

# **Egg Harbor Township Schools**

*Board of Education*

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## **TESTIMONY TO THE NEW JERSEY SENATE AND ASSEMBLY BUDGET AND APPROPRIATIONS COMMITTEES**

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**Presented by the Egg Harbor Township School District**

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## **Summary**

Egg Harbor Township, located in the heart of Atlantic County, is a community to be proud of. We have faced difficult financial times over the last 10 years, yet our vision for our children's academic future has continued to progress despite funding imbalances and desperate economic circumstances. On behalf of Egg Harbor Township, we would like to bring to your attention our desperate situation regarding state school funding, and to explain the unique circumstances that Egg Harbor Township has faced, and continues to face, with each passing year that our School District is not adequately funded by the State of New Jersey. We want to thank Governor Phil Murphy, Senate President Steve Sweeney, and Assembly Speaker Craig Coughlin for challenging the status quo and leading the efforts to increase school funding, both in last year's budget, and in this year's proposed budget. However, this year's proposed increase of \$4.2 million, will still leave us at \$28.3 million below full annual school formula funding. This increase, while welcomed and appreciated, barely allows us to maintain what we have in our current budget, and our students and taxpayers are still being short changed.

Our community is overwhelmed by the tax burden placed on it, and our students' academic achievement has dropped in literacy, mathematics, and science. As the DOE's STREAM initiative looks to the future, our students' access to enriching academic experiences within these areas are being withheld from their grasp. These academic limitations are a direct result of our underfunded school district. Therefore, it is critically important to our community that we receive the increased funding promised under A-2/S-2 this year, and in future years, so that we reach full formula funding.

The topics we would like to address are: 1) A decade of rapid student population growth, mandated by the State Pinelands Commission, without corresponding state school aid increases, and EDA Assessments; 2) The effects of Atlantic City casino closures and a regional recession; and 3) How our kids are not getting what they need.

## **Mandated Growth and Flat State Aid**

As a school district located in a Pinelands Regional Growth Area, the State of New Jersey has mandated the population growth of our township, which caused our school district to grow, but did not provide us with sufficient

funds to educate the students that came to our district as a result of that mandate. At the same time, caps placed on budget and aid growth, coupled with years of flat state aid, simply did not allow us to keep pace with this growth. As a result, the continuing burden on the students and property tax payers of Egg Harbor Township is particularly onerous.

Between 2000 and 2007, our district grew by 2,008 students, for a 7-year growth rate of 34.7%. During that period, our rate of growth was the highest in the state. Our enrollment topped out at nearly 8,000 students, and is now approximately 7,500 – back in 2000, our enrollment was 5,791. During all this growth, our state aid increases were capped and did not keep up with this growth. Our budgets have never been able to catch up with this growth.

According to the Department of Labor, over the 5-year period from 2000 to 2004, Egg Harbor Township had 2,976 single-family housing starts – that’s the highest number of any municipality in the state. During that same period of time, our population grew by approximately 10,000, from 30,000 to 40,000. Residential growth has since slowed due to the economy, but we are still mandated to accommodate 22,000 additional residential units under Pinelands Commission requirements.

Under the current law that provides State Education Aid, the State Department of Education imposed an arbitrary cap on the growth of state aid given to a district over the prior year’s state aid. This cap applied regardless of costs, or the actual growth in student population. Egg Harbor Township state aid remained frozen at \$40 million for nearly a decade, since 2008-2009 – when the School Funding Reform Act (SFRA) took effect, and we were denied another \$43 million under the prior law, (CEIFA) dating back to 2000-2001, due to caps and freezes. Our total amount of funding the state has short changed us is now well over \$300 million. A-2/S-2 has finally removed the aid growth cap and sets forth a ramp-up to full formula funding over the course of six (6) school years under the SFRA.

For next year, the SFRA formula calls for us to receive \$76.5 million in state aid. While we are very grateful for the proposed \$4.2 million in additional aid for next year; we are only going to receive \$48.2 million in total state aid. So, for next year, our students and taxpayers are still being short changed by \$28.3 million under the proposed state budget, when compared to the amount we are entitled to under the SFRA school funding formula.

Note: In 2001, state aid was 60% of our budget – it has since fallen to 36%.

### **We Spend our Funds Wisely**

As demonstrated by the 2018 DOE Taxpayer’s Guide to Education Spending, our total per-pupil budgetary spending is among the lowest in the area, and the state. We currently spend \$14,930 per-pupil, which is the 26<sup>th</sup> lowest in the state among similar districts. The state average is \$15,955, and among local area districts; Greater Egg Harbor Regional spends \$16,587, Ocean City spends \$17,684, Atlantic City spends \$17,695, Pleasantville spends \$18,704, and Mainland Regional spends \$19,522. In addition, according to the DOE, our budget is \$15 million below “Adequacy” – that’s the amount of money the state says we should spend given the number of students we have.

Some examples of things we do to keep spending low – we have two independent foundations searching out alternate public and private funding sources, as well as aggressive solar and energy savings initiatives. And each year, we ask our staff to do more with less across the board, in terms of personnel, equipment, and supplies.

### **EDA Assessments**

Again this year, the state charged us a \$543,141 EDA Assessment. This arbitrary assessment is unfair, was never part of our bargain with the state, and was never agreed to by the people of Egg Harbor Township when we chose to use the then Schools Construction Corporation (SCC) to build new schools. To date, this assessment has cost us well over \$4 million.

2010-2011: \$400,347  
2011-2012: \$319,537  
2012-2013: \$472,583  
2013-2014: \$543,141  
2014-2015: \$543,141  
2015-2016: \$543,141  
2016-2017: \$543,141  
2017-2018: \$543,141  
2018-2019: \$543,141  
**Total = \$4,451,313.00**

## **Effects of Atlantic City Casino Closures and Regional Recession**

Egg Harbor Township paid a price for the economic boom of the local economy in the early to mid-2000s. However, Egg Harbor Township is now bearing the brunt of a persistent regional recession. Casino closures of the Great Recession continue to impact Egg Harbor Township residents.

Egg Harbor Township suffers whether AC does well or does poorly. During boom times – the Pinelands Commission forces us to add residential housing without corresponding state school aid. During bad times - people can't afford to pay their rising property taxes, and homes face foreclosure.

## **Effects on Education in Egg Harbor Township**

With the increase in population described above, the Board and administration did its best to keep costs to a minimum and put resources in the classroom. But as a direct result of inadequate state aid, coupled with the EDA assessment, student achievement has suffered. District wide, 68% of our first through sixth grade students have tested at least one grade level below in reading, and our mathematics scores are just as discouraging. We have had to eliminate over 100 teaching positions, including classroom teachers, remedial teachers, and literacy coaches. Class sizes continue to grow, and we have been unable to address adding badly needed full-day kindergarten, universal pre-school, targeted remediation, and 1:1 technology for our students. We have also had to eliminate numerous programs such as world language in grades K-3, instrumental music in 4<sup>th</sup> grade, 6<sup>th</sup> grade sports, and Drivers Education. We have had to cut all School Resource Officers. We have had to implement “pay to play” for our own students to participate in co-curricular activities, and we also had to charge a fee for the use of our facilities, which has strained our community relations. In addition, we have serious unmet needs in improvements to aging buildings and infrastructure.

The Egg Harbor Township School District has also gone from 27% free and reduced lunch to 49% in the last 10 years due to the diminishing economy and demographic changes. Each year the district has had to reduce staffing in general education settings to meet the growing 14% special education population as well as the growing at-risk needs of our students.

## **Conclusion: Fully Fund A-2/S-2 Now and in the Future**

Our Egg Harbor Township community speaks for the silent and stands for the broken. We are standing together, as one, to advocate for our student body's academic future. Please partner with us to promote our children's academic success and reduce the heavy tax burden placed on our residents. It is critically important to our community that we receive the increased funding promised under A-2/S-2 this year, and in future years, so that we reach full formula funding. In addition, the arbitrary EDA Assessments must be eliminated immediately.