

# Governor Murphy's Education Budget

While welcoming new Democrat **Gov. Phil Murphy's** proposal of a \$1.9 million spike in state aid for 2018-19, Board of Education President **Sudhan Thomas** stated recently the gesture basically represents baby steps in lieu of more substantial reforms needed to improve the district's long-term fiscal health.

**And if Murphy can work out a deal with a state legislature fully controlled by his party by July 1, a check of the preliminary numbers shows the freshman governor wants to add \$3.7 million more into district coffers for 2018-19, and even more aid over another three school years, to "fully fund" New Jersey's School Funding Reform Act (SFRA).**

The preliminary numbers show Murphy's offer proposes the district's largest aid increase - by far (up \$1,863,714, to \$412,268,006) since 2014-15.

At the time, Jersey City received a rough \$612,000 hike during the second term of the austere former Republican **Gov. Chris Christie**, whose own more conservative fiscal visions were constrained, in part, by a Democrat-controlled legislature.

Such was the case last year, when, during protracted state budget talks with the legislature that even forced a temporary government shutdown, Christie tried seeking a \$100 million slash in the district's state resources, ultimately having to compromise on an \$8.4 million cut, the district's first major aid loss in years.

Yet Christie had a Democrat ally in the administration's effort to cut Jersey City aid: Senate President **Stephen Sweeney** (D-3), who asserted in a 2017 Op-Ed piece, "It's a matter of fairness. The 50 school districts receiving the largest Adjustment Aid reductions have 17,500 fewer students sitting in their classrooms today than they did in (2008)," logic then-Board President **Joel Torres** swiftly rejected.

In an effort to debunk critics such as Sweeney, a 2018 policy statement, authored by New Jersey's **Education Law Center**, insists, "In Jersey City, the adequacy shortfall is due to a large gap – almost \$250 million – between the amount of local revenue raised for the schools and the district's 'local fair share,' the amount the city is expected to provide based on property wealth and resident income. **Jersey City has increased local revenue every year since 2008, but the state's 2% annual property tax cap limits JCPS's ability to make more progress towards closing the large local levy gap.**"

"This is the reason the \$151 million in adjustment aid received by JCPS is crucial to support the JCPS budget at its current below adequacy level," the statement continues. "Further cuts to adjustment aid – JCPS lost approximately \$8 million in the FY18 State Budget – will cause harm to district students."

Now the question is, will Sweeney fully cooperate with Murphy on reforming SFRA in ways that will

substantially boost Jersey City's aid over the long term, including by implementing a proposal Christie steadfastly rejected: "a millionaire's tax" on high-income earners with revenue specifically designated toward school funding.

"Yes, a millionaire's tax is the right thing to do – and now is the time to do it," Murphy insisted, during his Statehouse address.

**The state's numbers since 2014-15 under Christie show the district received no increase at all - staying at \$418,471,290 in 2014-15 and 2015-16, while receiving a rough \$300,000 increase still keeping the budget under \$419 million for 2016-17 - before state elected officials from both parties wielded their ax for the current school year.**

But the board was largely able to blunt any harmful effects, through measures such as using district reserves, keeping the current budget basically intact.

If Murphy gets his way in enhancing SFRA, his administration estimates it can deliver another \$3,727,429 more (up to \$5.6 million over 2017-18) to Jersey City by September, though his website cautions the numbers are currently only an estimate, "for informational purposes only," in lieu of a concrete law spelling out a revised formula.

Such a formula would seek to continue a "phase-up" of even more generous numbers to the JCPSD through the 2021-22 school year.

Since SFRA was enacted in 2008, it has only been fully funded once under both former Democrat Gov. Jon S. Corzine, and then, Christie, the governor's press release maintains.

At the board's March 15 meeting, held on the road at the Henry Snyder High School for the Performing Arts, Thomas hinted the task of helping the district meet all its obligations this time might be much tougher - even if the initial \$1.9 million proposed increase, and potential for \$5.6 million in total aid, become reality.

Thomas said trustees watched Murphy's speech with great interest and anticipation, and while describing himself as "very pleased" with the governor's plans to boost SFRA funding for the next school year and beyond, indicated - if enacted - they would only play a small role in helping fix the district's short-term issues. Though he did not say so directly, Thomas clearly implied: Murphy and the state legislature must do far more to help districts such as Jersey City.

"We are only getting a \$1.8 million increase over last year, while we have a shortfall (deficit) of \$70 million," he claimed, assuring he and his colleagues will be "working intensely," over the next few weeks, on trying to solve its perceived budget dilemma "to see how we can best serve the students in Jersey City."

In his March 13 state budget address to the legislature, the governor said that 94 percent of districts (546) would net more aid, with none receiving cuts in "K-12 formula aid." Murphy added his commitment represents a total \$283.6 million increase, for direct educational subsidies, and a \$341 million total jump (with other funding assisting non-instructional areas, such as funding pensions, for a total of \$14.9 billion).

"Even with these investments, we know our current school funding formula, enacted in 2008, needs to

be modernized, and I ask you to work with me to make these changes so we can reach this goal of full, fair funding by the 2021-2022 school year," he told lawmakers, according to a press release. "Together, we can fulfill the promises made a decade ago while ensuring that our dollars are spent according to the needs of students and districts today. "

"As an educator, I'm excited about this budget because it's the first time in years that we've seen this level of emphasis on investing in education," Acting **Education Commissioner Lamont O. Repollet** said in a statement as to his boss' proposal. "We're going to focus our resources to advance the governor's education agenda, which means fully funding our schools and enhancing learning opportunities."

Superintendent of Schools **Dr. Marcia Lyles**, whose 2012 appointment the prior Christie Administration championed before giving the district one prior budget with no increase and trying to cut another by \$100 million, claimed Murphy's plan - offering the JCPSD its most generous increase in four years - is similarly "flat-funded."

Her appointment was pushed personally by Christie's then-education commissioner, **Christopher Cerf**, a former co-worker in the New York City Public Schools.

"We are flat-funded," Lyles said, regarding Murphy's planned \$1.9 million boost. "We did not get an increase. I know that the governor said every district got their fair amount of money. But we are not at that place."

By Chris Neidenberg