

EXTRACT from the minutes of a meeting of the Board of Education of the Borough of Freehold in the County of Monmouth, New Jersey on January 9, 2017 at 7:00 p.m.

PRESENT: Michael Lichardi, President; Susan Greitz, Vice-President; Paul Ceppi; Paul Jensen; Annette Jordan; Tyler Jordan; James Keelan; Bruce Patrick; Margaret Rogers.

ABSENT:

Mr. Paul Jensen introduced and moved the adoption of the following resolution and Mrs. Margaret Rogers seconded the motion:

BUSINESS

Resolution on Underfunding in State Aid

WHEREAS, the Freehold Borough Board of Education has set as one of its goals the need to resolve the severe underfunding in state aid to the school district; and

WHEREAS, State leaders are currently preparing the fiscal year spending plan for 2017-2018 in the form of State budget proposals in which the FY-18 school aid amounts will be announced; and

WHEREAS, the School Funding Reform Act of 2008 (SFRA) remains the current State law on how to fund public school districts; and

WHEREAS, pursuant to the SFRA the Freehold Borough Public Schools remains the third most underfunded public school district in New Jersey with a deficit in State Aid of \$11,933,764 (Exhibit 1) and a funding per weighted pupil of \$7,111 (Exhibit 2), and

WHEREAS, this unfair distribution of state aid has caused the taxpayers of Freehold Borough to pay \$2,365,855 (Exhibit 1) more than their fair share of property taxes; and

WHEREAS, despite exhausting all allowable means to raise local taxes the funding of the Freehold Borough Schools remains under adequate by \$9,567,909 (Exhibit 3) and therefore impinges upon the NJ Constitution Article VIII(IV)(1)

right of students in Freehold Borough to the maintenance and support of a thorough and efficient system of free public schools; and

WHEREAS, the SFRA of 2008 contains a provision to proportionally divide available funds between districts if full SFRA funding is not possible (NJSA 18A:7F-52); and

WHEREAS, the recent apportionment of State Aid Statewide since 2010 has been asymmetrical and not taking into account student population growth; and

WHEREAS, some districts are overfunded in State Aid or being provided hold harmless funding that was to have been phased out years ago thus providing an excess in State Aid; and

WHEREAS, past efforts to address under adequacy to Districts such as Freehold Borough totals only \$16,763,431 State wide which is two tenths of a percent of the total distribution in State school aid, and

WHEREAS, this failure to fully fund the SFRA formula, or to fairly divide available State Aid, or increase the amount of under adequacy aid has denied the students of Freehold Borough the resources needed for their educational success;

NOW THEREFORE BE IT RESOLVED, that the Freehold Borough Board of Education does appeal to the New Jersey Commissioner of Education and the New Jersey Governor to put forth a spending plan that fully funds the SFRA school funding formula; and

BE IT FURTHER RESOLVED, that if the SFRA cannot be fully funded due to fiscal conditions that the funds available for public education be fairly and proportionally divided per the SFRA formula, and if full redistribution is not possible that additional monies be allocated to under adequacy aid; and

BE IT FURTHER RESOLVED, that a copy of this resolution be presented to the New Jersey Commissioner of Education, the Governor of the State of New Jersey, and the State Senator and State Assemblypersons from Legislative District 11.

Exhibit 1

Extract from Freehold Boro 2016-17 State School Aid Notice

STATE OF NEW JERSEY - DEPARTMENT OF EDUCATION
 DIVISION OF FIELD SERVICES
 OFFICE OF SCHOOL FINANCE
 2016-17 STATE SCHOOL AID
 EQUALIZATION AID

02/16/2016 3

COUNTY: 25-MONMOUTH
 DISTRICT: 1640-FREEHOLD BORO
 BUDGET: K-8

Page EQA

ADEQUACY BUDGET CALCULATION:
 ***** REGULAR EDUCATION *****

LOCAL SHARE CALCULATION - REGULAR DISTRICT

Projected Weighted Base Enrollment	1,712 (A)	Equalized Valuation (10/1/2015)	723,750,603 (N)
Total Base Cost		District Income (2013)	170,105,393 (O)
- @ \$11009 per pupil		Equalized Val. x 0.013156218 / 2	4,760,910 (P-1)
times GCA 0.99530	18,758,825 (B)	District Income x 0.046185507 / 2	3,928,202 (P-2)
		Local Fair Share : Item(P-1) + Item(P-2)	8,689,112 (P)
Projected Weighted At-Risk Only Enrollment	460 (C)		
Total At-Risk Only Cost		LOCAL SHARE - COUNTY VOCATIONAL SCHOOL DISTRICT	
- @ \$11009 per pupil		County Local Shares	1,416,090,455 (Q)
times GCA 0.99530	5,040,339 (D)	County Adequacy Budgets	1,418,787,637 (R)
		Item(Q) / Item(R)	0.9981 (S)
Projected Weighted LEP Only Enrollment	5 (E)	Local Share	
Total LEP Only Cost		Item(S) x Item(M) - for Vocs Only	0 (T)
- @ \$11009 per pupil			
times GCA 0.99530	54,786 (F)	EQUALIZATION AID CALCULATION	
		Adequacy Budget (Item(M))	28,772,561 (U)
Projected Weighted combined LEP & Low Income Enrollment	186 (G)	Local Fair Share (Item (P) or (T))	8,689,112 (V)
Total Combined LEP & Low Income Cost			
- @ \$11009 per pupil		EQUALIZATION AID	
times GCA 0.99530	2,038,050 (H)	(Item(U) less Item(V))	\$20,083,449 (W)

***** SPECIAL EDUCATION *****

Special Education Enrollment			
- FTE Resident Enrollment @ 14.92%	252 (I)		
Total Special Education Cost			
- @ \$17,034 per pupil			
times GCA 0.99530			
times Item (I) times 2/3	2,848,262 (J)		
Speech Only Enrollment			
- FTE Resident Enrollment @ 1.630%	28 (K)		
Total Speech Only Cost			
- @ \$1,159 per pupil			
times GCA 0.99530			
times Item (K)	32,299 (L)		

ADEQUACY BUDGET -
 Item (B) + (D) + (F) + (H) + (J) + (L) \$28,772,561 (M)

District Performed Calculations (Not a Part of Notice)		
Underfunded in State Aid		
Equalization Aid Due from State	\$ 20,083,449	From W Above
Equalization Aid Received	8,149,685	
	<u>\$ 11,933,764</u>	Amount Underfunded in State Aid
Over Fair Share of Tax Levy		
Local Fair Share	\$ 8,689,112	From V above
Actual Tax Levy	11,054,967	
	<u>\$ (2,365,855)</u>	Amount Paid Over Local Fair Share

Exhibit 2
 Extract from NJ Education Law Center
 2015-2016 Calculation of SFRA Data

Funding per Weighted Pupil: Statewide Data

District	County	Enrollment	Weighted Enroll	% At Risk Only	% LEP & At Risk	% LEP only	% Special Education	Funding per Pupil	Funding per Weighted Pupil
State Total		1,316,783	1,973,019	35%	4%	1%	17%	\$16,497	\$11,010
Fairview Boro	Bergen	1,801	3,234	71%	9%	2%	19%	\$11,776	\$6,558
East Newark ..	Hudson	405	708	74%	13%	3%	12%	\$11,903	\$6,809
Freehold Boro	Monmouth	1,656	2,842	63%	17%	0%	19%	\$12,204	\$7,111
Prospect Par..	Passaic	834	1,412	74%	2%	2%	18%	\$12,561	\$7,419
Guttenberg T..	Hudson	1,286	2,125	71%	10%	1%	9%	\$12,376	\$7,490
Hammonton ..	Atlantic	2,756	4,230	39%	6%	0%	17%	\$11,531	\$7,513
South River B..	Middlesex	2,315	3,604	44%	4%	2%	18%	\$11,827	\$7,597
Bound Brook ..	Somerset	1,691	2,828	65%	11%	1%	13%	\$12,741	\$7,619
Bayonne City	Hudson	9,264	14,997	61%	3%	0%	15%	\$12,381	\$7,648
Fairfield Twp	Cumberland	531	856	76%	3%	0%	12%	\$12,783	\$7,929
Red Bank Boro	Monmouth	1,392	2,326	51%	32%	1%	13%	\$13,286	\$7,951
Clayton Boro	Gloucester	1,355	2,237	53%	3%	1%	21%	\$13,140	\$7,959

Exhibit 3

Extract from FY 17 NJ Department of Education Calculation of District Status

District Status Above, At, or Below Expected Local Levy

Line	Name	Amount	Description
A	2016-17 General Fund Levy	11,054,967	
B	Equalization Aid	8,149,685	
C	Total Budgeted Adequacy Spending (A + B)	19,204,652	
D	District Adequacy Budget	28,772,561	
E	Excess Amount (C - D)	-9,567,909	
	Status		The proposed budget is at or below the expected local levy
	Explanation (only if Line E is positive)		

This resolution shall take effect immediately.

AYES: 9 – Michael Lichardi, Susan Greitz, Paul Ceppi, Paul Jensen, Annette Jordan, Tyler Jordan, James Keelan, Bruce Patrick, Margaret Rogers.

NAYS: 0

ABSENT: 0

**BOROUGH OF FREEHOLD BOARD OF EDUCATION
280 PARK AVENUE
FREEHOLD, NEW JERSEY 07728
732.761.2100**

STATE OF NEW JERSEY)
)
COUNTY OF MONMOUTH) **SS:**

Joseph Howe, being first duly sworn on oath, deposes and says:

That deponent is the School Business Administrator/Board Secretary of the School District and the Board of Education of the Borough of Freehold in the County of Monmouth, New Jersey and that the annexed extract from the minutes of a meeting of the Board of Education held on January 9, 2017 at the time and place therein stated has been compared by deponent with the original minutes of the meeting recorded in full in the official Minute Book of the Board and is a true copy thereof and of the whole of the original so far as it relates to the subject matters referred to in this extract.

Joseph Howe

Joseph Howe
Business Administrator/Board Secretary