



Christie Administration Releases School Funding Reform Act Scenarios

For Immediate Release

Contact: Michael Yaple
Rich Vespucci
609-292-1126

Date: April 30, 2014

Trenton, NJ – The New Jersey Department of Education today announced it is providing local school districts with additional information regarding state aid allocations based on different funding scenarios.

After proposed state aid figures for schools were released in late February, state legislators, local school officials and educational organizations requested that the state Department of Education (DOE) inform them of each district's level of state aid if the education funding formula, the School Funding Reform Act (SFRA), were implemented under different scenarios.

To assist school officials, legislators and taxpayers in better understanding the impact of various funding models, the Department is providing a Q&A with information on the funding scenarios being released today:

What is currently proposed in Gov. Christie's state budget for 2014-15?

All school districts would see an increase in aid through the Governor's proposed budget. Even working under the constraints of limited revenue and the requirement for a balanced budget, the amount would be the highest levels of state aid for school in New Jersey's history.

Districts will receive the same amount of state aid they did this current school year, plus they receive an additional \$20 per student (\$10 per student in Per-Pupil Growth Aid and \$10 per student in PARCC Readiness technology aid).

The Governor's proposed fiscal year 2015 budget allocates \$12.89 billion in total school aid, which is an increase of \$481 million from the current year. This includes an increase of \$36.8 million in direct aid to schools, and an increase of \$447 million to teachers' pensions and benefits. This total represents a year-on-year increase of more than 3.8 percent, which is more than double CPI growth, at a time when overall enrollment across the state has decreased.

What do the funding scenarios show?

The DOE ran different scenarios: One is the SFRA funding method requested by the Legislature, and the other is the Fiscal Year 2014 model that the DOE used last year.

Legislature's SFRA Model – Full funding of the SFRA model requested by the Legislature would require over \$1 billion dollars in additional state funding, as compared to the Governor's proposed 2014-15 budget. Under this scenario, state funding for schools would increase by 12.7 percent over the Governor's proposed budget, but 25 districts would see less funding. This model utilizes a base funding amount, weights (e.g., for higher grades, at-risk student, etc.), and other updates to the SFRA, as requested by the state Legislature.

Fiscal Year 2014 Model – If the state used a methodology similar to that used last year, based on the Educational Adequacy Report, nearly \$4.9 million more than the Governor's proposed 2014-15 budget would be required. However, the distribution of funding would be markedly different, as 420 districts would experience a decrease in state aid as compared to the Governor's proposed funding for local school districts.

Summary of Fiscal 2015 Funding Scenarios

	Governor's Proposed Budget	Legislature's SFRA Model *	Fiscal 2014 Model *
Total K-12 Aid for Fiscal Year 2015	\$7,959,498,040	\$8,967,612,550	\$7,964,370,924
Districts that would see an aid increase	N/A	555	160
Districts that would see an aid decrease	N/A	25	420

decrease			
----------	--	--	--

* Both scenarios are compared to the Governor's proposed budget

So what is being done with the information?

The localized school-funding scenarios are being provided to each district's superintendent. The information is also posted publicly on the DOE website, so it can be accessed by all stakeholders and interested citizens. The DOE is providing school officials with background information for context, and reinforcing that the exercise is being done for informational purposes and that the reports are *not* new state aid notices.

Where can I see funding scenarios for my district?

More detailed explanations, as well as a spreadsheet with each school district's funding levels - under the Governor's proposed 2014-15 budget, the scenario as requested by the Legislature, and using last year's methodology - are online at www.state.nj.us/education/stateaid/1415/scenarios.shtml.