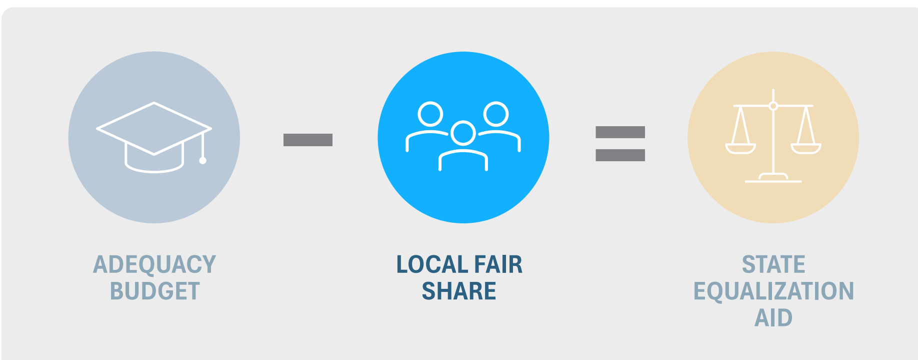
NJ School Funding Learning Series

NEW JERSEY STATE AID 101: PART I

Local fair share



Community ability to pay

How local fair share is determined

Based on two measures of community wealth:

- Equalized property valuation
- Aggregate resident income

Each multiplied by a state-set rate, summed, and averaged to determine local contribution capacity.

Need to know

Districts don't actually have to levy at this level – some tax above this amount and some districts raise less than their local share.

Key takeaways

- **An expectation, not a bill**
  Local fair share is what the formula estimates a district is able to contribute from local wealth — not the actual taxes it chooses to levy (or raise).
- **Property value and income, each halved**
  It equals the equalization valuation times the property rate, plus the aggregate income times the income rate, with each counted at half.
- **The same rates statewide**
  Every district applies the same statewide property and income rates.