

 The Fund for New Jersey

CROSSROADS NJ

POLICY CHOICES THAT DEFINE OUR FUTURE

EDUCATION

PROVIDING
HIGH-QUALITY
PUBLIC EDUCATION
TO ALL NEW JERSEY
CHILDREN

Providing High-Quality Public Education to All New Jersey Children

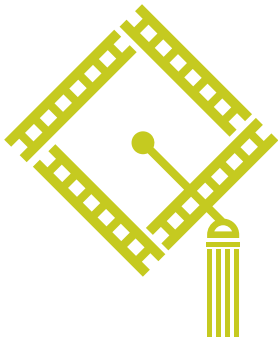
New Jersey faces a challenge: how to preserve a public education system that works well for many students while simultaneously extending its benefits to those who still lag behind.

Many of New Jersey's public schools are among the nation's best.¹ In the state's highest-performing districts, students earn stellar standardized test scores and gain admission to top universities.² The state-funded preschool program is a national model for early childhood education and its benefits extend for years; the program halves the achievement gap between low-income children and their more advantaged peers.³ Indeed, New Jersey is nationally known for its nearly 50-year effort to improve the education of urban, low-income, African-American, and Latino students.⁴ Guarantees of equal education set out in the New Jersey Constitution, enshrined in statute, and enforced in court rulings have defined the substantive content and required the public funding that made these gains possible.⁵

But deficits persist, in both educational achievement and equity. Despite real improvements in the quality of their schooling, many students in urban and low-income districts continue to fall short of the achievement levels attained by their more affluent suburban peers. Even within high-performing districts, the achievement of African-American and Latino students lags that of white and Asian students.⁶ Moreover, New Jersey's public school system is one of the most segregated in the nation. Over the past 25 years segregation has increased,⁷ resulting, in part, from public policies that have fostered housing discrimination. In addition, the failure to evaluate the effectiveness of the state's school finance formula and to allocate the funding mandated by the New Jersey Supreme Court has perpetuated a system that too often fails students and overburdens local taxpayers.

Despite its many successes, New Jersey's public education system faces challenges. Without prompt action, many more of our children will lose the opportunity to obtain the education promised in New Jersey's Constitution.

Finally, the need to prepare more residents for good jobs demands that New Jersey lower the financial barriers that put higher education out of reach and make stronger efforts to increase two- and four-year college completion rates.



The *Robinson* and *Abbott* cases forever changed New Jersey's educational landscape.

To address these challenges, New Jersey must:

- Fully fund the school finance formula codified in the School Funding Reform Act of 2008 (SFRA)
- Carefully evaluate the SFRA formula and, if necessary, adjust its provisions
- Expand the successful state-funded preschool program
- Make higher education in New Jersey more affordable and increase the number of college graduates
- Build and implement programs designed to integrate our schools

Investing in Thorough and Efficient Public Education

For almost five decades, all three branches of New Jersey's government have wrestled with inequities in the state's system for financing public schools.

In 1970, Jersey City challenged the state's school funding system on behalf of an 11-year-old African-American boy named Kenneth Robinson. The suit argued that an overreliance on property taxes to pay for public schools had led to large spending disparities that deprived students in low-wealth communities of their constitutional right to a "thorough and efficient" public education.⁸ In more than 25 decisions, starting with *Robinson v. Cahill* (1973-76) and continuing with the landmark *Abbott v. Burke* case (1985-2017), the state Supreme Court repeatedly required the governor and the Legislature to provide funding sufficient to ensure that disadvantaged students received the programs and support services they needed to succeed in school.

The *Robinson* and *Abbott* cases forever changed New Jersey's educational landscape. Court rulings forced an often-reluctant Legislature to enact the state's first income tax, guarantee a free preschool education to tens of thousands of young children, and commit hundreds of millions of dollars to rebuilding the educational infrastructure in cities.

Thus, in 1997, after years of legislative resistance to full-funding mandates, the Court ordered the state to take immediate action to bring spending levels in 31 of the state's poorest urban school districts, known as the "Abbott districts," up to the level of spending in the most affluent suburbs.⁹ In 1998, on top of parity funding for the regular education program, the Court required the state to pay for supplemental programs—including preschool for three- and four-year-olds, full-day kindergarten, intensive early literacy instruction, and social and health services—and to cover the full cost of repairing or replacing aging city school buildings.¹⁰ With that funding, the Abbott districts hired vice principals, tutors, basic skills teachers, guidance counselors, social workers, security staff, and instructional aides; enrolled nearly 50,000 young children in preschool; and built or renovated more than 100 schools.¹¹

In the years that followed, those investments began to pay off. Gaps between the test scores of Abbott district students and those of students in the rest of the state narrowed¹²; on the National Assessment of Educational Progress, often called "the nation's report card," New Jersey's low-income and African-American eighth graders showed improved educational achievement.¹³

Throughout the *Abbott* litigation, the Supreme Court had repeatedly asked the Commissioner of Education to determine precisely what services disadvantaged children needed for success in school and to calculate the cost of providing those services. Finally, in 2008, after years of research and study, the state enacted a new formula, codified as the School Funding Reform Act of 2008 (SFRA).¹⁴ SFRA aimed to convert the school funding system from a “dollar-driven” model that defined educational adequacy in terms of money spent to a “standards-linked” model that defined adequacy in terms of the state’s core curriculum content standards, the benchmarks for what children should know and be able to do after 13 years of public schooling.

In its 2009 *Abbott XX* ruling, the Supreme Court found SFRA constitutional and accepted the funding obligations set forth in the statute as a replacement for the parity remedy in the *Abbott* districts. The Court continued to mandate state funding for preschool and the school building program in the *Abbott* districts. “The State has constructed a fair and equitable means designed to fund the costs of a thorough and efficient education,” the Court wrote. After decades of litigation, New Jersey had “reach[ed] the point where it is possible to say with confidence that the most disadvantaged school children in the State will not be left out or left behind.”¹⁵

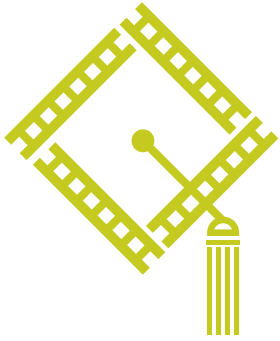
SFRA, which directed significantly greater resources to students and school districts with greater needs, was designed to maintain equitable funding in high-poverty districts while advancing equity statewide. The statute achieved these goals in two important ways: through a weighted student funding formula and through a significant expansion of the *Abbott* preschool program.

A weighted formula begins by setting a “base cost”: the per-pupil funding amount necessary to deliver the core educational program. Then the formula defines the extra costs of programs for low-income (“at-risk”) students and limited English proficiency (LEP) students, calculating each of these extra costs as a percentage of the base cost, known as “weights.” A district’s “adequacy budget”—the amount of money necessary to deliver the core educational program, plus additional services, to all its students—is calculated by multiplying the base cost by an enrollment number adjusted upward to account for students’ extra needs. The portion of the adequacy budget that must be paid out of local property taxes (the “local share”) and the portion that will be covered by state funding (“equalization aid”) depends on a district’s property wealth and level of personal income, with more affluent districts covering a greater proportion of school costs locally.

SFRA also envisioned a broad expansion of the well-regarded *Abbott* preschool program to serve disadvantaged children outside the 31 *Abbott* districts. Free preschool was to be offered to all three- and four-year-olds in another 109 high-poverty districts,¹⁶ and to all low-income children living outside those districts as well. Finally, the law required the governor and the state Commissioner of Education to evaluate the formula every three years and recommend adjustments to the Legislature.

Although the SFRA formula passed constitutional muster, the Supreme Court conditioned its approval on two key criteria. First, the Court ordered that the state fully fund the formula during the first three years of implementation and, second, the Court ordered the state to “diligently” review its progress after those first three years and “adjust the formula as necessary based on the results of that review.”¹⁷

Neither of the Court’s conditions has been met.



The years of underfunding left many New Jersey schools struggling to provide students with necessary resources.

FUNDING THE SFRA FORMULA

Although the state provided the funding required by the SFRA formula in 2008–09, in 2009–10 the state did not provide the \$800 million mandated under the SFRA. That reduction was compounded in 2010–11, when \$1.1 billion in school aid was eliminated from the budget and the increase of \$500 million required by the formula was not appropriated. When the Abbott plaintiffs returned to the Supreme Court in 2011, it ruled that the state had deliberately violated *Abbott XX*'s “express mandate” of three years of full funding.¹⁸ The Court ordered the administration to provide aid for the 2011–12 school year in accordance with the SFRA formula but only for the 31 Abbott districts in the case before the Court whose welfare had been the subject of so many years of litigation.¹⁹

For six years after the 2011 ruling, state aid levels were essentially frozen. There were no increases for student population growth, no cost-of-living adjustments, no funding for preschool expansion, and only \$10 more per student to cover additional mandates from the state Department of Education, including the hardware and software required to administer a new set of standardized tests, the Partnership for Assessment of Readiness for College and Careers (PARCC). On paper, the SFRA formula's carefully developed determinations of education costs and appropriate funding levels remained intact, but the underfunding of the formula resulted in substantial state aid shortfalls across all districts. Funding disparities between the 31 low-wealth Abbott districts and the wealthy suburban districts re-emerged. In the 2016–17 school year, state aid was only 1% higher than in 2008–09. The Education Law Center, the non-profit law firm that brought the *Abbott v. Burke* suit, estimates that New Jersey's schools suffered an accumulated funding deficit of more than \$8 billion from 2010 to 2017.²⁰

The years of underfunding left many New Jersey schools struggling to provide students with necessary resources. Many districts cut essential programs, staff, and services. Flat or decreased funding left growing districts without additional aid to cover the cost of educating new students. SFRA implementation was intended to bring all school districts to “adequacy” (the level of spending deemed necessary to give all students an education that would enable them to meet state curriculum standards) but because of underfunding, the number of districts spending below adequacy grew. Meanwhile, so-called “adjustment aid” (hold-harmless funding intended to ensure that no district received less funding under SFRA than under the state's previous school finance formula) was never phased out, as originally planned; instead, adjustment-aid levels remained unchanged, with no recalculation to reflect districts' current circumstances. Preschool expansion, which was supposed to have been completed less than six years after SFRA's enactment, never really began; only four school districts that were ready received expansion funding in 2009.

The budget process for the fiscal year that started July 1, 2017 brought modest good news for New Jersey's schools: For the first time in eight years, the state's leaders agreed on a budget that allocated state aid according to the principles established in the SFRA formula, albeit without anything close to full funding. The budget added \$100 million in aid for more than 300 school districts while more than 100 districts saw decreased funding, in some cases through cuts in adjustment aid. The final numbers left 216

districts spending below adequacy, up from 125 districts when SFRA was passed. The budget did, however, allocate \$25 million for preschool expansion,²¹ although in October 2017 \$5.6 million was diverted to fund the governor's anti-opioid initiative.

RECOMMENDATION

Distribute full state aid to all school districts in accordance with the SFRA formula.

ASSESSING PROGRESS

When the Supreme Court cleared the way for implementation of the SFRA formula, the justices ordered the state to evaluate the success of the law after three years of full funding, an evaluation called for in the law itself. Those three years of full funding never materialized and neither did the promised evaluation. Although evaluating the law in the absence of full funding remains difficult, some interim assessment of its provisions is necessary.

The school finance formula is nearly a decade old, as are the curricular studies, funding determinations, and research base on which it relied. The program weights and cost estimates that seemed appropriate in 2008 need to be updated. For example, SFRA allocates special education funding to all districts as if 14.69% of the students in each district require special-education services. Research shows “clear differences in the percentages and types of students served in different districts across the state,” and the formula should be adjusted to take those differences into account.²²

RECOMMENDATION

Conduct an initial assessment of SFRA's school funding formula in light of the knowledge gained in nine years of partial implementation. Reconsider SFRA's census-based special-education funding model.

If necessary, interim changes should be proposed for legislative enactment.

Collect the data necessary for a full-scale evaluation of the formula, to be completed after three years of full funding.

The evaluation should inform revisions to the formula.

Providing High-Quality Preschool

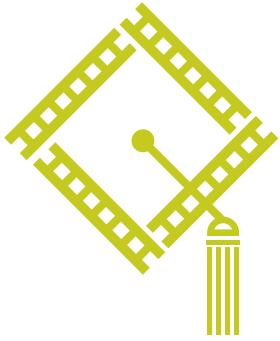
Almost 20 years ago, the New Jersey Supreme Court paved the way for one of the state's greatest educational successes: a nationally recognized public preschool program with a proven record of improving the lives of disadvantaged children. In its 1998 *Abbott V* ruling, the Court ordered the state to provide “well-planned, high-quality” preschool for young children in New Jersey's poorest communities, describing preschool as critical for the “attainment of a thorough and efficient education once a child enters regular public school.”²³ Although that initial ruling called for the implementation of preschool by the 1999–2000 school year, only after several subsequent court decisions did the state fully commit to the standards necessary for a quality program.

Those standards include a number of key elements: small class sizes, well-prepared teachers, a research-based curriculum, and a continuous improvement system. Although the program relies on a diverse delivery model—classes take place in public schools, at Head Start sites, and in community child-care centers—all providers must meet the same rigorous standards. And, by providing not one but two years of full-day preschool beginning at age three, the program increases the benefits for children.

Those benefits are significant, as decades of research, both nationally and in New Jersey, have repeatedly shown. An aligned and coordinated system of educational supports delivered in early childhood, defined as birth through third grade, can pay dividends throughout a child's school years and beyond. Children who attend high-quality preschool are better prepared for kindergarten, develop stronger social and emotional skills, are less likely to require special education services or to repeat a grade, and are more likely to graduate from high school.²⁴ A longitudinal study of New Jersey's state-funded preschool program, conducted by the National Institute for Early Education Research at Rutgers University, tracked program participants through fifth grade and found that those with two years of high-quality preschool continued to perform better in language, literacy, and math. They were less likely to repeat a grade or to need special education services, potentially saving taxpayers significant sums. Indeed, the two-year effects were large enough to close about half the achievement gap separating low-income children from their more advantaged peers.²⁵

By 2008, when SFRA became law, the state-funded preschool program enrolled nearly 50,000 three- and four-year-old children in 31 low-income communities. Building on the program's success, the law called for preschool to be expanded to all the state's at-risk children, defined as those with family incomes low enough to qualify them for free- or reduced-price school meals. Districts with at least 40% at-risk children would be funded to provide preschool to all three- and four-year-olds, regardless of income; districts with lower levels of poverty would receive funding only for at-risk children. A six-year phase-in was planned, with program implementation to begin in the 2009–10 school year after an initial year of planning.

Unfortunately, the fiscal constraints imposed by recession and recovery pushed preschool down the state's list of priorities. Although four additional pilot districts did receive preschool funding soon after SFRA was enacted, the full preschool expansion that the law had promised was never funded. More than 35,000 young children lost the opportunity to start kindergarten with a strong foundation, and preschool remains out of reach for thousands of New Jersey's three- and four-year-olds. Flat funding for



High-quality preschool is a sound long-term investment for the state, a crucial support for disadvantaged children, and a key element of education reform.

education also hurt the original preschool programs, with districts struggling to provide the level of quality necessary to maximize the benefits that preschool can produce. The \$25 million appropriation for preschool included in the state budget for the fiscal year that began July 1, 2017 was a promising first step but included little time for planning. School districts had to submit their preschool plans by mid-August 2017 for funding in the 2017-18 school year. Twenty-nine districts applied and 26 received funding for a total of \$19.4 million. Governor Christie took the remaining \$5.6 million to fund his initiative to address the opioid crisis.

Experts estimate that full funding of preschool expansion under the SFRA will cost \$600 million. That price tag may seem daunting, but high-quality preschool is a sound long-term investment for the state, a crucial support for disadvantaged children, and a key element of education reform.

RECOMMENDATION

Adjust per-pupil funding rates according to the SFRA to restore full funding for current preschool programs and to ensure adequate funding for expanded programs.

Commit to implementing and fully funding the preschool expansion called for in SFRA, beginning in school year 2018-19 with full implementation by 2022.

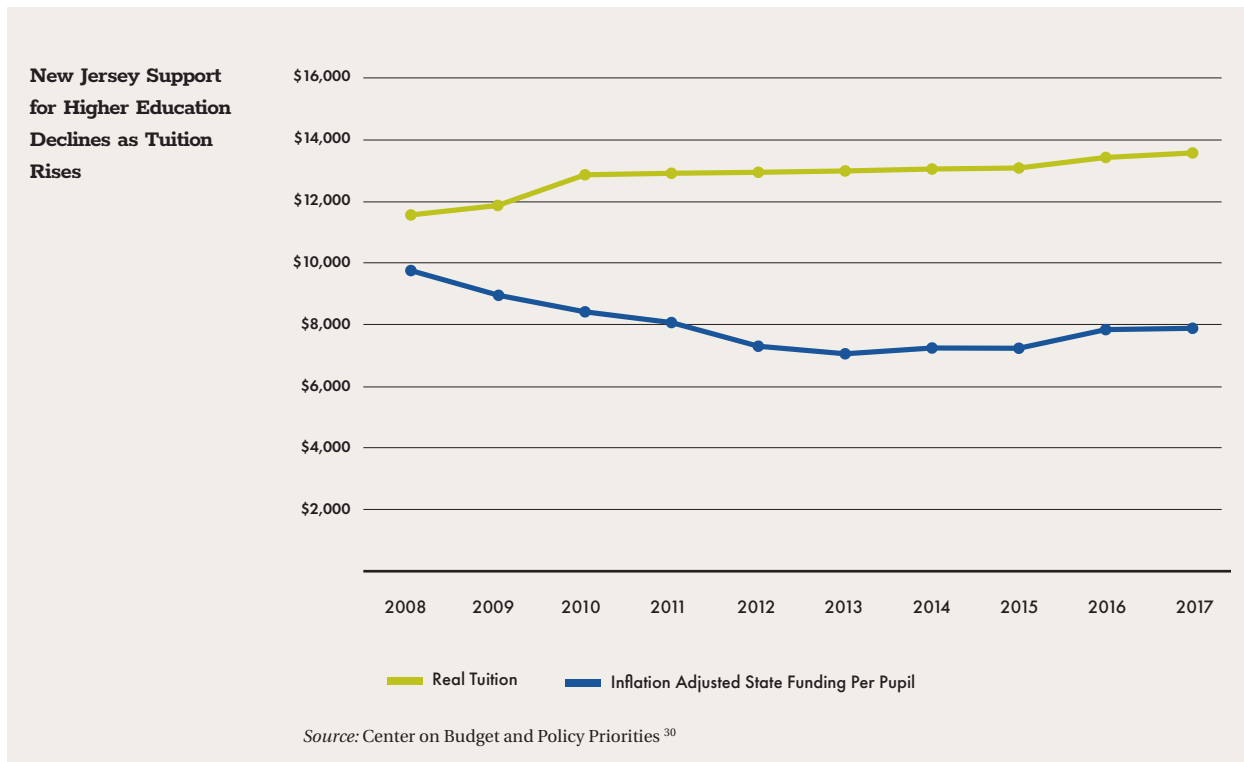
Continue the high-quality program standard and delivery approach that has been essential to New Jersey's preschool success.

Increasing the Number of College Graduates

Just as preschool provides a solid foundation for primary and secondary school learning, post-secondary education provides New Jersey's workforce with the skills and training needed for the good jobs of the future. As the *Crossroads NJ* report "Promoting Jobs and Economic Growth for All New Jerseyans" noted, most jobs in New Jersey in 2020 will require some postsecondary education including two- and four-year college degrees.²⁶ Although the state ranks among the top five states for the percentage of residents (50%) who have earned college degrees, New Jersey must generate about 30,000 new college graduates (with degrees from two- or four-year institutions) each year to meet the goal set by President Obama and the Lumina Foundation, that is, for 60% of U.S. residents to earn postsecondary degrees by 2025.²⁷ In New Jersey, the Governor's Council on Higher Education has set the goal at "65 in 25"—65% of New Jersey adults should attain a postsecondary degree or certificate by 2025.²⁸

Access to post-secondary education has improved, and the number of first-year students entering two- and four-year colleges in New Jersey has increased significantly over the past 20 years. In 2016, 22,282 students began their studies at the state's public four-year institutions, a 67% increase from the 13,328 students who began in 1996. Community colleges saw a similar rise in enrollment: 23,846 students entered in 2016, a 43% increase from 16,688 in 1996.²⁹

At the same time, however, state investment in higher education has decreased by 21.3% per student (a decline per student from 2008 to 2017 of \$2,113, adjusted for inflation).

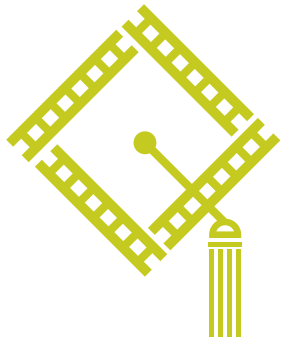


With fewer public dollars supporting post-secondary institutions, students and their families have taken on a larger portion of the cost. Average tuition at the state's four-year public colleges has increased 17.5% (\$2,015 per student) since 2008.

Higher tuition leads to greater debt. In 2014, 69% of graduates from public four-year colleges in New Jersey had accumulated an average debt of \$28,345 per student.³¹

Debt is even more of a problem for students who have college loans but do not complete degrees or certificates. They are left with the financial burden without the potential for increased future earnings or better jobs associated with degree completion. Even though New Jersey's public four-year colleges outperform national averages, there is room for improvement in the state's average six-year graduation rate of 62%.³² At the 19 two-year community colleges in New Jersey, 36% of students graduate within six years.³³

New Jersey's community colleges, with support from the statewide Student Success Center, are engaging in Guided Pathways, a national movement focused on increasing student success. Specifically, community colleges are: (1) partnering with local high schools to help students develop the academic skills needed to be successful in college so that students do not need to spend time and money on remedial coursework, (2) developing clearer pathways so that students know what courses they need to take in order to graduate with a degree or certificate and to ensure smooth transfer to four-year colleges, (3) providing professional development assistance for faculty so as to better support student learning, and (4) developing student support systems designed to help them to make good course selections and career decisions. As a result of these efforts,



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New Jersey's community colleges have increased the number of graduates to 23,577 in 2016, from 15,928 in 2008, a 48% increase.³⁴ Yet, more must be done in order to help the state reach its "65 in 25" goal.

RECOMMENDATION

Invest in New Jersey's two- and four-year colleges so as to expand the number of residents who earn degrees.

Implement and evaluate strategies to improve college completion rates.

Opportunities for Integration: The Case for Reform

New Jersey is one of the most diverse states in the nation but our schools do not reflect our state demographics. Instead, many districts reflect population concentrations of poor and minority students while other districts serve primarily wealthy and white students. Even within districts that have more diverse student bodies overall, racial disparities can be found among the district schools. The achievement gaps between and within districts reflect deep-rooted divides.

Our state's record is paradoxical: New Jersey has the nation's strongest constitutional and legal framework for integration of the public schools³⁵ and is among those states that are the most segregated on the ground.

In 1947, New Jersey was the first state to adopt a constitutional provision that specifically prohibited segregation in public schools.³⁶ State Supreme Court decisions in the 1960s and early 1970s established a strong legal framework for integration in public education and led to the creation of the Morris School District in the 1970s, merging the urban, lower-income, African-American Morristown district with the surrounding suburban, middle- and upper-income, mostly white Morris Township schools.

But few New Jersey towns seem inclined to follow Morris' lead; indeed, in the 1990s and 2000s the state Supreme Court blocked school district efforts to alter regional configurations in ways that were expected to increase segregation. Despite these rulings, New Jersey's schools are now among the most segregated in the country, with urban schools enrolling mostly African-American or Latino students, while suburban schools remain mostly white. In the 25 years between the 1989-90 and 2015-16 school years, the state's proportion of "intensely segregated" schools (90% to 100% minority students) increased to 20.1% from 11.4%, and the proportion of so-called "apartheid schools" (schools where 99% of the student population is African-American or Latino) grew to 8.3% from 4.8%. Today, 27.2% of African-American and 14.5% of Latino students in New Jersey attend one of those apartheid schools.³⁷

In the United States, as in New Jersey, poverty and racial isolation frequently occur together. In the 2015-16 school year, 76.9% of New Jersey students in intensely segregated schools were from low-income families compared with 37.6% statewide.³⁸

**New Jersey Schools
Are Among the Most
Segregated in the
United States**

% BLACK STUDENTS IN 90%-100% MINORITY SCHOOLS		% LATINO STUDENTS IN 90%-100% MINORITY SCHOOLS	
1. New York	64.6%	1. New York	56.7%
2. Illinois	61.3%	2. California	55.4%
3. Maryland	53.1%	3. Texas	53.5%
4. Michigan	50.4%	4. Illinois	45.9%
5. New Jersey	48.5%	5. New Jersey	42.8%
6. Pennsylvania	46.0%	6. Rhode Island	39.8%
7. Mississippi	45.3%	7. Arizona	39.4%
8. California	45.3%	8. Maryland	37.9%
9. Tennessee	44.8%	9. New Mexico	34.5%
10. Wisconsin	43.4%	10. Florida	30.1%

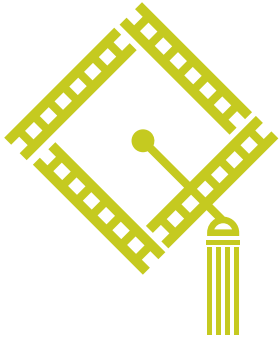
Source: UCLA Civil Rights Project ³⁹

Research demonstrates that segregation and concentrated poverty can have lasting, detrimental intergenerational consequences. Children whose families have lived in poor and segregated communities for two generations score, on average, eight points lower on problem-solving tests and seven points lower on reading tests than children whose families have lived in more affluent communities, a gap that is the equivalent of missing two to four years of schooling.⁴⁰

Although New Jersey is one of the nation’s most diverse states, its residents face high levels of racial and socioeconomic segregation that persist because they are grounded in patterns of housing segregation. Because most New Jersey school districts conform to municipal boundaries and restrict school attendance to residents of the municipality, these housing patterns contribute to high levels of segregation across and in school districts.⁴¹

Segregated housing patterns in New Jersey and elsewhere are the result of policies such as redlining, which denied federally insured mortgages to residents of “hazardous” neighborhoods (neighborhoods where the local population was substantially non-white or poor). Other factors included restrictive covenants that limited home ownership in exclusive neighborhoods to white residents and discrimination by realtors and homeowners against potential buyers or renters who were people of color.⁴² In New Jersey, residential segregation was reinforced by exclusionary zoning codes that were described in 1975 in the state Supreme Court’s *Mount Laurel I* decision.⁴³ These codes require larger lots for single-family houses and limit multifamily housing, thereby increasing occupancy costs and putting residency out of reach for lower income families.

The New Jersey Supreme Court’s groundbreaking *Mount Laurel* rulings in 1975 and 1983 required municipalities to use their zoning powers to promote, rather than restrict, opportunities to produce homes affordable to low-and moderate-income households.⁴⁴ *Mount Laurel II* put teeth in the original doctrine and set the stage for the development and implementation of a fair share methodology that allocates housing obligations to municipalities based on their share of the region’s wealth, jobs/ratables, and capacity



Our entrenched system of local school districts, with attendance boundaries that follow the municipal boundaries, creates significant obstacles to advancing both educational equity and racial integration.

for growth in accordance with the State Plan. But implementation was not consistent and had, until recently, stalled. Even today, municipal zoning codes limit housing opportunities for low- and moderate-income families throughout the state and encourage land use that is substantially more segregated and sprawling than it was in 1970.⁴⁵

These dynamics create communities where poverty is concentrated, educational and economic opportunities are scarce, and upward mobility is limited—and where populations are often racially homogenous. Our entrenched system of local school districts, with attendance boundaries that follow the municipal boundaries, creates significant obstacles to advancing both educational equity and racial integration, goals enshrined in the state Constitution and buttressed by decades of court rulings. Moreover, the current structure contributes to building barriers between New Jersey's diverse groups, diminishing a common sense of purpose and community. New Jersey can, and should, do better.

Enrollment in integrated schools benefits all children.⁴⁶ Low-income fourth graders who attend economically integrated schools are as much as two years ahead of their low-income counterparts attending high-poverty schools.⁴⁷ Students attending racially and socioeconomically diverse schools achieve higher test scores and better grades than peers attending high-poverty and segregated schools. Indeed, students attending diverse schools are more likely to graduate from high school and attend and graduate from college.⁴⁸ African-American youth who spend five years in desegregated schools earn 25% more later in life than do those who never had that opportunity.⁴⁹ And, those benefits accrue to the next generation: the children of parents who attended integrated schools have “increased math and reading test scores, reduced likelihood of grade repetition, increased likelihood of high school graduation and college attendance, improvements in college quality/selectivity, and increased racial diversity of student body at their selected college.”⁵⁰

Integrated schools also benefit white students, offering varied points of view in classroom discussions and promoting critical thinking and problem-solving skills. Research demonstrates that “racially diverse schools are not linked to negative academic outcomes for white students” and bring longer-term life benefits: “Compared to racially isolated educational settings, racially integrated schools are associated with reduced prejudice among students of different racial and ethnic backgrounds, a diminished likelihood of stereotyping, more friendships across racial lines, and higher levels of cultural competence.”⁵¹

In New Jersey, however, school segregation persists.

There are options for promoting integration. Districts that are racially and socioeconomically diverse can draw school attendance boundaries in ways that mitigate in-district residential segregation. See, for example, redrawn boundaries in Princeton and Montclair school districts. In other settings, the state can encourage integration by developing magnet schools and inter-district choice programs designed to draw families voluntarily to more diverse schools.

MAGNET SCHOOLS

Magnet schools are able to draw students across traditional school district boundaries and usually have a thematic focus (such as science, mathematics, or arts) with unique programming that is “magnetic” enough to attract diverse families. These schools were developed during the 1970s to encourage voluntary desegregation. Whereas busing, the other major desegregation tool of the time, was used to move students to specific schools in order to reduce racial isolation, magnet schools offered families choice. According to the U.S. Department of Education, magnets were modeled after academically selective high schools, with one key distinction—testing and other academic indicators were not used to determine admission.⁵²

Although magnet schools were intended to be non-selective, diverse, and innovative, they have evolved over time to include selective, less diverse schools not unlike the specialized schools that served as an academic model for the magnets. In New Jersey, for example, magnet high schools are among the state’s most distinguished educational institutions; according to *U.S. News and World Report*, seven of the 10 highest-performing schools in the state are magnets, most of them county technology academies where admission is based on grades and test scores.⁵³ Although the success of the tech academies demonstrates that families will cross district lines to obtain enhanced educational opportunities, these schools are less successful as vehicles of racial and socioeconomic integration. Because their stringent admission requirements effectively exclude students from under-resourced elementary and middle schools, the magnets remain predominantly white and Asian, and enroll few students qualifying for free or reduced-price meals.

Magnet schools can, however, be used to advance diversity, as they have in Hartford, Connecticut. Like New Jersey, Connecticut is a geographically small, wealthy, and highly educated state that boasts some of the best and worst schools in the country; its excellent schools are mostly in affluent suburban districts while its lowest performing schools are concentrated in its low-income and majority-minority urban centers.

In 1996, responding to a case brought on behalf of urban schoolchildren, the Connecticut Supreme Court, in *Sheff v. O’Neill*, held that the Hartford public school students had a right to the same quality of education as students in the wealthy suburbs surrounding the city.⁵⁴ The Court recognized that local school districts in a state where communities were segregated led to segregated schools (in 1991, 94.2% of the Hartford school district was made up of minority students, compared with 25.7% statewide). The Court directed the Legislature and governor to develop a plan for school integration in Hartford and its neighboring municipalities.

Since then, the plaintiffs, the City of Hartford and its school district, and the state have worked to desegregate Hartford schools through 45 host (City of Hartford) and regional (operated by the Capital Regional Education Council) inter-district pre-K-12 magnet schools that attract affluent suburban students to the city through thematic focus (science and technology, liberal arts, career readiness), unique resources (state-of-the-art media labs, tuition-free college courses, or internships), and free preschool. Hartford also uses an Open Choice program that provides Hartford students with access to suburban schools within the 22-district *Sheff* region.

Research has shown that Connecticut's inter-district magnet schools have improved educational outcomes for Hartford students and led to better social interactions for all students that participate in the program. Compared with non-magnet peers, minority magnet students were "less likely to be absent," "perceived more encouragement and support for college attainment," and had more diverse groups of friends. White magnet school students were more likely to have minority friends than white non-magnet suburban students and all students were more likely than their non-magnet school counterparts to say that their school experience had helped them to better understand people from other groups.⁵⁵

RECOMMENDATION

Require New Jersey's existing magnet high schools to include metrics for a diverse student body in their admission decisions.

Develop additional magnet schools, as appropriate, that include diversity criteria.

INTER-DISTRICT SCHOOL TRANSFER

Inter-district school transfer allows students to attend schools beyond the boundaries of their home school district, giving families the ability to choose where their children go to school and challenging the notion that housing and education have to go hand in hand. Inter-district school transfer programs typically allow students to enroll in a receiving district with the cost of the school transfer incurred by the state (for tuition) and by the sending district (for transportation). In New Jersey, after the first year of participation the tuition dollars for participating students are transferred from the sending district to the receiving district.

In 1999, New Jersey piloted an inter-district public school choice option that was made permanent in 2010. Since then, that program has grown to serve approximately 5,000 students and 132 school districts. Because of increased costs (approximately \$50 million) associated with program growth, in 2015-16 the number of students each district could accept was capped by the state even though there were students on the wait list.⁵⁶

The New Jersey program has the potential to provide more students with an integrated education by giving students in majority-minority districts the opportunity to attend more integrated schools. As structured, however, sending districts are at a monetary disadvantage—they lose per-pupil state formula aid, which is sent instead to the receiving district. Moreover, New Jersey's program is open choice, allowing families to rank schools based on preference with no consideration of how that choice might affect diversity within schools. Open choice programs have been demonstrated to increase rather than decrease segregation. Inter-district school transfers can be used instead to reduce racial isolation through the use of controlled choice, which assigns students so as to foster integration and, also, take parents' preferences into account.⁵⁷

RECOMMENDATION

Modify New Jersey's Interdistrict Public School Choice program to include a controlled choice component.

Evaluate the controlled choice program to determine whether it is successful in reducing segregation.

Conclusion

New Jerseyans have a right to public schools whose students, no matter the challenges they bring into the classroom, are given the opportunity to graduate ready to continue their education, to become productive members of the workforce, and to participate fully in a multicultural American democracy. Too many of our students are not given that opportunity. This report recognizes Constitutional requirements—still unmet—and practical, albeit challenging, reforms that are designed to meet the educational needs of *all* of our children.

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