

Geographic Cost Adjustment (GCA) Update FY2014

The Geographic Cost Adjustment (GCA) is used to account for cost differences across New Jersey. Each district's adequacy budget is first calculated based on mean salaries and the average cost of other resources. The GCA is then applied to each district's adequacy budget to account for the variation in salaries between counties.

The GCA was updated to reflect the latest available data. Salary data for this index is individual level data from surveys collected by the U.S. Census Bureau. Specifically, the 5-year average survey data from the American Community Survey from 2005-2010 was used. This index finds the salary differences within like occupations between counties in New Jersey, based upon place of work. Accounting is also made for variation in age, gender, race, education level, and time worked.

Finally, the index was adjusted to account for the portion of the adequacy model's base cost that is subject to variation between counties and normalized for enrollment. Since this analysis demonstrates differences in wages, the Department applied the index to the portion of the adequacy budget for teacher salaries, which accounts for about 40% of the base cost. Excluded from these cost variations are medical and other benefits, as well as supplies and other non-salary resources that are included in the adequacy model.

County	Original GCA Index	Revised GCA Index (FY14)
Atlantic County	0.9452	0.9693
Bergen County	1.0312	1.0051
Burlington County	0.9613	0.9848
Camden County	0.9463	0.9767
Cape May County	0.8762	0.9429
Cumberland County	0.8818	0.9530
Essex County	1.0432	1.0237
Gloucester County	0.9189	0.9703
Hudson County	1.0393	1.0341
Hunterdon County	1.0156	1.0084
Mercer County	1.0087	1.0087
Middlesex County	1.0180	1.0046
Monmouth County	1.0170	0.9953
Morris County	1.0633	1.0179
Ocean County	0.9424	0.9678
Passaic County	0.9987	0.9893
Salem County	0.9189	0.9703
Somerset County	1.0608	1.0355
Sussex County	0.8966	0.9873
Union County	1.0298	1.0182
Warren County	0.9467	0.9660