

**NEWARK PUBLIC SCHOOLS:
BUDGET IMPACTS OF UNDERFUNDING AND RAPID CHARTER GROWTH****DANIELLE FARRIE, PHD & MONETE JOHNSON, MPP****Summary and Major Findings**

In 2015, Education Law Center released a report documenting the strain on resources in the Newark Public Schools (NPS). Two years later the district is still feeling the impact of the underfunding of the state's school aid formula and the rapid expansion of the charter sector. Essential resources in district schools have been eroded, depriving students of the opportunity for a thorough and efficient education.

While the 2017-18 budget will bring some relief, with an \$8 million dollar increase, the district will still be \$140 million short of the state aid required by New Jersey's school funding formula – the School Funding Reform Act (SFRA). At the same time, the Governor's Department of Education (DOE) continues to allow charter schools to rapidly expand in Newark, draining an increasing amount of funds from NPS's already tight budget.

The result: NPS has endured multiple years with significantly less funding to educate students, many of whom have extra educational needs, and to address year-to-year increases in fixed costs, such as salaries, benefits and building maintenance. To balance the school budget, NPS has had no alternative but to substantially cut teachers, support staff and special education and other programs, shrinking the resources necessary for all students to achieve the State's Core Curriculum Content Standards (CCCS).

In this report we analyze the impact of the NPS budget crisis on per pupil spending in district schools. We find that the combined stress of chronic underfunding and rapid charter expansion has significantly lowered spending and reduced staff and programs in district schools:

- Due to underfunding of both the local and state share of required school aid, NPS was \$3,296 per pupil below the amount required under the SFRA.
- In 2008-09, charter schools educated about 10% of Newark's students; in 2016-17 that grew to 34%.
- Charter schools are educating fewer students with disabilities and English language learners, concentrating those students, and their higher costs, in traditional public schools.
- Total spending in NPS dropped by 25% between 2008-09 and 2016-17, adjusted for inflation; this translates to a \$1,995 per pupil reduction.

- Spending on regular instruction – teachers, curriculum, books, etc. – was cut by \$1,013 per pupil.
- The district reduced spending on professional development by \$27 million or \$546 per pupil.
- Support services were cut by \$36 million with especially large cuts in media services/library, attendance and social work, and guidance.
- Spending for students with disabilities and those learning English was dramatically reduced.
- NPS spending per pupil has declined rapidly relative to other districts in the state. In 2008-09, only 35% of districts spent more per pupil than NPS. By 2016-17, 88% of districts were outspending NPS. (This calculation takes into account the additional spending required to meet the needs of at-risk students and English language learners.)

It is clear Commissioner of Education Kimberly Harrington must take immediate action to prevent further staff, program and service cuts. We recommend the following steps to stabilize the NPS budget over the next few years:

- Restore state formula aid to move NPS to full SFRA funding;
- Increase the City of Newark's local contribution, utilizing waivers of the 2% annual property tax cap;
- Temporarily halt the expansion of enrollment in existing Newark charter schools, pending a thorough analysis by the Commissioner and the DOE of the impact of further expansion on the funding and resources available in district schools, as mandated by law and court rulings;
- End the authorization in the State Budget of additional payments to charter schools from the NPS budget in excess of the per pupil amounts under the charter law.

Legal Background: The Resources Required for a Thorough and Efficient Education

Students in Newark schools, like their peers in other district and charter schools, are entitled to a thorough and efficient education under the New Jersey Constitution. The NJ Supreme Court has defined a thorough and efficient education as the opportunity to meet the CCCS in all subjects, as measured by a student's performance on state assessments. In 2010, the DOE replaced the CCCS standards in language arts and mathematics with the Common Core standards. More recently, the NJDOE has replaced prior state standardized tests (NJASK and HSPA) with the PARCC tests based on the Common Core.

In the 2009 *Abbott v. Burke XX* decision, the Supreme Court accepted New Jersey's new funding formula – the School Funding Reform Act (SFRA) – noting that it presented school districts “with adequate resources to provide the necessary educational programs consistent with” the CCCS. The Court further found that through the SFRA, “the State has constructed a fair and equitable means designed to fund the costs of a thorough and efficient education, measured against delivery of the CCCS.” The Court also made clear that the SFRA formula “will remain constitutional only if the State is firmly committed to ensuring that the formula provides those resources necessary for the delivery of State educational standards” in school districts across the state.

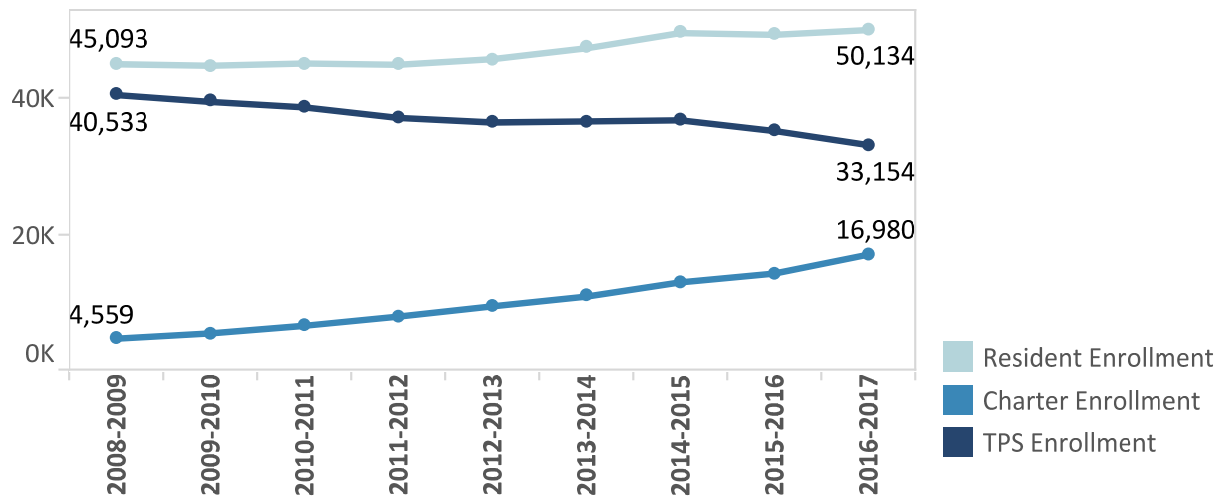
In addition, in a series of rulings, most recently in the 2014 *Quest Academy Charter School of Montclair* decision, the Supreme Court has ruled that the Commissioner of Education, in review of the initial application or expansion of a charter school, “is obligated to evaluate carefully the impact that the loss of funds” from the district to the charter school “would have on the ability of the district of residence to deliver a thorough and efficient education.”

These constitutional core mandates to ensure all students the resources necessary for a thorough and efficient education guide our analysis of the impact of two separate, but interrelated, actions by the State on the NPS budget: 1) successive years in which the state aid increases required under the SFRA were not provided to NPS; and 2) the substantial loss in funds from the NPS budget resulting from the rapid expansion of Newark charter schools.

Enrollment Trends

NPS has experienced significant changes in enrollment since the enactment and implementation of the SFRA formula in 2008. Enrollment in district-run schools has been in flux due to the rapid expansion of charter schools in the district. Resident enrollment counts, which include K-12 students educated in district schools and charter schools, increased by 11%, or 5,041 students, between 2008-09 and 2016-17. The charter school population in Newark nearly quadrupled in this time period from 4,559 to 16,980. This charter growth resulted in an 18% reduction, or 7,379 fewer K-12 students enrolled in NPS.

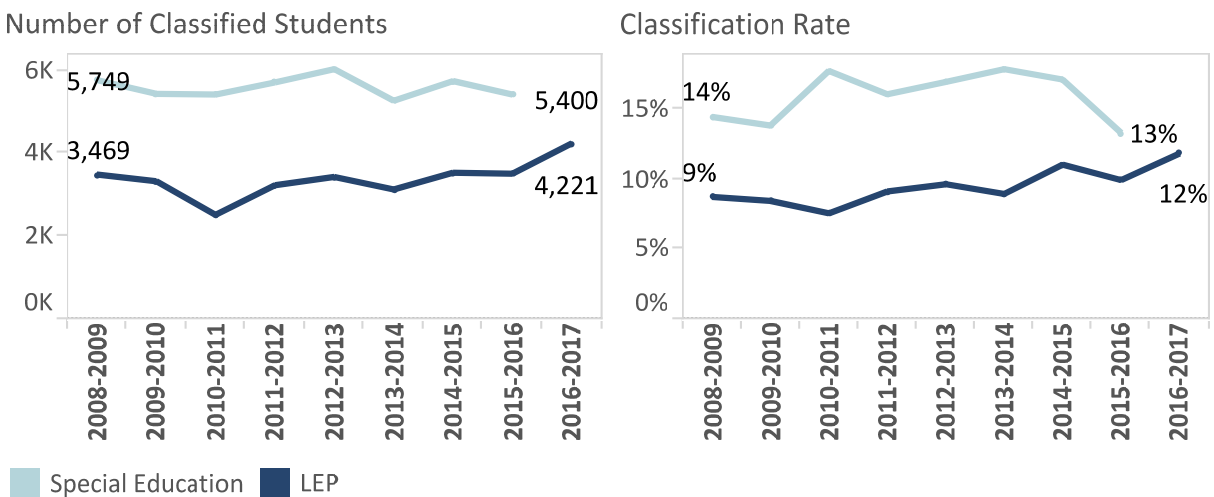
Figure 1. Enrollment Trends



Source: NJDOE State Aid Notices, Charter Aid Notices

Over this same time period, however, there was little change in the number of special education and Limited English Proficient (LEP) students enrolled in NPS. While the number of NPS students declined by 18%, the number of special education students declined by only 6% and the number of LEP students actually increased by 22%.¹ Although NPS is now responsible for educating fewer students, the district is experiencing an increase in the concentration of students with higher needs and costs under the SFRA formula.

Figure 2. Special Education and LEP Enrollment



Source: NJDOE Special Education Data Collection, Fall Survey

¹ It appears that Newark’s reported special education classification rate declined between 2015 and 2016 because of an unexplained increase in the total number of students used in the denominator of the equation (from 33,546 to 40,735). Because other data sources show that NPS enrollment actually declined slightly, it is possible that the decline in classification rate is actually a reporting error.

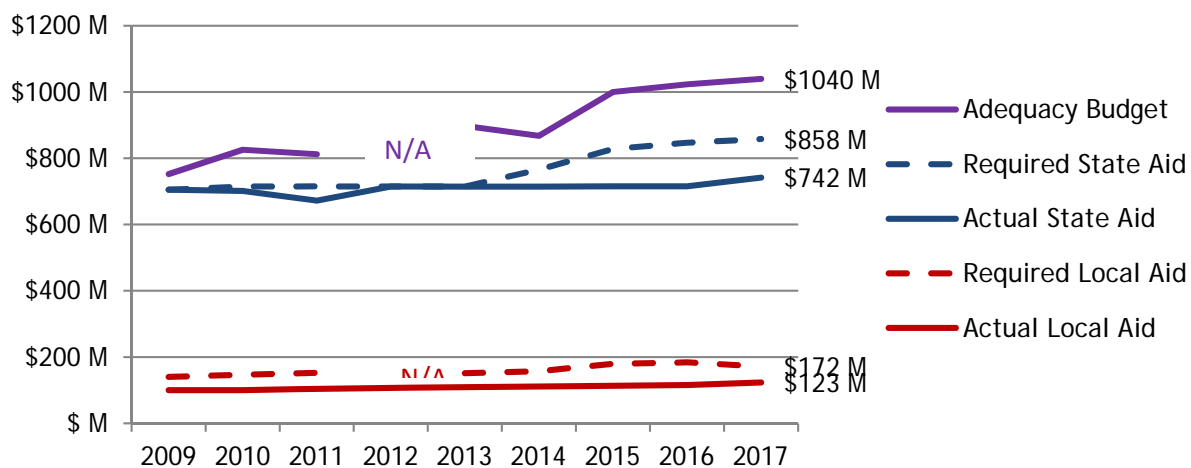
NPS Funding Under the SFRA

The SFRA is a weighted student formula that determines the unique funding level required for each district to be able to provide all students with the opportunity to meet the CCCS. This funding level, called the “adequacy budget,” is driven by a base cost per pupil and extra funding for students who are poor (at-risk), LEP, and students with disabilities. The formula also determines the appropriate state and local share required to support the adequacy budget based on a district’s wealth and taxing capacity. Since implementation of the SFRA in 2008-09, NPS’s adequacy budget has increased by 38%. However, the state share of the NPS budget, or state aid, increased by just 3%, with aid essentially flat from 2011-12 to 2015-16. A small increase was provided in 2016-17 to compensate the district for off-formula payments to charter schools (see next section).

If the SFRA had been fully funded and took into consideration rising costs and the changing student population described above, NPS would have been entitled to an additional \$116 million in state aid in 2016-17. Since 2008-09, local revenue provided to the Newark schools increased by 23%, but since the local share is a very small percentage of the district’s total revenue that resulted in only \$23 million in new funding. It should also be noted that the local contribution to the NPS budget is below the level determined by the SFRA. Even with average annual levy increases at the State-imposed cap of 2%, the district is still \$49 million below the level required by SFRA.

The combination of underfunding of state and local aid and the growth in enrollment, especially of high-cost students, leaves NPS far below adequacy. The district’s combined state and local revenues were \$165 million, or \$3,296 per pupil, below the levels required by the SFRA in 2016-17.

Figure 3. Required vs. Actual State and Local Aid under SFRA²



Source: NJDOE State Aid Notices, State Aid Summaries, User Friendly

² Required state aid estimated by the authors for 2010, provided by NJDOE for 2009, 2011, 2015 and 2016, and estimated by the Office of Legislative Services for 2012, 2013, and 2014. Actual state aid figures are according to NJDOE State Aid Summaries, except 2010 which subtracts the mid-year surplus withholding.

Charter Schools

Charter Payments

Under New Jersey's charter law, Newark's charter schools receive funding through payments from the NPS budget. Charters are funded on a per pupil basis and are entitled to 90% of the sum of the district's local levy and State equalization aid, and the security and special education aid attributed to each student under the SFRA formula. These per pupil payments are calculated using weighted student enrollments to ensure that charters receive additional funds for any at-risk or LEP students they enroll. Charters receive additional aid for enrollment growth even when the district's overall funding does not increase (albeit at a lower per pupil rate). Payments to charter schools have first priority in district spending – they cannot be reduced to address shortfalls in the district budget.

As noted above, NPS has experienced chronic underfunding from the state. In 2016-17, the district was underfunded according to the SFRA by \$116 million. However, NPS payments to charter schools have increased rapidly as the DOE has allowed charter enrollment to expand each year. In 2008-09, NPS payments to charter schools totaled \$60 million. In 2016-17, charter payments were projected to increase to \$244 million, representing over a quarter of the NPS operating budget.

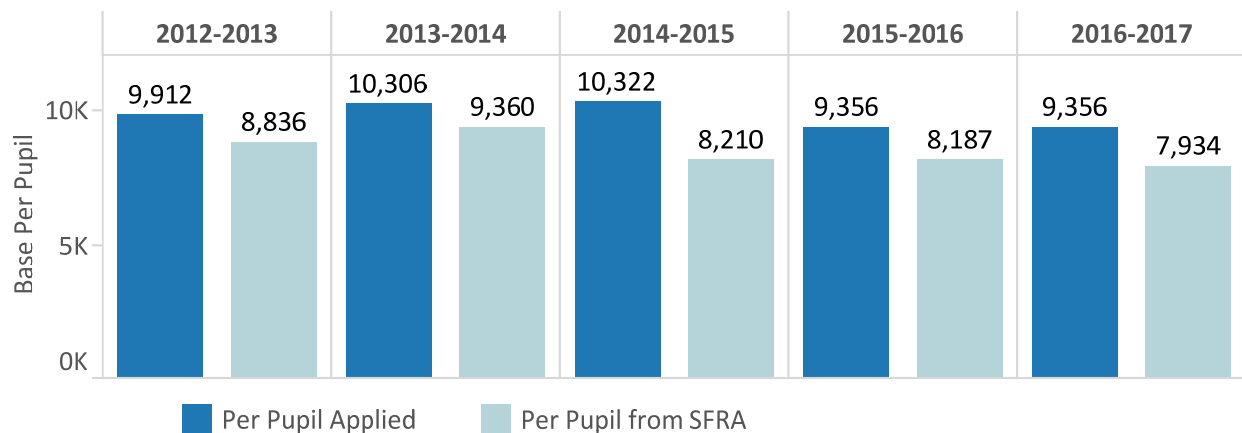
In addition to the increase in payments triggered by charter expansion, policy decisions at the state level have disassociated charter payments from the actual level of resources available in the district. First, beginning in 2012-13, the budget calculations of per pupil payments used modifications to district enrollment counts – lowered weights and attendance adjustments – even though these changes were ultimately rejected by the Legislature. This artificially inflated the resources available in the district and resulted in higher per pupil payments to charters. Second, since 2014-15 Governor Christie has used budget language to insulate charters from reductions in the per pupil allocations to districts that would occur under his flat state aid budgets.³

Figure 4 below shows how the SFRA determined per pupil rates vary from the rates actually used. If the DOE had used the per pupil aid levels required by the SFRA and the charter law, the base per pupil funding level for NPS in 2016-17 would have been \$7,934, rather than the \$9,356 per pupil provided to charters.⁴ While the district was partially compensated from these excess payments in 2016-17 through a new category of Host District Support Aid, these extra payments above the per pupil amount required under the charter law compounded the impact of growing charter enrollments and flat state aid. Charter schools also received an additional benefit of “hold harmless” aid directly from the State to ensure that they do not receive aid, either in total or per pupil, which is less than they received the prior year. Districts were offered no such protection. The ultimate impact of these changes is a disparate funding system in which the NPS schools have to contend with shrinking resources while the charter schools maintain funding levels from year to year.

³ See background paper in the FY16 New Jersey Office of Legislative Services Analysis of the New Jersey Budget (http://www.njleg.state.nj.us/legislativepub/budget_2016/DOE_analysis_2016.pdf), p. 23-38.

⁴ The small increase in the base per pupil payment in 2013-14, both actual and according to the SFRA, is the result of an error in NPS's projected enrollment report, which under-reported the at-risk resident enrollment.

Figure 4. Charter Base Per Pupil Payment



Source: NJDOE Charter Aid Notices, SFRA per pupils are authors' calculations applying original SFRA weights and removing average daily attendance adjustment where applicable.

Charter Expansion

The rapid growth of charters seats in Newark will continue as the Commissioner of Education has approved a number of new schools as well as expansions of existing schools. Since 2015, four new schools have been approved to serve over 1,300 students. Ten existing charters have been approved for expansions that will grow the charter population by over 8,000 students in the coming years. The table below lists the charter school applications approved by the DOE between 2015 and 2017.

Table 1. Approved New Charter Schools and Expansions, 2015-2017

Charter Name	Grades	Status	Submitted	16/17 Projected Enrollment	Approved Seats
Achieve Community Charter School	K-4	New	2015	325	760
Lead Academy Charter School	9-12	New	2015	92	92
Excel Charter School	9-12	New	2017	0	200
The Rock Charter School	3-8	New	2017	0	300
Maria L. Varisco Rogers Charter School	K-8	Expansion	2015	540	540
New Horizons	K-5	Expansion	2015	554	672
North Star Academy Charter School	K-2	Expansion	2015	4,712	6,550
Robert Treat Academy Charter School	K-8	Expansion	2015	677	860
Team Academy Charter School	K-12	Expansion	2015	3,684	7,920
Great Oaks Legacy Charter School	PK-12	Expansion	2016	639	981
M.E.T.S. Charter School	6-12	Expansion	2016	560	960
Phillip's Academy Charter School of Newark	PK-12	Expansion	2016	378	816
University Heights Charter School	PK-8	Expansion	2016	600	1,125
Total				12,761	21,776

Source: NJDOE

Charter Demographics

When approving new schools or expansions of existing schools, the Commissioner of Education has a constitutional obligation to assess and determine the financial and demographic impact on the host district. The data presented below clearly indicate that the charter sector is serving a demographically distinct set of students, enrolling fewer students with the greatest educational needs, thus those who are more costly to educate.

DOE data demonstrate that the charter sector in Newark is serving fewer LEP students and fewer students with disabilities. While 8% of the overall resident enrollment in Newark is classified as LEP, those students are not evenly divided between charter (1%) and traditional public schools (12%). The same is true for students with disabilities (excluding speech) where the overall population has a classification rate of 16%, but the rate in traditional public schools is 18% compared to 10% in charters. The classification rates for those with a speech disability are similar across sectors.

Not only do charter schools enroll fewer special education students, they are also less likely to enroll students with the most severe, and thus costliest, disabilities. The incidence rates for such disability classifications are much lower in Newark's charter schools than in the district schools. For example, special education students in Newark's charters were more likely than NPS students to be classified with a Specific Learning Disability (53% v. 39%) or Speech Language Impairment (19% v. 13%), two of the less severe disability classifications. Special education students in Newark's charters were less likely than NPS students to be classified with Multiple Disabilities (5% v. 11%), Autism (1.5% v. 6.6%), Emotional Disturbance (2.6% v. 5.2%), and Intellectual Disabilities (2.0% v. 4.2%).⁵

The vast majority of students in Newark are low-income, and those rates do not vary much by sector. However, other analyses have shown that charters in Newark tend to enroll fewer "free lunch" eligible students, those who are poorest, than the traditional public schools.⁶ Disaggregated enrollments for free verses reduced lunch eligibility were not available in the data sources used here.

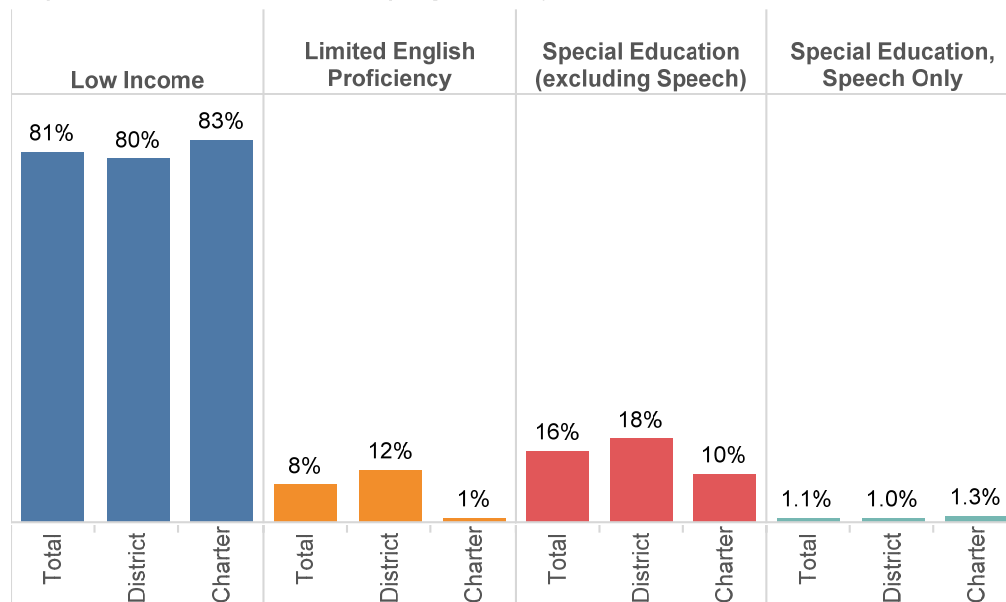
There are also extreme racial disparities between the population of students in charter schools and those in district schools. While 44% of students in NPS are black, the charter school population is over 80% black. And though the NPS population is 46% Hispanic, only 16% of charter students are Hispanic. In fact, nearly three-quarters of the charter schools operating in Newark are extremely segregated, with over 80% one race – there are twelve schools where black students are the majority, one school where Hispanics are the majority.⁷ The current expansions are likely to exacerbate this situation as the expansion is occurring largely in these hyper-segregated charters.

⁵ Data are from the 2013-14 Special Education Data Collection (NJDOE), more recent data are suppressed and do not allow such comparisons. Charter enrollments include all students attending the school, regardless of district of residence.

⁶ See http://www.saveourschoolsnj.org/save/corefiles/wp-content/uploads/2014/10/NJ-Charter-School-Report_10.29.2014.pdf

⁷ Data are from the 2016-17 NJDOE Fall Survey. Charter enrollments include all students attending the school, regardless of district of residence.

Figure 5. Student Demographics by Sector, 2016-2017



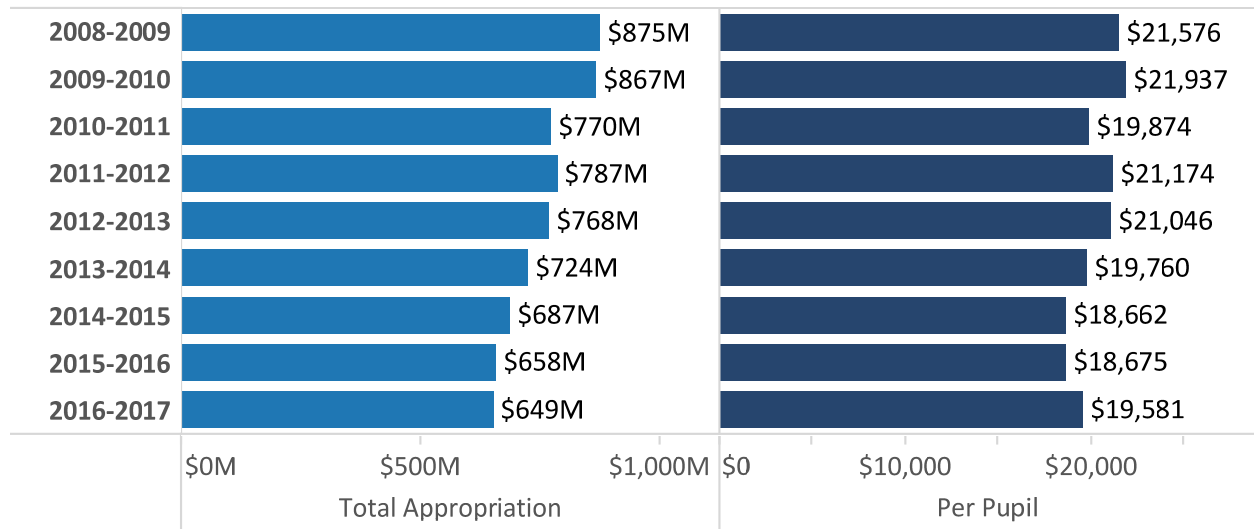
Source: NJDOE, 2016-17 State Aid Notices (Charter and District)

NPS Spending Trends

To examine the impact of NPS’s significant funding shortfall on students in district schools, we analyze the district’s spending as reported in the DOE User Friendly Budget (UFB) and the School-Based Budget files. These files include appropriations of state and local funding in various budget categories. For these analyses we exclude appropriations for preschool, nonpublic schools, and charter payments. Restricted federal funds are excluded except when appropriated through the school-based budgets, where they are blended with state and local revenues. Per pupil spending is calculated using resident enrollments reported in the district’s state aid notices, subtracting charter students. All spending figures in this report are adjusted for inflation and expressed as 2017 dollars.

NPS’s total appropriations between 2008-09 and 2016-17 decreased 25%, when adjusted for inflation, from \$875 million to \$649 million. This translates to a loss of \$1,995 per pupil. Per pupil aid levels rebounded somewhat in the most recent year with the addition of \$22 million in Host District Support Aid to compensate the district for excess charter school payments. NPS’s per pupil spending in the prior two years was nearly \$3,000 per pupil less than when the SFRA was first implemented.

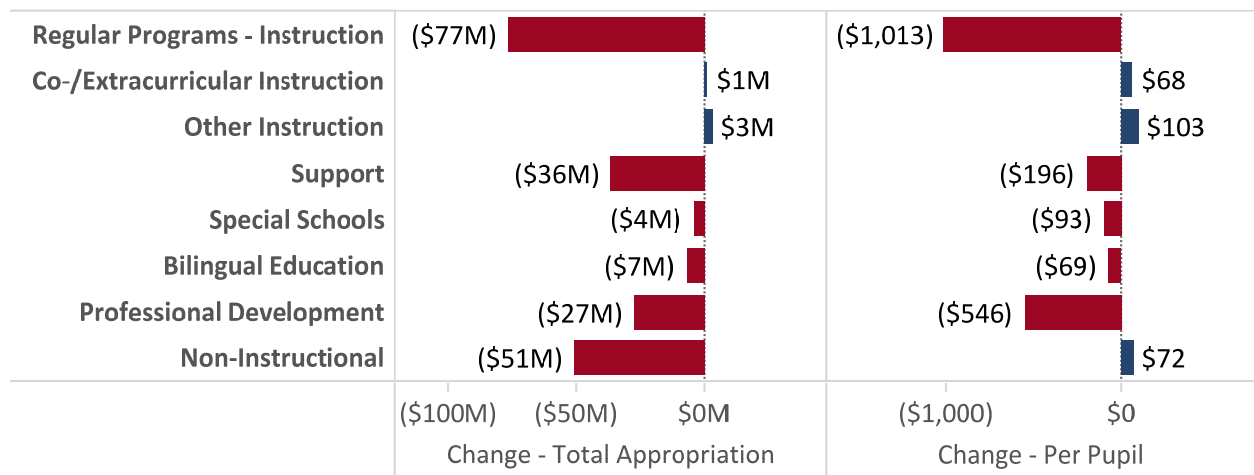
Figure 6. Change in Total Appropriations



Source: NJDOE User Friendly Budget, School Based Budgets

Figure 7 shows how the total and per pupil spending reductions affected broad budget categories (special education and bilingual education are excluded here and discussed below). All general areas experienced spending cuts, both in total and on a per pupil basis, except for small increases in co- and extra-curricular activities and the other instruction category. Spending on instruction for regular programs experienced the greatest impact, with a \$1,013 per pupil cut.

Figure 7. Change in Appropriations by Category, 2008-09 to 2016-17



Source: NJDOE User Friendly Budget, School Based Budgets

Table 2 illustrates the changes in spending by line item, as reported in the User Friendly Budget. This more detailed table provides information on how specific programs have been affected by reduced spending. For example:

- Spending on programs outside the typical school day generally increased due to new investments of \$3.4 million in before- and after-school programs. Per pupil spending declined for school-sponsored co- and extra-curricular activities (-35%) and athletics (-11%).
- The district reduced spending on professional development by \$27 million or \$546 per pupil.
- Spending on support services generally declined by \$196 per pupil (-5%), with especially large reductions in media services/library (-\$279, -82%), guidance (-\$200, -42%), and attendance and social work (-\$173, -47%).
- Funding for adult education programs was cut completely and per pupil spending on summer school was cut by half.
- Overall non-instructional spending has remained unchanged, although some of the individual line-items have significant per pupil cuts: operations and maintenance of plant (-\$602, -22%), food services (-\$123, -89%), capital outlay (-\$44,-36%). At the same time the district faced a 28% increase, \$778 per pupil, in employee benefits.

Table 2. Budget Appropriations by Line Item

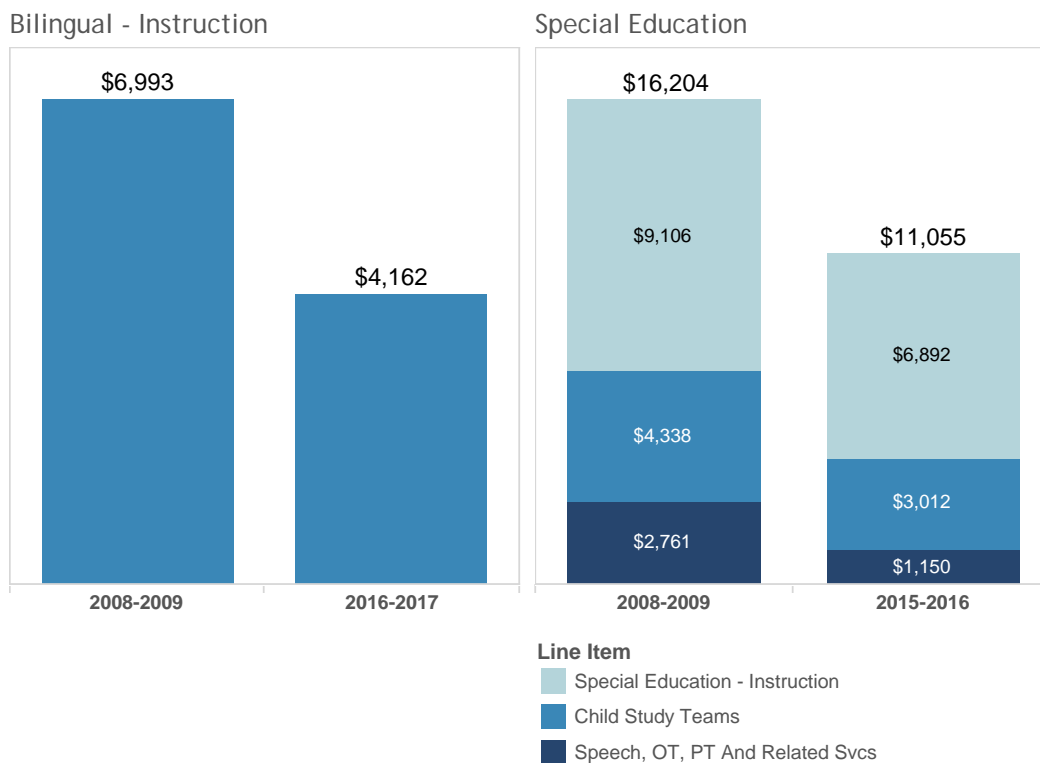
Line Item	2008-2009		2016-2017		Per Pupil Change	
	Total Approp.	Per Pupil	Total Approp.	Per Pupil	\$	%
Regular Programs - Instruction	\$236.4	\$5,832	\$159.8	\$4,819	(\$1,013)	(17%)
Regular Programs - Instruction	\$236.4 M	\$5,832	\$159.8	\$4,819	(\$1,013)	(17%)
Co-/Extracurricular Instruction	\$7.1	\$174	\$8.0	\$242	\$68	39%
Before/After School Programs	\$0	\$0	\$3.4	\$102	\$102	
School-Spon. Co/Extra Curr. Actvts. - Inst	\$2.6	\$65	\$1.4	\$42	(\$22)	(35%)
School-Sponsored Athletics - Instruction	\$4.4	\$109	\$3.2	\$98	(\$12)	(11%)
Other Instruction	\$0	\$0	\$3.4	\$104	\$103	22755%
Instructional Alternative Ed Program	\$0	\$0	\$2.4	\$71	\$71	
Other Instructional Programs - Instruction	\$0	\$0	\$0 M	\$0	(\$0)	(60%)
Other Supplemental/At-Risk Programs	\$0 M	\$0	\$1.1 M	\$32	\$32	
Support	\$164.5 M	\$4,058	\$128.0 M	\$3,861	(\$196)	(5%)
Oth Supp Serv Std-Extra Serv			\$11.6 M	\$349	\$349	
Admin. Info Technology			\$5.4 M	\$164	\$164	
Attendance And Social Work	\$14.9 M	\$367	\$6.4 M	\$195	(\$173)	(47%)
Edu. Media Serv./Library	\$13.8 M	\$341	\$2.1 M	\$62	(\$279)	(82%)
Support Serv.-Gen. Admin.	\$15.6 M	\$386	\$11.4 M	\$345	(\$41)	(11%)
Support Serv.-School Admin.	\$25.4 M	\$628	\$26.1 M	\$787	\$160	25%
Guidance	\$19.2 M	\$475	\$9.1 M	\$274	(\$200)	(42%)
Health Services	\$12.3 M	\$302	\$8.4 M	\$254	(\$48)	(16%)
Instruction (Tuition)	\$63.2 M	\$1,559	\$47.4 M	\$1,431	(\$128)	(8%)
Special Schools	\$6.8 M	\$169	\$2.5 M	\$76	(\$93)	(55%)
Total Accred. Eve./Adult H.S./Post-Grad.	\$0.9 M	\$22			(\$22)	(100%)
Total Summer School	\$5.9 M	\$147	\$2.5 M	\$76	(\$71)	(48%)
Professional Development	\$49.6 M	\$1,225	\$22.5 M	\$679	(\$546)	(45%)
Improv. Of Inst. Serv.	\$48.1 M	\$1,186	\$22.0 M	\$663	(\$523)	(44%)
Instr. Staff Training Serv.	\$1.6 M	\$39	\$0.5 M	\$16	(\$23)	(59%)

Non-Instructional	\$292.7 M	\$7,222	\$241.8 M	\$7,294	\$72	1%
Personal Services - Employee Benefits	\$112.6 M	\$2,778	\$117.9 M	\$3,556	\$778	28%
Total Capital Outlay	\$5.0 M	\$123	\$2.6 M	\$79	(\$44)	(36%)
Undist. Expend. - Central Services	\$21.1 M	\$520	\$16.6 M	\$501	(\$19)	(4%)
Undist. Expend.-Oper. And Maint. Of Plant Serv.	\$111.6 M	\$2,754	\$71.3 M	\$2,152	(\$602)	(22%)
Undist. Expend.-Student Transportation Serv.	\$36.8 M	\$909	\$32.9 M	\$992	\$83	9%
Undistributed Expenditures-Food Services	\$5.6 M	\$138	\$5.5 M	\$15	(\$123)	(89%)

Source: NJDOE User Friendly Budget, School Based Budget

As discussed above, while NPS’s overall student population declined, the number of LEP and special education students remained relatively stable. When these areas experienced spending reductions, the impact was particularly detrimental for those student populations since there was no coincidental loss in enrollment. Between 2008-09 and 2016-17, spending on bilingual education dropped by \$2,831 (-40%) per LEP student. Between 2008-09 and 2015-16, the latest data available, spending on special education programs declined by \$5,149 (32%) per classified student. Spending on special education instruction declined by 24% or \$2,214 per classified pupil; child study teams declined by 31% or \$1,326 per classified pupil; and speech, occupational therapy, physical therapy and related services declined by 58% or \$1,611 per classified pupil.

Figure 8. Spending per Classified Student



Source: NJDOE User Friendly Budget, School Based Budgets, Fall Survey, Special Education Data Collection

Statewide Comparisons

To put NPS spending levels in context, it is helpful to consider where the district falls relative to other districts across the state. However, district to district spending comparisons are complicated. Per pupil spending is significantly affected by the population of students a district serves and the varying levels of academic and social supports that are required to ensure equal opportunity for success, especially for disadvantaged students. The state funding formula recognizes this with additional funding, or weights, provided for at-risk students, English-language learners, and students with disabilities. Here we use the SFRA weighted enrollments, which increase in proportion to the number of at-risk and LEP students in the district, to calculate a measure of spending per weighted pupil. This measure provides a more reasonable

comparison of spending between districts by accounting for the extra funding that is required for certain students.

In 2008-09, NPS spent \$13,161 per weighted pupil, placing it in the 65th percentile of districts statewide. This means that NPS spending, when adjusted for student need, was higher than 65% of the other districts in the state and lower than 35%. By 2016-17, NPS spending fell to the 12th percentile at \$9,917 per weighted pupil. Median spending was \$12,955 per weighted pupil. In the span of eight years, NPS went from being one of the higher spending districts in the state to one of the lowest.

To provide another point of comparison, the spending per weighted pupil figure is roughly equivalent to the base cost used as the foundation for SFRA funding. In 2016-17, the DOE set the base cost at \$11,009. NPS's actual spending per weighted pupil was \$1,092 per pupil below the amount the SFRA deems necessary to deliver state standards. The SFRA determined the statewide average cost of providing special education services to be \$17,034 for 2016-17. Newark spent only \$11,055 per special education student. The SFRA also sets the additional costs for limited English students at \$5,504. NPS's spending level is below that at \$4,162.

Conclusion and Recommendations

It is clear that the financial stress of successive years of underfunding and the rapid expansion of charter school enrollment have had a significant negative impact on the availability of resources necessary for a thorough and efficient education in Newark schools. Overall revenues have been stagnant, even as the NPS budget must support a greater number of students in both district and charter schools. As charter school enrollments have dramatically increased, the district has had to transfer significantly more funding from its budget to these schools.

After years of steady decline, per pupil spending rebounded in 2016-17, due to the addition of Host District Support Aid. While this funding represents only a fraction of the aid owed to the district, it reinforces the importance of following the school funding law as written, instead of enacting policies that favor one sector over the other.

The drastic underfunding of NPS under the SFRA, combined with an increase in payments to charter schools, has left NPS with no alternative but to reduce spending on schools and students, resulting in significant cuts in teachers, support staff, special education, programs for English Language learners and other essential programs and services. It is clear that the stress on the NPS budget will continue – depriving NPS students of the opportunity to achieve the CCCS, the benchmark for a thorough and efficient education.

Urgent action by the Commissioner, the DOE and the District Superintendent is required to address this crisis. In order to stabilize the budget for the next few years and enable NPS to restore resources necessary for a thorough and efficient education, we recommend the following:

- Restore state formula aid to move NPS to full SFRA funding;

- Increase the City of Newark’s local contribution, utilizing waivers of the 2% annual property tax cap;
- Temporarily halt the expansion of enrollment in existing Newark charter schools, pending a thorough analysis by the Commissioner and the DOE of the impact of further expansion on the funding and resources available in district schools, as mandated by law and court rulings;
- End the authorization in the State Budget of additional payments to charter schools from the NPS budget in excess of the per pupil amounts under the charter law.