



State of New Jersey

DEPARTMENT OF EDUCATION
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JON S. CORZINE
Governor

LUCILLE E. DAVY
Commissioner

March 11, 2009

TO: Chief School Administrator
School Business Administrator

FROM: Lucille E. Davy *Lucille E. Davy*
Commissioner

SUBJECT: 2009-10 State Aid

Your state school aid notices for the 2009-2010 school year can now be found on the DOE's homepage. In addition, the department has posted the 2009-10 state aid summaries and district profiles at <http://www.state.nj.us/education/sff/>.

You will find that even in the current fiscally challenging environment, in formulating his budget, Governor Corzine has continued to make education a priority and maintained his commitment to the new school funding formula, The School Funding Reform Act of 2008 (SFRA). In his budget, he has provided \$7.9 billion, an increase of \$148 million, of scarce state resources to support the K-12 education costs of New Jersey school districts. Similar to last year, no district will see a decline from the aid they received in 2008-09, while almost one-third of all districts will receive an increase in aid.

The SFRA distributes aid to all school districts in an equitable and predictable basis and takes into account the needs of all students, including at-risk students, limited English proficient students, and students with special education needs. For the 2009-10, the caps on increases in aid for districts above and below adequacy have been adjusted, due to the extraordinary fiscal circumstances the State is facing. Increases will be capped at five percent for districts with budgets below the adequacy budget benchmark. All districts currently spending above the adequacy benchmark will not receive an increase in state aid under the formula.

In total, 171 districts will see an aid increase of as much as five percent, and of those districts, 60 percent are DFG "DE" or below.

In addition, Governor Corzine's budget continues to recognize that high quality preschool education is vital to improving student outcomes in districts with high concentrations of at-risk students. The budget provides \$596 million, an increase of over \$46 million, to continue the high level of support for existing preschool programs. In an extraordinary commitment to this program, the Governor will make an additional \$25 million available to the non-Abbott "Universal" districts for preschool expansion in the 2009-10. These districts are not required to provide preschool in the 2009-10 school year.

However, the \$25 million in Preschool Incentive Aid is being provided to leverage new federal funds to begin phase-in of the preschool expansion set forth in the SFRA. These districts must commit to using a portion of their additional Title 1 funds from the federal stimulus funds for preschool programs, as well as meet other criteria to be detailed by the Division of Early Childhood Education. The guidelines to be distributed will detail the criteria, plan, and timelines for submission of the application. Districts should not include this additional funding or expansion plan in the budget to be submitted on March 18, 2009.

Debt service for Section 9 and Section 10 projects is also funded, with districts receiving full support for the latter using state share percentages from 2001-02. Finally, in a continuing effort to support innovative programs, this budget once again provides support for districts that continue to participate in the Choice program, as well providing support for Charter schools.

We do not have complete details on how much of the federal stimulus aid for increases in IDEA and Title 1 will flow to districts and how that money can be spent, but I am in constant communication with the decision makers and will keep you apprised of relevant developments that will impact your districts. We do know that there are four key goals that the USDOE has stressed that these funds should support: (1) helping students reach college and career ready standards and assessments to measure their progress; (2) building and expanding comprehensive data systems; (3) improving teacher effectiveness and promoting the equitable distribution of teaching staff; and (4) improving students outcomes in the lowest performing schools. We also know that there will be specific tracking and reporting requirements for the expenditure of the additional funds that will ensure transparency and accountability for all the funds. We will provide you additional guidance as soon as it becomes available.

Department staff in the county offices will continue to work with you to answer your questions and assist you in the budget submission process. Questions about the data used in the state aid calculations should be directed to the Office of School Funding at (609)984-4949 or the e-mail address staid@doe.state.nj.us.

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Attachment

- c: State Board Members
 - Willa Spicer
 - Assistant Commissioners
 - County Superintendents
 - County School Business Administrators
 - LEE Group