



AFT New Jersey

State Federation, AFL-CIO

720 King Georges Road, Suite 300, Fords, NJ 08863

732-661-9393

March 21, 2025

AFT New Jersey Testimony on the State's Budget for FY 2025-26

Submitted by: Jennifer S. Higgins, President of AFT New Jersey

Dear members of the Senate Budget and Appropriates Committee and members of the Assembly Budget Committee:

AFT New Jersey represents 30,000+ PreK-12 and higher education workers. We are the state's largest higher education union, and our membership includes the largest public school district: Newark. On behalf of our members, I want to thank Governor Murphy for his continued commitment to making full pension payments and for working with Senator Gopal to stabilize the funding formula for PreK-12 public school districts.

Before addressing our concerns with the governor's budget, I would like to discuss the news that the Trump administration plans to shut down the U.S. Department of Education. Although the department was created in 1979 by an act of Congress, the executive order issued directs the U.S. Secretary of Education "to take all necessary steps to facilitate the closure (of) the Department of Education and return education authority to the States, while continuing to ensure the effective and uninterrupted delivery of services, programs, and benefits on which Americans rely."

How this plays out remains to be seen. However, the impact of these changes cannot be understated.

Education is already under the authority of the states, as local school boards control the curriculum and district policies. In fact, the federal Every Student Succeeds Act clearly stipulates that the federal government is not to be involved in curriculum or personnel hiring at the local level. What the department does do is oversee the distribution of Title I-IV funding directly to school districts and manages the federal financial aid for college students (including the Free Application for Federal Student Aid [FASFA], student loan programs and Pell grants). In addition, the department collects data from colleges and technical/vocational schools that participate in federal

student aid programs and tracks student achievement at the PreK-12 level through the National Assessment of Educational Progress.

Federal funding from the department supports 1.3 million children across 2,500 schools in our state. Title 1 schools receive \$463 million and serve over 556,000 students. In addition, funding for students with disabilities covers 243,000 kids, and districts receive \$464 million in Individuals With Disabilities Education Act (IDEA) funding. It also invests in higher education through \$46 billion in federal student loans that support over 1.2 million New Jerseyans pursuing education beyond a high school diploma. In addition, 170,000 students are able to pursue a college degree because of the Pell Grants (totaling \$832 million) they receive. And this does not include the impact of cuts to Medicaid that are being considered in Washington. Those will affect one in three children in the state.

Should the federal government move the funding provided by the department to “block grants,” we ask the Legislature and the New Jersey Department of Education to start planning now for managing that change and for the possibility that the block grants may provide less funding for education. As that planning begins, we ask the Legislature and the department to apportion the block grants for education in the same manner that Title I-IV and IDEA funding is already disbursed directly to districts in the state. If we fail to do so as a state, we will hurt our most vulnerable students: low-income students and students with disabilities.

With regard to the governor’s proposed budget, it misses the mark in several areas. First, the public schools in New Jersey are in desperate need of funding for new capital projects to address the deferred maintenance needs in our schools. In Newark, 13 of the district’s oldest buildings need repairs, including lead paint remediation, elevator repairs, adequate heat in classrooms and offices, etc. The School Development Authority (SDA) needs proper funding to address the facilities issues within the 450 schools of the SDA districts. Kicking the can down the road on these repairs will only result in increased costs to make them in the future, and our students will continue to learn in school buildings that have ongoing health and safety issues.

In addition, the \$130 million in cuts to public higher education are also cause for concern, especially considering the current policies coming out of Washington, D.C., that include freezes on research grants, cancellation of Teacher Quality Partnership grants (which the courts have ordered be continued), and a desire to cut the research fringe rate from 50% to 15%. As former U.S. Labor

Secretary Robert Reich has said, every dollar invested in public higher education has a sevenfold return. Therefore, it is shortsighted for the state to continue its divestment of funding for public higher education. The lack of investment has resulted in higher tuition and fees for our students, an overreliance on adjunct faculty, and increased student loan debt.

Unfortunately, the governor's budget relies on nearly \$2 billion in one-shot revenue sources and includes increases on a variety of sales and use tax. These regressive taxes affect working people more than the wealthy. Even with these changes, it will not be enough to make up the difference in the loss of federal dollars from the U.S. Department of Education and Medicaid.

The state needs a forward-thinking budget that plans for the future of New Jersey to ensure that the high quality of public education — both PreK-12 and higher education — is able to continue in its current form even with a forced austerity from the federal government and a Republican-controlled Congress that is not interested in the well-being of the constituents they were elected to serve.