

Governor Phil Murphy

ICYMI: Murphy Administration Highlights Historic Support for Schools in Fiscal Year 2026 Budget Plan

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TRENTON – Governor Phil Murphy’s proposed Fiscal Year 2026 budget provides a historic amount of \$21.3 billion – plus an additional \$882.4 million from the Lottery Enterprise Contribution Act, bringing the total investment to \$22.2 billion – in funding for pre-K to 12 education, a \$444 million increase from FY2025 and over one-third of the entire State budget. This amount includes preschool aid, direct payments for pension and health benefits payments for school staff, and a \$386 million increase in direct K-12 formula aid for a total of \$12.1 billion in K-12 aid – an increase of 48 percent since the Administration took office. The proposed budget will continue to advance the State toward the goal of universal preschool, give greater stability in local school funding, and increase funding for critical academic programs aimed at accelerating learning.

District allocations of state aid are available on the New Jersey Department of Education’s [School Finance webpage \(https://www.nj.gov/education/stateaid/2526/\)](https://www.nj.gov/education/stateaid/2526/).

“Our annual budget is a reflection of our values and, here in New Jersey, we value a quality education for every student,” **said Governor Phil Murphy**. “The funding we provide to support school communities translates to stronger, safer, and more dynamic learning environments. We remain committed to working in close collaboration with local school districts to provide our students with the opportunities they need to succeed and to help build a stronger, fairer New Jersey.”

“This historic investment in Preschool to Grade 12 education demonstrates an unwavering commitment to the students and staff in New Jersey’s public schools,” **said Kevin Dehmer, Commissioner of Education**. “By instituting a cap on decreases in State aid and providing fiscal stability for school districts, school leaders will be able to better plan their budgets and ensure a consistent education for all students.”

Improving Stability in School Funding

Responding to feedback from school officials and other stakeholders – and delivering on its commitment to review the funding formula to improve predictability and alignment to district needs – the Administration is:

- Establishing “guardrails” in the FY2026 calculations designed to reduce year-to-year volatility. Specifically, no district will receive a reduction of more than 3 percent in K-12 formula aid across the four primary aid categories;
- Using multiple years of property valuation and income measures to bring greater stability to the formula’s measure of a community’s capacity to support its education costs;
- Ensuring that the formula’s measure of the costs necessary to educate students to the State’s academic standards include mental health and up-to-date school security resources;
- Calculating special education aid using special education enrollment, replacing the use of a census-based method; and
- Providing a mechanism for additional flexibility in the tax levy growth limitation for some districts.

Expanding Preschool

The Governor remains committed to bringing high-quality preschool programs to more school districts in New Jersey. The FY2026 budget provides a total of \$1.3 billion in preschool funding, a \$34.6 million increase, which fully funds existing programs, including those that started in FY2025, and uses \$10 million to expand programs into new districts. Under the Murphy Administration, funding for preschool increased by over \$550 million since 2018, making early education available for nearly 20,000 additional students in 229 new districts. State-funded, high-quality preschool programs now operate in 293 New Jersey school districts.

Supporting Academic Achievement and Improving the Classroom Environment

To continue offering additional academic support to students, the Governor's budget proposal includes \$7.5 million in new grant funding to provide high impact tutoring. High impact tutoring is a key part of the Administration's literacy initiatives and aims to improve students' overall academic performance.

Additionally, the Governor's budget proposal includes \$3 million to provide grants for phone-free schools, which will help improve classroom environments and lessen distractions for students.

The proposed budget also includes ongoing support for computer science education, an initiative the Governor has championed since FY19. Through these efforts, the Administration has increased high school participation in computer science in New Jersey by nearly 20 percent.

School Construction

Approximately \$350 million in funding will be made available to the Schools Development Authority for current projects and new projects identified in its Statewide Strategic Plan. An additional \$50 million will support capital grants in SDA districts to ensure students have safe classrooms.

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