

EXECUTIVE ORDER NO. 89

WHEREAS, preparing every New Jersey student for college and career, regardless of zip code, is one of the foremost goals of this Administration; and

WHEREAS, on February 23, 2012, the Department of Education released its "Education Funding Report," which advanced several funding and other reforms designed to meet that goal and close the State's persistent achievement gap; and

WHEREAS, among those reforms were a number of suggested changes to the School Funding Reform Act (SFRA) funding formula; and

WHEREAS, the SFRA is used to distribute State aid to school districts through a formula that provides more State aid to districts with greater numbers of students determined to be economically at-risk and districts with less property wealth; and

WHEREAS, an at-risk student is defined in the SFRA as a student participating in the Federal Free and Reduced Price Lunch Program; and

WHEREAS, under the SFRA, each at-risk student is funded at between 147%-157% of his non-economically disadvantaged counterpart; and

WHEREAS, a June 2011 report from the Office of the State Auditor found that as many as 37% of the students enrolled in the Federal Free and Reduced Price Lunch Program are enrolled in the Program fraudulently, with the result that certain districts are likely receiving more State aid than they are rightly entitled to under the SFRA; and

WHEREAS, in August 2010, the Office of the State Comptroller released a report titled "A Programmatic Examination of Municipal Tax Abatements," which found, among

other things, that tax abatements keep school districts' property wealth artificially low, with the result that those districts are receiving more State aid than they are rightly entitled to under the SFRA; and

WHEREAS, the Fiscal Year 2013 Budget Proposal calls for approximately \$7.8 billion in SFRA formula aid, an increase of \$213 million over Fiscal Year 2012 State education funding and the largest appropriation of State education dollars in New Jersey's history; and

WHEREAS, as Governor, I have an obligation to both New Jersey's students and taxpayers to ensure that education funds are allocated fairly and equitably; and

WHEREAS, the conclusions of the Education Funding Report, the State Auditor report, and the State Comptroller report suggest that some of the State's education dollars are being misdirected, and ultimately misappropriated and misspent, by districts with fewer at-risk students than reflected through participation in the Federal Free and Reduced Price Lunch Program and with greater local property wealth than reported to the State because of municipal tax abatements; and

WHEREAS, given the conclusions of the Education Funding Report, the State Auditor report, and the State Comptroller report, the tens of millions of dollars or more in State aid that may have been misdirected to school districts in the past, and the tens of millions of dollars or more that may be misdirected to school districts in the future, a Task Force on Education Funding is necessary to study the conclusions of the various reports and recommend changes to the SFRA where appropriate;

NOW, THEREFORE, I, CHRIS CHRISTIE, Governor of the State of New Jersey, by virtue of the authority vested in me by the

Constitution and by the Statutes of this State, do hereby ORDER and DIRECT:

1. There is hereby created the New Jersey Education Funding Task Force, hereinafter referred to as the "Task Force."

2. The Task Force shall consist of seven (7) members appointed by the Governor who shall serve at his pleasure. The Governor shall select a chairperson from among the members of the Task Force. The Task Force shall consist of individuals from both inside and outside government who have knowledge or expertise in the areas of education funding, policy, administration, governance, and fiscal management. All members of the Task Force shall serve without compensation. The Task Force shall organize as soon as practicable after the appointment of its members.

3. The Task Force is charged with examining the State's school funding formula and developing recommendations for the Governor concerning those areas of the formula that may be susceptible to fraud or subject to outside manipulation, including, but not limited to, participation in the Federal Free and Reduced Price Lunch Program as a proxy for at-risk status and the municipal tax abatement programs. In developing its recommendations, the Task Force shall specifically consider the following issues: (a) economically effective measures of student poverty; (b) educationally sound measures of defining at-risk students; (c) appropriate adjustments to the SFRA to account for municipal property ratable bases that may be artificially deflated as a result of municipal property tax abatements; (d) identifying all aspects of the SFRA that may be susceptible to fraud, or subject to undue outside manipulation

and recommendations to address these abuses; and (g) such other matters as may be referred to the Task Force by the Governor.

4. The Department of Education shall provide staff to support the Task Force as necessary and appropriate. The Task Force shall be authorized to call upon any department, office, division, or agency of this State to supply it with any information, personnel, or other assistance available as the Task Force deems necessary to discharge its duties under this Order. Each department, office, division, and agency of this State is hereby required, to the extent not inconsistent with law, to cooperate fully with the Task Force within the limits of its authority and to furnish the Task Force with such assistance on as timely a basis as is necessary to accomplish the purposes of this Order.

5. The Task Force may consult with experts or other knowledgeable individuals in the public or private sector on any aspect of its mission, and may elicit public input from individuals, members of the education community, organizations, and other interested parties.

6. The Task Force may report to the Governor from time to time and shall issue a final report to the Governor setting forth the Task Force's recommendations pursuant to this Order no later than 120 days after organizing. The Task Force shall expire upon the issuance of its final report.

7. The final report of the Task Force shall be provided to the Legislature and shall be made available to the public.

8. This Order shall take effect immediately.

GIVEN, under my hand and seal this
5th day of March,
Two Thousand and Twelve,
and of the Independence of
the United States, the Two
Hundred and Thirty-Sixth.

/s/ Chris Christie

Governor

[seal]

Attest:

/s/ Paul B. Matey

Deputy Chief Counsel to the Governor