



It's Time To Value Success Instead of Failure

Equal Funding Means Better Public Education For All Children

In 1981, the Education Law Center filed a complaint in Superior Court on behalf of 20 children attending public schools in Camden, East Orange, Irvington, and Jersey City. That lawsuit, *Abbott v. Burke*, challenged New Jersey's system of financing public education under the Public School Education Act of 1975.

The ELC claimed that the State's method of funding education was unconstitutional, in part, because certain poorer urban public school districts could not adequately meet the educational needs of students without exponentially more money from taxpayers across New Jersey.

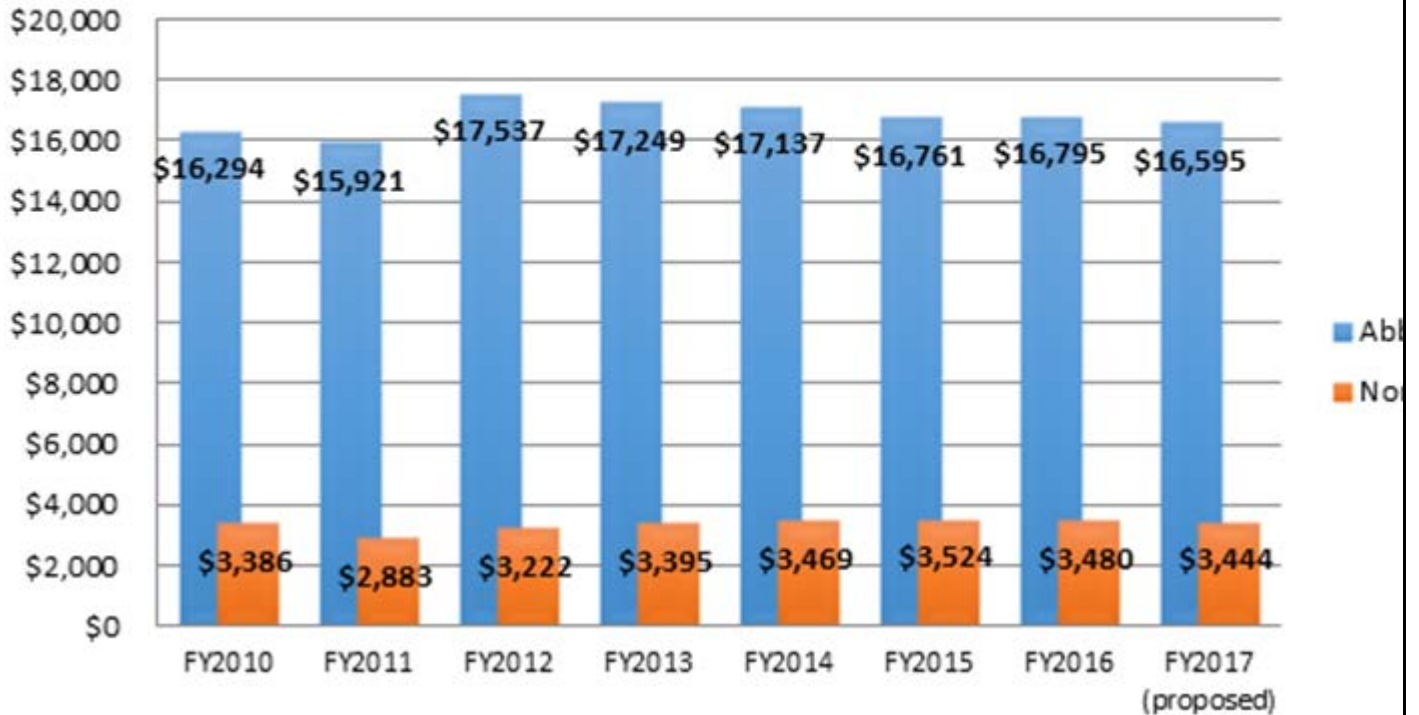
In 1985, that case was elevated to New Jersey's Supreme Court, which in 1990 ruled that the State's school funding law was unconstitutional for children in 28 "poorer urban" school districts (a number of districts the State Legislature would later expand to 31).

As a result, those 31 "Abbott" districts, which make up 5% of New Jersey's public school districts, started to receive immensely more in per-pupil state aid than several hundred public school districts in New Jersey's other urban, suburban and rural communities.

Between 1985 and the upcoming school year, state taxpayers will have sent \$97 billion to the 31 Abbott school districts, compared to **\$88.2 billion** to the remaining 546 districts for PreK-12 education. That's 52% of total state education dollars going to 5% of districts.

Yet Abbott districts, receiving five times more per pupil than non-Abbott districts, have graduation rates that have been consistently 10 percentage points below the state average, according to the available New Jersey Department of Education data.

Average State Aid Per Pupil In Abbott vs. Non-Abbott School Districts



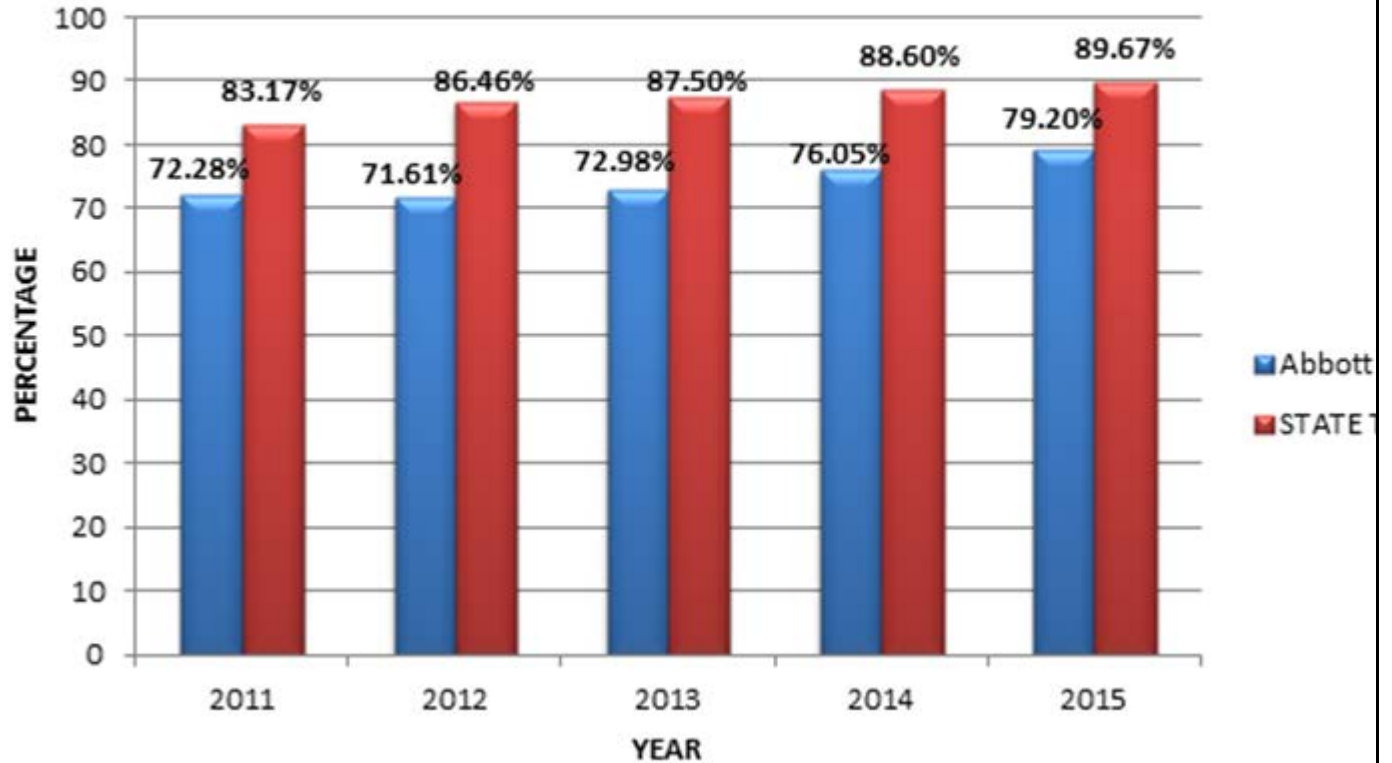
As the above graph demonstrates, over the last six years, Abbott districts have consistently been receiving tens of thousands of dollars more than non-Abbott districts.

New Jersey spends the third-most state tax dollars in the nation per pupil on K-12 education, \$13.3 billion for this past school year.

In 1990, 23% of the state's students, representing the Abbott districts, got 41% of the state aid. In Fiscal Year 2017, while still representing 23% of the state's students, they receive 58% of the state aid.

For far too long, politicians in Trenton have appeased their teachers' union patrons by throwing more and more wasted money at failing districts. All the while, taxpayers have seen their property tax bills continue to rise and far too many generations of children have been underserved by failing schools that have given them no real promise for successful futures.

Abbott School District Graduation Rates vs. State Averages



It is time to do something different to ensure that no student in New Jersey is trapped in a failing school. More money does not guarantee better academic performance, and the Christie Administration is determined to forge a new path that provides equal funding for the education of each student.



The Fairness Formula:

School Funding and Property Tax Equity

Governor Chris Christie is proposing a solution to New Jersey's two most pressing crises that are hurting all New Jerseyans: the failure of urban education and property taxes.

New Jersey property taxes are the highest in the nation, predominantly caused by billions in tax dollars pouring into continually failing urban school districts, thanks to New Jersey's unaffordable and broken school funding formula propped up by special interests and misguided Supreme Court precedent.

The Governor's Fairness Formula is an equal per-pupil funding plan that would provide tax fairness for all residents and better public education for every New Jersey student.

Graduation rates prove that educational success cannot be bought with excessive spending by a select few chronically failing school districts, which have received billions more in state taxpayer dollars over the past three decades than hundreds of successful school districts. The statewide graduation rate is 90%, with 27 of the 31 Abbott districts falling below that average.

Continuing the current school funding formula means allowing failing school districts to spend as much as \$33,699 per pupil in tax dollars, while high-performing school districts spend less than half of that per student.

The current formula crushes the majority of property taxpayers and has in the past several years chased millions of residents and employers to more affordable states with balanced tax structures.

Take the school districts that have been enabled by the state Supreme Court and Democrat-led legislature to spend among the highest per pupil, despite historically failing students and taxpayers across the state who foot these bills:

<u>District</u>	<u>Graduation Rate</u>	<u>FY15 Per Pupil Spending</u>	<u>2015 Average Property Tax Bill</u>	<u>School Portion of 2015 Average Property Tax Bill</u>	<u>FY15 State Taxpayer Aid Per Pupil Under Current Funding Formula</u>
Asbury Park	66.04%	\$33,699	\$5,031	25%	\$28,947
East Orange	75.58%	\$25,121	\$8,443	16%	\$22,006
Newark	69.59%	\$22,013	\$5,766	29%	\$18,337
Vineland	75.89%	\$19,769	3,951	23%	\$16,428
Jersey City	73.68%	\$23,466	\$6,773	26%	\$18,491
Trenton	68.63%	\$23,108	\$3,610	20%	\$20,589
New Brunswick	68.50%	\$22,143	\$6,710	39%	\$17,914

On average, 52% of property taxes statewide are spent on the school tax and in many districts it is as high as two-thirds. Consider some of these most-successful school districts that spend exponentially less per pupil, despite their local residents being burdened by higher property taxes and little return from their state taxes:

<u>District</u>	<u>Graduation Rate</u>	<u>FY15 Per Pupil Spending</u>	<u>2015 Average Property Tax Bill</u>	<u>School Portion of 2015 Average Property Tax Bill</u>	<u>FY15 State Taxpayer Aid Per Pupil Under Current Funding Formula</u>
Hillsborough	94.48%	\$17,761	\$8,656	67%	\$5,346
Haddonfield	98.96%	\$15,292	\$12,831	88%	\$2,049
South Plainfield	95.49%	\$17,452	\$6,944	57%	\$4,485
Monroe (Middlesex)	93.39%	\$18,632	\$7,004	60%	\$2,087
Secaucus	97.08%	\$18,389	\$6,321	38%	\$2,133
Somerville	89.4%	\$18,532	\$9,029	57%	\$4,522
Cherry Hill	94.26%	\$17,605	\$8,016	59%	\$2,958

Governor Christie believes that all New Jersey children should be valued equally. Under his Fairness Formula, the state would provide equal funding for all, with each public school district receiving \$6,599 per enrolled student, while continuing aid for special needs students.

This proposal ensures that all students have equal funding to be successful, and this Fairness Formula would also provide hundreds or even thousands of dollars in annual property tax savings for families in many communities.

This initiative takes courageous leadership and strong fiscal management to overcome billion-dollar campaigns by special political interests – but that is exactly what voters deserve from their governor, legislators, school board members, mayors and freeholders.