

Great Schools New Jersey – September 12, 2018

Great Schools New Jersey – The Association of High Need School Districts Meeting – Wednesday, September 12, 2018 NJASA

I. Welcome: Dr. Michael Salvatore, GSNJ President, Superintendent, Long Branch Public Schools

Dr. Salvatore called the meeting to order at 1:08 p.m. The meeting was held in the afternoon because the State Board of Education met that morning.

II. Breakfast After the Bell: Reginald Dorsey, State Outreach Coordinator, Advocates for Children of New Jersey (ACNJ), and Lisa Pitz, Site Manager, Center for Food Action

Reggie Dorsey and Lisa Pitz presented on the Food for Thought Campaign and the Breakfast After the Bell program.

Mr. Dorsey said that in 2011, New Jersey ranked 46th-48th in the nation in terms of the number of children participating in school breakfast programs. Now, New Jersey is ranked at about 19th. The Food for Thought campaign was started with 30 organizations, including NJEA, NJASA, NJSBA, the Department of Education, the Department of Agriculture, the Dairy Association, and advocacy organizations. Melanie Schulz from NJASA is part of the campaign.

He noted that in 2010-11, many districts were providing breakfast before the start of the school day, a time when many students weren't available. Now, breakfast is served after the bell making breakfast programs much more accessible to students. Breakfast after the bell is a federally funded program, and now New Jersey receives about \$105 million from the federal government.

Mr. Dorsey said their main partners are school nutrition directors. But they also like to partner with superintendents because administrative support is necessary to achieve success. They also partner with the NFL and other organizations. They do a lot of outreach across the state. Their goal is a child-hunger-free NJ.

He added that if any district needs help implementing the program, they should reach out to the Food for Thought Campaign. In the past, they have hosted roundtables to talk about the best models, programs, etc.

Ms. Pitz said that several districts at the Great Schools NJ meeting, including Paterson and Asbury Park, are champions of the breakfast after the bell program. These schools are often used as examples of best practices at the roundtables.

She also talked about the latest developments, including that in May 2018, Governor Murphy signed a package of child nutrition bills to combat childhood hunger in New Jersey, which is growing every day. The new law requires schools with at least 70% of students eligible for free or reduced price meals to serve breakfast during the school day.

Key provisions of the new legislation include:

1. Districts with schools that must serve breakfast after the bell under the new law will be notified in January 2019.
2. By May 2019, school districts must submit an implementation plan to the NJ Department of Agriculture, which administers the program on the state level. It is up to the districts to determine their own plan.
3. The plan must include all grades in all schools, where at least 70% of children are eligible for free or reduced price meals as of October 31, 2018.
4. Breakfast after the bell must be implemented in all identified schools at the beginning of the 2019-20 school year.

Ms. Pitz said the Food for Thought Campaign is available to help with plan creation. They can connect nutrition directors of champion schools to schools requiring implementation, set up visits to other districts, and make individuals with research and expertise available.

Dr. Salvatore asked a question about federal and local grants that are available to start the breakfast after the bell program. Ms. Pitz said the Dairy Association provides sizable grants for start-up equipment like grab-and-go carts, insulated bags, etc. There are other opportunities through national partner FRAC as well as through local foundations. Food for Thought can help districts with the barrier to funding, but leadership is key to making it happen. She added that she hopes districts will start working on this now, and not wait for the deadlines.

George Solter, North Bergen Superintendent, asked if the Food for Thought Campaign is available to come to superintendents' county roundtables. Ms. Pitz said yes, and said that they are in the process of planning a summit for Monmouth and Ocean Counties, where there are a number of schools that will be required to establish breakfast after the bell programs.

Anisah Coppin, Camden Business Administrator, said that her district has started the initiative but asked what challenges they may face moving forward and how they can support their team. Mr. Dorsey said school nutrition directors are the people who know the most about what is going on in schools. They can help identify barriers, issues, etc. But connecting with folks at all levels in the district, including custodians, is incredibly important. Ms. Pitz said the benefits of the breakfast program include reduced absenteeism and tardiness and helping children focus and learn.

III. School Aid in 2018-19, Changes to the SFRA and Where We Go From Here

Kevin Dehmer, Assistant Commissioner and CFO at the NJ Department of Education, spoke about changes to the SFRA and what to expect in the coming year. Mr. Dehmer oversees the distribution of millions of dollars in funds to districts.

He said he started at the Department working on the SFRA, and his role has grown over time. The Department has grown as well. They deliver funding to districts, charters and renaissance schools, as well as to private schools. They oversee student transportation, school facilities items and interdistrict school choice. He said Commissioner Repollet's vision – NJDOE 2.0 – is to

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become more customer focused and to help districts. He also said he wants to make grant funding opportunities (e.g., federal grants) more available and to help districts obtain these.

Mr. Dehmer said that different districts are experiencing challenges due to changes in funding this year. He said this was the second year in a row in which the Governor's proposed budget was changed when it came to school aid. He noted that spending more is easy, but spending less is much harder. He also said that school districts received last-minute notices about their aid, but the Department tried to get information out as soon as possible.

This year, the Legislature also modified the formula through Senate Bill 2 (S2), which was the first comprehensive attempt to get the SFRA running again. He added that we now have a blueprint for going forward and the biggest investment in schools in a long time, which is exciting. But the flip side is the cuts to districts. The Department is helping those districts with information and guidance.

He added that it's going to be a learning experience for everyone. But there is a very strong commitment from the Governor, and the Legislature is on board, too.

Mr. Dehmer noted that there will be two rounds of preschool expansion funding this year.

Rocco Tomazic, Freehold Borough Superintendent, said that some people have indicated that S2 changes the categories for special education. He asked if this will affect a district's adequacy budget. Mr. Dehmer responded that several new, off-formula aid categories have already been added over the last eight years, such as PARCC readiness aid, etc. He said that in S2 these categories were collapsed into the formula.

Dr. Salvatore asked how districts that are under adequacy because of their tax levy but overfunded by the state can be helped. He asked if there will be changes to the property tax cap for these districts that are losing aid. Mr. Dehmer said there are districts that are undertaxing so severely and with the cap in place they'll never be able to reach their Local Fair Share.

Mr. Dehmer added that losing funding may be related to enrollment loss. The Department will take new enrollment data and run it through the formula each year to see what new aid levels should be. Over the next six years, both enrollment and state aid will change.

Ken Greene, Newton Superintendent, said the issue that's been the most impactful for districts that are losing aid is the late notice. The problem is the budget schedule, since school budgets must be completed before districts know for certain what their aid amounts in the state budget will be. Superintendents base their school budgets on aid numbers they receive in March, but that can change in June when the Legislature approves the final budget. He asked if there was any advocacy that could happen from the Department to change that.

Mr. Dehmer agreed that the timeline is very difficult for school districts. But he said the last two years have been anomalies, because districts do not typically experience cuts in funding. He hopes that changes in S2 will alleviate this issue moving forward.

Dr. Tomazic asked about Senator Sweeney's recommendations about school district consolidation and the issues and costs connected with that. He asked if there has been discussion by Department members on the fiscal aspects of consolidation. Mr. Dehmer responded that this is not a new idea. He said if districts are interested, the Department works with them, for example in the case of South Hunterdon Regional. He said right now the idea is to work with willing partners.

Dr. Danielle Farrie, Education Law Center Research Director, gave a presentation on the FY19 state budget and recent changes to the SFRA. She said the final FY19 state budget differed significantly from Governor Murphy's proposed budget. All districts will receive at least 58% of the state aid owed under the SFRA. The budget also reduces adjustment aid by 5% with a \$3.5 million cap on that amount.

In FY19, 391 districts received an aid increase totaling \$383 million. Of those, 219 districts were above adequacy and received on average an additional \$150 per pupil; 172 districts were below adequacy and received on average an additional \$535 per pupil; 172 districts lost aid totaling \$32 million; 19 of those districts were below adequacy, and 153 were above adequacy.

Dr. Farrie then discussed the modifications to the SFRA contained in S2. She said that S2 eliminates the 10% annual growth cap for above adequacy districts and the 20% annual growth cap for below adequacy districts. Instead, all districts will receive a proportionate increase of the overall state aid increase each fiscal year.

Dr. Farrie noted that there is no longer a target year or well defined path for getting all districts to full funding under the SFRA. S2 leaves it up to the Legislature and the Governor to determine during budget negotiations how much, if any, additional state aid to provide to districts. Governor Murphy has said that he is committed to increasing funding to schools, but we do not have a clear idea of what will happen next year or beyond.

Another modification under S2 is the phase out of adjustment aid over the next six years. Adjustment aid will be phased out as follows: 13% in FY20, 23% in FY21, 37% in FY22, 55% in FY23, 76% in FY24, and 100% in FY25. These figures could change because they are related to districts' adequacy budgets.

Over \$600 million in adjustment aid will be cut, though that total is subject to change as adequacy budgets and local fair share are recalculated. This affects approximately 162 districts, 14 of which are below adequacy.

S2 also changes the property tax cap for some districts. Any below adequacy district losing state aid under the adjustment aid phase-out will be required to raise property taxes to the 2% cap. The cap is eliminated for former Abbott districts whose levy is below their local fair share.

Melanie Schulz from NJASA said that she asked the administration if all districts losing money could have the opportunity to exceed the cap. She is still working on the issue.

Dr. Farrie explained that municipal overburden is defined in S2 in two ways: in former Abbott districts it means the total equalized tax rate is greater than the statewide tax rate; in non-Abbotts it's defined as 110% of the statewide tax rate. Former Abbott districts that are below adequacy and in municipal overburden will experience no state aid cuts. Former Abbotts that are above adequacy and in municipal overburden will have state aid cuts limited to the amount they are over adequacy. Non-Abbotts that are spending below 90% of their adequacy budget and in municipal overburden will experience no state aid cut. This only applies to five districts.

All vocational districts are protected from adjustment aid cuts, and S2 creates a new adjustment aid to hold vocational districts harmless at their state aid levels from FY18.

Kenyon Cummings, Wildwood Superintendent, asked about the variable phase-out of adjustment aid. Dr. Farrie responded that the state aid differential will be calculated for each district based on changes in student enrollment. It is not based on the differential from the previous year.

Dr. Tomazic said Senator Sweeney recently visited Freehold Borough schools and brought up that he would like the state to pay all extraordinary special education costs. Peter Genovese, Long Branch Schools Business Administrator, said this would be especially important for small districts.

IV. Legislative Update

Melanie Schulz, Director of Government Relations for NJASA, said that NJASA is planning on holding three roundtables with Senate President Sweeney to discuss school district consolidation. She said there could be discussion about work already being done (e.g., shared services). NJASA is also creating a digital library of all consolidation reports going back to the 1960s, and will share it with GSNJ members, the Department of Education, legislative staff, etc. She said all the reports show similar findings that consolidation takes many years.

Ms. Schulz also reported that the Senate and Assembly Education Committees scheduled a joint hearing on September 17 on assessment. They will hear from the Commissioner of Education and his staff. Organizations are welcome to come but they cannot participate.

Dr. Salvatore said that districts with high schools are in support of getting rid of some of the end of year tests.

There was discussion about the mandatory recess bill and physical education/health hours. Ms. Schulz said recess does not count towards the required 150 hours of physical education. She suggested getting a group with similar issues concerning lack of space for physical education together to discuss this further.

She also noted that Assemblywoman Jasey and Assemblyman Caputo have proposed a bill to lift the superintendent salary cap. The bill may be heard at an Assembly Education Committee sometime in the future. It has already passed the Senate.

Dr. Tomazic asked about the status of the desegregation lawsuit. Ms. Schulz said she had no details aside from what has been in the news. Dr. Tomazic said that the remedy could be magnet programs, and there is a fear that this will be challenging for districts. Ms. Schulz said issues include where magnet schools will be located as well as transportation costs for districts. She mentioned that charter schools asked to intervene in this case since any decision will also affect them as well.

Ms. Schulz said she is trying to stop legislation that is being fast-tracked in the Legislature. The bill in question would require districts to screen all students in grades 7-12 for depression, using a questionnaire. She said concerns include liability, the questions that will be asked, who will administer the questionnaire, etc. It is likely that students will not be very forthcoming, she added.

Mr. Kummings asked about funding for expanded CTE programs in all districts as part of the bond referendum on the November ballot that would provide money for vocational schools. Ms. Schulz said comprehensive high schools are not included in the referendum, but there is some security funding for any district.

Sharon Kregel reported that Liz Delgado-Polanco is the new SDA CEO. ELC is familiar with her because she has done advocacy work in the state for many years. She added that the SDA needs more bonding authority for both SDA and ROD districts.

She also reported that the State Board of Education met that morning. They were supposed to discuss changes to the graduation regulations proposed by the Department of Education, but discussion was put off until the October meeting.

There was a brief discussion about district emergency and disaster plans in light of Hurricane Florence. Lori Moore, Lindenwold Superintendent, asked a question about adopting these plans. Some superintendents submitted plans for inclement weather, etc.

**V. Approval: GSNJ May 2018 Meeting Minutes
Treasurer's Reports: May 2018, June 2018, July 2018**

The minutes and Treasurer's reports were moved and approved.

The meeting was adjourned at 2:55 p.m.