

# Monroe Township School District

## Senate Select Committee on School Funding Fairness

February 2, 2017

**Michael C. Gorski, CPA**

**Business Administrator/Board Secretary**

- Monroe has been harmed by the Stabilization/Hold-Harmless provision to the tune of one to two million dollars a year for the last couple of years. Additionally, the state's failure to fully fund their own formula subsequent to the 2008/2009 school year has cost Monroe approximately seven million dollars a year over the last eight years.
- Monroe's funding was handicapped with the 2010/2011 School Budget. Monroe received a 95% reduction in state aid of \$4.4 million leaving us with only \$238,000. \$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. Monroe is grossly underserved in terms of the state's obligation to fund education. Monroe taxpayers currently fund an unprecedented 88% of resources required to provide for the schools.
- 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. Sidewalks are not prevalent in most neighborhoods causing the district to spend millions annually in the transportation budget to safeguard students on hazardous routes. Special Education mandates plus many more factors beyond our control contribute to Monroe's over adequacy status which causes a direct phase out of eligible categorical aid. Monroe spends 30% of the General Fund Budget on 18% of the population representing classified students.
- Monroe has not qualified for equalization aid in the last decade. A districts Adequacy Budget, is designed to be funded by equalization aid. Districts' total Adequacy Budgets are supported by a combination of state and local funding. Under the formula, the calculation of each district's Local Fair Share is based on the wealth of each community as measured by aggregate income and property value. As should be expected under an equitable system, wealthy municipalities will still be expected to pick up a larger share of the cost of public education in their districts than poorer communities, **but every district should receive some state aid.** A district's calculation of equalization aid comes from a calculation called Local Fair Share. **There is no fairness in Local Fair Share that calculates no aid for districts like Monroe.**
- Now, I would like to discuss the demographics of our town, so you can better understand who bears the levy. 60% of the residents of Monroe reside in Monroe's Planned Retirement Communities. 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 88% of the revenues required for the school budget.
- So understanding the state's limitation in resources to provide state aid, I would like to provide a very reasonable solution, or an out, for the state.

**Proposal:**

**I propose that the state develop a more graduated scale to ensure every public school district receives some level of Adequacy Budget funding by modifying the Local Fair Share calculation to ensure that districts receive a minimal amount per pupil required to responsibly operate a school district. This is not the idea that each student receives the same amount of state aid, but a more responsible method of delivering the promise of SFRA 2008, that under an equitable system wealthy municipalities will still be expected to pick up a larger share of the cost of public education in their districts than poorer communities, but every district will continue to receive some equalization state aid.**

MONROE TOWNSHIP BOARD OF EDUCATION  
OFFICE OF BUSINESS ADMINISTRATION  
STATE AID HISTORY

STATE AID TYPE	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	EIGHT YEAR CHANGE	EIGHT YEAR % CHANGE
<b>EQUILAZATION AID</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	N/A	N/A
CATEGORICAL SPECIAL ED AID MID-YEAR ADDITIONAL AWARD	\$ 2,716,199.00	\$ 2,226,642.00	\$ 238,696.00	\$ 1,125,818.00 \$ 887,122.00	\$ 2,071,162.00	\$ 2,048,517.00	\$ 2,048,517.00	\$ 2,048,517.00	\$ 1,976,819.00		
SECURITY AID	\$ 373,277.00	\$ 398,375.00	\$ -	\$ -	\$ 86,160.00	\$ 92,501.00	\$ 92,501.00	\$ 92,501.00	\$ 103,764.00		
TRANSPORTATION AID	\$ 1,579,507.00	\$ 2,043,966.00	\$ -	\$ -	\$ 480,206.00	\$ 496,510.00	\$ 496,510.00	\$ 496,510.00	\$ 570,717.00		
PARCC READINESS AID	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,980.00	\$ 58,980.00	\$ 58,980.00		
PER PUPIL GROWTH AID	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,980.00	\$ 58,980.00	\$ 58,980.00		
PROF. LEARNING COMMUNITY AID	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,515.00		
HOST DISTRICT SUPPORT AID	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 403.00		
LESS MID-YEAR REDUCTION	\$ -	\$ (1,580,572.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>TOTAL GENERAL FUND STATE AID</b>	<b>\$4,668,983.00</b>	<b>\$3,088,411.00</b>	<b>\$238,696.00</b>	<b>\$2,012,940.00</b>	<b>\$2,637,528.00</b>	<b>\$2,637,528.00</b>	<b>\$2,755,488.00</b>	<b>\$2,755,488.00</b>	<b>\$2,832,178.00</b>	<b>-\$1,836,805.00</b>	<b>-39.34%</b>
<b>ACTUAL RESIDENT ENROLLMENT</b>	<b>5,398</b>	<b>5,554</b>	<b>5,685</b>	<b>5,893</b>	<b>6,079</b>	<b>6,143</b>	<b>6,309</b>	<b>6,470</b>	<b>6,649</b>	<b>1,251</b>	<b>23.18%</b>
<b>STATE AID PER PUPIL</b>	<b>\$ 864.95</b>	<b>\$556.07</b>	<b>\$41.99</b>	<b>\$341.58</b>	<b>\$433.88</b>	<b>\$429.36</b>	<b>\$ 436.76</b>	<b>\$425.89</b>	<b>\$ 425.96</b>	<b>\$(438.99)</b>	<b>-50.75%</b>