

**Government relations report to NJASL
November 20, 2006**

Department of Education: No report.

State Board of Education: At its Public Work Session on November 15, 2006, the Department of Education presented to the State Board the presentation that the Department made to the Joint Committee on Public School Funding on October 24, 2006 (which was reported in the October 27 government relations report to NJASL).

The presentation describes the costing out study undertaken by the department to determine the projected cost of an adequate education for New Jersey children. The study reached the conclusion that the foundation cost for a child, i.e. without any multiplying factors for special needs including poverty or special education, was between \$8,000 and \$9,000 depending on the size and configuration of the district. (See slide 15 of presentation)

In comments released after the October 24 presentation, The Education Law Center pointed out that this foundation amount was significantly below the amounts already being spent by districts across New Jersey.

The department's power point presentation is available for review at <http://www.state.nj.us/njded/sboe/meetings/2006/November/work/jlcpfr.ppt>

State House:

Legislative Committees Issue Reports. On Wednesday, November 15, the four bi-partisan joint legislative committees issued their reports on reform of property taxes and school funding. A grand total of 98 proposals were recommended to reduce property taxes, rewrite the school funding formula, reshape state and local government and redefine health and pension benefits for government employees.

The committees' recommendations included limits on annual property tax increases, tying school budget increases to inflation and moving school board elections from April to November. Proposals to streamline government services included sharing services such as municipal courts, 911 centers and road maintenance.

Others suggestions include raising the government retirement age from 55 to 62, and requiring government workers and retirees to pay a share of their health insurance premiums.

With regard to school funding, legislators proposed development of a formula to hand out aid based on how many students with special needs live in a district. Special needs includes low income, English language learners and special education students. This new formula would replace the special state funding directed to the 31 low-income Abbott districts and many Abbott supporters are concerned that this will mean less funding for poor mostly urban and minority districts.

Executive summaries of each committee's report are available on the internet at http://www.njleg.state.nj.us/PropertyTaxSession/specialsessionpt_reports.asp.

Voters Endorse Use of Sales Tax for Property Tax Relief. On Election Day, New Jersey voters overwhelmingly approved ballot measures authorizing use of sales tax money to fund property tax relief. This was part of the budget compromise reached last summer.

New Support for Vouchers. On November 7, the Star Ledger reported that top Democratic lawmakers and Newark Mayor Cory Booker are working to re-invigorate a proposal to fund private school scholarships for poor students using \$20 million in corporate tax credits. The proposal would make the scholarships available in at least five New Jersey cities. Democratic leaders supporting the proposal include state Sen. Raymond Lesniak (D-Union) and Assemblyman Joseph Cryan (D-Union). Lesniak is an influential power broker in the Senate and Cryan is chairman of the Democratic State Committee.

Office of the Governor:

Governor Corzine was cautiously supportive of the work of the four joint legislative committees as expressed in a speech to the New Jersey League of Municipalities on November 16, the day following the issuance of the committee reports.

He praised the goal of a 20% reduction in property taxes but warned that property tax relief would be constrained by available resources. He also warned that tax relief and new spending must be currently paid for with recurring revenue, not one time sources of funds.

He continued to call for brave and bold action with the focus on the common good rather than special interests.

To read his speech, go to

<http://www.nj.gov/governor/news/news/approved/20061116.html>.

National

The Democratic Party's new majority in both the House and the Senate will give Democrats the opportunity to make good on several campaign promises in the area of education. While the federal government is a relatively small player in k-12 education, especially in the area of funding, the Democrats have their eyes on several issues.

It is likely they will turn first to the issue of affordability of college. This is a major issue for middle class voters. Democrats have promised to work to lower student loan interest rates and to create a tax credit for college expenses. They are also looking to increase the amount of Pell Grants, the federal financial aid to the poorest students.

Reauthorization of the No Child Left Behind Act is also on the agenda of both Democrats and Republicans. Representative George Miller, D-California, who is expected to become chairman of the House Education Committee, has said that he would like to begin hearings on NCLB reauthorization January as soon as the new Congress convenes. (See my Special Memo to NJASL on NCLB Reauthorization.)

Democrats also changed the political scene in many state capitols by taking five governors' seats from Republicans and gaining control in at least seven state legislatures. This will ease the way for Democratic agendas on education that will likely include more funding for public schools, expanding early childhood programs and state efforts on college affordability.