

**MONROE TOWNSHIP BOARD OF EDUCATION**  
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Senate Budget & Appropriations Committee S-2307 Hearing June 13, 2013

Testimony Provided by Michael C.Gorski, CPA, Business Administrator/Board Secretary

Monroe's plight began with the 2010/2011 School Budget. Prior to receiving the state aid award in early March districts were advised to base the anticipated state aid at a reduction of 15% from the prior year. Instead, Monroe received a 95% reduction in state aid of 4.4 million leaving us with only \$238,000. The budget was due to the county in approximately three days. As you can imagine, it would have been nearly impossible to make budget adjustments of that magnitude in such a short amount of time.

Understanding the monumental effect that such a reduction in state aid could have on a school district, the budget guidelines allowed for this reduction to be rolled into the local tax levy as a cap adjustment. After being able to make a few hundred thousand dollars worth of cuts, 4.2 million dollars was thereby shifted from what was formally the State's obligation to now that of the local taxpayers, where it has remained ever since. Monroe is one of the 3 districts in the county that receives no equalization aid, which is the most substantial type of state aid (please see chart). As you can see from the far right column, Monroe is grossly underserved in terms of the State's obligation to fund education.

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Now, I would like to discuss the demographics of our town, so you can better understand who bears the levy. 60% of the residents reside in Monroe's ten Planned Retirement Communities. Admittance to these communities begins at age 55. According to the decennial census, greater than 1/3 of Monroe's residents are 65 or older. These are the residents that are being asked to bear the cost of 85% of the revenues required for the school budget.

Folks – these residents are hurting! Monroe's last tax bill increased over 11%. Seniors who are suffering as a result of the Federal Reserve's quantitative easing are practically earning nothing on their savings. Their Social Security has been frozen and the consequence is that they are living off of their corpus and are eroding their nest egg.

They are asking their children for support and in many cases are literally being taxed out of their homes.

An important consequence of the inequitable state aid is the deferral or inability to address capital projects throughout the district. Key Post Magazine has described this in a December 2012 article, titled "New Jersey Facility Cliff"; which described districts' inability to fit these

costly projects in their budgets because of cap and in Monroe's case, state aid ineptness. The result is widespread decaying facilities which are becoming much more costly liabilities down the road in Monroe. Roofs leak buckets are dispatched, sheetrock saturates, indoor air quality suffers, and so does the safety of the students and staff.

Now, I would like to touch briefly on the state's adequacy calculation which also reduces Monroe's categorical state aid. Monroe is over 43 square miles, the largest land mass in Middlesex County. Township infrastructure has not kept up with the recent transition from Monroe going from a farm community to a quickly expanding suburban town. Sidewalks are not prevalent in most neighborhoods causing the district to spend millions annually in the transportation budget to safeguard students on hazardous routes. Monroe has also grown by an average of 225 students each year. For those unfamiliar, that's an annual demand on the budget of 3.4 million dollars. Additionally, portable classroom units have been rented at a cost exceeding 3 million dollars annually. Special Education mandates plus many more factors beyond our control contribute to Monroe over adequacy status. In 2011/2012 Monroe was 13.7 million dollars over adequacy. In 2012/2013, due to spending curtailment and increasing enrollment, the over adequacy number dropped to 7.5 million dollars. We continue to make progress in the 2013/2014 budget with the over adequacy number dropping to 6.9 million dollars.

The carefully planned remedy is the in-district prepared, Senator Greenstein supported, S-2307. This legislation eliminates the state aid growth limit for school districts in which individuals age 65 and over comprise at least 1/3 of the population, thus stipulating that the state fund its own aid model out of respect and sensitivity towards its senior population. This legislation is similar to a model of aid used prior to 2008 referred to as Senior Supplemental Stabilization Aid but differs in that it doesn't ask for additional state aid but only asks for that which the state's own model defines.

Please support equitable funding of New Jersey's Public Schools along with New Jersey's greatest generation of American's allowing them to enjoy their golden years in the security that they deserve by supporting S-2307

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MONROE TOWNSHIP BOARD OF EDUCATION  
STATE AID ANALYSIS FROM DOE DATA  
MIDDLESEX COUNTY

DISTRICT NAME	DIST CODE	K-12			TRANSPORT-			SPECIAL			K-12			ONE YEAR		11-12 DISTRICT		STATE AID PER PUPIL
		2011-2012 TOTAL AID	EQUALIZATION AID	EDUCATION ADEQ. AID	ACTION AID	EDUCATION AID	SECURITY AID	2012-2013 TOTAL AID	CHANGE	ENROLLMENT PER FALL RPT.								
CARTERET BORO	750	24,913,789	23,566,225	0	101,074	2,243,914	359,046	26,270,259	1,356,470	3,620	\$ 7,256.98							
GRANBURY TWP	970	352,517	0	0	63,086	375,997	12,119	451,202	98,685	567	\$ 795.77							
DUNELLEN BORO	1140	4,958,682	4,492,397	0	16,258	692,970	54,541	5,256,166	297,484	1,159	\$ 4,535.09							
EAST BRUNSWICK TWP	1170	16,473,782	11,913,311	0	577,924	5,044,500	142,435	17,678,170	1,204,388	8,285	\$ 2,133.76							
EDISON TWP	1290	11,629,789	3,844,903	0	739,860	8,617,438	294,744	13,496,945	1,867,156	14,195	\$ 950.82							
HIGHLAND PARK BORO	2150	3,367,966	2,606,991	0	69,612	866,008	53,800	3,596,411	228,445	1,463	\$ 2,459.08							
JAMESBURG BORO	2370	4,576,300	4,184,207	0	46,141	508,787	103,749	4,842,884	266,584	660	\$ 7,337.70							
METUCHEN BORO	3120	790,937	0	0	50,906	926,289	32,072	1,009,267	218,330	2,107	\$ 479.01							
MIDDLESEX BORO	3140	8,242,353	7,398,658	0	65,709	1,266,902	54,731	8,786,000	543,647	2,144	\$ 4,097.95							
MIDDLESEX CO VOCATIONAL	3150	12,367,302	11,936,829	0	0	1,121,450	88,812	13,147,091	779,789	1,803	\$ 7,293.81							
MILLTOWN BORO	3220	974,033	445,533	0	60,996	560,707	15,497	1,082,733	108,700	661	\$ 1,638.02							
<b>MONROE TWP</b>	<b>3290</b>	<b>2,012,940</b>	<b>0</b>	<b>0</b>	<b>480,206</b>	<b>2,071,162</b>	<b>86,160</b>	<b>2,637,528</b>	<b>624,588</b>	<b>5,828</b>	<b>\$ 452.56</b>							
NEW BRUNSWICK CITY	3530	119,688,982	110,853,089	0	1,149,763	4,959,573	3,330,545	120,292,970	603,988	7,654	\$ 15,717.38							
NORTH BRUNSWICK TWP	3620	10,266,431	6,746,653	0	404,041	3,595,070	501,010	11,246,774	980,343	6,014	\$ 1,870.10							
OLD BRIDGE TWP	3845	42,500,248	37,327,310	0	859,058	5,491,271	784,938	44,462,577	1,962,329	9,194	\$ 4,836.31							
PERTH AMBOY CITY	4090	159,416,958	134,046,809	11,689,337	1,657,400	5,849,820	4,112,577	157,355,943	-2,061,015	10,144	\$ 15,512.22							
PISCATAWAY TWP	4130	13,908,195	9,829,893	0	497,915	4,306,524	524,857	15,159,189	1,250,994	7,284	\$ 2,081.16							
SAYREVILLE BORO	4660	19,169,459	15,484,410	0	485,370	3,609,449	897,600	20,476,829	1,307,370	5,682	\$ 3,604.12							
SOUTH AMBOY CITY	4830	6,187,240	5,765,832	0	41,599	675,693	54,068	6,537,192	349,952	1,151	\$ 5,682.04							
SOUTH BRUNSWICK TWP	4860	21,449,970	17,050,388	0	618,013	5,405,561	146,378	23,220,340	1,770,370	8,983	\$ 2,584.92							
SOUTH PLAINFIELD BORO	4910	8,327,495	6,655,445	0	109,239	2,205,235	93,359	9,063,278	735,783	3,638	\$ 2,491.28							
SOUTH RIVER BORO	4920	11,704,050	10,615,963	0	81,430	1,409,491	251,317	12,358,201	654,151	2,291	\$ 5,395.42							
SPOTSWOOD	4970	5,606,214	5,034,495	0	48,643	903,672	28,108	6,014,918	408,704	1,777	\$ 3,384.87							
WOODBRIIDGE TWP	5850	21,174,095	14,187,176	0	709,541	7,652,532	736,135	23,285,384	2,111,289	12,992	\$ 1,792.29							