

SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD, NJ

PUBLIC BOARD MEETING

November 16, 2015

RESOLUTION 3354

FOR ACTION

SUBJECT: School Funding Reform Act (SFRA) – State aid redistribution

WHEREAS, the School Funding Reform Act (“SFRA”) uses a student need-based formula to determine financial state aid for school districts; and

WHEREAS, the State of New Jersey produced “For Information Only” State Aid Notices for the 2015-2016 school year (FY16) that included Total “Aid Before Cap”, or uncapped aid; and

WHEREAS New Jersey's aid distribution is severely uneven, with 220 districts receiving 100% or more of their SFRA FY16 uncapped aid and 118 receiving 50% or less; and

WHEREAS, in per student terms, 112 districts receive aid surpluses greater than \$1,000 a student and 25 receive surpluses over \$3,000 a student while 73 districts have deficits greater than \$3,000 a student and 154 have deficits greater than \$1,000 a student, with the most extreme surpluses and deficits reaching \$10,000 a student; and

WHEREAS, the inequity of the distribution is becoming more odious, as districts become poorer or richer, smaller or larger, and yet districts gaining wealth and/or losing student population do not lose aid nor do districts becoming poorer and/or gaining student population gain aid; and

WHEREAS, the excess aid given to over-aided districts based on actual aid compared to uncapped SFRA aid for FY16 is almost \$600 million; and

WHEREAS, the South Orange and Maplewood School District (“SOMSD”) is an under-aided school district, receiving less than 50% of the FY16 SFRA uncapped aid amount which is based on student need; and

WHEREAS, historically, state aid for SOMSD was reduced significantly in 2010-11 and has not yet been restored despite an increase in enrollment; and

WHEREAS, the municipalities of South Orange and Maplewood have some of the highest tax rates in the state, with local property taxes funding over 94% of the school budget;

NOW BE IT THEREFORE RESOLVED that:

The Board of Education of South Orange-Maplewood supports a redistribution of state aid with the primary determinant being aid relative to SFRA uncapped aid, where aid should be

transferred from districts receiving more than 100% of their uncapped aid to districts that receive less than 100% of their uncapped aid, with the largest increases going to districts that have the largest per student aid deficits relative to uncapped aid; and

BE IT FURTHER RESOLVED that:

The Board of Education of South Orange-Maplewood requests that Total Aid Before Cap, or uncapped aid, be included in the annual District level State Aid Summaries to illustrate by district, actual total aid received compared to uncapped aid as determined by SFRA.

WHEREAS a district may spend Above Adequacy due to the acceptance of a high tax burden while it is under-aided;

NOW BE IT THEREFORE RESOLVED THAT:

The Board of Education of South Orange-Maplewood believes that no district that is spending Above Adequacy but receives less than 100% of its uncapped aid should lose aid; and

BE IT FURTHER RESOLVED THAT:

A copy of this resolution shall be forwarded to Senator Richard Codey, Assemblywoman Mila Jasey and Assemblyman John McKeon, Senate President Stephen Sweeney, Assembly Speaker Vincent Prieto, the members of the governing bodies of South Orange and Maplewood, Essex County Freeholders, the Governor of the State of New Jersey, and to the New Jersey School Boards Association.