

**Assembly Budget Committee
Committee Room 11, 4th Floor, State House Annex
Wednesday, April 10, 2024, 10 a.m.**

**New Jersey Department of Education
Kevin Dehmer, Acting Commissioner**

Good morning, Chairwoman Pintor Marin and Vice Chairman Wimberly, and members of the Assembly Budget Committee. Thank you for the opportunity to be here and to discuss the Preschool and K-12 education components of the Governor's proposed budget for Fiscal Year 2025.

First, let me say, I re-joined the Department in mid-February, and it is great to be back as the Acting Commissioner of the New Jersey Department of Education, where I have spent most of my career working in several different roles.

I am grateful for all the thoughtful and passionate discussions that I have had with many of you ahead of today's hearing. Your vision for public education in New Jersey and your partnership with Governor Murphy and the Department of Education is vital to the well-being of the students, families, and educators across our State.

I will start by sharing the big-picture dollar amounts in the Governor's FY2025 spending plan: This budget proposal concludes the seven-year phase-in of P.L. 2018, c. 67, or what we have all come to know as, "S2." With this milestone comes an infusion of \$908 million in K-12 formula aid, and a preschool funding increase of nearly \$124 million. This additional funding will bring our total K-12 formula aid to nearly \$11.7 billion, and our total funding for preschool will surpass \$1.2 billion. This direct support to schools now exceeds 24% of the entire state budget, a testament to Governor Murphy's steadfast commitment to our education system.

Most importantly, this budget proposal fully funds our school funding formula for the first time since the School Funding Reform Act began in fiscal year 2009.

When I began working at the Department in 2007, one of my earliest assignments was working on a policy plan to overhaul school funding in the state in the wake of the series of New Jersey Supreme Court *Abbott* decisions. That policy plan became our current school funding formula under the School Funding Reform Act (or SFRA). To be here today, testifying before you as the Acting Commissioner of New Jersey's Department Education, and sharing with you – and all my colleagues past and present-- that we have fully-funded our formula is monumental. It is monumental for public education in the state, and it is certainly a watershed moment for me, personally and professionally.

There were several other statutory school funding attempts in New Jersey prior to the SFRA, including the Comprehensive Educational and Improvement Finance Act of 1996, the Quality Education Act of 1990, and other earlier attempts throughout the 1970's and 1980's. The

problem with these prior funding formulas is that they fell short in key areas. They were rejected by educators or the public, challenged in the courts, or never properly funded.

This formula, as implemented through this proposed budget, fulfils the plan laid out in S2 and represents the final piece of the planned phase-in that was seven years in the making.

Now, this accomplishment is something for which we should all be proud, but that doesn't mean we are done. As many of you know, this isn't a perfect school funding formula, and it will likely need some tweaks going forward. That isn't to say, however, that this isn't a good funding plan. Unlike the numerous prior attempts from the 1970's until 2009, this one has provided a strong foundation and rationale for funding our schools. It has weathered substantial legal scrutiny, and has frequently been replicated in other states. For the first time, we can now start a new conversation – not about how we haven't implemented the formula, but instead to focus our attention on what it will take to make this work for the next generation of students and educators.

This upcoming fiscal year, more than 438 school districts will be flat or receive an increase in their State aid, and 140 will experience a decrease in aid. Changes in State aid are based on many factors, including, most notably, enrollment fluctuations and demographics of the students served and the local community's ability to contribute to the district, as measured by property value and income data. Other categories of aid include support for the district's transportation services, special education, school security, and aid for high concentrations of military families, among other aid categories. Outside of the formula, school districts are held to a maximum two percent increase of their local tax levy each year, which for some districts can feel incongruous with their unique fiscal circumstances in a given year. As the Governor has made clear, we will be working with the Legislature to reexamine aspects of the funding formula and the interplay between the formula and other school finance requirements.

In addition to fully funding our schools, Governor Murphy's proposed budget reaffirms his commitment to New Jersey's youngest learners, our preschool students. Relying on the well-established body of research that demonstrates the positive return on investment provided by a high-quality preschool education, the FY2025 proposed budget brings us another step closer to our goal to one day provide universal access to high-quality, full-day preschool for every three- and four-year-old in the state.

To date, Governor Murphy has committed more than \$400 million in new funding to Preschool Education Aid, and since he took office, we have opened high-quality preschool programs in more than 200 school districts, adding nearly 15,000 full-day seats for children across the state. Today, more than half the school districts that serve elementary school-aged children are on a path to providing universal access to full-day, no-cost preschool for their communities.

Of the \$124 million increase in preschool funding proposed for FY2025, \$20 million will be dedicated to new districts that are ready to open full-day, high-quality programs and to address other ancillary needs related to preschool expansion. Of course, we couldn't do any of this without the partnerships promoted by our mixed-delivery model. Our licensed childcare centers and Head Start programs are absolutely essential to meeting our goal for universal access to

preschool and we are encouraged by the growing number of partnerships between school districts and other childcare providers across the state.

Turning our focus to our grade-school students, we know that the impact of the COVID-19 pandemic is still with us and the Governor's FY2025 budget continues to prioritize the academic recovery of our students while also addressing our educator workforce shortage.

Building on the infusion of both State funding and federal COVID relief funding to support high-dose tutoring for students and Reading Acceleration Professional Integrated Development (RAPID) for our elementary educators, the FY2025 proposed budget includes a \$2.5 million grant program for literacy screenings in schools, a key tool to help districts identify those students who are struggling the most with literacy. The budget proposal also maintains our commitment to out-of-school supports for students, including \$800,000 for grants to support afterschool and summer programming for at-risk children.

In addition, the Governor's budget proposal allocates \$1.9 million to support the expansion of Advanced Placement and International Baccalaureate courses, allowing students to earn college credit while still in high school and to support the Advanced Placement Exam Fee Waiver program for low-income students.

I should also add that, as we focus on academic recovery, we cannot lose sight of the non-academic impact of the COVID-19 pandemic. We continue to use our federal COVID relief funds to address mental health issues our students are facing and bolstered that funding with \$15 million from the federal School-Based Mental Health Services (SBMHS) Grant Program awarded to the Department last year. This proposed budget also includes an infusion of \$500,000 to support professional development for our school-based mental health professionals and includes \$50,000 to implement recent legislation that requires school districts to provide instruction on grief as part of the New Jersey Student Learning Standards.

Of course, none of this would be possible without our educator workforce, which we know needs more support than ever to both recruit new talent and retain the incredibly valuable expertise of the educators, including paraprofessionals, who currently serve students in our public schools. The Governor's budget plan invests in teacher recruitment by expanding the Department's minority teacher recruitment program for high-poverty districts to \$1 million and continues the Governor's commitment to student teachers through \$10 million to our agency partners at HESAA for student-teacher stipends and \$5 million for teacher loan redemption.

Demonstrating continued support for educators and to boost the State's retention efforts, the proposed budget includes \$1.6 million in continued support for the Teacher Climate and Culture Innovation Grant, which will promote promising practices to reduce administrative burdens on our educators and improve their quality of life. The proposed budget also includes the fourth consecutive year of a full pension payment, including nearly \$118 million of increased funding to support educator pensions and benefits.

The budget also maintains a significant focus on ensuring that our educators have the resources and supports they need to be effective in the classroom. In addition to the literacy-based professional development cultivated by the RAPID and RAPID-Plus programs, the Governor's

budget continues our investment in New Jersey's Computer Science State Plan through \$1.6 million in computer science grant funding to strengthen our computer science educator workforce through professional development at our higher education computer science hubs. A timely and related proposal includes \$2 million for two new technology-based programs – an Artificial Intelligence Innovation in Education grant program and an Artificial Intelligence Career and Technical Education expansion grant. These programs will help our educators prepare students for the rapidly changing economy that these technologies present us. Grantees will explore ways to infuse generative artificial intelligence in the classroom, cultivate best practices for safe and effective AI use in the classroom, promote AI information literacy among students, and create new AI-focused career and technical education courses in the state.

As is clear from the Governor's proposed budget—and as has been the case every year of his time in office—public education is of the utmost importance. The education priorities are clear, responsible, forward-thinking, and address the most pressing education needs of today. The Department stands ready to focus our resources to advance these priorities and work with you to carry out our collective vision to ensure that New Jersey remains one of the very best states to live, work, and educate our children.

Thank you. I am happy to answer any questions you may have.