

“Every Child Counts” (ECC)

Senate Republican School Funding Reform Bill Package

Through a more equitable distribution of school funding to every child every year, especially to our special education children, the Senate Republican “Every Child Counts” (ECC) school funding plan will:

- lower property taxes
- improve education quality
- protect our most vulnerable children

Summary of 4 Pillar/13-Part Legislative Package:

- 1) **Improve Support for Each and Every One of Our Special Education Students** – It is a moral imperative that NJ provides full support for every one of our special education students.
 - Special education funding should be based on only the student’s needs so that money truly follows our most vulnerable students. Currently, there are 7,436 special education students throughout NJ that are not even allowed to be counted in school aid calculations because of our current law– awful and uncaring policy.
 - a. Make special education funding 100% categorical instead of the current 1/3 categorical and 2/3 wealth-equalized approach
 - b. Eliminate the so-called census approach so school districts are funded based on their exact number of special education students instead of the state average
 - c. Restore the special education funding tiers with a task force to set the appropriate funding amounts for the various severities
 - The elimination of the census approach and return to special education tiers will have to be accompanied by an increase in state enforcement to ensure that over-classification for additional aid does not happen.
 - d. Commit to fully funding extraordinary special education in the FY20 state budget (\$193 million) so that no district should bear alone or expect to bear alone the costs of properly educating our most vulnerable children
- 2) **Ensure School Funding Tracks Student Needs Every Year** – It is critical that we make sure that the current funding inequities do not creep back in to our attempts to restore balance and fairness.
 - Too often governors and legislators seek the easiest solution even if that choice is not the right solution. Years where every school district is held harmless or given the same across-the-board increases or decreases lead to inequities that compound over time.
 - a. Amend the state constitution to ensure that the statutory school funding formula is followed every year even if it is on a pro-rated basis because of volatile state revenues limiting how much school aid can be afforded within the State Budget
 - b. Eliminate the need for multipliers within the formula so that the only multiplier is done after the formula is run to fit the total school aid amount within what the State Budget can afford
 - This change also increases transparency of the formula.

- 3) **Increase Accuracy and Equity within School Funding** – The method to determine how much more or less aid a school district gets should be educationally sound and not based on politics.
- SFRA represented an improvement to our old 2-stream system of school funding governed by the courts, but it was flawed because it was not always based on education policy.
 - a. Right-size the weights in the school funding formula to match the original education research from the Corzine Administration
 - b. Eliminate the geographic cost adjustment (GCA) because it does not make any sense to include in a small state like NJ where the costs of educating a student does not change at county boundaries
- 4) **End the Gimmicks and External Manipulations within School Funding** – For NJ taxpayers to believe that their taxes are going to schools in a fair, transparent and educationally sound manner, we need to curb the practices that allow school districts to manipulate the numbers for their own benefit.
- School districts often skew in their funding-favor the enrollment numbers and the number of at-risk children that serve as the basis of school aid in the school funding formula.
 - a. Eliminate the significance of one day in determining the enrollment number for state aid calculations and move to an average annual enrollment so that schools are funded based on the actual number of students that they have to educate over the course of the year
 - b. Use the Federal small area income and poverty estimate, currently used for Title I funding, as the measure of at-risk instead of the self-reported and easily-manipulated free/reduced price lunch numbers
 - School districts and municipalities have benefitted from PILOT (payment in lieu of taxes) programs to help themselves and/or select residents.
 - c. Ensure property under PILOT agreements gets counted as market value in the school funding formula's local fair share calculations
 - d. Distribute PILOT payments to school districts, counties and municipalities in the same proportions as property taxes
 - e. Add transparency to the use of any PILOT agreements so that municipalities engaging in them must share all data about the properties and the PILOT with the NJ Department of Community Affairs and NJ Department of Education