

Administration Release: Governor Christie Announces Highest Level of State K-12 District Aid in New Jersey History

Thursday, February 23, 2012

Incorporates Common Sense Measures to Make Every Education Dollar Count

Trenton, NJ – Governor Chris Christie today released aid figures for New Jersey school districts based on the Fiscal Year 2013 Budget proposal which is the largest appropriation of state education dollars in New Jersey history. This includes \$7.8 billion in K-12 formula aid, an increase of \$135 million over last year and part of \$213 million in additional state funding for education over Fiscal Year 2012. The Department of Education also made public the "Education Funding Report," which outlines a series of common sense measures to make every dollar count and to help close the state's persistent achievement gap – including turning around failing schools and ensuring that every child has an effective teacher in the classroom.

"Since taking office, one of my greatest priorities has been working to ensure that every child in the state receives a high quality education that will prepare them for the demands of the 21st century," said Governor Christie. "In addition to increasing overall spending on education to the highest levels in state history, we can and will go further to implement common sense ways that will make every education dollar count. If we truly want to ensure that all students, regardless of zip code, graduate from high school ready for college and career, the money needs to follow the child."

The Governor's budget not only increases education aid for the second year in a row, but also pairs common sense changes to the School Funding Reform Act (SFRA) with bold education reforms to make sure resources are used in a way that will close the achievement gap and better serve those children who need them most. These changes were based on the findings of the "Education Funding Report" prepared by Acting Education Commissioner Chris Cerf. The findings of the "Education Funding Report" can be found at <http://www.nj.gov/education/stateaid/1213/report.pdf>

Making several common sense modifications to the SFRA will finally make it possible to truly fund districts based on the number and needs of students, while at the same time laying out a schedule that adds additional funds in each future year and will fully fund the SFRA over the next five years. This will increase stability and predictability for districts and fund districts based both on the number of students served and the needs of those students.

Common Sense Measures to Make Every Dollar Count:

- Bringing New Jersey In Line With Other States and Funding Districts Based on How Many Students are Actually Attending School. Encourage school attendance by basing the enrollment count on actual attendance throughout the year rather than the current law which bases enrollment on a single day (October 15). Basing funding on average daily attendance will incentivize districts to focus on and improve attendance rates leading to more time in the classroom for children. Statewide, among large high schools, a mere one percentage point increase in attendance would result in nearly 4.2 million hours of additional instructional time per year.

Only 10 states in the nation, including New Jersey, use a single-day count to measure student enrollment. 40 others states use more accurate and meaningful measures of student enrollment, including average daily attendance measures or multiple days over the course of the school year.

STATES THAT USE A SINGLE DAY MEASURE FOR STUDENT COUNT METHODS

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COLORADO	Single Count
CONNECTICUT	Single Count
IOWA	Single Count
KANSAS	Single Count
MARYLAND	Single Count
MASSCHUSETTS	Single Count
NEVADA	Single Count
NEW JERSEY	Single Count
SOUTH DAKOTA	Single Count
WEST VIRGINIA	Single Count

- Making Adjustment Aid Truly Adjustment Aid. Adjustment aid should actually be a tool to help districts that are below adequacy, instead of what it currently is – political currency that provides additional funds to districts regardless of their current enrollment and spending levels. This is a symbol of the old Trenton, when funding decisions were made as political giveaways regardless of the implications. The plan calls for a return to common sense - for districts that are spending above the level of their adequacy budgets, phase out, over five years, adjustment aid by 50% of the amount they are spending over their adequacy budgets.
- Rooting Out Fraud and Abuse. The Christie Administration will convene a task force to recommend a new measure for "at-risk" students in place of participation in the Free and Reduced Price Lunch Program, which has shown to be inaccurate and subject to fraud. There will be no change for this year.
- Returning to Originally Proposed School Funding Reform Levels. New Jersey is one of the most generous state funders of "at-risk" and Limited English Proficiency (LEP) students in the country. Under the proposal, even when returning to the originally proposed reform levels, New Jersey will still provide funding for these students at some of the highest levels in the country. These levels were recommended after a three year process including multiple panels of experts before they were artificially inflated.

New Jersey Funding as Compared to Other States

	At-Risk	LEP

New Jersey (as amended)	42%-46%	47%
Maine	20%	30%-60%
Vermont	25%	20%
Texas	25%	10%

90% of Districts Receiving Additional Aid On A Per Pupil Basis

New Jersey currently ranks 3rd in the country in school expenditures per student, spending more than 60 percent above the national average. Nearly 60 percent of state aid goes to the 31 former Abbott districts, where spending has tripled since 1972. Former Abbott districts now spend \$3,200 per pupil more than the state average (excluding the former Abbotts) and \$3,100 per pupil more than the state's wealthiest districts.

With a \$135 million increase in K-12 formula aid, an increase of 1.8%, and the proposed modifications to the SFRA funding formula, 90% of districts will receive additional state aid on a per pupil basis this year. On average, state aid is increasing 2.1% or \$121 per pupil across the state. Because these measures follow the principle that districts should be funded on the actual number of students they serve, 35 of the 97 districts that will receive less state aid will do so because of an enrollment decrease rather than a decrease in per-pupil aid.

As the following demonstrates, Abbotts receive almost three times the state average in state aid per pupil. Overall, the former Abbott districts are receiving 0.55% less state aid than last year, yet still remain funded at a significantly higher level than non-Abbott districts and the statewide school district average. The overwhelming amount of total per pupil education spending in the former Abbott districts has, and will continue in Fiscal Year 2013, to come from direct state support. Even with formula revisions, state aid will comprise 3 of every 4 dollars spent on education per pupil in the former Abbott districts.

<p>Average Spending Per Pupil in New Jersey: Statewide Average & All Former Abbott Districts</p> <p>State Average: \$17,836 Non-Abbotts: \$17,051 Former Abbotts: \$20,859</p> <p><i>*Note that this includes all funding sources</i></p>	<p>Average State Aid Per Pupil In the Fiscal Year 2013 Budget</p> <p>State Average: \$5,809 Non-Abbotts: \$3,223 Former Abbotts: \$15,415</p> <p><i>*Note that this does not include local or federal contributions, which make up the rest of total per pupil spending in districts.</i></p>
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The past 40 years have demonstrated that just spending more money alone will not close the achievement gap, and that it matters not only "how much" money is spent but "how well" it is spent. Despite funding levels that consistently rate among the highest in the nation on a per pupil basis, New Jersey continues to have one of the largest achievement gaps in the country. Funding alone will not meet New Jersey's obligation to give a great education to every child. Changing the way money is spent is by far the most important means of actually changing the behavior of schools and the school systems.

New Jersey has the second highest achievement gap in 8th grade reading according to the National Assessment of Educational Progress (NAEP) exam, and the sixth highest achievement gap in 8th grade math. Since 2005, the gaps for economically disadvantaged, African American, and Hispanic students have widened in Language arts literacy on the NJ ASK.

"We have closed the spending gap between Abbotts and non-Abbotts in New Jersey since 1972, but our disadvantaged children are still performing at significantly lower levels than their peers. Closing that gap was the explicit goal of the courts and legislature over the past 40 years, but money alone has not gotten us there. While money certainly matters, there is no evidence that money alone will close the achievement gap," said Acting Commissioner Chris Cerf. "Over the last 40 years, we've talked a lot about equalizing funding, but we need to change the conversation to focus on whether students are learning the same everywhere, rather than simply whether we are spending the same everywhere."

New Jersey's current system funds all districts in the same way, regardless of their performance or the reforms they have in place to address persistent achievement problems. In addition to these significant and overdue changes to the funding formula, the "Education Funding Report" proposes a \$50 million Innovation Fund to encourage and reward districts to both improve performance and to implement reforms targeted to specific achievement deficiencies. The fund would reward districts that show high growth and strong performance in student achievement, and fund reforms at the local level that are improving performance for students. The Department of Education would monitor the implementation and impact of these reforms, ultimately identifying and bringing the most successful to scale statewide.

In order to have a meaningful and lasting influence on student learning, we need to set new policy priorities, change laws and regulations, alter classroom practices and district contracts, and start pushing a slate of bold reforms that finally move us away from the belief that the funding formula alone will close the achievement gap. Among many others, that includes:

- Develop policies that enable districts to recruit, prepare, evaluate, compensate, develop, retain and recognize outstanding educators, and eliminate legal and contractual restrictions that impede schools from assuring a highly effective teacher in every classroom;
- Provide educators with the tools they need to be successful by setting high standards for what students should know and be able to do, developing model curriculum to support educators as they teach those standards, and providing real time feedback through formative assessments so teachers can modify their work and differentiate instruction in real time;
- Provide rich data reports to identify how well schools are meeting their mission of improving student outcomes, to identify specific areas for improvement, and to trigger differentiated interventions at the State level such as mandated curriculum and human capital practices; and

- Intervene in schools that do not create an environment conducive to high-quality teaching and learning by providing support through Regional Achievement Centers, requiring targeted turnaround strategies, and aggressively using existing authority to close or replace schools with new management and teachers if they do not improve within two academic cycles.

State aid figures for New Jersey's school districts can be found at: <http://www.state.nj.us/education/stateaid/1213/>

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