



State Aid

School Funding Reform Act of 2008 **SFRA 2008**

P.L. 2007, c. 260 January 13, 2008

N.J.S.A. 18A:7F-43 - 7F-63



School Funding Reform Act of 2008



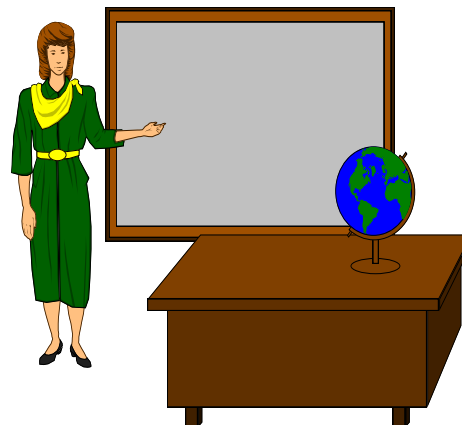
Equalization Aid

N.J.S.A. 18A:7F-52



Equalization Aid =

Adequacy Budget – Local Share



School Funding Reform Act of 2008

Adequacy Budget - 2016-2017

- **Base Cost – Weighted Enrollment +**
- **At- Risk Cost +**
- **LEP Cost +**
- **Combined Cost +**
- **Special Education Census (2/3) X**
- **Geographic Cost Adjustment**



School Funding Reform Act of 2008

Adequacy Budget - 2016-2017

- **Base Per Pupil Amount - \$ 11,009**
- **Grade Level Weights**

Kindergarten (1/2)	0.5
Kindergarten (full)	1.0
Elementary (K-5)	1.0
Middle School (6-8)	1.04
High School (9-12)	1.16
Vocational –Technical (9-12)	1.25



School Funding Reform Act of 2008

Adequacy Budget - 2016-2017

- ***Base Per Pupil Amount - \$ 11,009***

LEP Weight - 0.47

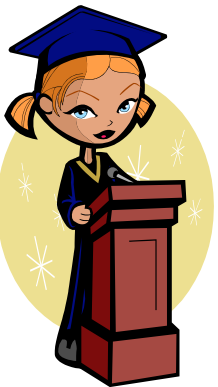
At-Risk Weights

Below 20% - 0.41

20 - 40% - 0.41 to 0.46

Above 40% - 0.46

- **Combined Weight – At Risk + 0.0990**



School Funding Reform Act of 2008

Special Education Census – 2016-2017

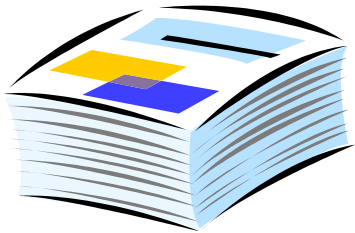
- **State Average Classification Rate, General Special Education Services – 14.92%**
- **Average Excess Costs, General Special Education Services - \$ 17,034**
- **State Average Classification Rate, Speech-Only Students – 1.63%**
- **Average Excess Costs, Speech Only - \$1,159**
- **2/3 Special Education Aid Equalized**



School Funding Reform Act of 2008

Education Adequacy Report

N.J.S.A. 18A:7F-46



- **First report to be issued September 1, 2010 and then every 3 years thereafter.**
- **Amounts established are increased by CPI in each of the next two succeeding years.**

Base Per Pupil Amount

FY 2009 - \$ 9,649, FY 2014 - \$ 11,009, FY 2017 - \$ 11,009



School Funding Reform Act of 2008

Local Share Calculation

N.J.S.A. 18A:7F-52

$\frac{1}{2}$ (Equalized Valuation x Statewide
Property Value Rate) +

$\frac{1}{2}$ (School District Income x Statewide
Income Rate)



School Funding Reform Act of 2008



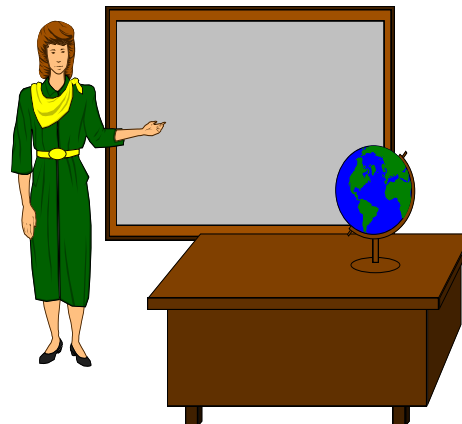
Equalization Aid

N.J.S.A. 18A:7F-52



Equalization Aid =

Adequacy Budget – Local Share



School Funding Reform Act of 2008

Additional State Aid 2016-2017



- **Preschool Education Aid - N.J.S.A. 18A:7F-54**
In-District - \$ 12,778
Private Provider - \$ 14,375
Head Start \$ 7,943
- **Special Education – N.J.S.A. 18A:7F-55**
Categorical portion 1/3 special education census



School Funding Reform Act of 2008

Additional State Aid 2016-2017

- **Extraordinary Special Education Aid**
 - ***N.J.S.A. 18A:7F-55***
 - **Inclusion, in-district public, \$ 40,000, 95%**
 - **Separate, in-district public, \$ 40,000, 75%**
 - **Separate private providers, \$ 55,000, 75%**



School Funding Reform Act of 2008



Categorical Aid 2016-2017

- **Security Categorical Aid – N.J.S.A. 18A:7F-56**
\$77 per student + up to \$452 per at-risk student
Charter schools receive security categorical aid attributable to pupil
- **Transportation Aid – N.J.S.A. 18A:7F-57**
Mileage, # students, incentive factor



School Funding Reform Act of 2008

Categorical Aid 2016-2017

- **Adjustment Aid – N.J.S.A. 18A:7F-58**
2% Increase 08-09, Hold harmless 09-10,10-11
- **Educational Adequacy Aid – N.J.S.A. 18A:7F-58**
Educational Opportunity Aid in 07-08 plus several other criteria
- **School Choice Aid – N.J.S.A. 18A:7F-62**



School Funding Reform Act of 2008

SO WHAT HAPPENED?!?!?!?!?

- **The Great Recession**
- **Taxation Priorities**
- **Tax Revenues:**
 - *FY2008 \$32.6 Billion*
 - *FY2015 \$33 Billion*



School Funding Reform Act of 2008

SO WHAT HAPPENED?!?!?!?!?

Adjustment Aid (AKA Hold Harmless)

- **Abbott XX (2009) and XXI (2011)**
 - **\$500 Million restored. Limited to districts “with standing.”**
- **Adjustment Aid Totals:**
 - **FY2009- \$850 Million**
 - **FY2017- \$550 Million***
 - **\$15.8 Million in Additional Adjustment Aid**

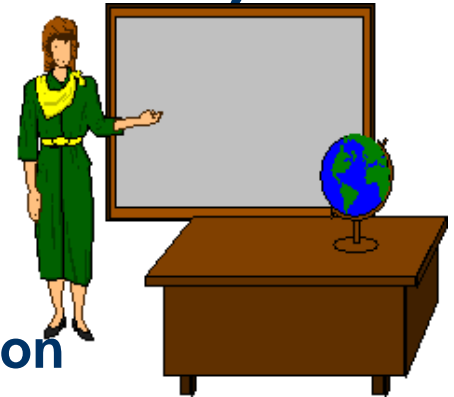


School Funding Reform Act of 2008

SO WHAT HAPPENED?!?!?!?!?

NEW AID CATEGORIES (FY 2017 Totals)

- PARCC Readiness- \$13.5 Million
- Per Pupil Growth Aid- \$13.5 Million
- Professional Learning Community Aid \$13.4 Million
- Host District Support Aid (Charter Hold Harmless) \$25.8 Million
- Additional Adjustment Aid \$15.8 Million
- Supplemental Enrollment Growth Aid \$4 Million



School Funding Reform Act of 2008

SO WHAT HAPPENED?!?!?!?!?

“Under this plan, every single school district will have increased funding.” - Governor Christie 2016 Budget Address

“And we will ensure that every one of our nearly 600 school districts receives an increase.” -Governor Christie 2014 Budget Address

“With this budget, 378 school districts will see funding increases and no district in New Jersey will experience a decline in K-12 formula school aid” –Governor Christie 2013 Budget Address

“Last year, my budget provided an increase for every school district in New Jersey. In the budget I am putting before you today, I propose to increase school aid above last year’s level” –Governor Christie 2012 Budget Address

“...we will increase education aid to every school district in the state.” –Governor Christie 2011 Budget Address



Reforms of 2016

Governor Christie's "Fairness Formula"



- (Student Population) * \$6,599 = "State Aid"
- "each public school district receiving \$6,599 per enrolled student, while continuing aid for special needs students."????
- Need to amend the "thorough and efficient" clause of the constitution.
- <http://nj.gov/governor/taxrelief/>



Reforms of 2016

Senator Sweeney's "Formula4Success"

Builds on SFRA. Creates "School Funding Fairness Commission" to review:

- The fairness of Adjustment Aid and State Aid Growth Limit;
- The Tax Levy Cap's impact on school districts' to adequately fund operating expenses;
- The Administrative Costs Limit's impact on school district staffing/operations;
- The measures used to determine a school district's Local Share and the impact of Tax Abatements;
- The ability of a district at or above adequacy to Lower Property Taxes if additional aid is provided; and
- The use of census based funding for Special Education.



School Funding 101

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QUESTIONS

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