LENAPE REGION
STATE AID REDUCTION
COMMUNITY FORUM
Welcome and Introductions

Dr. Carol Birnbohm - LRHSD Superintendent
Mr. Michael Harris - Southampton Superintendent
Dr. Joseph DelRossi - Medford Superintendent
Dr. George Rafferty - Mount Laurel Schools
Dr. C. Dan Blachford - Evesham Interim Superintendent
Dr. Christine Vespe - Shamong Superintendent
Ms. Misty Weiss - Woodland Superintendent
Mr. Anthony Dent - Medford Lakes Superintendent
Mr. Tom Christensen - Tabernacle Interim Superintendent
Grateful For Your Attendance!

Students, Parents, Staff, Boards of Education Members, Community Members, Business Leaders, Government Officials

Assemblywoman Carol Murphy
Mount Laurel Mayor Irwin Edelson
Medford Mayor Charles Watson
Woodland Mayor William DeGroff
Community Forum Round 2 Tonight (Round 1: Feb 2019)
Community Forum Goals

• Raise awareness of state aid reduction
• Educate school communities about the impact to the Lenape Region districts
• Call to action

www.LRHSD.org/JoinSOS
Program Agenda

• Overview of state aid reduction
• Fiscal impact to the Lenape Region districts
• Lenape Region past/present cuts and efficiencies
• Lenape Region future cuts and impact on programs
• Overview of advocacy efforts
• Call to action
## Fiscal Impact on Lenape Region

<table>
<thead>
<tr>
<th>School District</th>
<th>Estimated* State Aid Reduction Through 2024-25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evesham Township</td>
<td>$7,929,362*</td>
</tr>
<tr>
<td>Lenape Regional</td>
<td>$8,356,073*</td>
</tr>
<tr>
<td>Medford Township</td>
<td>$1,385,735*</td>
</tr>
<tr>
<td>Shamong Township</td>
<td>$1,257,931*</td>
</tr>
<tr>
<td>Southampton Township</td>
<td>$1,013,042*</td>
</tr>
<tr>
<td>Tabernacle Township</td>
<td>$2,688,739*</td>
</tr>
<tr>
<td>Woodland Township</td>
<td>$316,972*</td>
</tr>
<tr>
<td><strong>Total Estimated State Aid Reduction</strong></td>
<td><strong>Approximately $23 Million</strong></td>
</tr>
</tbody>
</table>
Fiscal Impact on Lenape Region

State Aid - What Happened?

- S-2/A-2 signed by the governor in July 2018
- Implements provisions in the School Funding Reform Act (SFRA) from 2008
- SFRA driven by student Enrollment, and Local Fair Share (municipal property wealth (ratables) plus personal wealth of residents = “ability to pay taxes”
- School districts held harmless since 2008
- State Aid reduction scheduled from 2018-19 through 2024-25 for held harmless school districts
- Final Result - reduced state aid of approximately $23M to Lenape Region
Enrollment

S2 is Called the Fair Funding Formula:
- Fair to think if Enrollment increases or decreases, state aid should also increase or decrease
- Fair to think this should be proportionate

Is this Fair?
From 2009-10 to now, for example:
- LRHSD Enrollment decreased by 12%.
  - Uncapped SFRA Aid decreased by 32%
- Evesham Enrollment decreased by 7.25%.
  - Uncapped SFRA Aid decreased by 57%
“Money should follow the students.”

- SFRA uses Growth Rate/Projected Enrollment, not actual Enrollment.
- All Districts are required to certify enrollment on October 15th for the Application for State School Aid (ASSA).
- 2018-19 Difference between SFRA LRHSD projected enrollment and LRHSD actual Oct 15th enrollment was over 100 students.
  - Created over $1M calculation error in State Aid!
  - Does not consider special categories of students which are funded at greater rates.
- NJDOE has the data; SFRA uses actual enrollment to calculate Transportation Aid, why not all aid? Or adjust the aid up/down the next year, since Projected Enrollment/Growth Rate is not ACTUAL ENROLLMENT.
Local Fair Share

Local Fair Share (LFS) = Ability to pay taxes
   Equalized Valuation (municipal property)
   District Income (personal wealth of residents)

- The greater the LFS the greater the ability to pay taxes
- HOWEVER: NJ continuously changes the multipliers in calculating LFS
- Requests for explanation unanswered
- Increasing the multipliers inflates LFS and decreases State’s obligation to pay for education
- Increasing the multipliers shifts the cost of education to the taxpayers
Local Fair Share: Multiplier Effect

From 2009-10 to 2019-20:

• NJ Increased the Multipliers - inflating “ability to pay taxes”
• Multiplier applied to Equalized Valuation Increased by 56%
• Our District’s Equalized Valuation decreased BUT ability to pay taxes increased!

For example, LRHSD Equalized Valuation DECREASE of $493.8 million BUT...
NJ determines ability to pay taxes INCREASE from $30.5 million to $44 million.

Total LFS increase of $69.7 million to $99 million; lowering Equalization Aid to LRHSD.

If Multipliers did not change, Total Equalization Aid to all the townships in the Lenape Region would increase!
Toms River, Brick Seek 'Secret' Math Equation In School Aid Fight

The districts say the state needs to release the formula it uses to decide how to spend $6.5 billion of its budget; the state refuses.

By Karen Wall, Patch Staff
Dec 3, 2019 5:55 pm ET | Updated Dec 3, 2019 6:35

The state Department of Education has refused to release the formula. It's been requested multiple times, by the Toms River Regional School District, Brick Township Schools, Jackson Township Schools, and the Freehold Regional High School District, among others. The state school administrators association has asked for it. All have been denied.

The equation — a formula — is used to determine what the state believes a school district's residents should be paying to support the education of their students — and in turn, how much aid they should be receiving from the state of New Jersey.
Lenape Region Joins Class Action OPRA Request

January 2020... ALL Boards agreed to join over 50 other NJ districts to demand transparency in school funding.

"We’re subject to about an $8.3 million cut in our state aid over the course of seven years due to S2 being passed a few years ago," Birnbohm continued. "It is called the ‘fair funding formula,’ but if the state insists on continuing to call it fair, the state needs to pull back the curtain and show us how that funding formula is calculated."
## Year-by-Year* Fiscal Impact on Region

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Reduction Percentage</th>
<th>Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-19</td>
<td>5% of overfunding plus “promised” aid</td>
<td>1,101,166 + 1,351,391</td>
</tr>
<tr>
<td>2019-20</td>
<td>13%</td>
<td>$2,626,462</td>
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<tr>
<td>2020-21</td>
<td>23%</td>
<td>$4,218,858*</td>
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<tr>
<td>2021-22</td>
<td>37%</td>
<td>$5,225,881*</td>
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<tr>
<td>2022-23</td>
<td>55%</td>
<td>$8,893,966*</td>
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<tr>
<td>2023-24</td>
<td>76%</td>
<td>$3,043,157*</td>
</tr>
<tr>
<td>2024-25</td>
<td>100%</td>
<td>$960,997*</td>
</tr>
</tbody>
</table>

*Estimate
Fiscal Impact on Lenape Region

“They (the 35% of districts seeing decreases in state aid) are in a 7-year transition that should have been, by all accounts, a 15-year transition…”

- Governor Murphy

RECOMMEND: S2 Implementation over a 15-year period
## 15 Year-by-Year Fiscal Impact on Region

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<thead>
<tr>
<th>Budget Year</th>
<th>Reduction Percentage*</th>
<th>Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-19 &amp; 2019-20</td>
<td>5% &amp; 13%</td>
<td>$4,727,628</td>
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<tr>
<td>2020-21</td>
<td>13</td>
<td>$2,417,101</td>
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<tr>
<td>2021-22</td>
<td>16</td>
<td>$2,588,157</td>
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<td>2022-23</td>
<td>18</td>
<td>$2,445,809</td>
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<td>2023-24</td>
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<td>$2,228,403</td>
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<td>2024-25</td>
<td>22</td>
<td>$1,960,995</td>
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<tr>
<td>2025-26</td>
<td>24</td>
<td>$1,668,628</td>
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<tr>
<td>2026-27</td>
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<td>$1,373,837</td>
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<td>2027-28</td>
<td>30</td>
<td>$1,173,046</td>
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<tr>
<td>2028-29</td>
<td>35</td>
<td>$957,987</td>
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<td>2029-30</td>
<td>38</td>
<td>$676,065</td>
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<td>2030-31</td>
<td>55</td>
<td>$606,680</td>
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<td>2031-32</td>
<td>75</td>
<td>$372,281</td>
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<tr>
<td>2032-33</td>
<td>100</td>
<td>$124,094</td>
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</table>

*Simulation of Percent Amount
Fiscal Impact on Lenape Region

2018-19 Lenape Region Funding Sources
- State Aid: 7%
- Tax Levy: 18%
- Other Misc.: 75%

2024-25 Lenape Region Funding Sources
- State Aid: 4%
- Tax Levy: 11%
- Other Misc.: 85%
Lenape Region Efficiencies

PAST

Fiscal Responsibility

PRESENT

SHARED SERVICES
Late Bus Runs Cancelled and Limited
Tuition Free Summer School Eliminated
Summer Musical Workshop Eliminated
Professional Development Limited
District Funded Field Trips Limited
Lenape Region Efficiencies: Past

- Privatization (Cafeteria, Bussing, Paraprofessionals)
- Reduction of Administration
- Reduction of Custodial and Maintenance
- Replacement of Retired Teachers, Counselors
- School Consolidation and Closure
- Rental of Property and Facilities
Lenape Region Efficiencies: Present

- Healthcare Contributions by all Employees
- Low Cost/High Deductible Healthcare plans
- Energy Efficiency Programs (Solar, LED Lighting, etc.)
- Reverse Auction for all Electricity
- Refinance Bonds
- Tuition-Based Programming
- Grants, Donations and Business Partnerships
Lenape Region Efficiencies: Present

- Copier Lease Programs
- Consolidation of Textbook Purchasing
- Need versus Want Attitude to Purchasing
- Power Purchase Agreement (PPA) for Solar Arrays
- Leasing of Busses
- Reduction of Non-certificated Staff Hours
Shared Services: Lenape Region, Municipalities and Beyond

- Shared District Level Administrator
- Professional Development
- Peer-peer Student Training
- Transportation
- Banking
Shared Services: Lenape Region, Municipalities and Beyond

- Purchasing: Ed Data and Educational Services Commissions
- Technical Services: E Rate
- Insurance: JIF-BCIP, SHIF
- Trash & Recycling Services
Reductions + Costs Surpass Revenue

State Aid Reductions + Revenue 2% Tax Levy and other sources + Salary + Benefits = Deficit in the $Millions + Operational Costs
What’s at Stake for Our Children and Their Schools?

- Academic Programming Will Be Adversely Affected
- Social & Emotional Learning and Support Will Be Adversely Affected
- Personnel Will Be Adversely Affected
- School Facilities Will Be Adversely Affected
Negative Impact On Academic Programming

- Academic program eliminations/reductions
- Schools’ abilities to prepare children for life in the 21st century (college and career readiness) will be greatly compromised
- Negative impact to district’s ability to realize the New Jersey Student Learning Standards
- Textbook adoptions/student resources will be compromised
Negative Impact On Academic Programming

- Increases in class-size due to reduction of staff
- Inability to realize technology replacement schedules
- Inability to maintain technology/expand infrastructure
- Increase in activity fees for clubs/sports/extracurricular activities
- Elimination of certain clubs/sports/extracurricular activities
Negative Impact On Personnel

- Teaching positions may be eliminated
- Support staff positions may be eliminated
- Custodial and maintenance positions may be eliminated
- Administration positions may be eliminated
- Professional development opportunities diminished
Negative Impact On Social & Emotional Support

• Character education programs will be limited in scope
• Elimination of positive behavioral award incentive programs
• Peer social development and support groups limited
• Reduction in Student Assistance Coordinators
• Educational service announcement programs/materials for parents diminished
  • Substance abuse, vaping, internet safety, suicide, etc.
Negative Impact On Facilities

• School security enhancements will be compromised
• Districts’ long-range facilities plans will be greatly compromised
• Inability to fund capital improvement accounts
• Reduction in community’s use of schools after hours due to energy and custodial costs or increased cost to community groups for usage
• Inability to pay for necessary facilities projects (roof, boiler, HVAC)
What’s at Stake for Our Children and Their Schools?

- Academic Programming
- Social & Emotional Learning, and Support
- Personnel
- School Facilities
- Other Critical Concerns...
Other Critical Concerns

- Inability to offer tax relief due to minimal budget fund balance at year’s end
- Longer bus routes for students - neighborhood pick-ups
- Elimination of “courtesy busing” within a 2 ½ mile radius of school
- Elimination of all late bus routes
Other Critical Concerns

- Failure to pass the NJDOE QSAC monitoring process due to districts’ inabilitys to realize state benchmarks in finance and facilities, curriculum/instruction, personnel, and operations.
- The continuation of high-quality programs and services supporting the cognitive, emotional, and social development of children will be greatly jeopardized.
So...What have we done?

Started “Support Our Students”

- State-wide coalition of school districts advocating for equitable funding for all students and school districts
- SOS was founded by the Lenape Region school districts
- Currently comprised of 97 school districts throughout the state representing all 1.4 million public school students
The Support Our Students (SOS) coalition of school districts throughout the state being negatively impacted by the reduction in state adjustment aid shall advocate with our legislators, and convey our message to the public to ensure that ALL 1.4 million students in New Jersey receive the quality education that they deserve and are entitled to in accordance with the state’s mandate for a thorough and efficient education. This effort shall include supporting increased state aid for those districts who have been underfunded.

Our effort shall be sustained and inclusive of all stakeholders focusing on outcomes that result in educational services and programming being maintained for our school communities while seeking fiscally responsible solutions.
SOS Advocacy Goals for Us

• Pause cuts or Extend the timeline to 15 years.
• Expose the “hidden math!!”
• Continue to Inform legislators about the catastrophic effects of the State Aid cuts.
• Request the establishment of a Joint Committee to review the existing funding formula, not limited to:
  • Local Fair Share
  • Special Education Funding
  • Adequacy
Established a social media platform to convey the SOS message @nj_sos

Over 1000 followers, but this should be more. Please follow, learn, provide input, RETWEET.
SOS Reps (pictured to the left) met with Gov’s Deputy Chief of Staff, Ed Policy Chief and Director of Intergovernmental Affairs (not pictured)
Testified at Senate and Assembly Budget Hearings

Getting ready to testify before the Assembly Budget committee for the students of @WildwoodPSD. Proud to stand with @Michael_Harri13 @Lcrrsuper and the districts of @nj_sos #StopStateAidCuts

SOS districts are out in force as the NJ Assembly Budget hearing commences. Southampton's 8th graders on Student Council are experiencing government in action.
Today our #SOS coalition is at @NJEA headquarters meeting with its Executive Committee, many EA presidents, @NJSBA @NJASANews @NJPSA @NJPTA #NJ's @ASBOUSA @EdLawCenter & of course our @nj_sos leaders. Our mission continues to #StopStateAidCuts for our students and communities.
Attended Two Rallies at the State House in Trenton

March 5, 2019

April 30, 2019
Student Voice!
Next Steps

• Continue to meet with legislative staffers/legislators to convey our concerns and message
• Continue to support and propose legislation that may assist districts losing state aid to mitigate the impact

NEW
• More reliance on parents
• Broaden connections within the community (local businesses, realtors, etc.)
Call to Action - WHAT can YOU do?

• Call, Send letters/emails to Governor Murphy, the Commissioner, Senator Sweeney and others who can help
• Express *your* concern about state aid cuts
  • Request to stop the bleeding now
• Organize and Let your Voices Be Heard!

Toms River Schools' Parents Plan Another Rally In Trenton

The rally, set for Tuesday, aims to pressure Gov. Phil Murphy and the state to act on emergency aid and address the funding crisis.
• $23 Million in State Aid Leaving our Region
• Catastrophic Impacts on all Districts’ Operations
• We need parents, staff and students to tell our story!

www.LRHSD.org/SOS