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It's Elementary

A Monthly Column by EFAP Director John Yinger

July 2016

Undermining Educational Equity in New Jersey

To justify his proposal calling for the same state education aid per pupil in every school district, New Jersey Governor Christie declared that “No child in the state is worth more state aid than another.”¹ What a devious statement.

Governor Christie obviously knows that state aid is not the only source of funding for public schools. In fact, the apparent point of his proposal is to raise aid to wealthy districts so they can cut their property taxes. His statement is designed to mislead.

The issue is not whether one child is “worth more state aid than another,” whatever that means. The issue is whether one child should receive an inferior education compared to the rest of the state because he or she lives (through no fault of his or her own!) in a high-poverty district.

In New Jersey and almost all other states, two principal features of state aid programs are intended to support an adequate education for all students, regardless of where they live.

First, districts with relatively high property wealth can raise the same amount of revenue per pupil as low-wealth districts at a lower property tax rate. The aid formula used by virtually every state is designed to help students in low-wealth districts by increasing aid as wealth per pupil declines. By one recent count, 36 states, including New Jersey and New York, use some variant of a so-called foundation formula.² Another 9 states have a more complicated system in which a foundation formula plays a part, and almost all other states provide more aid to low-wealth districts in some other way. A foundation formula provides a district with the difference between the amount it is expected to spend and the amount it can raise at a standardized tax rate. Richer districts can raise more revenue at this standardized rate than other districts, so they receive less aid. All these states, including New Jersey, at least until now, find this arrangement to be fair.

¹ This quotation comes from the transcript posted on the governor’s web site: Governor Chris Christie, “No Child Is Worth More Than Another,” Available at: <http://nj.gov/governor/news/news/552016/approved/20160621d.html> .

² This count comes from Deborah A. Verstegen and Robert C. Knoepfel, “From Statehouse to Schoolhouse: Education Finance Apportionment Systems in the United States,” *Journal of Education Finance* 38 (2) (Fall 2002), pp. 145-166.

Second, it costs a lot more to provide the same school quality in high-poverty districts than in rich districts. The New Jersey Supreme Court understands this, of course, and over the last forty years it has pushed the state government, sometimes with specific spending requirements, to provide more funds for poorer districts.³ Governor Christie's tries to get around the state's supreme court by offering his proposal in the form of a constitutional amendment.

The role of poverty in educational costs has been documented by dozens of scholars using several different methods. This column has provided evidence on this point many times, most recently in October 2015. Courts around the country, not just in New Jersey, have recognized this lesson. A recent survey found that 36 states give more education aid to districts with a higher share of students from poor families, and 42 states give more education aid to districts with a higher share of students who are English language learners.⁴ Governor Christie is willing to ignore all this evidence in order to increase aid to suburban districts, who do not need it, so they can lower their property tax rates.

Governor Christie justified his proposal by saying: "It is time to change the failed school funding formula and replace it with one that will force the end of these two crises — the property tax scandal and the disgrace of failed urban education."⁵ What he fails to do himself is to explain how taking money away from urban schools will eliminate the problems facing urban education. The urban schools in New Jersey need more money, not less. They need more help from their state to fund programs, such as pre-K and smaller class sizes, that have been shown to work. They need more help from their state to identify other programs that would address their key challenges. Bashing urban schools may appear to be a winning strategy from a political point of view, but it is a losing strategy for the children in the struggling urban school districts.

Like many other states, New Jersey already pays an enormous price for its failure to fund an adequate education for all of its children. Governor Christie should be ashamed of himself for a proposal that would drastically cut aid to the state's neediest districts and thereby make this problem even worse.

³ An overview of the New Jersey court cases can be found in John Yinger, "State Aid and the Pursuit of Educational Equity: An Overview." In *Helping Children Left Behind: State Aid and the Pursuit of Educational Equity*, J. Yinger (ed.) (Cambridge, MA: MIT Press, 2004), pp. 3-57. The most recent information on the New Jersey court cases can be found at: <http://www.edlawcenter.org/cases/abbott-v-burke.html> .

⁴ Versteegen and Knoeppel, op. cit.

⁵ This quotation comes from Adam Clark, "Christie: Give all school districts the same amount of aid, provide some towns property tax relief," nj.com, June 21, 2016. Available at: http://www.nj.com/education/2016/06/christie_nj_school_funding_announcement.html .