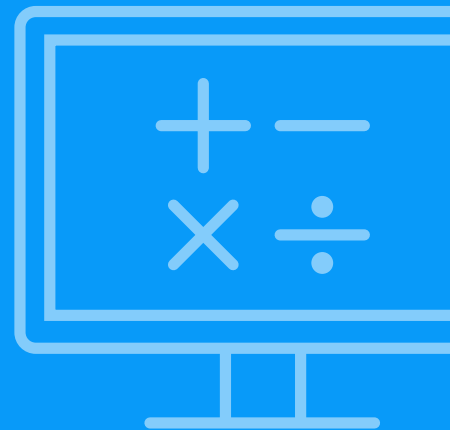
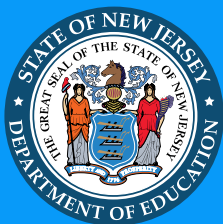




NJ School Funding Learning Series

NEW JERSEY STATE AID 101: PART I

School funding formula

How the formula works

State aid **equals** educational need
minus local ability to pay.

- Based on students' needs, what does education cost?
- What can the community theoretically contribute?
- How much aid should be provided to fill the gap?

Translating the formula into the key legal terms (SFRA)



Key takeaways

- ▶ **Adequacy budget**
What it should cost to give every student a quality education.
- ▶ **Local fair share**
What the community can theoretically raise through local property taxes.
- ▶ **State equalization aid**
State funding that helps close the difference between the amount of funding every district needs and the amount a community can raise.
- ▶ **Need to know**
Equalization aid is the largest category of state aid under the School Funding Reform Act (SFRA).