

POLITICS & GOVERNMENT

Murphy signs law to ‘modernize’ school funding formula

BY [Michael Aron](#), Chief Political Correspondent | July 24, 2018, 5PM EST
NJTV NEWS

In an elementary school in the Borough of Cliffside Park, Gov. Phil Murphy and Senate President Steve Sweeney came together for a major bill signing. The bill updates the School Funding Reform Act of 2008 to make it more fair and equitable for local school districts.

“When I ran for governor, I said time and again in town halls across our state that our system of school funding, while sound at its core, needed to be modernized. Over time we saw districts which underwent great change and increased financial stress left undervalued by the SFRA,” Murphy said.

There were two flaws in that system: enrollment caps and adjustment aid. Under so-called enrollment caps, school districts could not get additional aid if their student bodies grew. Under adjustment aid, districts whose school populations shrunk had to be held harmless from year to year and couldn’t be cut.

“You had districts that were getting funding for kids they didn’t have. And then you had districts that had kids that weren’t getting any funding for,” Sweeney said. “Perfect example, in my home county, Washington Township, it’s getting funding for 1,600 kids they don’t have. The average property taxes in that town is \$8,000. You move to Kingsway, and the schools they serve, they don’t even have books. They were sharing books, and their tax rate’s at \$16,000 and they have 1,000 kids in school that they get no funding for,” Sweeney said.

“We need to make sure the means of funding public education, the single largest investment in the budget and among the most important investments made by state government, works for today and tomorrow, not just yesterday,” Murphy said.

Kingsway, Chesterfield and Freehold are among the handful of districts that became poster children for underfunding. The inequities they complained about will now be phased out over the next seven years.

“By fiscal year 2025, every district will receive the appropriate level of aid under the school funding formula,” Murphy said.

Three hundred ninety-one districts around the state will see an increase in direct state aid this year, 171 will see a reduction and 14 will see no change.

Among the losers, a number of former Abbott districts, also called special needs districts.

To cushion the blow in Jersey City, where enrollment has shrunk 11 percent since 2009, a separate bill allows the town to impose a new 1 percent payroll tax dedicated to schools.

Sweeney said it had been a long fight.

“I told the governor, these people from Chesterfield and from Kingsway are going to haunt you. And I said if I tell them not to come, they’re going to come anyway,” Sweeney said.

Though they’ve been battling this year, the two top Democrats had good chemistry Tuesday.

The NJEA likes the reform and a parallel effort to get education once again fully funded.

“After 7 or 8 years of being underfunded, defunded, almost \$9 billion worth, we finally have the Legislature working with the governor to do the right thing for our students and for our members,” said NJEA President Marie Blistan.

There was a real sense of accomplishment Tuesday. Whether the school funding reform plays out as well as the rhetoric suggests, we’ll have to wait and see.