- that's where we both started.

I have provided testimony to this Committee before, on February 7, at the Camden County Technical School. I am not sure if your Committee members remember me or my testimony. For that reason, I have attached my original statement to tonight's testimony, as a reference, because I don't want to spend my time merely repeating myself. Instead, I want to re-emphasize the important points, with a few additional perspectives.

First, our Board of Education and I want to clearly state that we support any proposal which requires the State to begin the process of fully funding the SFRA, and prioritizing districts that have had significant growth.

As a District that sends its resident high school students to Kingsway Regional -- which all of you know is a growing District -- we recognize the importance of prioritizing districts whose funding has not been consistent with their growth.

However, this State funding problem -- which has been long in the making -- must not be fixed by taking from one district and giving to another. There are unintended consequences to any proposed, simple solution, which will negatively impact districts that were not the cause of this present State-funding crisis.

In the case of my school district, we would be placed in double jeopardy if the Senate Select Committee's simple solution were to be implemented. We would suffer a loss in revenue -- proposed to be close to \$1 million -- over a five-year period. We would also see an increase in expenditures, because our tuition bill from the high school district -- to whom we send our resident students -- could increase dramatically, as that district receives an increase in State funding.

Please let me reiterate -- I am not against that high school district receiving an increase in State funds; they deserve that. Instead, I am asking this Committee to recognize the double jeopardy this simple solution imposes on K-12 districts that are in a sending/receiving relationship. Some type of tuition adjustment must be included in the proposed funding reform.

Our District is just one example of how a simple solution to a complex problem would have double-negative impact. There are many other districts that could provide you with other unintended negative consequences which would destroy districts.

If this ill-conceived idea of transferring proposed State funds from one district to another occurs, it would be similar to moving the chairs around on the Titanic -- reversing hardship from one set of districts to another. In five years, districts would simply change their positions; districts labeled as *underfunded* would then be considered *overfunded*; and districts labeled as *overfunded* would then be considered *underfunded*, if they survived at all.

Each school district has unique needs; and its students are not best served by comparing one district to another. Districts that have been incorrectly labeled as *overfunded* should not be blamed and should not suffer irreparable damage for this State funding crisis, which we did not cause. Specifically, Logan questions why we should be labeled as *overfunded* when our District is currently receiving less State aid than it did in 2008. To be labeled as *overfunded* does not make sense.

I would suggest that this Committee look to the educational experts to continue to gather solutions which would not penalize one district over the other. Superintendents, like Dr. Jordan Schiff from Hillsborough Township -- who also presented testimony to this Committee on the same date in February, in Sicklerville -- provided five solutions which are well thought out, and recognize that any solution would not be simple and will take time, including the all-important concept that direct aid to schools must be increased at a rate identical to the percentage increase in the overall State budget.

I would urge you to re-examine his testimony again.

Thank you for your attention to this complex problem -- not a simple problem -- and to my testimony this evening.

ASSEMBLYWOMAN CARIDE: Thank you.

Does anyone have any comments or questions?

ASSEMBLYWOMAN McKNIGHT: I have a comment.

Beautiful; very beautiful. And I love the fact that you said we should not--

MS. HANEY: Thank you.

ASSEMBLYWOMAN McKNIGHT: --compare--

MS. HANEY: That's the biggest message.

ASSEMBLYWOMAN McKNIGHT: Thank you; we should not compare, because the needs are totally--

MS. HANEY: We are all different, just as students are different.

ASSEMBLYWOMAN McKNIGHT: Exactly.

So thank you.

And thank you, too.

MR. HEINO: Thank you.

ASSEMBLYWOMAN CARIDE: If I may, I know that you mentioned the simple solution.

MS. HANEY: Yes.

ASSEMBLYWOMAN CARIDE: Can you just expand on that, because--

MS. HANEY: Well, I began this process when I read in the *South Jersey Times* -- after Senator Sweeney had one of his hearings -- that he referenced, and that he was quoted as saying, "It's a simple solution." Balance, balance the two; take from the overfunded, give to the underfunded. I am not quoting him exactly.

So in my three testimonies that I provided -- one to the Senate State Selection Committee, and the two to this Assembly Committee -- I referenced that, because that was what my impetus was to start talking to the Assembly and the Senate saying, "It's not simple; it can't be simple."

ASSEMBLYWOMAN CARIDE: Thank you; and you're right. It's not.

Thank you very much.

Does anyone have any comments or questions?

ASSEMBLYMAN AUTH: One quick one.

ASSEMBLYWOMAN CARIDE: Assemblyman.

ASSEMBLYMAN AUTH: Thanks for your passionate testimony.

I have just one question. Do you feel that the 2 percent property tax cap should be eliminated?

MS. HANEY: Yes, I do.

ASSEMBLYMAN AUTH: Thank you.

MR. HEINO: Could I make a comment on that?

ASSEMBLYWOMAN CARIDE: Absolutely.

MS. HANEY: We're a team now. (laughter)

MR. HEINO: When I was here for the hearing last month, they talked about that as a possible solution -- getting rid of the 2 percent cap. And to me, that's not a solution; the idea that-- All that's going to do is allow my school district to tax our taxpayers even more than we already are, which they can't give any more.

So I don't see that as-- At least, for my District, it's something that I just don't feel will work.

MS. HANEY: And I would clarify that -- I don't see that as a solution; that, again, would be a simple solution. But you asked me the question: Do I believe, at this point, in eliminating -- allowing districts that, if they have the ability to eliminate that 2 percent tax cap on the tax levy-- I do think that would be one, but not a solution to the whole State funding process.

ASSEMBLYMAN AUTH: Thank you.

ASSEMBLYWOMAN CARIDE: Thank you very much. I appreciate your comments.

MR. HEINO: Thank you.

ASSEMBLYWOMAN CARIDE: Thank you.

Andy Paluri.

Welcome, and good evening.

A N A N D P A L U R I: Good evening.

I guess I'm the last one between you and going home. So--

ASSEMBLYWOMAN CARIDE: Bring it on home.

MR. PALURI: I don't have any written testimony; I'm a resident of Monroe Township.

I just want to summarize. I came in a little late, so I haven't heard my Board of Education make a presentation.

I did run, unsuccessfully, for the Board of Education for one reason -- and that's the reason I'm sitting in front of you today -- is that our residents are being unfairly taxed. And to take away the 2 percent tax cap is just like a blow in their face.

We talked about a lot of different things. In Monroe Township, we have almost a 50-50 percent senior citizens versus non-senior

citizens. So it's almost like having two eyes, and you need to select one of the two. Do you select your kids' future in education, or do you want to make sure that you keep the taxes low and maintain the services that the senior citizens need? And I don't think, in this wonderful country, we should be deciding between these two vitally important things.

We have our \$108 billion in our budget for schools; and the Monroe Township taxpayer pays 58 cents towards that. And we started off with 4,400 students about three, four years ago; we, apparently, became a very desirable community in the state, so a lot of people are coming in.

I happen to be on the Planning Board, and I wish I had the power to not approve some of the applications. But I can't deny them simply for the reason that they can come into the schools, and they would burden the schools. So we do need to go through the process.

So right now, our student population has gone from 4,400 to 6,600. The class sizes are going from 17 to 22, up to 35 to 40 kids in classes.

I request some of you to come to the Monroe Township Middle School and see the conditions in which our kids go to school. And, you know, I personally pay close to \$22,000, \$24,000 in taxes. To tax more on top of that, and especially for senior citizens who are on fixed income -- it's just unfair.

On top of that, we need to start building schools because of the overpopulation of our school system. With 2,200 extra kids, there are not enough trailers out there where we can put our kids to go through the schools.

So I don't have a solution to tell you, "Please do this." But I can tell you this -- that Monroe Township needs school funding increased. With a \$108 million budget, to receive \$3.3 million from the State is unheard of. I think we send a lot of money to Trenton; we need Trenton to give back to us -- something back for us.

So I see my 30 seconds are up. Thank you very much for giving me the opportunity.

One last -- one point. When I was talking to -- doing some research, was that there used to be an aid called *Senior Supplemental Stabilization Aid*. It was taken out about five years ago. That would give about \$500 per student. If you could just reinstate that for Monroe Township, or across the state, that would help us tremendously.

Thank you very much, and good night; I'm the last one.
(laughter)

ASSEMBLYWOMAN CARIDE: No; before you leave, does anyone have any comments or questions? (no response)

I have a question for you, because I know you were out campaigning, at one point, for the Board of Ed. So you speak to a lot of people.

MR. PALURI: Yes.

ASSEMBLYWOMAN CARIDE: You've spoken to a lot of your senior population, and you've spoken to the families. Your colleagues, who were here, were talking about a referendum that they might have to post next year.

In your opinion -- this is just your opinion -- do you think that referendum would pass?

MR. PALURI: Fifty-fifty.

ASSEMBLYWOMAN CARIDE: Fifty-fifty. (laughter) Fair enough, fair enough.

Thank you so much.

MR. PALURI: Unfortunately, at least 50-50. And the senior citizens are extremely vocal and passionate; so are the families. And I have seen both sides. It's going to be a tough call.

ASSEMBLYWOMAN CARIDE: Okay; fair enough.

Thank you so much.

Does anyone have any questions?

MR. PALURI: Thank you very much.

ASSEMBLYWOMAN CARIDE: No, wait.

Any questions?

ASSEMBLYMAN AUTH: I encourage you to run again.
(laughter)

MR. PALURI: Once is too many times. (laughter)

Thank you.

ASSEMBLYWOMAN CARIDE: Thank you very much.

Does anyone want to appear before us, or comment--

Dr. Greene, come on up.

G. KENNETH GREENE, Ed.D.: (off mike) I'll come on up.

ASSEMBLYWOMAN CARIDE: I know; come on up.

Ladies -- anyone in the back who wanted to make a comment before? (no response)

So then Dr. Greene is going to take it on home for us.

DR. GREENE: Okay, great.

Thank you.

I know there are precious few of us who have attended all four meetings. For all the time when-- I really do want to thank, even-- I want to thank all of you for the service you're providing the public by going through these meetings, traveling across the state -- Assemblyman and Assemblywomen all. And no one ever says "thank you" to the staffers, do they? I mean, thank you, to you; because you're going through all of this, too. So thank you.

You've had my testimony; and so I just -- I guess I'd like to sum up at least my thoughts on what I'm hearing tonight, and also what I've heard the other nights; to say that I was struck by the comments the last -- the Superintendents who came up. Because certainly, looking at this as -- is this a simple problem, is it a complex problem? And I think that it's actually both. I think there is a complex problem and a simple problem. Now, by *complex* and *simple* I just mean in terms of understanding them; not how easy it is to solve. Because both of them are not easy to solve.

I think from a complex standpoint, you know, we've talked about the complexity of the formula itself and concerns about the formula. And you hear that in the stories of each of the individual towns, and municipalities, and school districts that come up. They're talking about various ways in which the funding impacts them -- whether it's the issue of having seniors, not having increases over time, by inflation. You're hearing about-- I thought Betsy Ginsburg summed it up nicely in saying, you know, these pieces of the -- the three main pieces of the formula, and each having a tweak: you know, budget adequacy and, maybe, we don't fully have the costs in line yet. And, you know, tax levy, and how we calculate tax levy.

Assemblywoman Egan Jones brought that up, you know -- how we go about doing that.

And then certainly, on the State aid portion -- we know about that.

There's loads of complexity in not only the different things you're hearing, but all kinds of different districts. Just -- as you said, Assemblywoman Knight, and others have said -- we're all different districts, and we need to respect that. That's the complex part.

You know, a solution to the complex part, seems to me, is going to take some time. The idea of having a commission, and studying this, and having experts, and bringing people together so that they can solve and discuss those, makes a whole lot of sense. And I know that's-- And Assemblywoman, you clarified a point, before, when we talked about different plans; and we were talking about commissions and studying. And I think we should consider following through on that for the long-term. That's, I think, the complex part.

And certainly, the concerns of districts that are going to lose money, or gain money, and so forth; and how that's-- That is complex. Certainly thinking about how long we make that commission go, and-- That's something to consider.

On the simple side -- again, not easy to solve. But the simple side is answering Assemblyman Auth's question the way my colleague did -- it's a \$1.4 billion problem; it's easy to understand. It's not easy to solve; it's simple, though. Simple to understand.

And there's a \$600 million problem of overfunding of certain districts. And together, I think one of the key issues is we do need to decide

how long a period of time can we phase-in-- Because nobody who is seriously talking about this is talking about doing it all this year, or two years; nobody's talking about that. We've heard five years, maybe more. Who knows? I think that has to be determined, politically, by you folks; and I mean *politically* in the best sense -- it's what's the best circumstance for the greatest number of people?

But that has to start -- the simple part has to start now. We need action now.

Again, Assemblyman Auth brought up -- okay, it's \$1.4 billion. Well, how do we get started on that? Well, how did we get started on it last year? The budget had \$100 million in new funding, but only \$36 million, or thereabouts, went to State aid to schools. At that rate, in 50 years we'll have solved the \$1.4 billion problem. But I don't think 50 years is a time that anybody is comfortable with solving that.

So it's going to take a whole lot more than that. Is it \$100 million a year? Well, that's 14 years, plus inflation. Is it \$200 million a year? I don't know; and obviously, you folks need to decide that. But you know, this is -- talk about biting the elephant, you know, one bite at a time. Even something as small as a large apple -- you can't take one gulp. You have to take 7, 8, 10 bites; I don't know how many but, again, I think you need to decide.

But it does need to start now. I think you've heard enough, so far, to know that it needs to start now. There needs to be a significant chunk on the table now.

I just-- Again, I just want to commend you and thank you. It's not easy to make these decisions, and you will have to make them. I would

just hope that, you know, on the Assembly side, that we have thoughts coming together as to what that plan is going to look like -- and obviously, on the Senate side; and bringing that together. And we're just really anxious for something to get done and, obviously, you've heard that through the four nights you've been out.

So thank you very much; and thanks for your attendance and your patience.

ASSEMBLYWOMAN CARIDE: Does anyone have any comments or questions for the Doctor?

ASSEMBLYWOMAN JIMENEZ: I want to thank you for being here, because you've been pretty constant. I think I just missed one.

I also want to thank my colleagues, including you, Madam Chair, for doing this.

You know, from today's meeting, I took something away that was important, which I had spoken to Nicole about.

Basically, all of our meetings have been the same, repetitive -- we need the funding, we know it's not funded correctly -- but this Committee, today -- you know, the senior aspect of it was something new that was brought to the table.

So, you know, we have been learning a lot; and I know I've taken a lot home with me.

But thanks to my colleagues for doing this; and thanks to you, Madam Chair, because this was -- it was very good.

Thank you.

ASSEMBLYWOMAN CARIDE: Doc, I'm a little bit disappointed with you. Because we've met, we've spoken; you've been to,

like, five Committee hearings -- four of ours, and then the Joint, so that's five.

DR. GREENE: Yes.

ASSEMBLYWOMAN JIMENEZ: And the Senate.

ASSEMBLYWOMAN CARIDE: And the Senate. Oh, that's right; you were up in Cliffside Park.

DR. GREENE: Yes, yes.

ASSEMBLYWOMAN CARIDE: But you never mentioned the senior issue.

ASSEMBLYWOMAN JIMENEZ: Yes.

ASSEMBLYWOMAN CARIDE: We've talked about a lot of different issues, but you never brought it up.

DR. GREENE: No; no, no. I know, because I've tried to stay away, to some extent, from all the complexities within the formula. Because we can get off-- As you hear, we can get off and talk about all of these. And they are all legitimate topics.

But that, I think -- when we get on all of that, it takes us away from thinking that there are things we can do now; there are things we can do. And I don't think any of those issues with the formula itself are anywhere near as important as funding and distributing equitably. And if we can get a start on doing that, I think those other issues can be solved, again, with enough time to put that together; I really do.

Because-- And it's not just about, you know -- I think I mentioned yesterday, at the Senate hearing, just briefly about this -- that I don't think, of the three pieces of the puzzle, that we spent enough time on the tax side and the tax implications here; because some districts -- as the

Superintendent said -- are paying well more than their share in local taxes, but there are a bunch that are paying a great deal less than their fair share. And so, you know, that's something that -- we're probably not the-- The State is not going to solve it directly, but the State will solve indirectly by fully funding; because once it's fully funded, that eliminates one of the variables from the three. Because once there's 100 percent funding for everybody, then if somebody's budget is not adequate, it's because their tax effort isn't sufficient. And now we can get to that part of the issue.

But that's not going to happen-- And why hasn't it happened already? Because as long as the State doesn't fund its portion, the State is always the bad guy.

ASSEMBLYWOMAN CARIDE: Well, I thank you for being here, and I thank you for your comments.

And as my colleague said, today was a little different. I've learned something from each meeting, and today I've learned -- I never realized the impact that the senior citizens have, especially down here, with the growth and all.

Thank you very much.

Anybody have a comment? No?

ASSEMBLYWOMAN McKNIGHT: Just one.

I thank you, too.

When you think of the taxes -- like, we heard *the taxes*.

ASSEMBLYWOMAN CARIDE: Yes.

ASSEMBLYWOMAN McKNIGHT: But now we have to look at each component by itself. So we knew property taxes; but no one mentioned seniors--

ASSEMBLYWOMAN CARIDE: Right.

ASSEMBLYWOMAN McKNIGHT: --and no one mentioned single parents.

So I thank you; and this, right here, was an eye-opener for me. As well as the librarians--

ASSEMBLYWOMAN CARIDE: That's true.

ASSEMBLYWOMAN McKNIGHT: It's like, wow, they are so crucial. And today was the first time hearing how crucial they are, and some of them -- there are no libraries in some schools.

So I thank you. This was an eye-opener.

ASSEMBLYWOMAN CARIDE: So before I say good night, I just want to echo what Dr. Greene did say.

I want to thank our staff members here, for all their work; and for traveling with us throughout New Jersey.

So thank you, everybody.

And I want to wish you all a good night, and drive safely.

And we're done.

(MEETING CONCLUDED)