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## NJDOE News

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### **DOE Releases 2006-07 State Aid Figures *Call-in Conference Call for Reporters at 2 p.m.***

State aid figures for the 2006-07 school year were announced today by New Jersey Department of Education officials.

As a result of the state's severe fiscal crisis, the budget proposed by Governor Jon S. Corzine for K-12 education provides level state funding for most school districts. Some districts will see modest increases or decreases.

Education Opportunity Aid, provided to the Abbott districts, is funded at the level of the final 2005-06 EOA payments for most of the districts. This includes an increase of \$96 million over the initial fiscal 2006 appropriation. Garfield, Harrison, Perth Amboy and Union City receive only formula EOA, which will be increased by \$8.2 million.

In eight of the Abbott districts - Newark, Jersey City, Garfield, New Brunswick, Perth Amboy, Asbury Park, Long Branch and Neptune - local officials are required to raise the general fund tax levy to generate additional support for educational services. The increase is to be accomplished in a manner that will limit the average household tax increase to \$125.

"Once you force people to face up to fiscal reality, as the Governor has done, you have to make some very tough decisions," said acting Commissioner of Education Lucille E. Davy. "But it is important for us all to recognize that these difficult choices must be made in order to put an end to the state's recurring structural budget deficit and secure our state's economic future."

Davy noted that one-third of the state budget goes to education, and 99.4 percent of that money is for school aid.

"I think the education community and the public has to understand that for the Governor to basically flat-fund education, while making deep cuts and eliminations in almost every other program, is an indication that our state's 1.4 million school children are one of his highest priorities," she said.

"We also cannot overlook the Governor's commitment to increase the state's contribution to the Teachers Pension and Annuity Fund by \$743 million, his commitment to increase the state's contribution to teachers' social security by \$36 million and the \$36 million increase in retiree health benefits," Davy said.

"While not direct state aid to districts, these very large increases in payments are going to allow districts to continue to attract and retain the high quality teachers we need in our schools," the acting Commissioner said.

Other state aid changes include:

- A \$5.575 million increase (to \$17.575) in aid for districts with above average enrollment growth. Non-Abbott districts with projected growth of at least 2.5 percent over the past five years will receive aid in this category.
- A \$3.23 million decrease (to \$86.8 million) in Additional Formula Aid to districts that have had declining enrollments for five consecutive years between 2001 and 2005 or four consecutive years between 2002 and 2005. Districts that experienced a decline in special education enrollment will also lose Additional Formula Aid.
- A \$1.9 million increase (to \$21.9 million) in aid to certain districts that border Abbott districts, a program that was authorized by legislation last year. The five districts that received this aid last year - Bayonne, Clifton, Hillside, North Bergen and Weehawken - will receive the same amount they received in 2005-06. One additional district, Kearny, will receive aid calculated at the 2005-06 level.
- A \$39 million increase in Preschool Expansion Aid. This is a 19 percent increase over last year's \$204.2

million.

- A \$5 million decrease (from \$10 million) in Higher Expectations for Learning and Proficiency (HELP) aid. The qualifications for this aid have been modified. It will now go to districts with per-pupil equalized property valuations below \$750,000 (last year, the level was \$1.1 million) and county vocational schools which draw more than 51 percent of their enrollments from Abbott districts.
- A \$1.66 million decrease (to \$8.31 million) in aid to Choice districts, which accept students from other districts under the School Choice program established by the state. This aid is based on final enrollment calculations. In addition, Choice districts will only receive funding for the number of students enrolled in the 2005-06 school year; they will not be able to accept additional students.
- Aid-in-Lieu funding, which provides reimbursement for public transportation expenditures for nonpublic school students, will be fixed at the 2005-06 per-pupil level. There will be no automatic CPI increase.

The only single line item from the 2005-06 budget that remains in this year's proposed budget is \$4 million for Englewood's Academies@Englewood desegregation effort at Dwight Morrow High School, which was ordered by the State Supreme Court. All of the other education-related line items have been eliminated.

State aid figures are available online by clicking [here](#). Acting Commissioner Davy's memorandums to the eight Abbott school districts are attached [here](#). Acting Commissioner Davy's memorandum to all other school districts in the state is attached [here](#). The attachment for that memorandum is [here](#).

The DOE will be hosting a call-in conference call for reporters only at 2 p.m. For more information on how to access that conference, or for information about other state aid-related matters, please contact the Department of Education Public Information Office at (609) 292-1126.