



NJ School Funding Learning Series

NEW JERSEY STATE AID 101: PART I

Adequacy



Adequacy budget

How the adequacy budget is calculated

Starts with a base per-pupil amount for an elementary student with no additional needs, derived from a model school district created by Professional Judgment Panels.

Applies weighted adjustments for:

- Grade level (middle/high school)
- At-risk students (poverty)*
- English language learners (LEP)*
- Special education
- Vocational
- Geographic cost adjustment (GCA)

*Some terms used here are historic terms that are used in State funding laws, but NJDOE now uses 'economically disadvantaged' instead of 'at-risk' and 'multilingual learners' instead of 'English language learners' or 'LEP'.

Key takeaways

- ▶ **One core formula**
Adequacy budget minus local fair share equals state equalization aid.
- ▶ **Weights reflect need**
Grade level, low income, English learners, and special education raise the per-pupil amount — and the weights stack.
- ▶ **Built on real costs**
The resources for the base per-pupil amount were determined by expert Professional Judgment Panels and the costs are updated regularly.
- ▶ **Doesn't function as a real budget**
The formula sets how much each district receives, not how it is spent.