APPENDIX

ADDITIONAL APPENDIX MATERIAL

SUBMITTED TO THE

ASSEMBLY EDUCATION COMMITTEE

for the

February 19, 2026, Meeting

Submitted by

Dale J. Florio

Tony Yates, “Hit and run crash outside of Newark Arts High School critically injures 19-year-old cheerleader,” Feb. 5, 2024, WABC-TV, © 2024, ABC, Inc., WABC-TV New York.

Joe Kelly, “Two Almost Hit as Car Passes Stopped School Bus in Waretown NJ,” February 28, 2022, Catcountry107.3.com, © 2022, Cat Country 107.3, Townsquare Media, Inc.

Tony Gallotto, “Woodbridge Study: Drivers Who Don’t Stop for School Buses Put Kids in Jeopardy,” October 22, 2025, TAPinto Woodbridge/Carteret, © 2025 TAP IP LLC.

Jelani Gibson, “After nearly 3K drivers blow past school buses, N.J. districts say enough is enough,” Oct. 21, 2025, NJ.com, © 2025, Advance Local Media LLC.

Anthony J. Attrino, “Child, 9, struck by school bus after getting off at bus stop, Lakewood police say,” March 10, 2023, NJ.com, © 2023, Advance Local Media LLC.

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Testimony before the Assembly Education Committee
Thursday, February 19, 2026
Respectfully submitted by Deborah Cornavaca, Ph.D.
Director of Government Relations, NJEA
Regarding School Budgeting Processes

On behalf of President Steve Beatty, our full leadership team, and our nearly 200,000 members, we are grateful for the invitation to provide testimony today to address the challenge of school budgets and the role for the Legislature to the budgeting process of public schools.

First, we want to acknowledge that the recent stories of districts facing surprising deficits are the exception to the rule of 600+ school districts across the state. We would be remiss if we did not point out that most districts face increasing challenges to their bottom-lines but also maintain accurate accounts and balance sheets. We understand the concern these examples raise but also want to acknowledge the quality work of business administrators and school boards across the state.

While NJEA is not as close to this issue as some of our colleagues testifying today, we do spend a great deal of time understanding school budgets across the state as part of our due diligence when bargaining. In addition, it is worth noting that our members – teaches and education support professionals – are often the first to feel the brunt of budget cuts as school budgets are staff driven and when there is a need to cut costs, if often results in reductions in staff.

The starkest example of this is of course what happened in the Montclair Public School district which issued over 100 termination notices last year after discovering the deficit they faced. But every year by May 15th – just weeks before the end of a school year – scores of teachers around the state are sent non-renewal notices as the districts work through their budget process. Imagine for a moment the stress that puts on educators as they work to have a successful end of the school year for their students. Ultimately, many of those staff may be offered renewals but state statute mandates they are notified as part of the ongoing budget process.

We would like to highlight a few areas which we believe must be addressed to allow school districts to have a healthier, and more accurate, budget process and final budget.

1. We must address both the unsustainable rise in healthcare premiums (in both the state and private markets) and better align rate adjustments to the school budget timeline. Currently districts in SEHPB are not provided the final premiums until after their budget is set for the year. They are forced to estimate based on initial data released by the state and must plan for the increase as of January 1 of the school year. It is worth noting that many districts in the private market have an aligned timeline, so they know their rates as they budget. This is

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some domino effects to better alignment, we believe districts, staff, and students would be better served by an aligned process.

In addition, we need to strengthen the full and robust reporting of revised budgets early enough in the year so that the audit is based on the revised budget and completed on time for the subsequent year planning. Year over year the chance of errors grows when the audit does not have the full revised budget, or the audit is delayed waiting on that document, which means the next year's budget may be constructed without the benefit of a completed audit.

4. Listen to education stakeholders when we advocate for more funds. The best examples of this are transportation and special education funding levels from the state that are insufficient to cover actual costs. When we tell you that the driver shortages causing higher contract prices and rising gas prices far outpace the inflation adjustment for mandated school transportation, we are not asking for a cushion – we are pleading with the state to cover the actual costs so that districts to not have to cut other services or staff. Year over year, special education dollars, outpace the state aid provided. These shortages cause a huge amount of strain on school budgets.

5. Restore the 4% surplus cap that was reinstated for the 2020-2021 and 2021-2022 school years to permit school districts to have more meaningful reserves set aside for some of the challenges described above. We are asking districts to function on the slimmest of margins with a series of budgetary challenges beyond their control. This can result in even the most careful of fiscal managers facing challenges with little recourse or cushion.

NJEA members may not be the ones who are responsible for the construction and maintenance of school budgets, but our members experience the impacts of every challenge a district faces. From reduction in staff, including classroom teachers and critical support professionals, to larger class sizes, and fewer service and opportunities for students – we experience the impact.

We are committed to working collaboratively with those who are responsible for school budgets and with the legislature to improve the process, the practice and yes, where needed, the funding, to provide the high-quality education that every student deserves.

Thank you for your consideration of our testimony.

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NEW JERSEY EDUCATION ASSOCIATION

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POSITION STATEMENT

BILL: A3887 (Karabinchak, Stanley, Haider) Authorizes use of school bus monitoring systems; establishes certain enforcement procedures and penalties for certain violations captured by school bus monitoring systems.

NJEA POSITION: SUPPORT

COMMENTS: Under current statute (N.J.S.A. 39:4-128.1), a motorist must stop at least 25 feet from a stopped school bus with flashing red lights whether or not the motorist is traveling in the same direction as the bus. A violation of this law will result in a fine of $100 and up to 15 days in jail or up to 15 days of community service for a first offense. Violators of a subsequent offense can receive a fine of $250 or more and up to 15 days in jail. For each offense, violators will be given five points on their driver's record.

A-1432 will help law enforcement authorities better enforce this law that protects students to and from school. By passing A-1432, New Jersey will join more than 12 other states that have already authorized the use of cameras on the outside of buses.

2/19/26

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njasbo
Leaders in the Business of Education

NEW JERSEY ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
4 AAA Drive, Suite 101, Robbinsville, NJ 08691

Susan Young
Executive Director

Matthew Clarke
Assistant Executive Director

Prepared Remarks for the New Jersey Assembly Education Committee

February 19, 2026

Chairwoman Reynolds-Jackson and members of the Assembly Education Committee, thank you for the opportunity to appear before you today and for your attention to the very real financial pressures confronting New Jersey's school districts.

My name is Susan Young, and I am here on behalf of the New Jersey Association of School Business Officials. Our members—School Business Administrators, CFOs, and COOs—are responsible for developing district budgets, monitoring expenditures, and advising boards of education on the financial condition of their districts.

I want to be very clear about roles and responsibilities. School business administrators are responsible for presenting accurate financial information, identifying risks, and implementing the budget that is ultimately adopted. Budgets, staffing levels, and programs are recommended by the superintendent and approved by boards of education, as required by statute. SBAs do not make those final decisions, but they are charged with making the numbers work once those decisions are made.

I appreciate the Committee's concern about the fiscal cliff many districts are facing, because it is real. Let me briefly summarize the major drivers, many of which you are already familiar with.

District budgets are constrained by a 2 percent tax levy cap, while salaries and health benefits account for 75 to 80 percent of total spending. When those costs rise faster than allowable revenues, closing budget gaps becomes impossible without taking significant and often painful action. You have before you an example from a real district showing the impact of an average salary and health benefit increase. That district is projecting what might be considered "good news"—only a 16 percent health benefit increase. Even so, with flat state aid, their tax levy would need to increase by 8.7 percent just to balance the budget. What is particularly important to note is that the actual dollar increase in health benefits now exceeds the total salary increase for its employees.

While Chapter 44 anticipated savings, actual district data—documented in our report and reflected in the chart you have—shows that the vast majority of these increases have been absorbed by districts and taxpayers, not employees. Compounding this problem, districts must adopt budgets months before health benefit rates are finalized, leaving administrators to address mid-year shortfalls that were neither foreseeable nor controllable. This is why we believe it is time to sunset Chapter 44 and return health benefit structures to local

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control, or at minimum allow districts flexibility to address health benefit adjustments realistically within their budgets.

At the same time, districts continue to experience sharp increases in special education and transportation costs, both of which are legal mandates. Transportation costs have also been affected by new preschool transportation requirements. While equalization aid often receives the most attention, only 48 percent of districts receive it. By contrast, 96 percent of districts receive special education aid and 99 percent receive transportation aid—yet these categorical components have not kept pace with actual costs. Reexamining how special education and transportation aid are funded is critical if districts are to meet their legal obligations without sacrificing general education programs.

These pressures are further compounded by salary settlements that exceed levy cap growth and by ongoing issues such as unpaid meal charges, which districts are required to absorb with little to no reimbursement. Reimbursing districts for unpaid meal charges would immediately relieve a burden that has nothing to do with educational quality or local decision-making.

So, what does this mean in practice for school business administrators?

It means repeatedly presenting boards with increasingly difficult choices. It means recommending actions they know will affect students and staff—increasing class sizes, eliminating programs, outsourcing services, or reducing positions to part-time to manage benefit costs. It means drawing down reserves, selling assets, eliminating extracurricular activities, deferring maintenance, and imposing mid-year spending freezes. And it means implementing board-approved decisions that may be unpopular but unavoidable.
I want to emphasize again that SBAs are making recommendations and carrying out actions under the direction of superintendents and boards of education, within the constraints established by state law. They are often the ones explaining these decisions publicly, even though they are not the final decision-makers.

Even with strong governance and capable administration, districts cannot overcome unpredictable state aid, underfunded categorical programs, rigid statutory caps, and health benefit structures that limit local flexibility. Removing the tax levy cap and administrative spending caps, or at least revisiting how they are applied, would better reflect today's economic realities. Similarly, restricting hiring to the budgeted position control roster—with limited, reviewed exceptions—would reinforce fiscal discipline while recognizing that districts are already operating leanly.

Capital needs present another growing challenge. Districts are deferring necessary repairs and maintenance because existing funding mechanisms do not reflect real construction costs. Raising the square-foot rate so that "40 percent funding" is truly 40 percent funding, and creating meaningful capital improvement support, would help districts address facilities issues before they become emergencies. Increasing the prevailing wage threshold to the municipal level would also reduce unnecessary cost pressures.

There are also efficiencies to be gained by reducing duplicative regulatory and

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administrative reporting requirements, rolling out field-tested system software rather than unproven platforms, and equalizing county vocational funding responsibilities across counties.

In closing, the financial challenges we are discussing today are not the result of poor administration or lack of oversight. They are the result of a misalignment between rising, largely uncontrollable costs and the constraints placed on local decision-makers.

School business administrators are doing exactly what they are trained to do—advising boards honestly, managing resources responsibly, and implementing difficult decisions they did not create but are required to carry out.

NJASBO appreciates the Committee's willingness to examine these issues, and we stand ready to work with you to improve predictability, flexibility, and sustainability in school finance.

Thank you for the opportunity to testify, and I am happy to answer any questions.

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NEW JERSEY ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
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Susan Young
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Assembly Education Committee Meeting

February 19, 2026

NJASBO Solutions Summary

Stabilizing School District Finances and Restoring Predictability

The New Jersey Association of School Business Officials respectfully offers the following recommendations to address the structural causes of school district fiscal stress and to provide districts with the flexibility and predictability necessary for responsible financial management.

Health Benefits and Labor Costs

- Sunset Chapter 44 and return health benefit plan design and contribution structures to local control.
- Allow district-specific health benefit adjustments to be incorporated into budgets when rates exceed statutory assumptions.
- Recognize that currently health benefit cost growth is largely uncontrollable at the local level and must be addressed structurally.

State Aid and Mandated Costs

- Reexamine the Transportation and Special Education categorical aid formulas to better align funding with actual, mandated costs.
- Fully acknowledge that these programs affect nearly all districts and should not require districts to subsidize mandates with general education funds.
- Reimburse districts for unpaid meal charges, which represent an unfunded obligation unrelated to educational programming.

Tax Levy and Spending Constraints

- Remove or modernize the tax levy and administrative spending caps to reflect current economic and operational realities.
- Provide districts below adequacy with additional flexibility to reach their local fair share responsibly.

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Staffing and Fiscal Controls

- Restrict hiring to the approved Budgeted Position Control Roster, with limited exceptions subject to County DOE review.
- Continue to support shared services and shared business administrator arrangements where appropriate.

Facilities and Capital Investment

- Create sustainable capital improvement funding, including raising the square-foot cost allowance so that "40 percent funding" reflects actual construction costs.
- Increase the prevailing wage threshold to the municipal level to reduce unnecessary cost escalation.
- Address deferred maintenance proactively to prevent higher long-term costs.

Career and Technical Education

- Equalize county vocational funding responsibilities across counties to ensure fairness and consistency statewide.

Operational Efficiency and Administrative Relief

- Reduce duplicative regulatory and administrative reporting requirements that consume staff time without improving outcomes.
- Deploy field-tested system software rather than unproven platforms that increase administrative burden and operational risk

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Conclusion

These recommendations are intended to restore alignment between district responsibilities and the tools available to meet them. They recognize the shared roles of boards of education, administrators, and the State, and they focus on structural solutions rather than short-term fixes.

NJASBO stands ready to work collaboratively with the Legislature and the Department of Education to advance these reforms in a way that supports fiscal responsibility and educational stability.

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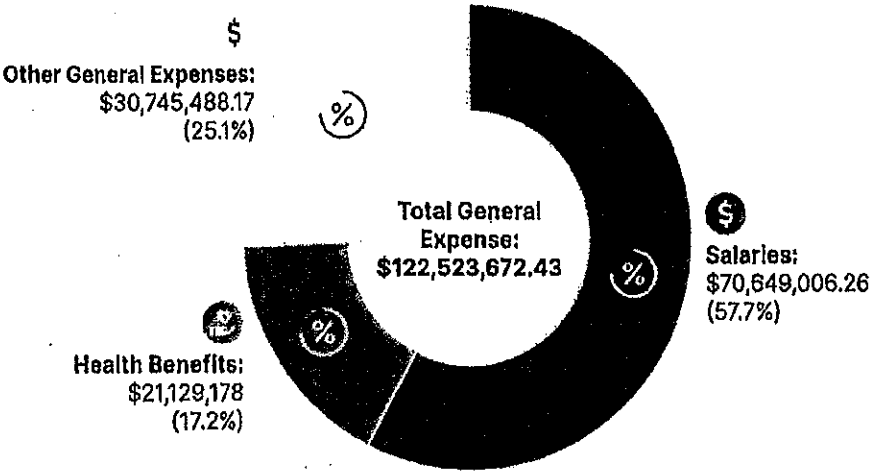
NJASBO Testimony February 19, 2026
Reference Document

FY27 NJ Public School Budget:
General Expense Breakdown (Salaries & Health Benefits)



Key Insight: Personnel Costs

Combined **Salaries & Health Benefits** account for **74.9%** of the **Total General Expense.**

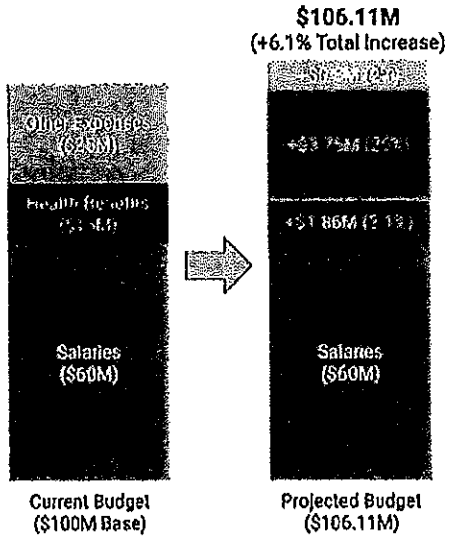
Note: This district benefited from a **lower health benefits increase of 16%** compared to many other NJ districts facing significantly higher hikes for FY27.

Context: Healthcare costs are a major budget driver for NJ public schools. This district's 16% increase is comparatively low against statewide trends.

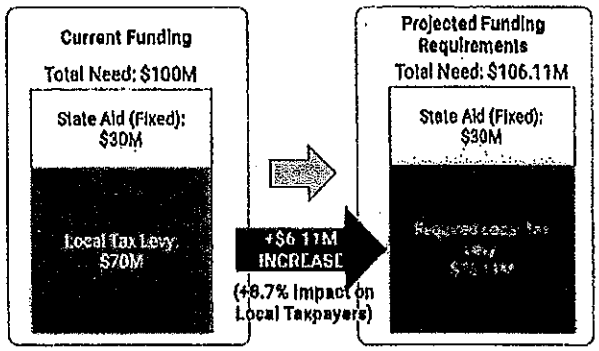
Impact of Significant Cost Drivers on Required Local Tax Levy

Hypothetical District Scenario: Health Benefits **+25%**, Salaries **+3.1%**, Other Expenses +2% (CPI)

Budget Components & Projected Increases



Funding Source Shift & Taxpayer Impact



Key Insights:

- The 25% surge in Health Benefits is the primary driver, accounting for over 60% of the total new costs ($3.75M of the $6.11M increase).
- With State Aid assumed flat, the entire burden of the $6.11M increase shifts to the Local Tax Levy, resulting in an 8.7% hike for taxpayers.
- Important Note: While a 25% health benefit increase is substantial, it is not an outlier and reflects the severe upward pressure many districts currently face, often exceeding typical budget caps.

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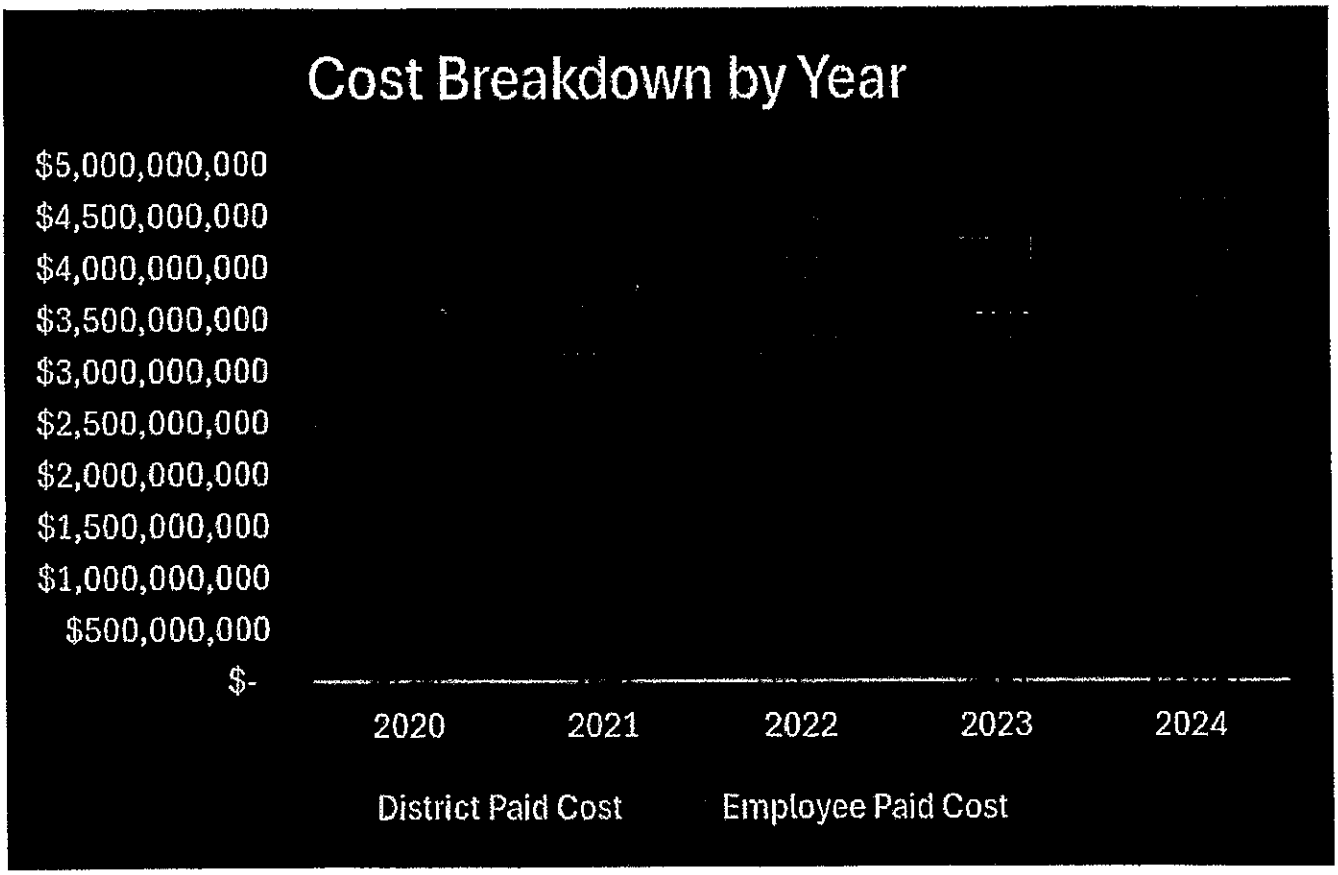

Source: NJASBO – Chapter 44: Analyzing the Financial and Structural Challenges in School Health Benefits

Scan the QR code to view the NJASBO Chapter 44 Report

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Clubs of
New Jersey

AAA Clubs of New Jersey Testimony

in Support of A3887

Assembly Education Committee

February 19, 2026

Thank you to members of the committee for the opportunity to provide testimony on behalf of AAA Clubs of New Jersey, an association of the three independent, not-for-profit AAA clubs in New Jersey that collectively serve over 2 million drivers across the State.

AAA supports automated enforcement programs – including school bus monitoring systems – when they are preceded by public education, supplemented by traditional law enforcement and when generated revenue is reinvested into safety. These programs should also undergo regular evaluations that are shared with the public.

When implemented appropriately and transparently, school bus camera programs can improve safety for children. Below are several recommendations to strengthen A3887 and support successful implementation:

Public Awareness and Education Campaign

Implementing an education campaign prior to the launch of a school bus monitoring program will help ensure drivers understand the new law, the consequences of non-compliance and how the monitoring system will be used to enforce violations. AAA recommends a public awareness and education campaign at least 60 days prior to the onset of the program which includes:

- The laws for the operation of a motor vehicle when approaching a stopped school bus displaying flashing red lights; the safety risks and consequences associated with unlawfully passing a stopped school bus; and the use of school bus monitoring systems to enforce violations of those laws.
- Distribution of informational materials to schools, parent organizations and to the general public
- Online and social media outreach

Each program should also include a probationary period (e.g. 30-60 days) when only warnings are provided. Enshrining a warning period in law ensures community awareness and allows municipalities and school districts to work out any operational issues that arise at the onset of a new program. A local school bus camera advisory committee consisting of local stakeholders, including school and municipal officials, law enforcement, and parents and community groups can also be established to help educate the public and support the implementation of the program.

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Clubs of
New Jersey

Reporting

The legislature should require that any municipality or school district that uses a school bus monitoring system conduct annual reports that are made available on a public-facing website. These reports should include, at a minimum:

- # of violations captured
- # of citations issued
- # of buses equipped with cameras
- Revenue generated from citations
- Distribution of funds between vendors, municipalities, and school districts
- The number of crashes involving illegal passing of a stopped school bus (both in the past year and prior to camera implementation)

Revenue for safety

Above all, to preserve the integrity of the bus monitoring programs, all revenue above the cost of implementing and maintaining cameras should be reinvested into safety programs. It is imperative that the public believe these programs are implemented for safety purposes only. Reinvesting revenue to safety reinforces that the purpose of camera enforcement is to reduce dangerous driving behavior, not to generate money for the state, municipality or school district.

Additionally, payment to the vendors should not be based on number of violations issued. This type of payment structure can be perceived as revenue driven and undermine the program's creditability.

AAA has found that the more safeguards that are incorporated into legislation and consistently implemented at the local level, the greater the public's confidence is in the integrity of a camera program and the more effective the program becomes.

Thank you for the opportunity to provide testimony.

Lauren Paterno
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The Garden State Coalition of Schools thanks Chairwoman Reynolds-Jackson, Vice-Chairwoman Bagolie and members of the Assembly Education Committee for the opportunity to submit this written testimony on "news reports of school budget deficits in several school districts across the State and what State policymakers should do to correct and prevent these situations in the future."

I am Elisabeth (Betsy) Ginsburg, Executive Director of the 100-member Garden State Coalition of Schools, an organization with member districts all over the state. I am also a 26-year school board member and longtime board president in my hometown of Glen Ridge. I speak today with the experience I have gained in both those capacities.

An Issue With Many Facets

Many districts, including Hackensack, Montclair, Wayne, and Toms River, have made headlines recently due to financial problems. Some of the reasons for these issues are common to all districts; others are as individual as the districts and their communities. Just as there are many causes for district financial distress, there is no one solution that will alleviate that distress. I do know that many districts that have not made the headlines still face financial challenges that if

left unaddressed will compromise their ability to provide every student with a high-quality public education.

Common Issues

All districts face dramatic cost increases in a number of categories, most prominently healthcare, transportation and special education that have risen in the last decade far in excess of the annual two percent tax levy cap. Districts can offer voters "second questions" to help fill the funding gaps, but for most districts with November elections, even infusions of money resulting from successful second questions are "too little, too late". Those second questions also increase the local tax burden, elevating local property taxes, which are already high statewide.

S2

In addition, roughly one third of the state's districts lost money for seven years under S2 and another third received flat funding. The legislation was intended to rectify longstanding issues related to adjustment aid, but the unintended and dire consequence was that those districts, their educators, and most of all, their students, suffered because of the dramatic reductions in aid over a seven-year period. Legislators in the last few years have created band-aid solutions intended to help those districts, but they were just that—band-aids. Band-aids cannot stop the hemorrhaging of educational quality, as well as educator and community morale that ensued because of the draconian combination of S2-related reductions and consistently higher costs across the board.

Mismanagement and Circumstances

The press always makes much of alleged mismanagement in districts with publicized financial shortfalls. Occasionally this is true, but often the problems result from the combination of the rising costs mentioned above in addition to factors like high administrative turnover, including the loss of experienced superintendents and BA's. The state has a shortage of qualified

individuals serving in those roles, and high turnover often results in a loss of expertise and continuity, placing districts in jeopardy. Boards of education, though well-trained by the New Jersey School Boards Association, are not experts in district operations/management or school finance. High administrative turnover means that boards have little guidance on these issues. Politicization and resulting polarization of board members in some places only compounds fiscal problems.

Solutions—The Formula

We know that it will not be a popular option, but we recommend that the Legislature hold a special summer session to take a hard look at the deficiencies in the SFRA formula, which, though it has withstood court challenges over time, needs to overhauled so that it can accommodate changed circumstances and result in state aid that takes into account the true cost of a thorough and efficient education in the twenty-first century. A summer session would give legislators time, outside the budget cycles of the Legislature and school districts, to get a grip on the financial side of New Jersey education and come up with solutions that acknowledge the state's financial realities as well as the pressing needs of New Jersey school districts.

Mandate Relief

Education has become overly compliance-driven, robbing educators and students of time, energy and financial resources, not to mention the ability to bring creativity and thought to the education process. Every legislative session includes well-intentioned bills that add to the burdens that districts face. We suggest that individual legislators think long and hard about the implications of each piece of education—related legislation. Ask yourselves questions like, "Do existing laws or regulations already cover this issue?" Most important, ask yourselves, "What is the real cost

of this initiative in dollars and educator time?" If you have doubts about the viability of a bill, speak to the education organizations. We are all happy to help.

Reject Silver Bullets

The public, the press, and even (sometimes) members of the legislature love to suggest "silver bullet" solutions that will solve the state's fiscal issues. Sometimes the bullet is "greater accountability", which generally translates into more compliance exercises. Sometimes the bullet is elimination of "home rule", involving large-scale consolidation/regionalization. We note that when some legislators advocate an end to "home rule", they are often referring to someone else's home town or home school district. Consolidation/regionalization is a well-known legislative "third rail" that posits broad-brush solutions that frequently ignore the needs of communities while requiring local taxpayers to pursue unpopular, long-term solutions that will not save significant amounts of taxpayer dollars. We suggest that you adopt the more realistic goal of incentivizing shared services on a larger scale, which is much more likely to save money in a more realistic timeframe. As far as we know, there has been no landscape analysis of how school districts currently share services, which services might be most successfully (and cost effectively) shared, and how statutory impediments to greater sharing might be eliminated. We would suggest contracting the landscape analysis to an outside entity, like the Heldrich Center at Rutgers, followed by the convening of a task force to create recommendations for increased cost and service sharing.

Reject Outside Influence

Big money and political influence, often originating from outside the state, has contaminated education think in New Jersey. We hope that when ideas for new mandates, curricular additions, compliance exercises, and state assessments are suggested, legislators will look carefully for

hidden agendas that serve the interests with which they originate and not the students of New Jersey.

Let Us Help

Every day, New Jersey educators and students "make it work", despite extreme challenges and continual negative press by some media outlets. The education organizations, including the Garden State Coalition are only a phone call or email away, and we are always willing to contribute knowledge, advice and ideas for solutions to challenges. Legislators are not alone, and if you work with us, our educators and students will not be alone either.

Assembly Education Committee Testimony
2/19/2026

Jeanne Howe, Superintendent of Schools

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Thank you for the opportunity to speak today. My name is Jeanne Howe, and I am the proud superintendent of Jefferson Township Public Schools.

Since 2019, I have been before your colleagues in the legislature, raising awareness of the district's financial situation. I testified annually at the Assembly and Senate Budget hearings, met with local legislators, wrote letters to all state-level legislators, met with the former Governor's chief of staff, sued the NJDOE for the funding formula, and engaged the media to assist with our advocacy efforts. All to no avail, as we are faced with a $4.8 million deficit next school year.

Jefferson is not in this situation due to mismanagement. New Jersey schools operate under a flawed funding formula and systemic structural deficit that has been codified by myriad pieces of legislation. Next year alone, health care costs are increasing by over $2.6 million and our payroll by $1.3 million, while a 2% tax levy increase equates to only $1 million. Even without the other increases in our expenditures, we are already $2.9 million short. The wealth and income factor in the formula is based partly on home values. Due to the Highlands Act, our inventory of homes is low, driving up the value of the homes. Just because your home value increased, it does not mean that you have the ability to pay for increased

taxes. It's important to recognize that an increase in property values cannot be realized until a home is sold.

Because of S-2, legislation that sought to rebalance school funding based on enrollment, we lost 60% of our state aid despite enrollment declining only 29%. There is no explanation of why the cuts were so disproportionate.

Finally, the Highlands Act, legislation to protect New Jersey's drinking water, restricts 88% of Jefferson from development. Because Jefferson is a great community in which to live, empty nesters are not relocating, and our enrollment declined. Additionally, there is little ability to grow new businesses. The cost of running a town and school district falls on the backs of the taxpayers. Jefferson already has the sixth-highest taxes in Morris County--increasing their school tax fair share is just not fair.

We have been fiscally responsible over the last eight years. We reduced over 100 staff members across all staff categories; closed two of our seven schools; implemented user fees for athletics, extracurriculars, and parking; moved in and out of the State Health Plan (four times in five years!) for benefits in search of any savings possible; all but exhausted our capital and maintenance reserves; reconfigured our schools and district; and

implemented a three-tier bussing system. Every expense has been scrutinized. There is nothing left to cut. Any one of these changes would be considered a substantial disruption to our students and community; we have implemented all of them.

To balance our budget next year, we were told to cut anything not tied to a thorough and efficient education, which, we were informed, means simply teaching to the state standards. That means eliminating basic skills and gifted and talented programs, increasing class sizes to over 33 in our youngest grades, reducing counseling services, eliminating courtesy bussing, eliminating after-school activities in grades K-8, reducing High School activities by half, and eliminating athletics entirely. These programs are not extras. They are essential to a well-rounded education and the whole child. These cuts would be extremely harmful to the children in our schools.

All districts will eventually need your help. We are all on the same road to a fiscal cliff; Jefferson's unique circumstances got us to the end of the road first.

Jefferson is seeking a solution that is fair for all of New Jersey's 1.4 million students, especially those in Highlands-impacted communities. But we desperately

need your help now. Jefferson Township is out of money, out of options, and out of time.

I welcome the opportunity to meet with you further to discuss our unique circumstances.

Thank you again.

February 18, 2026

Dear Assembly Education Committee Members,

Since 2018, I have watched schools across New Jersey get stripped of their state aid, resulting in children losing access to essential academic opportunities, clubs, transportation, and sports that are crucial for their holistic development. Schools have also lost their teachers through reductions in force, which have pushed class sizes to an overwhelming 30+ students per classroom. This not only affects the quality of education but also hinders teachers' ability to effectively engage with each student.

The current New Jersey school funding formula has proven to be detrimental to our community's educational facilities. Schools are now financially overburdened, frequently leading to substantial local tax increases for residents and heartbreaking staff layoffs. This undue financial stress does not solve the underlying issues but merely transfers the burden onto families and educators in our community.

A revised and transparent funding formula should allocate funds based on the specific needs of each school district, taking into consideration the number of students, special programs required, and the socio-economic factors of the community. However, this must be done without forcing districts into a no-win situation: slashing the quality of education or imposing crushing property tax hikes. To ensure school districts can do long-term planning, no State aid cut shall require a school district to increase residential property tax revenue per household by more than two percent above inflation just to maintain the prior-year's per-pupil spending.

By prioritizing a more equitable distribution of resources and avoiding catastrophic cuts, New Jersey can ensure that all children have access to quality education, regardless of their zip code.

We urge the New Jersey Department of Education, State Legislators, and the Governor to take immediate action by convening the Assembly and Senate Education Committees to revise the school funding formula. This team should include educators and financial experts to guarantee that all voices are heard and the real-world consequences of the current system are considered in the process.

Concerned Resident, Parent, and Educator,

Rhiannon Mindas
Lacey Township Schools

23x

Understanding Education Funding in NJ

West Orange Parents for Education (WOPE) - woparents.org
Larry Weintraub, West Orange, NJ

18 February 2026

Table of Contents

24x

25x

0 Executive Summary

West Orange is a medium sized school district in Essex County, enrolling 6737 students in grades K-12, with a yearly operating budget of $200 million. I am a parent of a West Orange student, and became very concerned when I saw that last year's school budget (FY26) required significant cuts, program changes and teacher and staff layoffs in order to reach balance. The discussions that accompanied these decisions were full of anger, mistrust and hurt and created fractures within our town and community. It was clear that state funding for West Orange had declined in recent years and that costs had risen, but it was not clear exactly why or what changes could help reduce the impact of these factors. A group of parents decided we wanted to better understand the process that funds NJ schools to know what future budgets for West Orange will look like, and avoid future rounds of chaos, anger and distrust. We formed West Orange Parents For Education (WOPE) and began researching. This report is the result of our effort to understand the NJ school budget process, and identify solutions that would secure more stable funding across the state and for West Orange.

This report outlines how *P.L. 2007, CHAPTER 260*, also known as the School Funding Reform Act of 2008 (SFRA), and *P.L. 2018, CHAPTER 67*, also known as S-2, determine K-12 state aid to NJ school districts and writes out equations describing this process. The goal of the report is to clearly identify what determines state aid, create a model for predicting future state aid, and share that information in a way that other interested members of the community could understand this process. In addition, the report lays out clearly changes to the formula under consideration in the State Assembly, namely A2284 (previously A5310) and A3881 (previously A5966), and creates a model for the impact of those changes to districts across the state.

The implications of state policy, such as the value of Free and Reduced Lunch forms to West Orange are derived, showing each additional Free and Reduced Lunch form collected in West Orange is worth between $8,865.86 and $9,918.24 in added state aid. Changes to the formulas proposed in the state Assembly as bills A2284 (previously A5310) and A3881 (previously A5966) are explained and their impact on the FY27 school budget West Orange is calculated, showing a reduction in Equalization Aid of **$7,414,331** from FY26 to FY27. We show the predicted budget for West Orange in FY27 will be **$16.4 million over cap**, after accounting for stabilization aid, the 2% levy cap and expected enrollment changes.

The report also derives a set of formulas separating year to year changes in Equalization Aid into their causal factors and uses these formulas to show that the decline in West Orange's Equalization Aid over the last several years is due to a sharp increase in the local aggregate income measure for FY25 (which actually occurred in 2021), overall state reductions in funding for FY26 and a combination of predicted enrollment decline and the prescribed 5% increase of wealth measures in the proposed legislation for FY27. We also show the proposed legislation will reduce total Equalization Aid by $150 million statewide, while also transferring aid from districts with a small gap between local fair share and adequacy budget to those with very large

gaps. **Local Fair Share must be tied to the actual ability of local districts to raise funds to support their schools.**

The report also shows that the stabilization aid proposed for FY27 in A2284 (previously A5310), capping state aid reductions to 2% of a district's FY26 operating budget, would result in an operating budget reduction for districts that qualify. **The 2% levy cap would make it impossible to replace all of the lost state aid**, since 2% of the FY26 tax levy would be less than 2% of the FY26 operating budget. This means that the reduction in state aid would be more than any additional local funds the district could raise. **State funding must be tied to the actual ability of local districts to raise funds to support their schools.**

Finally, the report analyzes the implications of including aggregate income as a wealth measure. The use of this measure reduces West Orange's Equalization Aid by $25 million in FY27 without providing any actual way of tapping that wealth to fund schools locally, given the 2% cap in levy growth.

1 Model of NJ State Education Funding under the SFRA

Definition of Fiscal Year

The NJ DOE definition of fiscal year is that, for example, the 2025-26 school year is designated as FY26. So the current school year in December 2025 is FY26. The next budget, to be passed in the Spring of 2026 will be for FY27, which is the 2026-27 academic year.

1.1 Adequacy Budget (AB)

The adequacy budget is made up of two components, the cost of general education pupils and two-thirds of the added cost of educating special education students. The remaining third of the cost for special education students is distributed directly as categorical aid.

The cost of general education is given by the product of the weighted enrollment of a district and the base cost per general education student. The base cost per general education pupil (BPA) is given in Table 1.1.

Fiscal Year	Base Per Pupil Amount (BPA)
FY2009 (SFRA)	$9,649
FY2014 EAR Recommendation	$11,009
FY2017 EAR Recommendation	$11,009
FY2020 EAR Recommendation	$11,775
FY2023 EAR Recommendation	$12,451
FY2025 State Aid Calculation	$13,946
FY2026 EAR Recommendation	$14,972

Table 1.1: Base Per Pupil Amounts (BPA)

1.1.1 Base Weighted Enrollment ($BWENR$)

The weighted enrollment for a district accounts for the added cost of providing education to some general education students compared to others. In particular, middle and high school students have more costs per student, and students from low income households, those learning English as their non-primary language, or those with both of those challenges have additional costs as well. The formula for the base weighted enrollment is

$$BWENR = (EW * EENR) + (MW * MENR) + (HW * HENR)$$

EW, MW, and HW are the weights for Elementary (grades K-5), Middle School (grades 6-8), and High School (grades 9-12) respectively and given in Table 1.2. $EENR$ is the elementary enrollment in the district, $MENR$ is the middle school enrollment, and $HENR$ is the high school enrollment.

The base cost (BC) for the district is

$$BC = BWENR * BPA$$

Fiscal Year	Elementary (EW)	Middle School (MW)	High School (HW)
FY2009 (SFRA)	1.00	1.04	1.17
FY2014 EAR Recommendation	1.00	1.04	1.16
FY2017 EAR Recommendation	1.00	1.04	1.16
FY2020 EAR Recommendation	1.00	1.04	1.16
FY2023 EAR Recommendation	1.00	1.04	1.15
FY2026 EAR Recommendation	1.00	1.04	1.15

Table 1.2: Grade Level Weights (EW, MW, HW)

1.1.2 At-Risk Enrollment (AR)

Students coming from low-income households, defined as those households making below 185% of the poverty line, and measured by collecting "*Free and Reduced Lunch Forms*" certifying students as coming from those households, carry additional costs and are added to the adequacy budget. The more such students a district has, the higher the cost per at-risk student incurred. Therefore, the SFRA model gives at-risk students a higher weight based on the fraction of the district's students coming from low-income households. The percentage of at-risk students in the district ($ARPERC$) includes both students from low-income households and students who are both English learners and low-income. RE is the (unweighted) total resident enrollment of the district and ARE is the total (unweighted) at-risk enrollment of the district.

$$AR = BPA * ARWENR * AR\,Weight$$
$$ARWENR = (EW * AREENR) + (MW * ARMENR) + (HW * ARHENR)$$
$$RE = EENR + MENR + HSENR$$
$$ARE = AREENR + ARMENR + ARHENR + CEENR + CMENR + CHENR$$
$$ARPERC = \frac{ARE}{RE}$$
$$AR\,Weight = AR20 + CLIP\left(\frac{(ARPERC - 0.4)}{0.4}\right) * (AR60 - AR20)$$

$CLIP(x)$ is a function that restricts its output to between 0 and 1, ensuring that $AR\ Weight$ is always between $AR20$ and $AR60$. RE is the total resident enrollment count of the district. $AR20$ and $AR60$ are found in Table 1.3.

$$CLIP(x) = 0\ if\ x < 0$$
$$CLIP(x) = x\ if\ 0 \leq x \leq 1$$
$$CLIP(x) = 1\ if\ x > 1$$

Fiscal Year	At-Risk Weight (AR20) (Low Income % < 20%)	At-Risk Weight (Low Income % = 40%)	At-Risk Weight (AR60) (Low Income % > 60%)
FY2009 (SFRA)	0.47	0.52	0.57
FY2014 EAR Recommendation	0.42	0.46	0.46
FY2017 EAR Recommendation	0.41	0.46	0.46
FY2020 EAR Recommendation	0.47	0.52	0.57
FY2023 EAR Recommendation	0.47	0.52	0.57
FY2026 EAR Recommendation	0.47	0.52	0.57

Table 1.3: At-Risk Weights by Concentration of Low Income Students in the District (AR Weight)

1.1.3 Language Learner Enrollment (LEP)

Students who are English language learners, carry additional costs to learn the language while also meeting mandated educational goals. This cost is captured in the adequacy budget via the $LEP\ Weight$, given in Table 1.4.

$$LEP = BPA * LWENR * LEP\ Weight$$
$$LWENR = (EW * LEENR) + (MW * LMENR) + (HW * LHENR)$$

Fiscal Year	English Learners Weight (LEP Weight)	Combined At-Risk and English Learners Weight (COMB Weight)
FY2009 (SFRA)	0.47	0.52
FY2014 EAR Recommendation	0.42	0.46
FY2017 EAR Recommendation	0.41	0.46

Fiscal Year	English Learners Weight (LEP Weight)	Combined At-Risk and English Learners Weight (COMB Weight)
FY2020 EAR Recommendation	0.47	0.52
FY2023 EAR Recommendation	0.47	0.52
FY2026 EAR Recommendation	0.47	0.52

Table 1.4: Language Learners and Combination Risk Weights (LEP Weight and COMB Weight)

1.1.3 Combined At-Risk Enrollment ($COMB$)

Students coming from low-income households, defined as those households making below 185% of the poverty line, and measured by collecting "*Free and Reduced Lunch Forms*" certifying students as coming from those households, who are also English language learners, carry further additional costs which is captured in the adequacy budget with $COMB\ Cost$. The more such students a district has, the higher the cost per at-risk student incurred. Therefore, the SFRA model gives at-risk students a higher weight based on the fraction of the district's students coming from low-income households. $COMB\ Weight$ is given in Table 1.4.

$$COMB = BPA * CWENR * (COMB\ Weight + AR\ Weight)$$
$$CWENR = (EW * CEENR) + (MW * CMENR) + (HW * CHENR)$$

1.1.4 Total Weighted Enrollment ($WENR$)

The total weighted enrollment of the district is

$$WENR = BWENR + ARWENR + LWENR + CWENR$$

1.1.5 Special Education Costs

Special education students are broken up into two categories, full special education students, S and speech-only special education students, SO, who receive only speech therapy services. These counts are multiplied by the added cost of educating special education AEC and speech-only SEC students. Two-thirds of this cost is then added to the adequacy budget. The values for AEC and SEC are found in Table 1.5.

$$SE = S * AEC + SO * SEC$$

Fiscal Year	Added Cost Per Special Education Student (AEC)	Added Cost Per Speech Only Services Student (SEC)
FY2009 (SFRA)	$9,649	$1,082
FY2014 EAR Recommendation	$15,337	$1,221
FY2017 EAR Recommendation	$17,034	$1.159
FY2020 EAR Recommendation	$18,612	$1,220
FY2023 EAR Recommendation	$19,524	$1,270
FY2026 EAR Recommendation	$23,172	$1,414

Table 1.5: Added Cost Per Special Education and Speech Only Pupil Amounts (AEC, SEC)

Prior to 2026, instead of actual counts for S and SO census average values for the entire state were used. $SEACR$ is the average classification rate for general special education students, and $SACR$ is the average classification rate of speech-only special education students. $SEACR$ and $SACR$ are found in Table 1.6.

$$S = SEACR * RE$$
$$SO = SACR * RE$$

The total adequacy budget is

$$AB = BC + AR + LEP + COMB + \frac{2}{3}SE$$

Fiscal Year	Special Education Census Average Classification Rate (SEACR)	Speech-Only Special Education Census Average Classification Rate (SACR)
FY2009 (SFRA)	14.69%	1.90%
FY2014 EAR Recommendation	14.78%	1.72%
FY2017 EAR Recommendation	14.92%	1.63%
FY2020 EAR Recommendation	15.40%	1.57%
FY2023 EAR Recommendation	15.90%	1.61%
FY2026 EAR Recommendation	16.50%	1.68%

Table 1.6: Special Education Average Classification Rates (SEACR, SACR)

1.2 Geographic Cost Adjustment

Each county has a geographic cost adjustment to account for regional cost of living differences. The adequacy budget, and all categorical aid, is multiplied by this factor, the GCA. The GCA was specified initially in the SFRA legislation, and adjusted once in 2014. Those values are shown in Table 1.7.

$$AB = GCA * \left(BC + AR + LEP + COMB + \frac{2}{3}SE\right)$$

County	Geographic Cost Adjustment SFRA	Geographic Cost Adjustment 2014
Atlantic	0.9452	0.9693
Bergen	1.0312	1.0051
Burlington	0.9613	0.9848
Camden	0.9463	0.9767
Cape May	0.8762	0.9429
Cumberland	0.8818	0.9530
Essex	1.0432	1.0237
Gloucester	0.9189	0.9703
Hudson	1.0393	1.0341
Hunterdon	1.0156	1.0084
Mercer	1.0087	1.0087
Middlesex	1.0180	1.0046
Monmouth	1.0170	0.9953
Morris	1.0633	1.0179
Ocean	0.9424	0.9678
Passaic	0.9987	0.9893
Salem	0.9189	0.9703
Somerset	1.0608	1.0355
Sussex	0.8966	0.9873

County	Geographic Cost Adjustment SFRA	Geographic Cost Adjustment 2014
Union	1.0298	1.0182
Warren	0.9467	0.9660

Table 1.7: Geographic Cost Adjustment (GCA)

1.3 Local Fair Share (LFS)

Local Fair Share is discussed in detail in Section 4.2.2.

1.4 Equalization Aid (EA)

Equalization Aid is defined as the difference between the Adequacy Budget and the Local Fair Share. For further discussion see Section 4.

$$EA = AB - LFS$$

1.5 Categorical Special Education Aid

Two-thirds of the cost of Special Education is captured in the adequacy budget, and state aid for this cost is provided through equalization aid. The remaining third of the cost is provided directly as categorical Special Education Aid.

$$SE\ Aid = GCA * \frac{1}{3}(S * AEC + SO * SEC)$$

1.6 Categorical Security Aid

Security Aid is made up of two parts. A base rate for security costs per student, and an additional cost for low-income students. As the concentration of at-risk students in a district increases, the security costs increase. BSA is the base security cost per student, and $ARSA$ is the security cost for at risk students, which rises as the concentration of students increases, up to 40% of total enrollment. BSA and $ARSA$ are found in Table 1.8.

$$SA = GCA * \left(RE * BSA + ARE * CLIP\left(\frac{ARE}{0.4*RE}\right) * ARSA\right)$$

Fiscal Year	Base Security Cost Per Pupil (BSA)	Security Cost Per At-Risk Pupil (ARSA)
FY2009 (SFRA)	$70	$406

Fiscal Year	Base Security Cost Per Pupil (BSA)	Security Cost Per At-Risk Pupil (ARSA)
FY2014 EAR Recommendation	$75	$428
FY2017 EAR Recommendation	$77	$452
FY2020 EAR Recommendation	$83	$495
FY2023 EAR Recommendation	$86	$519
FY2026 EAR Recommendation	$140	$411

Table 1.8: Security Cost Per Pupil and Per At-Risk Pupil (BSA, ARSA)

1.7 Categorical Transportation Aid

This report does not include discussions of transportation aid, since the data used to calculate this aid, number of transported students and miles of transportation provided, are not available publicly.

1.8 Extraordinary Special Education Aid

Similarly, extraordinary special education aid is not discussed since the cost of providing services to specific individual special education students is needed to calculate this aid, but is not publicly available.

1.9 Stabilization Aid

In some years the state has provided that the total of Categorical Special Education Aid, Equalization Aid, Categorical Security Aid and Categorical Transportation Aid should not decrease from one year to the next by more than some prescribed amount. This has been used to soften the transition when the formula is changed, at the enactment of the SFRA, during the years after S-2, when 3 year averaging of wealth measures was implemented in FY26 and in the proposed legislation currently before state legislature.

For FY26 this took the form of limiting reductions to no more than 3% of the aid provided in FY25. This protected districts with small aid allocations from any reduction while not protecting districts with large aid amounts from significant budget gaps.

The proposed legislation, A2284 (previously A5310), caps state aid reductions in terms of the previous fiscal year's operating budget, an approach that ensures that the size of the budget gap created by aid changes has a similar effect across districts. The proposed limit is 2% of the operating budget. This means that the full levy raise cap would be insufficient to make up for losses in state aid, since 2% of the FY26 tax levy would be less than 2% of the FY26 operating budget. This means that the reduction in state aid would be more than any additional local

funds the district could raise. A district eligible for stabilization aid would be unable to keep its operating budget at FY26 levels, and would definitely not be able to account for rising costs.

Using West Orange as an example, the operating budget for FY26 was $200,489,456 and the FY26 local tax levy was $159,415,304. Capping state aid loss at 2% of the FY26 operating budget means that state aid could decline, and likely will, by a total of $4,009,789. The most that the district could raise the local tax levy is $3,188,306, **leaving a shortfall of $821,482.** This could happen solely due to changes in Local Fair Share, leaving the district unable to fund any year over year rise in per pupil costs.

1.10 Inflation

In between EAR updates, the value of per pupil costs, BPA, AEC, SEC, BSA, and ARSA, are increased year to year by the previous year's CPI. Those values are listed in Table 1.9. The 2010s were blessed with low inflation numbers, well below the tax levy cap of 2%. **That was not exceeded until 2022, but since then each year has seen inflation above the levy cap.**

Fiscal Year	CPI (%)
2008	3.34
2009	1.60
2010	1.23
2011	1.89
2012	2.63
2013	1.69
2014	1.34
2015	0.57
2016	0.30
2017	1.51
2018	1.45
2019	1.7
2020	1.69
2021	1.91
2022	**5.86**

Fiscal Year	CPI (%)
2023	**5.81**
2024	**3.57**
2025	**3.57**

Table 1.9: Yearly Inflation Values for NJ (CPI)

1.11 The Value of Free and Reduced Lunch Forms

The at-risk enrollment is measured by collecting free and reduced lunch forms in the summer and fall of each academic year. Each form collected increases the weighted enrollment due to at risk students and increases the adequacy budget and security aid for the district. This directly increases state aid in the form of both categorical security aid and equalization aid.

The portion of the adequacy budget related to at-risk students is

$$AR = BPA * ARWENR * AR\,Weight$$
$$ARWENR = (EW * AREENR) + (MW * ARMENR) + (HW * ARHENR)$$
$$RE = EENR + MENR + HSENR$$
$$ARE = AREENR + ARMENR + ARHENR + CEENR + CMENR + CHENR$$
$$ARPERC = \frac{ARE}{RE}$$
$$AR\,Weight = AR20 + CLIP\left(\frac{(ARPERC-0.4)}{0.4}\right) * (AR60 - AR20)$$

The $CLIP()$ function can be ignored for districts with at-risk percentages between 20% and 60%, which is the case for West Orange.

$$AB_{AR} = GCA * BPA * [(EW * AREENR) + (MW * ARMENR) + (HW * ARHENR)] * \left[AR20 + \left[\frac{1}{0.4*RE}(AREENR + ARMENR + ARHENR) - 1\right](AR60 - AR20)\right]$$

Multiplying this out, and considering only terms with at-risk elementary enrollment:

$$AB_{AR} = GCA * BPA * EW * AREENR * AR20$$
$$+ GCA * BPA * EW * AREENR * \frac{AREENR}{0.4*RE} * (AR60 - AR20)$$
$$+ GCA * BPA * MW * ARMENR * \frac{AREENR}{0.4*RE} * (AR60 - AR20)$$
$$+ GCA * BPA * HW * ARHENR * \frac{AREENR}{0.4*RE} * (AR60 - AR20)$$
$$+ GCA * BPA * EW * AREENR * \frac{ARMENR}{0.4*RE} * (AR60 - AR20)$$
$$+ GCA * BPA * EW * AREENR * \frac{ARHENR}{0.4*RE} * (AR60 - AR20)$$
$$- GCA * BPA * EW * AREENR * (AR60 - AR20)$$

Simplifying:

$$AB_{AR} = GCA * BPA * EW * AREENR * AR20$$
$$+ \frac{5}{2RE} * GCA * BPA * EW * AREENR^2 * (AR60 - AR20)$$
$$+ \frac{5}{2RE} * GCA * BPA * MW * ARMENR * AREENR * (AR60 - AR20)$$
$$+ \frac{5}{2RE} * GCA * BPA * HW * ARHENR * AREENR * (AR60 - AR20)$$
$$+ \frac{5}{2RE} * GCA * BPA * EW * AREENR * ARMENR * (AR60 - AR20)$$
$$+ \frac{5}{2RE} * GCA * BPA * EW * AREENR * ARHENR * (AR60 - AR20)$$
$$- GCA * BPA * EW * AREENR * (AR60 - AR20)$$

Taking the derivative with respect to at-risk elementary enrollment ($AREENR$):

$$\frac{dAB_{AR}}{dAREENR} = GCA * BPA * EW * AR20$$
$$+ 2\frac{5}{2RE} * GCA * BPA * EW * AREENR * (AR60 - AR20)$$
$$+ \frac{5}{2RE} * GCA * BPA * MW * ARMENR * (AR60 - AR20)$$
$$+ \frac{5}{2RE} * GCA * BPA * HW * ARHENR * (AR60 - AR20)$$
$$+ \frac{5}{2RE} * GCA * BPA * EW * ARMENR * (AR60 - AR20)$$
$$+ \frac{5}{2RE} * GCA * BPA * EW * ARHENR * (AR60 - AR20)$$
$$- GCA * BPA * EW * (AR60 - AR20)$$

Collecting terms:

$$\frac{dAB_{AR}}{dAREENR} = GCA * BPA * EW * (2 * AR20 - AR60)$$
$$+ \frac{5}{2RE} * GCA * BPA * (2EW * AREENR) * (AR60 - AR20)$$
$$+ \frac{5}{2RE} * GCA * BPA * ((EW + MW) * ARMENR + (EW + HW) * ARHENR) * (AR60 - AR20)$$

For West Orange in FY26, $GCA = 1.0237$, $BPA = \$14972$, $AREENR = 930$, $ARMENR = 608$, $ARHENR = 827$ and $RE = 6738$. The value of an elementary school Free and Reduced Lunch form to West Orange by increasing the Adequacy Budget is $8,445.12 in FY26. Similarly, the value of a high school Free and Reduced Lunch form to West Orange by increasing the Adequacy Budget is $9,497.50 in FY26.

In addition, Security Aid is increased by an additional $411 per at-risk student for districts with at-risk percentages above 40%, as West Orange does, and adjusted geographically to $420.74.

So, an eligible Free and Reduced Lunch Form is worth between $8,865.86 and $9,918.24 to West Orange in FY26.

There is an additional effect on the value of free and reduced forms, which is that the increase in the districts adequacy budget will increase the rate factors for the local fair share calculation statewide, if there is no additional appropriation for the added equalization aid, taking a small amount of aid from all aided districts statewide, including West Orange. The size of this change is

$$-\frac{1}{2}\left[\alpha_2 EV_{-1} + \alpha_2 EV_1 + \left(1 - 2\alpha_2\right)EV_2\right] * \frac{\Delta AB}{\Sigma EQVAL} - \frac{1}{2}\left[\alpha_2 INC_{-1} + \alpha_2 INC_1 + \left(1 - 2\alpha_2\right)INC_2\right] * \frac{\Delta AB}{\Sigma INC}$$

Where $\left[\alpha_2 INC_{-1} + \alpha_2 INC_1 + \left(1 - 2\alpha_2\right)INC_2\right]$ and $\left[\alpha_2 EV_{-1} + \alpha_2 EV_1 + \left(1 - 2\alpha_2\right)EV_2\right]$ are the multi-year averaged wealth factors for the district, ΔAB is the change to the district adequacy budget due to the change in the number of lunch forms, and $\Sigma EQVAL$ and ΣINC are the statewide totals for each of the two wealth factors. This change reduces the aid increase by the fraction of total state wealth in the district, which is about 1% in the case of West Orange. The result is a reduction of the totals above by $80-$95 per student. This is not significant in the case of a single student, but will need to be accounted for in the Aid Portal created by the proposed legislation.

2 Validation using past West Orange data

Using enrollment and wealth data from fiscal year FY24 through FY26, aid to West Orange was modeled and compared with the actual aid in order to validate the model. The results are shown in Tables 2.1, 2.2 and 2.3.

DESCRIPTION	MODELED AID	ACTUAL AID
Security Aid	$ 2,168,306	$ 1,866,353
Special Education Aid	$ 7,559,285	$ 6,078,649
Adequacy Budget	$ 132,406,452	$ 132,738,556
Local Fair Share	$ 109,427,948	$ 109,427,947
Equalization Aid	$ 22,978,505	$ 23,310,609
Weighted Enrollment	8692.5	
Total Enrollment	6697.0	
Special Education Enrollment	1297.0	

Table 2.1: West Orange Modeled and Actual Aid for FY24

DESCRIPTION	MODELED AID	ACTUAL AID
Security Aid	$ 2,311,693	$ 1,866,353[1]
Special Education Aid	$ 8,016,633	$ 6,078,649[2]
Adequacy Budget	$ 141,902,733	$ 141,880,316
Local Fair Share	$ 122,019,154	$ 122,019,154
Equalization Aid	$ 19,883,579	$ 19,861,162
Weighted Enrollment	8799.3	
Total Enrollment	6780.0	
Special Education Enrollment	1338.0	

Table 2.2: West Orange Modeled and Actual Aid for FY25

DESCRIPTION	MODELED AID	ACTUAL AID
Security Aid	$ 2,117,311	$ 2,166,586
Special Education Aid	$ 11,299,860	$ 11,016,015
Adequacy Budget	$ 155,424,404	$ 155,601,982
Local Fair Share	$ 140,484,328	$ 140,484,329
Equalization Aid	$ 14,940,075	$ 15,117,653
Weighted Enrollment	8736.9	
Total Enrollment	6737.0	
Special Education Enrollment	1360.0	

Table 2.3: West Orange Modeled and Actual Aid for FY26

[1] The state recorded values for Security and Special Education Categorical Aid for FY25 are identical to the values for FY24, which seems like an error. These values are nevertheless included here for completeness.

[2] The state recorded values for Security and Special Education Categorical Aid for FY25 are identical to the values for FY24, which seems like an error. These values are nevertheless included here for completeness.

For FY24, FY25, and FY26 the model for the Adequacy Budget and Equalization Aid are very good. The small discrepancies are likely due to when to round weighted enrollment counts, and the total amount of the differences is equivalent to a weighted student or two.

2.1 Additional Validation

Additional validations could be performed if the following data were available. It has been requested via OPRA from NJDOE.

State SFRA Data Request (Since 2020)

- Inputs for LFS Calculation
  - Aggregate Income for all districts [2020-Current]
  - Equalized Valuation for all districts [2020-Current]
- Inputs for Adequacy Budget Calculation
  - Weighted Enrollment for all districts [2020-Current]
  - Total Enrollment for all districts [2020-Current]
  - Weighted Low Income Enrollment for all districts [2020-Current]
  - Low Income Enrollment for all districts [2020-Current]
  - Weighted LIEP Enrollment for all districts [2020-Current]
  - LIEP Enrollment for all districts [2020-Current]
  - Weighted Combined LIEP/Low Income Enrollment for all districts [2020-Current]
  - Combined LIEP/Low Income Enrollment for all districts [2020-Current]
- Historical Adequacy Budgets [2020-Current]
- Where to find any of this info without needing a direct or OPRA request.

3 Prediction of State Aid Funding for FY27

The adequacy budget for FY27 can be calculated as (see Section 1.1):

$$\left(RE * BPA_{27} + \frac{2}{3}\left(S * AEC_{27} + SO * SEC_{27}\right)\right) * GCA$$

BPA_{XX} is the base rate per pupil for FYXX

AEC_{XX} is the excess cost per special education pupil for FYXX

SEC_{XX} is the excess cost per special education speech only pupil for FYXX

GCA is the geographic cost adjustment for the district's county

For FY27 the weighted enrollment must be estimated. The *West Orange January 14, 2026 Budget Session, "Budget Assumptions FY27"* provided projected numbers for general education, RE, in each grade level and total special education enrollment, S for FY27.

We can estimate the weighted enrollment using:

$$WENR = RE * (WENR/RE)_{26}$$

Where $(WENR/RE)_{26}$ is the ratio of weighted to total enrollment for FY26, which is approximately 1.296. Updated low income counts, reported in the January 14 session show that this ratio is expected to be about 3.5% higher in FY27, or 1.341.

To get the values for BPA_{27}, AEC_{27} and SEC_{27}, the values from the 2025 EAR for FY26 must be inflated by the CPI.

$$BPA_{27} = \left(1 + cpi_{27}\right) * BPA_{26}$$
$$AEC_{27} = \left(1 + cpi_{27}\right) * AEC_{26}$$
$$SEC_{27} = \left(1 + cpi_{27}\right) * SEC_{26}$$

This yields the following values for these parameters with $cpi_{27} = 3\%$

Symbol	Description	Value
BPA_{27}	FY27 Base Rate Per Pupil	$ 15,421
AEC_{27}	FY27 Special Education Added Cost Per Pupil	$ 23,867
SEC_{27}	FY27 Speech Only Special Education Added Cost Per Pupil	$ 1,456

Table 3.1: SFRA Parameters for FY27 Estimate with 3% CPI Assumption

Symbol	Description	Value
RE	West Orange FY27 Total Enrollment	6622
$(WENR/RE)_{27}$	Expected Ratio of Weighted to Total Enrollment for FY27	1.341
$WENR$	WO FY27 Weighted Enrollment	8637.0
S	WO FY27 Special Education Enrollment	1296.0
SO	WO FY27 Speech Only Special Education Enrollment	0.0

Table 3.2: West Orange Enrollment Assumptions for FY27 Estimate

While the CPI values for FY27 are not yet known, they should be anticipated to be in the range of 3%.

The values for aggregate income and equalized valuation are specified in the proposed legislation as three-year averages of the values for FY25, FY26 and 1.05*the value for FY26.

Using the rate factors for FY26 as calculated using the methodology in Section 4.2.2, the wealth factors as specified above, and these enrollment assumptions, the predictions for aid for West Orange in FY27 are shown in Table 3.3.

DESCRIPTION	FY27 MODELED AID	FY26 ACTUAL AID
Security Aid	$ 2,143,753	
Special Education Aid	$ 10,554,975	
Adequacy Budget	$ 157,459,402	$ 155,601,982
Local Fair Share	$ 149,939,572	$ 140,484,329
Equalization Aid	$ 7,519,830	$ 15,117,653
Weighted Enrollment	8637.0	8736.9
Total Enrollment	6622.0	6737.0
Special Education Enrollment	1296.0	1360.0

Table 2.3: West Orange Modeled Aid for FY27

Varying the CPI from 1% to 4%, equalization aid could vary over the range shown in Table 2.4.

Modeled CPI (%)	FY27 Equalization Aid Prediction
1.00	$4,462,365
1.33	$4,966,847
1.67	$5,471,329
2.00	$5,975,810
2.33	$6,480,292
2.67	$6,984,773
3.00	$7,489,255
3.33	$7,993,736
3.67	$8,498,218
4.00	$9,002,700

Table 2.4: West Orange Modeled Aid for FY27 under different CPI rate assumptions

Using the numbers from *West Orange November 19, 2025 Budget Session, "Understanding Revenue"* expenditures and revenues projection, plus this estimate of equalization aid, the FY27 budget is shown in Table 3.3.

Description	Amount	Change from FY26	Comment
Revenues			
Tax Levy	$ 162,129,000	$ 3,178,960	2% Increase from FY26
Local Sources	$ 425,000	$(47,478)	
State Aid			
Transportation Aid	$ 3,931,840	$ 0	Assume no change
Special Education Aid (Estimate)	$ 10,554,975	$(202,578)	Based on enrollment projections
Equalization Aid (Estimate)	$ 7,519,830	$(7,414,331)	***Modeled above, based on enrollment projections and CPI of 3%***
Security Aid	$ 2,143,753	$(22,833)	Based on enrollment projections and CPI of 3%
Stabilization Aid	$ 3,735,225	$ 3,428,969	State Aid loss capped at 2% of FY26 Operating Budget
Total State Aid	**$ 28,562,147**	**$(4,016,114)**	
Extraordinary Aid	$ 3,928,968	$ 428,968	From WO Admin
N/P Transportation Aid	$ 302,027	$ 105,012	From WO Admin
SEMI	$ 60,000	$ 21,293	From WO Admin
Total Other State Aid	**$ 4,290,995**	**$ 555,273**	
Reserves	**$ 4,000,000**	**$(287,690)**	From WO Admin Assumption
Total Revenue	**$ 199,407,142**	$(1,398,566)	
Expenditures	$(215,776,904)	$(12,269,007)	From WO Admin Projection (14 Jan 2026 Budget Discussion)
OVER CAP	**$ 16,369,762**		***$16.4M deficit***

Table 3.3: Projected FY27 West Orange Budget

3.1 Formula for Explaining Changes in Equalization Aid

$$EA = ReLU(AB - LFS)$$

Consider a district which receives Equalization Aid in two consecutive years. It is possible to separate the many factors that account for the changes in aid from one year to the next. If aid is received in both years, then it is possible to drop the $ReLU$ function

$$EA = AB - LFS$$

The difference in aid between two years is

$$\Delta EA = EA_2 - EA_1 = AB_2 - AB_1 - \left(LFS_2 - LFS_1\right)$$

where, for all quantities, the most recent year is denoted by a subscript 2, and the previous year is a subscript 1.

First consider the change in Adequacy Budget

$$\Delta AB = GCA * \left[BPA_2 * WENR_2 + \tfrac{2}{3}AEC_2 * S_2 + SEC_2 * SO_2 - BPA_1 * WENR_1 + \tfrac{2}{3}AEC_1 * S_1 + \tfrac{2}{3}SEC_1 * SO_1\right]$$

Rewrite the most recent year cost quantities in terms of the previous year, a change in that quantity due to inflation and a change in that quantity due to other factors

$$BPA_2 = BPA_1 * \left(1 + CPI + OTHER_{BPA}\right)$$
$$AEC_2 = AEC_1 * \left(1 + CPI + OTHER_{AEC}\right)$$
$$SEC_2 = SEC_1 * \left(1 + CPI + OTHER_{SEC}\right)$$

Define the enrollment measures for the most recent year in terms of the previous year and the change between the two years

$$WENR_2 = WENR_1 + \Delta WENR$$
$$S_2 = S_1 + \Delta S$$
$$SO_2 = SO_1 + \Delta SO$$

The most recent year's Adequacy Budget is

$$\begin{aligned} AB_2 = GCA * [\, & WENR_1 * BPA_1 + WENR_1 * BPA_1 * CPI + WENR_1 * BPA_1 * OTHER_{BPA} \\ & + \tfrac{2}{3}AEC_1 * S_1 + \tfrac{2}{3}AEC_1 * S_1 * CPI + \tfrac{2}{3}AEC_1 * S_1 * OTHER_{AEC} \\ & + \tfrac{2}{3}SEC_1 * SO_1 + \tfrac{2}{3}SEC_1 * SO_1 * CPI + \tfrac{2}{3}SEC_1 * SO_1 * OTHER_{SEC} \\ & + \Delta WENR * BPA_2 + \Delta S * AEC_2 + \Delta SO * SEC_2 \,] \end{aligned}$$

The first, second and third term of each of the first three lines can be collected

$$AB_2 = GCA * [WENR_1 * BPA_1 + \tfrac{2}{3}AEC_1 * S_1 + \tfrac{2}{3}SEC_1 * SO_1$$
$$+ WENR_1 * BPA_1 * CPI + \tfrac{2}{3}AEC_1 * S_1 * CPI + \tfrac{2}{3}SEC_1 * SO_1 * CPI$$
$$+ WENR_1 * BPA_1 * OTHER_{BPA} + \tfrac{2}{3}AEC_1 * S_1 * OTHER_{AEC} + \tfrac{2}{3}SEC_1 * SO_1 * OTHER_{SEC}$$
$$+ \Delta WENR * BPA_2 + \Delta S * AEC_2 + \Delta SO * SEC_2]$$

The first line is AB_1 and the second line is $AB_1 * CPI$.

$$AB_2 = AB_1 + AB_1 * CPI$$
$$+ GCA * \left[WENR_1 * BPA_1 * OTHER_{BPA} + \tfrac{2}{3}AEC_1 * S_1 * OTHER_{AEC} + \tfrac{2}{3}SEC_1 * SO_1 * OTHER_{SEC}\right]$$
$$+ GCA * \left[\Delta WENR * BPA_2 + \Delta S * AEC_2 + \Delta SO * SEC_2\right]$$

The change from year 1 to year 2 in Adequacy Budget is

$$\Delta AB = AB_1 * CPI$$
$$+ GCA * \left[WENR_1 * BPA_1 * OTHER_{BPA} + \tfrac{2}{3}AEC_1 * S_1 * OTHER_{AEC} + \tfrac{2}{3}SEC_1 * SO_1 * OTHER_{SEC}\right]$$
$$+ GCA * \left[\Delta WENR * BPA_2 + \Delta S * AEC_2 + \Delta SO * SEC_2\right]$$

The first term represents inflation of costs by the CPI. The second line represents non-inflationary changes in costs, which would occur because of a change in the model for what is needed for adequate education. This can happen when an EAR is published. The third line represents changes in the district's enrollment and special education count.

Now, consider changes in Local Fair Share. Accounting for the possibility of three year averaging in wealth factors, the equalized property portion of Local Fair Share for the previous year

$$LFS_1 = \tfrac{1}{2}PVR_1\left[\alpha_1 EV_{-2} + \alpha_1 EV_{-1} + \left(1 - 2\alpha_1\right)EV_1\right]$$

α_1 is a factor that does either 3-year averaging or no averaging in the wealth factor. It has a value of 1/3 when 3-year averaging is in effect for that fiscal year, and a value of 0 when there is no averaging of wealth factors. EV_{-2} and EV_{-1} are the Equalized Valuations for the year before the previous year, and the year prior to that. The equations for aggregate income will have the same form.

$$LFS_2 = \tfrac{1}{2}PVR_2\left[\alpha_2 EV_{-1} + \alpha_2 EV_1 + \left(1 - 2\alpha_2\right)EV_2\right]$$

Consider the changes in Property Value Rate and Equalized Valuation:

$$PVR_2 = PVR_1 + \Delta PVR$$
$$EV_2 = EV_1 * \left[1 + CPI + OTHER_{EV}\right]$$

$OTHER_{EV}$ represents changes to the equalized valuation not due to statewide inflation. This could be local changes in property values, or non-inflationary changes in statewide valuations. Then, the change in Equalization Aid due to Local Fair Share changes will be

$$LFS_1 - LFS_2 = \tfrac{1}{2}PVR_1\left[\alpha_1 EV_{-2} + \left(\alpha_1 - \alpha_2\right)EV_{-1} + \left(1 - 2\alpha_1 - \alpha_2\right)EV_1 - \left(1 - 2\alpha_1\right)EV_2\right]$$
$$-\tfrac{1}{2}\Delta PVR\left[\alpha_2 EV_{-1} + \alpha_2 EV_1 + \left(1 - 2\alpha_2\right)EV_2\right]$$

The second line represents changes in overall state conditions, including total allocated aid, total adequacy budget across the state, changes to the total equalized valuation of the state and changes to the aggregate income of the entire state of New Jersey. These are all captured in the change to the rate factors, ΔPVR and ΔINR.

The first line can be rewritten

$$LFS_1 - LFS_2 = \tfrac{1}{2}PVR_1[\alpha_1 EV_{-2} + \left(\alpha_1 - \alpha_2\right)EV_{-1} + \left(1 - 2\alpha_1 - \alpha_2\right)EV_1$$
$$- \left(1 - 2\alpha_2\right)EV_1 - \left(1 - 2\alpha_2\right)CPI * EV_1 - \left(1 - 2\alpha_2\right)OTHER_{EV} * EV_1] + \Delta State$$

Collecting terms

$$LFS_1 - LFS_2 = -\tfrac{1}{2}PVR_1 * CPI * EV_1 - \tfrac{1}{2}PVR_1 * OTHER_{EV} * EV_1$$
$$+ \tfrac{1}{2}PVR_1\left[\alpha_1 EV_{-2} + \left(\alpha_1 - \alpha_2\right)EV_{-1} + \left[\alpha_2\left(1 + 2 * CPI + 2 * OTHER_{EV}\right) - 2\alpha_1\right]EV_1\right] + \Delta State$$

The first term represents changes in wealth due to statewide inflation. The second term represents changes in wealth due to local and/or non-inflation statewide factors. The third term (the second line) represents changes due to multi-year wealth averaging. If there is no averaging, $\alpha_1 = \alpha_2 = 0$ and this term will be zero. This also captures changes in wealth averaging policy between year 1 and year 2. The formulas accounting for aggregate income are the same, replacing the property value rate with the income rate, and the equalized valuations with aggregate income values. The total effect is the sum of the individual effects.

The change due to state conditions can be separated into individual components. The equation for the property value rate is (see Section 4.2.2)

$$TEA = \sum_i ReLU\left(AB_i - PVR * EQVAL_i\right)$$

If only the districts receiving aid are considered (i.e. $ReLU\left(AB_i - PVR * EQVAL_i\right) > 0$) then

$$TEA = \sum AB - PVR * \sum EQVAL$$

Rearranging:

$$PVR = \frac{\sum AB - TEA}{\sum EQVAL}$$

The change in PVR from year 1 to year 2 is

$$\Delta PVR = \frac{\sum AB_2 - TEA_2}{\sum EQVAL_2} - \frac{\sum AB_1 - TEA_1}{\sum EQVAL_1}$$

Rewriting quantities for year 2 in term of year 1 plus the change from one year to the next

$$\Delta PVR = \frac{\left(TEA_1 - \sum AB_1\right) * \Delta \sum EQVAL}{\sum EQVAL_1 * \left(\sum EQVAL_1 + \Delta \sum EQVAL\right)} - \frac{\Delta TEA - \Delta \sum AB}{\sum EQVAL_1 + \Delta \sum EQVAL}$$

Using partial derivatives, the change in PVR can be written as the sum of parts due to the change in total adequacy budget ($\Delta \sum AB$), change in total equalized valuation ($\Delta \sum EQVAL$) and total allocated equalization aid (ΔTEA). We evaluate the partial derivatives at 0 for the other change variables.

$$\Delta PVR = \frac{\partial \Delta PVR}{\partial \Delta TEA} \Delta TEA + \frac{\partial \Delta PVR}{\partial \Delta \sum EQVAL} \Delta \sum EQVAL + \frac{\partial \Delta PVR}{\partial \Delta \sum ABA} \Delta \sum AB$$

Change in Property Rate due to change in total adequacy budget for districts receiving Equalization Aid:

$$\frac{\partial \Delta PVR}{\partial \Delta \sum AB} \Delta \sum AB = \frac{\Delta \sum AB}{\sum EQVAL_1}$$

However, $\Delta \Sigma AB$ really has two components. First, the change in adequacy budget for districts that receive aid in both years, and second, the change in which districts receive aid. From a policy perspective, the change in which districts receive aid is really a consequence of the overall change in Equalization Aid appropriated by the legislature, rather than a result of changes in adequacy budgets. Splitting this up into the two terms, where set B is districts receiving aid in both years, set N is districts that are newly receiving aid in year 2, and set L is districts that received aid in year 1 but lost any aid in year 2.

$$\frac{\sum_{i \in B}\left[AB_2(i) - AB_1(i)\right] + \sum_{i \in N}\left[AB_2(i)\right] - \sum_{i \in L}\left[AB_1(i)\right]}{\sum EQVAL_2}$$

$$\frac{\partial \Delta PVR}{\partial \Delta \sum AB} \Delta \sum AB = \frac{\sum_{i \in B}\left[AB_2(i) - AB_1(i)\right]}{\sum EQVAL_1}$$

The first term is due to the change in adequacy budget within districts, the second and third terms are a result of a change in which districts receive aid. We move those terms into the change due to total allocated funds for Equalization Aid.

The change in Property Rate due to change in total allocated funds for Equalization Aid:

$$\frac{\partial \Delta PVR}{\partial \Delta TEA} \Delta TEA = \frac{\sum_{i \in N}\left[AB_2(i)\right] - \sum_{i \in L}\left[AB_1(i)\right] - \Delta TEA}{\sum EQVAL_1}$$

The change in Property Rate due to change in total equalized valuation for districts receiving Equalization Aid:

$$\frac{\partial \Delta PVR}{\partial \Delta \sum EQVAL} \Delta \sum EQVAL = \frac{\Delta TEA - \Delta \sum AB}{\left(\sum EQVAL_2\right)^2} \Delta \sum EQVAL + \left(\frac{TEA_1 - \sum AB_1}{\sum EQVAL_1}\right)\left[\frac{1}{\sum EQVAL_2} - \frac{\sum EQVAL_1}{\left(\sum EQVAL_2\right)^2}\right] \Delta \sum EQVAL$$

This needs to be evaluated at $\Delta TEA = 0$ and $\Delta \sum AB = 0$. The first term becomes 0.

$$\frac{\partial \Delta PVR}{\partial \Delta \sum EQVAL} \Delta \sum EQVAL = \left(\frac{TEA_1 - \sum AB_1}{\sum EQVAL_1}\right)\left[\frac{1}{\sum EQVAL_2} - \frac{\sum EQVAL_1}{\left(\sum EQVAL_2\right)^2}\right] \Delta \sum EQVAL$$

Performing the same derivations for the income rate results in a similar set of equations. The change in Income Rate due to change in total adequacy budget for districts receiving Equalization Aid:

$$\frac{\partial \Delta INR}{\partial \Delta \sum AB} \Delta \sum AB = \frac{\sum_{i \in B}\left[AB_2(i) - AB_1(i)\right]}{\sum INC_1}$$

The change in Income Rate due to change in total allocated funds for Equalization Aid:

$$\frac{\partial \Delta INR}{\partial \Delta TEA} \Delta TEA = \frac{\sum_{i \in N}\left[AB_2(i)\right] - \sum_{i \in L}\left[AB_1(i)\right] - \Delta TEA}{\sum INC_1}$$

The change in Income Rate due to change in total equalized valuation for districts receiving Equalization Aid:

$$\frac{\partial \Delta INR}{\partial \Delta \sum INC} \Delta \sum INC = \left(\frac{TEA_1 - \sum AB_1}{\sum INC_1}\right)\left[\frac{1}{\sum INC_2} - \frac{\sum INC_1}{\left(\sum INC_2\right)^2}\right] \Delta \sum INC$$

The formulas for changes in aid due to the statewide changes in total wealth are approximations, and will not add up precisely to the total aid change when calculated for a specific district. The formulas for each of these factors are collected in the Table below.

Factor	Formula for Resulting Change in Equalization Aid
Inflation of Costs by CPI	$AB_1 * CPI$
Other Cost Changes	$GCA * \left[WENR_1 * BPA_1 * OTHER_{BPA} + \frac{2}{3}AEC_1 * S_1 * OTHER_{AEC} + \frac{2}{3}SEC_1 * SO_1 * OTHER_{SEC}\right]$
Change in Enrollment	$GCA * \left[\Delta WENR * BPA_2\right]$
Change in Special Education Count	$GCA * \left[\Delta S * AEC_2 + \Delta SO * SEC_2\right]$
Inflation of Wealth by CPI	$-\frac{1}{2}\left[PVR_1 * EV_1 + INR_1 * INC_1\right] * CPI$
Local Change in Property Values	$-\frac{1}{2}PVR_1 * EV_1 * OTHER_{EQVAL}$
Local Change in Aggregate Income	$-\frac{1}{2}INR_1 * INC_1 * OTHER_{INC}$
3-year wealth averaging	$\frac{1}{2}PVR_1\left[\alpha_1 EV_{-2} + (\alpha_1 - \alpha_2)EV_{-1} + \left[\alpha_2(1 + 2 * CPI + 2 * OTHER_{EQVAL}) - 2\alpha_1\right]EV_1\right]$ $+ \frac{1}{2}INR_1\left[\alpha_1 INC_{-2} + (\alpha_1 - \alpha_2)INC_{-1} + \left[\alpha_2(1 + 2 * CPI + 2 * OTHER_{INC}) - 2\alpha_1\right]INC_1\right]$
Changes in State Environment	$-\frac{1}{2}\Delta PVR\left[\alpha_2 EV_{-1} + \alpha_2 EV_1 + (1 - 2\alpha_2)EV_2\right] - \frac{1}{2}\Delta INR\left[\alpha_2 INC_{-1} + \alpha_2 INC_1 + (1 - 2\alpha_2)INC_2\right]$
Total Allocated Equalization Aid	$\frac{1}{2}\left[\alpha_2 EV_{-1} + \alpha_2 EV_1 + (1 - 2\alpha_2)EV_2\right]\frac{\sum_{i\in N}\left[AB_2(i)\right] - \sum_{i\in L}\left[AB_1(i)\right] - \Delta TEA}{\sum EQVAL_1}$ $+ \frac{1}{2}\left[\alpha_2 INC_{-1} + \alpha_2 INC_1 + (1 - 2\alpha_2)INC_2\right]\frac{\sum_{i\in N}\left[AB_2(i)\right] - \sum_{i\in L}\left[AB_1(i)\right] - \Delta TEA}{\sum INC_1}$
Total Equalized Valuation	$-\frac{1}{2}\left[\alpha_2 EV_{-1} + \alpha_2 EV_1 + (1 - 2\alpha_2)EV_2\right] * \left[\left(\frac{TEA_1 - \sum AB_1}{\sum EQVAL_1}\right)\left[\frac{1}{\sum EQVAL_2} - \frac{\sum EQVAL_1}{\left(\sum EQVAL_2\right)^2}\right]\Delta\sum EQVAL\right]$

Factor	Formula for Resulting Change in Equalization Aid
Total Aggregate Income	$-\frac{1}{2}\left[\alpha_2 INC_{-1} + \alpha_2 INC_1 + \left(1 - 2\alpha_2\right) INC_2\right] * \left[\left(\frac{TEA_1 - \sum AB_1}{\sum INC_1}\right)\left[\frac{1}{\sum INC_2} - \frac{\sum INC_1}{\left(\sum INC_2\right)^2}\right]\Delta \sum INC\right]$
Total of all Adequacy Budgets	$-\frac{1}{2}\left[\alpha_2 EV_{-1} + \alpha_2 EV_1 + \left(1 - 2\alpha_2\right) EV_2\right] * \frac{\sum_{i \in B}\left[AB_2(i) - AB_1(i)\right]}{\sum EQVAL_1}$ $-\frac{1}{2}\left[\alpha_2 INC_{-1} + \alpha_2 INC_1 + \left(1 - 2\alpha_2\right) INC_2\right] * \frac{\sum_{i \in B}\left[AB_2(i) - AB_1(i)\right]}{\sum INC_1}$

3.1.1 Explaining Changes in West Orange's Equalization Aid from FY26 to FY27

Inflation (CPI)

Inflation (CPI) of Costs

Inflation is measured by the CPI and increases the base per pupil cost and the excess cost for special education students. The value used is 3% which is a reasonable estimate of the likely value of the NJ CPI for calendar year 2026. This leads to a 3% rise, or $4,662,732 in the Adequacy Budget and an increase in equalization aid by the same amount.

Inflation of Wealth

The Local Fair Share for West Orange will change due to several factors. General inflation should increase the value of property and incomes for the residents of West Orange, increasing the wealth measures that make up Local Fair Share. If those measures also rise by the same rate as costs, then the Local Fair Share will increase by 3%, or $4,472,814.

The inflation of both wealth and costs should really be considered together, since the same overall factor is causing changes to both costs and the capacity of the district to fund those costs. Together, they lead to an increase in equalization aid of $189,918.

Change in Enrollment

West Orange predicts a small decline in enrollment for FY27. FY26 weighted enrollment is 8737, while the administration predicts FY27 weighted enrollment to decline to 8637, a loss of 100 weighted pupils. This reduces the adequacy budget, and also equalization aid, by $1,571,031. This also corresponds to a reduced need for provision of services by the district, since there are fewer students to educate. So, this source of reduction in aid should not

necessarily result in an increase in deficits to the district, though not all costs per pupil can be reduced easily year by year, particularly capital costs, but also staffing.

Change in Special Education Count

Similarly, special education enrollment is expected to decline in FY27 to 1296 from a FY26 total of 1360.5. This reduces the adequacy budget by a total of $1,050,611. This also corresponds to a reduced need for provision of services by the district, since there are fewer students to educate. So, this source of reduction in aid should not necessarily result in an increase in deficits to the district.

Local Fair Share - 5% increase specified in legislation

The proposed legislation specifies that wealth measures for FY27 should be increased not by the expected CPI, or by actual changes in local wealth measures, but by a specified value of 5%. This increases the local fair share by an additional 2%, or $2,981,876.

Changes in Overall State Conditions

Changes in the rate factors that multiply the local wealth measures in the Local Fair Share calculations are a result of changes across the state of New Jersey. Those changes have four components, the change in total adequacy budget for all districts receiving equalization aid, the change in total aggregate income for all districts receiving equalization aid, the change in total equalized property value for all districts receiving equalization aid, and the total amount of equalization aid appropriated by legislature. The proposed legislation fixes the rate factors for FY27 at the same level as FY26 and appropriates an amount sufficient to fund the equalization aid determined by those rate factors. State conditions thus do not result in an additional change in allocated equalization aid under the proposed legislation.

Local Fair Share - 3 year averaging

The remainder of the change in Local Fair Share comes from using a 3 year average instead of a single year of wealth data, replacing FY24 in the 3-year average with the new specified wealth data for FY27. The impact of this is a $2,000,553 increase in the Local Fair Share, and equivalent reduction in Equalization Aid. This increase would have been seen in FY26 if averaging had not been implemented, so it is effectively deferred loss of Equalization Aid from FY26. It is also likely to be replaced by stabilization aid, even with the relaxed capping of total aid reduction at 2% of the district's FY26 operating budget

Factor	Change in Equalization Aid	Comment
Inflation of Costs by CPI (3%)	$ 4,662,732	Increases Adequacy Budget
Enrollment Decline	$(1,571,031)	Decreases Adequacy Budget
Change in Special Education Count	$(1,050,611)	Decreases Adequacy Budget
Inflation of Wealth by CPI (3%)	$(4,472,814)	Increases Local Fair Share
Legislative Increase of Wealth by 5%	$(2,981,876)	Increases Local Fair Share
3-year wealth averaging	$(2,000,553)	Wealth increase deferred in FY26
Total	**$(7,414,331)**	

Table 3.4: Causes of Changes in Equalization Aid for West Orange under model from FY26 to FY27

Summarizing this and rounding for clarity:

Factor	Change in Equalization Aid	Comment
Inflation - CPI	$ 200,000	3% for costs and wealth
Enrollment Decline	$(1,600,000)	1.75% Fewer Students, More Low Income Forms
Special Education Population Reduction	$(1,000,000)	
Legislatively Designated 5% Wealth Increase	$(3,000,000)	
FY26 wealth changes deferred by averaging	$(2,000,000)	Deferred LFS increase
Total	**$(7,400,000)**	

Table 3.4: Summary of Changes in Equalization Aid for West Orange under model from FY26 to FY27

3.2 Recent Changes in West Orange Equalization Aid

The same analysis can be applied to recent years to explain recent reductions in Equalization Aid for West Orange.

Table 3.6 shows that the key factors causing a loss in predicted Equalization Aid from FY26 to FY27 are twofold. First, a decline in predicted enrollment. Second, a rise in Local Fair Share

due to an increase in wealth, which is prescribed in the legislation as a 5% increase from FY26 to FY27, rather than based on actual local or statewide trends.

Factor	Change in Equalization Aid	Running Total
Inflation of Costs by CPI (3%)	$ 4,662,732	$ 4,662,732
Other Cost Changes	0	$ 4,662,732
Change in Enrollment	**$ (1,571,031)**	**$ 2,230,891**
Change in Special Education Count	$ (1,050,611)	$ 1,180,280
Inflation of Wealth by CPI (3%)	$ (4,472,814)	$ (3,292,535)
5% Increase in Property Values	**$ (1,268,326)**	**$ (4,560,861)**
5% Increase in Aggregate Income	**$ (1,713,550)**	**$ (6,274,411)**
3-year wealth averaging	$ (2,000,553)	$ (8,274,964)
Changes in State Environment	0	$ (8,274,964)
Total	$ (7,414,331)	
Adequacy Budget Changes	$ 2,040,912	
Local Fair Share Changes	$ (9,455,244)	

Table 3.6: Factors in Change to West Orange Equalization Aid from FY26 to FY27

Local Fair Share - Actual changes in wealth factors

For past years, actual changes in the values of the wealth factors Equalized Valuation and Aggregate Income in West Orange play a role. It is important to note that the value used for Equalized Valuation is not the assessed values, but is a corrected value that includes a multiplier determined by the county assessor to ensure that the Equalized Valuation of all properties reflects the current market value of each property, that is, what it would sell for if purchased at that time. **Therefore, reassessments do not cause changes in Equalized Valuation,** only changes in the market value of properties in the district. Each district will see real estate trends that differ from overall inflation across the state. So, any difference between statewide inflation and the local market will cause a change in local fair share (LFS) and be reflected in a change in Equalization Aid. The same is true for aggregate income, while incomes across the state should, on average, reflect inflation, individual districts will see their own trends.

Table 3.7 shows that the key factors which caused a loss in predicted Equalization Aid from FY25 to FY26 are complex. Three factors increased Equalization Aid substantially, the change in base per pupil cost and the change in special education counts to actual from census average increased aid by nearly $9.5 million. Moving to 3 year averaging allowed a deferral of more than $7 million of wealth increases to future years, smoothing out the loss in aid from local fair share changes due to single year wealth changes. However, this $16.5 million of additional aid was not funded by the state, along with many other districts increased adequacy budgets, resulting in a net loss of $4.8 million in Equalization Aid.

Factor	Change in Equalization Aid	Running Total
Inflation of Costs by CPI	$ 5,063,037	$ 5,063,037
Other Cost Changes	**$ 5,133,205**	**$ 10,196,242**
Change in Enrollment	$ (955,429)	$ 9,240,813
Change in Special Education Count	**$ 4,361,834**	**$ 13,602,646**
Inflation of Wealth by CPI	$ (4,356,084)	$ 9,246,563
Local Change in Property Values	$ (3,865,119)	$ 5,381,444
Local Change in Aggregate Income	$ 4,030,772	$ 9,412,216
3-year wealth averaging	**$ 7,301,074**	**$ 16,713,290**
Changes in State Environment	**$ (21,575,818)**	**$ (4,862,528)**
Adequacy Budgets	**$ 52,050,916**	
Statewide Property Value	$ (1,833,564)	
Statewide Total Income	$ (3,646,378)	
Equalization Aid Appropriation	**$ (68,523,577)**	
Total	$ (4,862,528)	
Adequacy Budget Changes	$ 13,602,646	
Local Fair Share Changes	$ (18,465,174)	

Table 3.7: Factors in Change to West Orange Equalization Aid from FY25 to FY26

Table 3.8 shows the significant loss in Equalization Aid from FY24 to FY25 was entirely due to a sharp rise in aggregate income within West Orange, which offset the effects of enrollment

increases and increased statewide aid appropriations leading to a $3.2 million loss in Equalization Aid.

Factor	Change in Equalization Aid	Running Total
Inflation of Costs by CPI	$ 7,692,815	$ 7,692,815
Other Cost Changes	$ 0	$ 7,692,815
Change in Enrollment	$ 1,524,230	$ 9,217,045
Change in Special Education Count	$ 198,260	$ 9,415,305
Inflation of Wealth by CPI	$ (6,357,764)	$ 3,057,541
Local Change in Property Values	$ (934,838)	$ 5,381,444
Local Change in Aggregate Income	**$ (6,349,060)**	**$ (4,226,358)**
3-year wealth averaging	$ 0	$ (4,226,358)
Changes in State Environment	$ 1,050,456	$ (3,175,901)
Total	$ (3,175,901)	
Adequacy Budget Changes	$ 9,415,305	
Local Fair Share Changes	$ (12,591,206)	

Table 3.8: Factors in Change to West Orange Equalization Aid from FY24 to FY25

Summarizing the trends, from FY24 to FY25, the main driver in lost Equalization Aid was a sharp rise in Aggregate Income, increasing Local Fair Share. From FY25 to FY26, the model made changes in the Base Cost Per Pupil and Added Cost per Special Education Student beyond just inflationary increases, increasing aid. Additionally, the change from census based to actual special education student counts increased the Adequacy Budget and Equalization Aid. Local changes in property values and aggregate income were in opposite directions and resulted in very little change to aid. The move to 3 year averaging deferred more than 7 million dollars in wealth increases; however, the same effect across the state resulted in a big increase in the income and property rate factors, resulting in a net loss of aid due to the averaging of wealth of approximately 14 million dollars. There is interaction between these factors and the independent contribution of multi-year wealth averaging and the cause of changes in the wealth rate factors are not simple to disentangle.

3.3 Impact of legislative proposals on total state Equalization Aid

This formula can also be applied to all state districts under the assumption that enrollment is unchanged from FY26 to FY27 across the state, and the SFRA parameters for calculating the adequacy budget are all increased by a CPI of 3%. Performing this calculation using the legislatively prescribed 5% increase in wealth data, the proposed legislation results in an aggregate reduction in Equalization Aid by a total of approximately 155 million dollars, from a base of 9.096 billion dollars in state Equalization Aid. 20 districts would see reductions of more than 3 million dollars in Equalization Aid under this formula, with the assumption that all enrollment stays constant. Each district is shown with its loss in millions of dollars.

District	Equalization Aid Decrease from FY26 to FY27 under A2284 (previously A5310) and A3881 (previously A5966) ($ Million)
WEST ORANGE TOWN	-4.8
WASHINGTON TWP	-3.4
EAST BRUNSWICK TWP	-6.4
BERGENFIELD BORO	-3.6
BLOOMFIELD TWP	-5.4
HAMILTON TWP	-7.7
MATAWAN-ABERDEEN REGIONAL	-3.7
SAYREVILLE BORO	-3.6
EDISON TWP	-8
EWING TWP	-3.7
WOODBRIDGE TWP	-7.7
HOWELL TWP	-4.9
CLIFFSIDE PARK BORO	-3.8
CLIFTON CITY	-5
UNION TWP	-4.4
BARNEGAT TWP	-3.7
BAYONNE CITY	-3
HACKENSACK CITY	-3.5
LINDEN CITY	-4.2
LONG BRANCH CITY	-6

16 districts gain Equalization Aid under these assumptions. Each district is shown with its gain in millions of dollars.

District	Equalization Aid Increase from FY26 to FY27 under A2284 (previously A5310) and A3881 (previously A5966) ($ Million)
BRIDGETON CITY	2.9
LINDENWOLD BORO	1.1
TRENTON CITY	8.6
CAMDEN CITY	7.9
RUNNEMEDE BORO	1.8
PLAINFIELD CITY	4.6
IRVINGTON TOWNSHIP	1.1
CITY OF ORANGE TWP	2
EAST ORANGE	2.4
PASSAIC CITY	3.3
PERTH AMBOY CITY	3.1
PATERSON CITY	6
NEWARK CITY	2.5
ELIZABETH CITY	5.5
NEW BRUNSWICK CITY	3.6
ATLANTIC CITY	1.3

These are all districts where the Adequacy Budget is much larger than their current Local Fair Share. Ignoring the 3-year averaging, this formula would lead to Equalization Aid increases for districts with Adequacy Budgets that are more than 40% larger than their current Local Fair Share. Districts with similar Adequacy Budget less than 40% larger than their Local Fair Share, will see reductions in aid under this proposal. The two Tables below show how this works for Bloomfield, which loses aid under the proposed legislation, and for Newark City, which gains aid under the proposed legislation.

Factor	Change in Equalization Aid	Running Total
Inflation of Costs by CPI	$ 4,404,114	$ 4,404,114
Other Cost Changes	$ 0	$ 4,404,114
Change in Enrollment	$ 0	$ 4,404,114
Change in Special Education Count	$ 0	$ 4,404,114
Inflation of Wealth by CPI	$ (3,653,815)	$ 750,298
5% Change in Property Values	$ (1,148,564)	$ (398,266)
5% Change in Aggregate Income	$ (1,287,313)	$ (1,685,578)
3-year wealth averaging	$ (3,688,516)	$ (5,374,094)
Changes in State Environment	$ 0	$ (5,374,094)
Total	$ (5,374,094)	

Table 3.9: Factors in Change to Bloomfield Equalization Aid under no enrollment change model from FY26 to FY27

Factor	Change in Equalization Aid	Running Total
Inflation of Costs by CPI	$ 46,311,117	$ 46,311,117
Other Cost Changes	$ 0	$ 46,311,117
Change in Enrollment	$ 0	$ 46,311,117
Change in Special Education Count	$ 0	$ 46,311,117
Inflation of Wealth by CPI	$ (10,414,353)	$ 35,896,764
5% Change in Property Values	$ (3,996,060)	$ 31,900,704
5% Change in Aggregate Income	$ (2,946,843)	$ 28,953,862
3-year wealth averaging	$ (26,453,210)	$ 2,500,652
Changes in State Environment	$ 0	$ 2,500,652
Total	$ 2,500,652	

Table 3.10: Factors in Change to Newark City Equalization Aid under no enrollment change model from FY26 to FY27

3.3.1 Recommended Change to A3881 (previously A5966) calculation of FY27 EQVAL and INC

Section 3 of A3881 (previously A5966) proposed that the value of the wealth measures, aggregate income (INC) and equalized valuation (EQVAL) associated with the current fiscal year, be capped at 1.05 times the previous year for future years. However, for FY27 the value for all districts is specified to be **exactly 1.05** times the value of income from the previous year and exactly 1.05 times the previous year's equalized valuation. Because 5% is larger than the expected CPI increase in the adequacy budget, this means wealth will rise faster than adequacy. Therefore, for districts with similar wealth and adequacy budgets, the rise in wealth will outpace the rise in adequacy and reduce equalization aid. The precise impact of this is also affected by the 3 year averaging of wealth measures, but the general direction of this change is fairly consistent across the state. Overall, this faster increase in wealth results in a reduction of total equalization aid by more than $155 million as noted above. If, instead, wealth was specified to rise by the amount of the CPI, modeled in this report as 3%, there would be a more equitable distribution of aid. The difference between these two models for a list of chosen districts is listed in Table 3.11. The total Equalization Aid under this model is $9,001,839,772, rather than $8,941,195,103 under A3881 (previously A5966) (ignoring county vocational schools), requiring an additional $60 million.

District	A3881 (previously A5966)	CPI Wealth Increase
FREEHOLD BORO	-0.3	-0.2
ASBURY PARK CITY	-1.9	-1.6
LONG BRANCH CITY	-6	-5.4
WEST ORANGE TOWN	-4.8	-3.8
NEWARK CITY	2.5	4.8
PERTH AMBOY CITY	3.1	3.5
CARTERET BORO	-1.2	-0.9
WOODBRIDGE TWP	-7.7	-6
EDISON TWP	-8	-5.9
SAYREVILLE BORO	-3.6	-2.9

Table 3.11 Change in Millions of Dollars of Equalization Aid from FY26 to FY27

3.3.2 Recommended Change to A2284 (previously A5310) Stabilization Aid

As noted in Section 1.9, stabilization aid which caps losses in state aid to 2% of the previous year's operating budget would guarantee that districts receiving such aid have year over year reductions in their nominal operating budget. Using the model of A3910 and A3881 (previously A5966) above, West Orange is scheduled to see such a reduction even if general enrollment and special education enrollment are unchanged from FY26 to FY27. With many costs expected to rise significantly, particularly insurance and benefits, this would mean a required reduction in student services. Reducing the cap to 0.5% of the previous year operating budget would be a more reasonable amount.

Using the Equalization Aid model from A3910 and A3881 (previously A5966), and the 2% of operating budget cap on state aid reductions, we model a total cost of stabilization aid of approximately $116 million. Changing the cap to 0.5% of the previous year's operating budget increases the required allocation of stabilization aid to approximately $222 million. **This would directly benefit districts such as West Orange, Sayreville, Edison, Woodbridge, Carteret, Long Branch, and Freehold Boro.** The full list of district stabilization aid under the original and suggested changes are shown in Table 3.12.

District	0.5% Cap	2% Cap	Difference
EDISON TWP	$22,532,771	$16,976,140	$5,556,631
WOODBRIDGE TWP	$13,290,168	$7,909,402	$5,380,766
HAMILTON TWP	$6,286,660	$2,086,153	$4,200,507

District	0.5% Cap	2% Cap	Difference
CLIFTON CITY	$3,228,903	$0	$3,228,903
WEST ORANGE TOWN	$4,130,904	$1,123,563	$3,007,341
EAST BRUNSWICK TWP	$7,450,844	$4,462,397	$2,988,447
UNION TWP	$6,966,401	$4,389,778	$2,576,623
WASHINGTON TWP	$3,721,133	$1,447,664	$2,273,469
NORTH BRUNSWICK TWP	$4,770,845	$2,524,936	$2,245,909
SAYREVILLE BORO	$2,906,873	$690,736	$2,216,137
NORTH BERGEN TWP	$5,300,009	$3,103,180	$2,196,829
BLOOMFIELD TWP	$6,169,501	$4,076,401	$2,093,100
FAIR LAWN BORO	$3,753,010	$1,681,897	$2,071,113
HOWELL TWP	$4,209,199	$2,157,432	$2,051,767
BAYONNE CITY	$1,961,985	$0	$1,961,985
LONG BRANCH CITY	$7,454,455	$5,627,931	$1,826,524
EAST WINDSOR REGIONAL	$1,801,449	$0	$1,801,449
DOVER TOWN	$4,206,072	$2,808,456	$1,397,616
BERGENFIELD BORO	$4,173,301	$2,860,628	$1,312,673
MATAWAN-ABERDEEN REGIONAL	$4,300,456	$3,055,894	$1,244,562
NUTLEY TOWN	$2,693,328	$1,451,425	$1,241,903
BELLEVILLE TOWN	$1,184,004	$0	$1,184,004
VERNON TWP	$2,013,190	$883,370	$1,129,820
HILLSIDE TWP	$4,916,187	$3,815,398	$1,100,789
GLOUCESTER TWP	$1,091,136	$0	$1,091,136
CARTERET BORO	$1,090,835	$0	$1,090,835

District	0.5% Cap	2% Cap	Difference
MOUNT OLIVE TWP	$1,080,087	$0	$1,080,087
DEPTFORD TWP	$1,058,211	$0	$1,058,211
BARNEGAT TWP	$1,901,878	$860,160	$1,041,718
CLIFFSIDE PARK BORO	$2,626,748	$1,588,823	$1,037,925
CINNAMINSON TWP	$1,534,034	$513,167	$1,020,867
DELRAN TWP	$962,449	$0	$962,449
LODI BOROUGH	$905,480	$0	$905,480
KINGSWAY REGIONAL	$1,432,623	$540,783	$891,840
DUMONT BORO	$3,653,185	$2,799,492	$853,693
BURLINGTON TWP	$812,604	$0	$812,604
MORRIS HILLS REGIONAL	$804,256	$0	$804,256
SOMERVILLE BORO	$1,733,651	$933,906	$799,745
NEPTUNE TWP	$786,082	$0	$786,082
EGG HARBOR TWP	$762,031	$0	$762,031
MIDDLESEX BORO	$886,156	$125,883	$760,273
MIDDLE TWP	$3,205,121	$2,452,440	$752,681
BORDENTOWN REGIONAL	$1,772,858	$1,036,927	$735,931
MAPLE SHADE TWP	$714,430	$0	$714,430
HIGHLAND PARK BORO	$1,829,523	$1,156,849	$672,674
EASTERN CAMDEN COUNTY REG	$2,633,953	$1,961,797	$672,156
GLASSBORO	$908,885	$251,642	$657,243
COLLINGSWOOD BORO	$3,002,943	$2,348,960	$653,983
RANCOCAS VALLEY REGIONAL	$653,307	$0	$653,307

District	0.5% Cap	2% Cap	Difference
POMPTON LAKES BORO	$1,997,313	$1,346,386	$650,927
CLEARVIEW REGIONAL	$2,765,574	$2,143,042	$622,532
HADDON TWP	$1,825,653	$1,210,618	$615,035
HARRISON TOWN	$610,411	$0	$610,411
NORTH ARLINGTON BORO	$586,780	$0	$586,780
WEST DEPTFORD TWP	$583,924	$0	$583,924
PINELANDS REGIONAL	$790,351	$227,274	$563,077
PITTSGROVE TWP	$902,021	$339,138	$562,883
SPOTSWOOD	$1,132,208	$571,235	$560,973
BUENA REGIONAL	$943,628	$385,868	$557,760
SOUTH PLAINFIELD BORO	$557,749	$0	$557,749
RIDGEFIELD BORO	$544,919	$0	$544,919
PASSAIC CO MANCHESTER REG	$525,447	$21,808	$503,639
KENILWORTH BORO	$485,040	$0	$485,040
GUTTENBERG TOWN	$683,979	$199,757	$484,222
WALLINGTON BORO	$1,075,078	$603,624	$471,454
MAINLAND REGIONAL	$1,148,697	$680,949	$467,748
RED BANK BORO	$1,778,582	$1,312,283	$466,299
SUSSEX-WANTAGE REGIONAL	$453,700	$1,476	$452,224
BUTLER BORO	$579,251	$127,562	$451,689
AUDUBON BORO	$1,410,995	$966,828	$444,167

District	0.5% Cap	2% Cap	Difference
MILLTOWN BORO	$1,042,357	$603,200	$439,157
MAYWOOD BORO	$482,408	$59,210	$423,198
FRANKLIN TWP	$398,519	$0	$398,519
LITTLE EGG HARBOR TWP	$392,192	$0	$392,192
LUMBERTON TWP	$389,200	$0	$389,200
SOUTH RIVER BORO	$383,385	$0	$383,385
NORTHERN BURLINGTON REG	$370,405	$0	$370,405
LOPATCONG TWP	$1,328,016	$958,764	$369,252
ABSECON CITY	$1,220,265	$856,569	$363,696
EAST GREENWICH TWP	$1,509,814	$1,158,433	$351,381
WHARTON BORO	$437,107	$88,264	$348,843
PITMAN BORO	$564,806	$216,644	$348,162
KEYPORT BORO	$1,165,564	$819,548	$346,016
ROSELLE PARK BORO	$335,453	$0	$335,453
SOUTH AMBOY CITY	$1,180,563	$845,690	$334,873
MANTUA TWP	$1,118,417	$785,952	$332,465
GREENWICH TWP	$702,953	$398,338	$304,615
HIGH POINT REGIONAL	$298,591	$0	$298,591
UNION BEACH	$1,090,655	$798,350	$292,305
BERLIN TWP	$377,384	$92,876	$284,508
HAMMONTON TOWN	$270,276	$0	$270,276
WOODSTOWN-PILESGROVE REG	$270,105	$0	$270,105
LITTLE FERRY BORO	$267,702	$0	$267,702

District	0.5% Cap	2% Cap	Difference
BARRINGTON BORO	$713,336	$447,153	$266,183
NORTHFIELD CITY	$381,283	$121,039	$260,244
WALLKILL VALLEY REGIONAL	$580,919	$323,237	$257,682
PROSPECT PARK BORO	$252,160	$0	$252,160
HAZLET TWP	$251,319	$0	$251,319
GALLOWAY TWP	$249,397	$0	$249,397
HALEDON BORO	$248,242	$0	$248,242
BERLIN BORO	$1,097,094	$859,562	$237,532
WOODLAND PARK	$228,699	$0	$228,699
MINE HILL TWP	$271,291	$43,149	$228,142
RIDGEFIELD PARK TWP	$214,909	$0	$214,909
CHESTERFIELD TWP	$580,339	$367,846	$212,493
ELMWOOD PARK	$212,022	$0	$212,022
ROCKAWAY BORO	$656,171	$454,041	$202,130
HACKETTSTOWN	$195,959	$0	$195,959
TABERNACLE TWP	$462,642	$268,638	$194,004
MULLICA TWP	$241,707	$52,355	$189,352
WASHINGTON BORO	$230,067	$46,936	$183,131
NEWTON TOWN	$171,482	$0	$171,482
BELLMAWR BORO	$168,489	$0	$168,489
MAGNOLIA BORO	$476,279	$307,913	$168,366
EASTAMPTON TWP	$613,031	$446,123	$166,908
SOMERDALE BORO	$233,112	$68,508	$164,604

District	0.5% Cap	2% Cap	Difference
DELANCO TWP	$680,239	$516,401	$163,838
CLINTON TOWN	$357,472	$194,756	$162,716
OAKLYN BORO	$259,421	$98,095	$161,326
MOUNT HOLLY TWP	$154,751	$0	$154,751
HOPEWELL TWP	$329,173	$174,719	$154,454
MERCHANTVILLE BORO	$153,283	$0	$153,283
MOUNT EPHRAIM BORO	$151,092	$0	$151,092
POHATCONG TWP	$417,088	$270,063	$147,025
BURLINGTON CITY	$138,486	$0	$138,486
SWEDESBORO-WOOLWICH	$128,936	$0	$128,936
UPPER PITTSGROVE TWP	$443,661	$316,558	$127,103
HAMBURG BORO	$235,676	$114,286	$121,390
DUNELLEN BORO	$117,296	$0	$117,296
ALLOWAY TWP	$180,701	$65,905	$114,796
WARREN HILLS REGIONAL	$112,457	$0	$112,457
ELK TWP	$197,454	$87,339	$110,115
OXFORD TWP	$172,490	$63,683	$108,807
LENAPE VALLEY REGIONAL	$108,770	$0	$108,770
LAUREL SPRINGS BORO	$374,825	$267,011	$107,814
BOGOTA BORO	$103,076	$0	$103,076
BOONTON TOWN	$94,892	$0	$94,892

District	0.5% Cap	2% Cap	Difference
TUCKERTON BORO	$409,871	$320,260	$89,611
EAST NEWARK BORO	$84,673	$0	$84,673
WOODBURY HEIGHTS BORO	$410,016	$326,096	$83,920
OGDENSBURG BORO	$85,803	$2,365	$83,438
ESTELL MANOR CITY	$79,726	$2,700	$77,026
NEWFIELD BORO	$112,818	$36,480	$76,338
GIBBSBORO BORO	$74,985	$0	$74,985
WEYMOUTH TWP	$69,756	$598	$69,158
FREEHOLD BORO	$68,347	$0	$68,347
HAMPTON BORO	$204,035	$138,324	$65,711
PORT REPUBLIC CITY	$208,103	$147,103	$61,000
CLEMENTON BORO	$59,725	$0	$59,725
ELSINBORO TWP	$116,482	$58,704	$57,778
BLOOMSBURY BORO	$259,583	$203,797	$55,786
ROOSEVELT BORO	$137,108	$82,410	$54,698
HI NELLA	$122,519	$71,642	$50,877
OCEAN GATE BORO	$122,099	$71,548	$50,551
OLDMANS TWP	$40,261	$0	$40,261
MANSFIELD TWP	$40,033	$0	$40,033
STERLING HIGH SCHOOL DIST	$39,141	$0	$39,141
MANNINGTON TWP	$35,258	$0	$35,258

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District	0.5% Cap	2% Cap	Difference
WOODLAND TWP	$30,963	$0	$30,963
ALPHA BORO	$25,540	$0	$25,540
BASS RIVER TWP	$24,988	$0	$24,988
EAGLESWOOD TWP	$22,392	$0	$22,392
CORBIN CITY	$26,685	$8,994	$17,691
DEERFIELD TWP	$13,797	$0	$13,797
AUDUBON BORO (AUDUBON PARK)	$16,439	$16,439	$0
HILLSBOROUGH TWP (MILLSTONE)	$20,928	$20,928	$0
CLINTON TOWN (GLEN GARDNER)	$191,832	$191,832	$0
PITTSGROVE TWP (ELMER BORO)	$103,158	$103,158	$0
STOW CREEK TWP	$102,421	$102,421	$0
GREENWICH TWP	$30,102	$30,102	$0

Table 3.12: Stabilization Aid with 0.5% and 2% cap of previous year operating budget

3.4 Deficits Resulting from Proposed Legislation

3.4.1 Modeling Assumptions

To best understand the impact of the proposed legislation statewide, a simple model of state funding and district costs was constructed. For state aid, a CPI increase of 3% to all Categorical aid was assumed. Equalization Aid and Stabilization Aid was calculated using the assumptions above for the proposed changes to the Equalization Aid and Stabilization Aid. All districts were assumed to have constant enrollment, constant special education enrollment, and constant fraction of at-risk students from FY26 to FY27. Benefits were assumed to rise 18%, conservatively. Even though the state plan is known to have increased costs of 30% from FY26 to FY27, there are some consortiums where benefits costs have risen only 18%, as is the case for West Orange. Other costs are assumed to rise 6%, based on recent experience, particularly

the rising costs of insurance and transportation. On the revenue side, each district is assumed to raise their local tax levy the 2% allowable by law. To summarize these assumptions:

- Constant Enrollment
- 3% CPI
- 18% rise in benefits costs.
- 6% rise in non-benefits costs.
- 2% rise in tax levy.

3.4.2 Deficits Everywhere

Under these assumptions, nearly every district in the state is expected to find a deficit going into the FY27 budget cycle. 59 districts will see deficits of $10 million or more, from wealthy districts like Livingston and Cherry Hill to middle of the road districts like West Orange to SDA districts like Newark City. The total statewide deficit is **$2.372 billion dollars**. The results are shown in Table 3.13.

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY26->FY27	Modeled Cost Change FY26->FY27	FY27 Deficit as Pct of FY26 Budget
NEWARK CITY	-99,021,678	1,575,742,398	8,670,103	107,691,781	-6.28%
JERSEY CITY	-48,156,047	898,936,380	14,574,926	62,730,973	-5.36%
EDISON TWP	-48,040,863	370,442,103	-18,549,114	29,491,749	-12.97%
PATERSON CITY	-40,911,888	750,388,690	9,271,697	50,183,585	-5.45%
WOODBRIDGE TWP	-40,140,195	358,717,681	-10,142,743	29,997,452	-11.19%
ELIZABETH CITY	-38,488,766	676,433,422	8,053,617	46,542,384	-5.69%
HAMILTON TWP	-25,889,084	280,033,823	-2,937,132	22,951,952	-9.24%
CLIFTON CITY	-24,051,788	270,821,883	-1,246,986	22,804,802	-8.88%
TRENTON CITY	-19,108,393	445,345,360	9,996,093	29,104,487	-4.29%
TOMS RIVER REGIONAL	-18,956,870	271,822,597	5,355,049	24,311,920	-6.97%
UNION TWP	-18,934,386	171,774,841	-4,682,963	14,251,422	-11.02%
PLAINFIELD CITY	-18,622,358	330,798,971	5,816,458	24,438,817	-5.63%
BAYONNE CITY	-18,180,687	210,228,553	-982,473	17,198,215	-8.65%
CAMDEN CITY	-17,981,008	417,768,659	9,088,912	27,069,920	-4.30%
ATLANTIC CITY	-17,770,355	289,992,841	3,135,997	20,906,352	-6.13%
UNION CITY	-17,739,750	281,418,576	1,701,377	19,441,127	-6.30%
LAKEWOOD TWP	-17,408,779	303,860,849	3,209,520	20,618,299	-5.73%

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY26->FY27	Modeled Cost Change FY26->FY27	FY27 Deficit as Pct of FY26 Budget
WEST ORANGE TOWN	-17,070,396	200,489,456	-821,483	16,248,913	-8.51%
CHERRY HILL TWP	-17,018,365	256,123,121	4,887,613	21,905,977	-6.64%
NORTH BERGEN TWP	-16,989,545	146,455,258	-4,512,826	12,476,719	-11.60%
EAST BRUNSWICK TWP	-16,921,392	199,229,812	-982,513	15,938,880	-8.49%
PASSAIC CITY	-16,666,125	320,330,357	4,337,346	21,003,471	-5.20%
LINDEN CITY	-16,064,131	178,273,017	-1,721,142	14,342,989	-9.01%
W WINDSOR-PLAINSBORO REG	-15,888,887	250,565,543	4,402,837	20,291,724	-6.34%
NORTH BRUNSWICK TWP	-15,555,102	149,727,235	-3,275,210	12,279,892	-10.39%
EGG HARBOR TWP	-14,805,058	177,761,630	520,838	15,325,896	-8.33%
PERTH AMBOY CITY	-14,488,035	262,848,899	4,209,380	18,697,415	-5.51%
BLOOMFIELD TWP	-14,413,255	139,539,980	-2,622,614	11,790,640	-10.33%
FREEHOLD REGIONAL	-14,301,923	236,344,359	4,656,373	18,958,296	-6.05%
SAYREVILLE BORO	-13,681,234	147,742,453	-1,423,862	12,257,372	-9.26%
NEW BRUNSWICK CITY	-13,580,794	276,202,890	5,036,467	18,617,262	-4.92%
FRANKLIN TWP	-13,528,190	208,884,934	4,204,267	17,732,457	-6.48%
WASHINGTON TWP	-13,460,069	151,564,593	-901,919	12,558,150	-8.88%
IRVINGTON TOWNSHIP	-13,268,180	228,792,781	1,836,185	15,104,365	-5.80%
WAYNE TWP	-13,171,570	194,464,076	3,912,272	17,083,841	-6.77%
HACKENSACK CITY	-13,053,599	153,176,800	-1,118,797	11,934,803	-8.52%
WEST NEW YORK TOWN	-12,970,112	189,918,720	360,841	13,330,953	-6.83%
FAIR LAWN BORO	-12,915,378	138,074,188	-2,099,238	10,816,140	-9.35%
VINELAND CITY	-12,768,209	210,281,800	2,120,614	14,888,823	-6.07%
HOWELL TWP	-12,759,945	136,784,443	-871,963	11,887,981	-9.33%
OLD BRIDGE TWP	-12,268,216	185,040,895	3,791,955	16,060,171	-6.63%
EAST ORANGE	-12,222,927	228,858,846	3,670,737	15,893,665	-5.34%
BRIDGEWATER-RARITAN REG	-12,153,593	187,916,435	3,772,422	15,926,015	-6.47%
MIDDLETOWN TWP	-11,947,327	195,747,650	3,977,578	15,924,905	-6.10%
PENNSAUKEN TWP	-11,815,642	168,344,816	1,956,198	13,771,840	-7.02%
GLOUCESTER TWP	-11,477,003	139,369,518	-271,435	11,205,569	-8.23%
PARSIPPANY-TROY HILLS TWP	-11,306,637	181,968,247	3,560,182	14,866,819	-6.21%
BRICK TWP	-11,252,224	158,356,934	3,157,078	14,409,302	-7.11%

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY26->FY27	Modeled Cost Change FY26->FY27	FY27 Deficit as Pct of FY26 Budget
EAST WINDSOR REGIONAL	-11,112,466	131,372,100	-678,474	10,433,992	-8.46%
LENAPE REGIONAL	-11,058,289	178,382,939	3,361,423	14,419,712	-6.20%
MOUNT OLIVE TWP	-11,004,207	132,790,499	226,168	11,230,375	-8.29%
SOUTH BRUNSWICK TWP	-10,853,982	164,469,875	3,247,739	14,101,720	-6.60%
LONG BRANCH CITY	-10,844,745	121,768,312	-2,028,354	8,816,391	-8.91%
WINSLOW TWP	-10,722,920	139,245,356	-31,831	10,691,090	-7.70%
KEARNY TOWN	-10,546,073	153,725,087	1,810,295	12,356,368	-6.86%
HILLSBOROUGH TWP	-10,446,997	172,727,282	3,412,164	13,859,162	-6.05%
BELLEVILLE TOWN	-10,377,772	124,161,873	-518,514	9,859,258	-8.36%
HILLSIDE TWP	-10,297,777	73,385,924	-4,247,039	6,050,738	-14.03%
MONROE TWP	-10,013,289	146,649,000	2,872,436	12,885,725	-6.83%
PISCATAWAY TWP	-9,995,553	149,329,182	2,650,511	12,646,063	-6.69%
MONROE TWP	-9,988,113	127,898,710	181,889	10,170,002	-7.81%
JACKSON TWP	-9,956,528	147,826,930	2,823,096	12,779,624	-6.74%
SOUTH ORANGE-MAPLEWOOD	-9,726,365	170,225,226	3,163,771	12,890,136	-5.71%
MONTCLAIR TOWN	-9,557,964	154,097,988	3,029,273	12,587,237	-6.20%
EWING TWP	-9,205,397	100,299,364	-623,449	8,581,949	-9.18%
LIVINGSTON TWP	-9,116,413	147,356,084	2,855,127	11,971,540	-6.19%
WESTFIELD TOWN	-8,993,247	135,636,686	2,685,045	11,678,292	-6.63%
MORRIS SCHOOL DISTRICT	-8,883,791	134,962,231	2,457,329	11,341,120	-6.58%
BERGENFIELD BORO	-8,713,410	87,511,526	-1,653,571	7,059,839	-9.96%
SCOTCH PLAINS-FANWOOD REG	-8,614,802	125,356,305	2,488,073	11,102,875	-6.87%
CARTERET BORO	-8,443,672	96,569,747	-796,959	7,646,714	-8.74%
MATAWAN-ABERDEEN REGIONAL	-8,440,180	82,970,838	-1,351,692	7,088,488	-10.17%
BRIDGETON CITY	-8,376,432	164,498,090	3,216,691	11,593,123	-5.09%
DEPTFORD TWP	-8,106,183	92,790,289	-274,097	7,832,086	-8.74%
RIDGEWOOD VILLAGE	-7,924,801	130,989,166	2,359,973	10,284,774	-6.05%
RAHWAY CITY	-7,906,292	106,133,600	857,654	8,763,946	-7.45%
WILLINGBORO TWP	-7,869,756	108,015,772	367,452	8,237,208	-7.29%
NUTLEY TOWN	-7,833,261	82,793,496	-462,458	7,370,803	-9.46%

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY25->FY27	Modeled Cost Change FY26->FY27	FY27 Deficit as Pct of FY26 Budget
NORTH PLAINFIELD BORO	-7,761,211	112,858,144	1,301,870	9,063,081	-6.88%
BERNARDS TWP	-7,698,779	120,658,362	2,213,694	9,912,473	-6.38%
MONTGOMERY TWP	-7,610,036	110,705,227	2,080,358	9,690,394	-6.87%
DUMONT BORO	-7,344,656	56,912,810	-2,792,714	4,551,942	-12.91%
PRINCETON	-7,185,214	111,384,212	1,980,022	9,165,236	-6.45%
GALLOWAY TWP	-7,165,002	72,815,182	-692,030	6,472,971	-9.84%
GARFIELD CITY	-7,163,870	124,762,998	1,217,050	8,380,920	-5.74%
CITY OF ORANGE TWP	-7,098,724	147,125,378	2,624,219	9,722,943	-4.82%
SOUTH PLAINFIELD BORO	-7,076,994	80,442,528	-350,242	6,726,752	-8.80%
MANALAPAN-ENGLISHTOWN REG	-7,039,356	101,489,963	1,953,004	8,992,360	-6.94%
LODI BOROUGH	-7,026,597	88,259,634	-366,512	6,660,085	-7.96%
MILLBURN TWP	-6,999,045	112,225,057	2,208,409	9,207,453	-6.24%
TEANECK TWP	-6,966,492	120,718,937	2,358,813	9,325,304	-5.77%
GREATER EGG HARBOR REG	-6,873,847	84,885,921	-246,044	6,627,803	-8.10%
PEMBERTON TWP	-6,835,195	112,542,285	1,167,517	8,002,712	-6.07%
RANDOLPH TWP	-6,791,296	103,402,701	1,991,734	8,783,031	-6.57%
ROSELLE BORO	-6,764,370	79,904,685	-128,955	6,635,416	-8.47%
DOVER TOWN	-6,726,218	93,174,352	1,049,977	7,776,195	-7.22%
BARNEGAT TWP	-6,716,014	69,447,852	-612,494	6,103,520	-9.67%
HOPEWELL VALLEY REGIONAL	-6,690,770	100,729,977	1,984,604	8,675,374	-6.64%
MARLBORO TWP	-6,690,692	102,254,945	2,020,861	8,711,554	-6.54%
MORRIS HILLS REGIONAL	-6,561,357	88,356,771	646,019	7,207,376	-7.43%
NEPTUNE TWP	-6,547,267	96,301,019	413,021	6,960,288	-6.80%
VERNON TWP	-6,478,383	75,321,315	-463,711	6,014,671	-8.60%
MILLVILLE CITY	-6,474,873	112,151,840	1,278,184	7,753,056	-5.77%
MOORESTOWN TWP	-6,473,382	92,917,654	1,670,317	8,143,699	-6.97%
FREEHOLD TWP	-6,421,089	89,388,691	1,757,873	8,178,963	-7.18%
PARAMUS BORO	-6,340,300	101,572,582	2,018,918	8,359,218	-6.24%
CLIFFSIDE PARK BORO	-6,252,717	69,194,960	-564,875	5,687,842	-9.04%
PLEASANTVILLE CITY	-6,242,218	113,705,656	1,388,880	7,631,098	-5.49%
BURLINGTON TWP	-6,204,518	79,327,671	-16,784	6,187,734	-7.82%

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY26->FY27	Modeled Cost Change FY26->FY27	FY27 Deficit as Pct of FY26 Budget
EVESHAM TWP	-6,197,557	100,186,119	1,992,897	8,190,454	-6.19%
CINNAMINSON TWP	-6,191,602	68,057,748	-679,902	5,511,700	-9.10%
WALL TWP	-6,140,514	91,150,000	1,761,157	7,901,671	-6.74%
OCEAN TWP	-6,114,272	88,559,599	1,708,406	7,822,678	-6.90%
FORT LEE BORO	-6,013,750	92,970,131	1,756,875	7,770,625	-6.47%
MONTVILLE TWP	-5,988,198	100,893,795	1,839,161	7,827,359	-5.94%
MOUNT LAUREL TWP	-5,986,263	89,633,673	1,696,338	7,682,602	-6.68%
LINDENWOLD BORO	-5,871,094	101,389,663	1,572,628	7,443,722	-5.79%
DELRAN TWP	-5,791,216	65,988,264	-446,051	5,345,166	-8.78%
ELMWOOD PARK	-5,763,440	66,841,404	-598,966	5,164,474	-8.62%
TENAFLY BORO	-5,724,021	89,055,087	1,689,149	7,413,170	-6.43%
ROXBURY TWP	-5,678,927	85,839,936	1,507,238	7,186,165	-6.62%
WEST MILFORD TWP	-5,637,835	81,401,846	1,543,653	7,181,488	-6.93%
SCH DIST OF THE CHATHAMS	-5,612,499	90,796,613	1,725,162	7,337,662	-6.18%
LAWRENCE TWP	-5,612,217	88,626,685	1,813,009	7,425,226	-6.33%
SUMMIT CITY	-5,608,225	85,346,203	1,677,925	7,286,150	-6.57%
BLACK HORSE PIKE REGIONAL	-5,520,073	90,362,306	1,639,756	7,159,829	-6.11%
KINGSWAY REGIONAL	-5,459,745	59,456,000	-637,606	4,822,140	-9.18%
HAMILTON TWP	-5,450,999	66,940,571	6,616	5,457,615	-8.14%
HAMMONTON TOWN	-5,346,553	66,324,304	101,997	5,448,550	-8.06%
MAPLE SHADE TWP	-5,338,115	58,995,839	-301,909	5,036,206	-9.05%
SOMERVILLE BORO	-5,327,279	53,316,272	-934,466	4,392,813	-9.99%
HUNTERDON CENTRAL REG	-5,320,696	77,545,326	1,362,682	6,683,378	-6.86%
CRANFORD TWP	-5,279,437	80,650,102	1,560,959	6,840,397	-6.55%
LACEY TWP	-5,270,978	74,454,503	1,530,779	6,801,757	-7.08%
SOUTHERN REGIONAL	-5,218,910	71,669,672	1,201,843	6,420,753	-7.28%
WEST DEPTFORD TWP	-5,086,320	56,870,281	-363,322	4,722,998	-8.94%
PHILLIPSBURG TOWN	-5,071,006	90,667,230	1,182,811	6,253,817	-5.59%
ASBURY PARK CITY	-5,014,952	64,824,434	-532,795	4,482,157	-7.74%
HAZLET TWP	-4,929,227	65,464,485	586,102	5,515,330	-7.53%
EASTERN CAMDEN COUNTY REG	-4,926,650	44,810,406	-1,313,733	3,612,917	-10.99%

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY26->FY27	Modeled Cost Change FY26->FY27	FY27 Deficit as Pct of FY26 Budget
RAMSEY BORO	-4,919,251	74,593,689	1,439,170	6,358,421	-6.59%
MAHWAH TWP	-4,914,043	82,899,434	1,610,968	6,525,011	-5.93%
SPARTA TWP	-4,754,429	78,487,880	1,570,290	6,324,720	-6.06%
HOLMDEL TWP	-4,699,274	72,039,105	1,455,791	6,155,065	-6.52%
SOUTH RIVER BORO	-4,683,256	55,901,928	-134,925	4,548,332	-8.38%
MIDDLE TWP	-4,584,501	50,178,728	-353,375	4,231,126	-9.14%
FLEMINGTON-RARITAN REG	-4,559,773	73,765,753	1,508,388	6,068,161	-6.18%
ENGLEWOOD CITY	-4,501,494	79,873,803	1,454,742	5,956,236	-5.64%
MANCHESTER TWP	-4,498,475	67,709,547	1,311,480	5,809,955	-6.64%
RIDGEFIELD PARK TWP	-4,423,281	59,630,961	206,856	4,630,136	-7.42%
NORTHERN VALLEY REGIONAL	-4,423,250	75,231,492	1,346,374	5,769,625	-5.88%
WESTWOOD REGIONAL	-4,416,776	71,076,288	1,356,770	5,773,547	-6.21%
MIDDLESEX BORO	-4,399,472	50,684,812	-431,699	3,967,773	-8.68%
NORTHERN BURLINGTON REG	-4,351,192	52,082,782	-20,323	4,330,869	-8.35%
BORDENTOWN REGIONAL	-4,309,915	49,062,041	-252,831	4,057,084	-8.78%
HOBOKEN CITY	-4,301,873	88,411,902	1,643,426	5,945,299	-4.87%
RANCOCAS VALLEY REGIONAL	-4,231,045	49,154,186	-421,290	3,809,754	-8.61%
ROCKAWAY TWP	-4,188,720	64,084,950	1,215,191	5,403,912	-6.54%
PINE HILL BORO	-4,173,371	57,224,270	392,003	4,565,375	-7.29%
POMPTON LAKES BORO	-4,151,258	43,395,137	-632,389	3,518,870	-9.57%
RAMAPO-INDIAN HILL REG	-4,138,048	69,008,000	1,258,568	5,396,616	-6.00%
ROSELLE PARK BORO	-4,136,533	50,289,619	105	4,136,638	-8.23%
GLASSBORO	-4,117,050	43,816,183	-403,823	3,713,228	-9.40%
N HUNT/VOORHEES REGIONAL	-4,094,789	66,606,351	1,241,941	5,336,730	-6.15%
COLLINGSWOOD BORO	-4,086,407	43,598,841	-396,377	3,690,030	-9.37%
VOORHEES TWP	-4,073,240	64,323,791	1,227,376	5,300,615	-6.33%
HARRISON TOWN	-4,036,308	50,878,698	-550,079	3,486,229	-7.93%
PASCACK VALLEY REGIONAL	-4,029,335	67,033,132	1,237,874	5,267,209	-6.01%
BOUND BROOK BORO	-3,996,544	58,023,282	681,521	4,678,065	-6.89%
PENNS GRV-CARNEYS PT REG	-3,987,109	58,327,750	605,602	4,592,711	-6.84%
MEDFORD TWP	-3,978,239	64,352,824	1,261,882	5,240,121	-6.18%

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY26->FY27	Modeled Cost Change FY26->FY27	FY27 Deficit as Pct of FY26 Budget
NORTH ARLINGTON BORO	-3,975,430	50,197,600	-87,499	3,887,931	-7.92%
BERKELEY HEIGHTS TWP	-3,967,238	60,418,538	1,049,997	5,017,235	-6.57%
HACKETTSTOWN	-3,935,112	49,358,527	76,519	4,011,632	-7.97%
RIDGEFIELD BORO	-3,912,729	47,129,951	98,861	4,011,590	-8.30%
FAIRVIEW BORO	-3,905,518	53,191,885	133,543	4,039,061	-7.34%
WEST MORRIS REGIONAL	-3,887,337	62,422,961	1,172,995	5,060,332	-6.23%
CALDWELL-WEST CALDWELL	-3,863,560	61,914,252	1,174,182	5,037,741	-6.24%
STAFFORD TWP	-3,825,467	49,614,436	872,385	4,697,851	-7.71%
SPOTSWOOD	-3,819,993	37,398,203	-821,704	2,998,289	-10.21%
JEFFERSON TWP	-3,817,586	61,286,018	1,188,537	5,006,123	-6.23%
HADDON TWP	-3,721,240	41,002,337	-214,048	3,507,191	-9.08%
PENNSVILLE	-3,713,721	49,974,037	376,022	4,089,744	-7.43%
HIGHLAND PARK BORO	-3,707,842	44,844,946	-224,951	3,482,891	-8.27%
GLEN ROCK BORO	-3,675,361	61,682,507	1,208,490	4,883,851	-5.96%
WARREN TWP	-3,669,279	55,062,851	1,080,435	4,749,713	-6.66%
BUENA REGIONAL	-3,662,320	37,184,026	-665,379	2,996,941	-9.85%
MADISON BORO	-3,658,555	58,823,140	1,081,088	4,739,644	-6.22%
CLEARVIEW REGIONAL	-3,622,495	41,502,158	-361,184	3,261,312	-8.73%
WOODBURY CITY	-3,605,009	52,387,903	452,801	4,057,810	-6.88%
BURLINGTON CITY	-3,602,697	53,905,755	-9,009	3,593,689	-6.68%
ROBBINSVILLE TWP	-3,589,678	60,421,454	1,231,070	4,820,749	-5.94%
OCEAN CITY	-3,564,777	50,860,556	573,994	4,138,771	-7.01%
POINT PLEASANT BORO	-3,538,900	53,702,684	1,019,472	4,558,372	-6.59%
RUTHERFORD BORO	-3,525,140	57,252,987	1,103,117	4,628,256	-6.16%
PINELANDS REGIONAL	-3,517,724	37,538,484	-270,029	3,247,695	-9.37%
LYNDHURST TWP	-3,515,484	59,643,663	1,156,124	4,671,608	-5.89%
BRANCHBURG TWP	-3,511,120	56,806,940	1,088,034	4,599,153	-6.18%
MANVILLE BORO	-3,492,965	45,750,693	217,371	3,710,336	-7.63%
NEW PROVIDENCE BORO	-3,476,605	51,322,758	997,973	4,474,578	-6.77%
NEWTON TOWN	-3,476,042	39,262,511	-166,838	3,309,204	-8.85%
HAWTHORNE BORO	-3,465,506	54,182,129	1,039,301	4,504,807	-6.40%

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY26->FY27	Modeled Cost Change FY26->FY27	FY27 Deficit as Pct of FY26 Budget
FREEHOLD BORO	-3,453,497	40,324,908	53,778	3,507,275	-8.56%
NEW MILFORD BORO	-3,411,257	49,871,056	927,836	4,339,093	-6.84%
DELSEA REGIONAL H.S DIST.	-3,397,139	39,647,944	-49,347	3,347,792	-8.57%
METUCHEN BORO	-3,394,989	54,371,455	1,013,251	4,408,240	-6.24%
RED BANK BORO	-3,389,685	31,086,572	-654,988	2,734,697	-10.90%
CENTRAL REGIONAL	-3,387,982	51,454,356	1,002,738	4,390,720	-6.58%
PEQUANNOCK TWP	-3,385,489	53,677,102	904,562	4,290,052	-6.31%
SPRINGFIELD TWP	-3,286,665	52,461,898	1,001,862	4,288,527	-6.26%
BOONTON TOWN	-3,242,130	37,140,532	-180,008	3,062,121	-8.73%
WALLINGTON BORO	-3,221,609	31,430,241	-817,935	2,403,674	-10.25%
SECAUCUS TOWN	-3,214,991	51,526,722	952,438	4,167,429	-6.24%
SWEDESBORO-WOOLWICH	-3,197,921	33,111,285	-276,463	2,921,458	-9.66%
HANOVER PARK REGIONAL	-3,177,477	47,388,582	817,202	3,994,679	-6.71%
DUNELLEN BORO	-3,164,048	39,559,083	13,253	3,177,301	-8.00%
LITTLE FERRY BORO	-3,142,790	39,932,557	-348,893	2,793,897	-7.87%
WATCHUNG HILLS REGIONAL	-3,141,830	49,458,323	805,854	3,947,684	-6.35%
SOMERSET HILLS REGIONAL	-3,134,039	48,204,630	808,867	3,942,907	-6.50%
GLOUCESTER CITY	-3,118,236	60,000,194	781,980	3,900,215	-5.20%
BERKELEY TWP	-3,094,436	44,350,927	835,410	3,929,846	-6.98%
LITTLE EGG HARBOR TWP	-3,091,421	30,035,509	-213,233	2,878,188	-10.29%
KINNELON BORO	-3,089,143	48,429,012	946,764	4,035,907	-6.38%
HADDONFIELD	-3,078,156	48,684,517	943,971	4,022,128	-6.32%
WASHINGTON TWP	-3,060,836	46,728,811	921,792	3,982,628	-6.55%
KEYPORT BORO	-3,046,476	23,067,700	-986,262	2,060,214	-13.21%
MOUNTAIN LAKES BORO	-3,040,278	44,323,879	538,528	3,578,806	-6.86%
UPPER FREEHOLD REGIONAL	-3,034,343	44,122,457	646,122	3,680,465	-6.88%
DENVILLE TWP	-3,027,811	44,134,184	871,697	3,899,508	-6.86%
EAST GREENWICH TWP	-3,023,460	23,425,439	-1,088,038	1,935,422	-12.91%
LEONIA BORO	-3,020,739	44,070,915	666,399	3,687,138	-6.85%
WEST ESSEX REGIONAL	-3,018,570	49,133,531	970,317	3,988,887	-6.14%
PITTSGROVE TWP	-3,009,779	37,525,476	110,771	3,120,550	-8.02%

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY26->FY27	Modeled Cost Change FY26->FY27	FY27 Deficit as Pct of FY26 Budget
RIVERSIDE TWP	-2,990,810	43,841,674	479,783	3,470,592	-6.82%
WYCKOFF TWP	-2,990,294	49,756,870	992,893	3,983,187	-6.01%
GUTTENBERG TOWN	-2,989,144	32,281,501	-559,594	2,429,550	-9.26%
FLORENCE TWP	-2,989,040	37,885,974	-14,099	2,974,941	-7.89%
BOGOTA BORO	-2,973,971	36,254,086	-123,231	2,850,740	-8.20%
LOPATCONG TWP	-2,962,155	24,616,812	-1,022,211	1,939,945	-12.03%
CLARK TWP	-2,927,698	46,550,939	838,704	3,766,402	-6.29%
WARREN HILLS REGIONAL	-2,906,718	40,887,439	370,408	3,277,126	-7.11%
MILLTOWN BORO	-2,890,098	29,277,177	-740,047	2,150,050	-9.87%
PASSAIC CO MANCHESTER REG	-2,845,377	33,575,908	-400,610	2,444,767	-8.47%
VERONA BORO	-2,770,964	45,696,177	891,327	3,662,291	-6.06%
KEANSBURG BORO	-2,759,535	42,348,589	227,638	2,987,172	-6.52%
SUSSEX-WANTAGE REGIONAL	-2,755,583	30,148,218	-216,668	2,538,915	-9.14%
MAINLAND REGIONAL	-2,741,932	31,183,193	-192,072	2,549,860	-8.79%
FRANKLIN TWP	-2,731,624	28,015,778	-298,076	2,433,548	-9.75%
CEDAR GROVE TWP	-2,723,287	39,678,422	737,841	3,461,128	-6.86%
SADDLE BROOK TWP	-2,694,509	44,508,537	880,323	3,574,832	-6.05%
EDGEWATER PARK TWP	-2,691,007	34,330,944	50,523	2,741,529	-7.84%
AUDUBON BORO	-2,687,978	29,611,098	-251,505	2,436,473	-9.08%
BUTLER BORO	-2,642,603	30,112,617	-191,600	2,451,003	-8.78%
READINGTON TWP	-2,634,836	38,821,517	775,193	3,410,029	-6.79%
TINTON FALLS	-2,615,905	38,962,065	669,390	3,285,295	-6.71%
PAULSBORO BORO	-2,604,058	39,344,523	494,940	3,098,998	-6.62%
WALDWICK BORO	-2,597,274	40,386,787	763,136	3,360,410	-6.43%
FRANKLIN LAKES BORO	-2,587,227	41,416,590	719,242	3,306,469	-6.25%
GLEN RIDGE BORO	-2,583,007	42,735,235	782,488	3,365,495	-6.04%
PARK RIDGE BORO	-2,574,172	39,493,251	751,095	3,325,267	-6.52%
MILLSTONE TWP	-2,570,503	41,851,218	769,767	3,340,270	-6.14%
MANASQUAN BORO	-2,562,891	35,621,798	392,240	2,955,132	-7.19%
UPPER TWP	-2,558,295	42,638,497	735,877	3,294,172	-6.00%
WATERFORD TWP	-2,478,410	33,624,858	10,857	2,489,267	-7.37%

60x

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY26->FY27	Modeled Cost Change FY26->FY27	FY27 Deficit as Pct of FY26 Budget
OAKLAND BORO	-2,476,288	38,382,454	762,459	3,238,747	-6.45%
WOODSTOWN-PILESGROVE REG	-2,476,234	29,043,740	-69,712	2,406,522	-8.53%
ABSECON CITY	-2,465,635	24,246,383	-610,296	1,855,339	-10.17%
CLAYTON BORO	-2,463,483	32,945,998	245,202	2,708,685	-7.48%
RIVER DELL REGIONAL	-2,460,866	40,179,502	795,272	3,256,139	-6.12%
LUMBERTON TWP	-2,456,072	27,658,491	-152,564	2,303,509	-8.88%
MOUNT HOLLY TWP	-2,450,360	29,695,568	-51,543	2,398,818	-8.25%
KENILWORTH BORO	-2,436,590	33,498,459	174,696	2,611,287	-7.27%
HOPATCONG	-2,429,857	37,466,325	694,181	3,124,038	-6.49%
HANOVER TWP	-2,418,202	34,889,788	682,575	3,100,778	-6.93%
GATEWAY REGIONAL	-2,370,291	29,354,978	27,188	2,397,479	-8.07%
CRESSKILL BORO	-2,347,868	38,219,162	709,802	3,057,671	-6.14%
JAMESBURG BORO	-2,338,352	35,451,890	118,431	2,456,783	-6.60%
NORTH HANOVER TWP	-2,334,316	34,723,117	433,420	2,767,736	-6.72%
HASBROUCK HEIGHTS BORO	-2,327,673	38,132,899	778,051	3,105,724	-6.10%
RED BANK REGIONAL	-2,318,028	36,121,653	635,792	2,953,821	-6.42%
CLINTON TWP	-2,305,398	34,745,740	632,519	2,937,917	-6.64%
NORTHERN HIGHLANDS REG	-2,293,907	38,245,037	569,076	2,862,983	-6.00%
HALEDON BORO	-2,291,919	25,205,182	-191,665	2,100,254	-9.09%
PASSAIC VALLEY REGIONAL	-2,243,925	38,703,444	669,225	2,913,150	-5.80%
HADDON HEIGHTS BORO	-2,219,727	30,534,206	365,213	2,584,940	-7.27%
UPPER SADDLE RIVER BORO	-2,211,927	31,654,496	566,324	2,778,251	-6.99%
MAYWOOD BORO	-2,210,781	28,213,195	-75,233	2,135,548	-7.84%
MIDLAND PARK BORO	-2,168,603	31,916,693	537,803	2,706,405	-6.79%
CUMBERLAND REGIONAL	-2,158,136	33,371,887	475,972	2,634,108	-6.47%
LOWER CAPE MAY REGIONAL	-2,141,472	32,997,723	585,746	2,727,218	-6.49%
WHARTON BORO	-2,113,325	23,256,206	-255,639	1,857,686	-9.09%
WEEHAWKEN TWP	-2,112,320	31,560,077	616,358	2,728,678	-6.69%
MONMOUTH REGIONAL	-2,084,293	31,268,946	589,510	2,673,803	-6.67%
MAGNOLIA BORO	-2,083,285	11,224,461	-1,120,318	962,968	-18.56%
PITMAN BORO	-2,075,672	23,210,771	-134,608	1,941,064	-8.94%

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY26->FY27	Modeled Cost Change FY26->FY27	FY27 Deficit as Pct of FY26 Budget
MANTUA TWP	-2,071,351	22,164,296	-123,034	1,948,317	-9.35%
SOUTH AMBOY CITY	-2,048,305	22,324,893	-336,067	1,712,238	-9.17%
PLUMSTED TWP	-2,019,658	24,561,092	-102,437	1,917,220	-8.22%
HIGH POINT REGIONAL	-2,000,742	24,942,929	4,676	2,005,418	-8.02%
WOOD-RIDGE BORO	-1,982,016	30,153,142	519,141	2,501,157	-6.57%
PALISADES PARK	-1,974,632	32,176,739	630,020	2,604,652	-6.14%
COLTS NECK TWP	-1,943,792	30,026,838	550,451	2,494,243	-6.47%
LOWER TWP	-1,930,208	27,192,333	484,359	2,414,567	-7.10%
EDGEWATER BORO	-1,922,933	35,185,074	665,323	2,588,256	-5.47%
RINGWOOD BORO	-1,909,428	29,199,723	537,121	2,446,549	-6.54%
BELLMAWR BORO	-1,904,650	23,400,255	-25,134	1,879,516	-8.14%
BERLIN BORO	-1,887,293	15,835,452	-647,187	1,240,105	-11.92%
TOTOWA BORO	-1,876,067	27,100,562	400,139	2,276,207	-6.92%
EMERSON BORO	-1,856,019	28,110,555	537,645	2,393,664	-6.60%
GREEN BROOK TWP	-1,853,916	31,493,038	574,977	2,428,893	-5.89%
STRATFORD BORO	-1,853,909	23,584,784	43,655	1,897,565	-7.86%
HILLSDALE BORO	-1,840,278	29,758,762	558,524	2,398,802	-6.18%
EAST HANOVER TWP	-1,830,296	28,213,786	544,956	2,375,251	-6.49%
MENDHAM TWP	-1,814,297	26,033,775	438,234	2,252,531	-6.97%
UPPER DEERFIELD TWP	-1,798,024	24,142,985	310,981	2,109,005	-7.45%
OLD TAPPAN BORO	-1,783,892	27,695,071	431,148	2,215,041	-6.44%
EATONTOWN BORO	-1,746,141	25,826,726	481,268	2,227,409	-6.76%
WOODLAND PARK	-1,745,254	23,338,133	135,587	1,880,841	-7.48%
RIVER VALE TWP	-1,733,275	28,300,102	556,632	2,289,907	-6.12%
UNION BEACH	-1,726,867	19,487,007	-152,432	1,574,435	-8.86%
CLOSTER BORO	-1,708,138	27,860,466	523,782	2,231,920	-6.13%
BERLIN TWP	-1,699,634	18,967,164	-165,100	1,534,533	-8.96%
STERLING HIGH SCHOOL DIST	-1,695,387	21,874,775	40,963	1,736,350	-7.75%
WESTAMPTON	-1,688,910	19,172,719	-120,961	1,567,949	-8.81%
RUMSON-FAIR HAVEN REG	-1,667,028	27,671,988	476,405	2,143,433	-6.02%
SOUTH-HUNTERDON	-1,663,135	25,525,016	463,436	2,126,571	-6.52%

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY26->FY27	Modeled Cost Change FY25->FY27	FY27 Deficit as Pct of FY26 Budget
PROSPECT PARK BORO	-1,644,716	17,781,394	-219,977	1,424,740	-9.25%
RUMSON BORO	-1,641,958	23,147,539	428,925	2,070,882	-7.09%
FLORHAM PARK BORO	-1,630,510	24,687,973	493,896	2,124,406	-6.60%
WOODLYNNE BORO	-1,622,627	22,713,967	69,424	1,692,051	-7.14%
GREENWICH TWP	-1,614,181	20,307,636	39,469	1,653,650	-7.95%
RIVER EDGE BORO	-1,599,609	23,242,711	467,852	2,067,461	-6.88%
SALEM CITY	-1,598,934	30,912,780	590,350	2,189,284	-5.17%
NORTHFIELD CITY	-1,595,456	17,349,577	-118,332	1,477,125	-9.20%
LAKELAND REGIONAL	-1,584,381	26,318,418	490,617	2,074,998	-6.02%
CHESTER TWP	-1,577,105	26,104,079	507,171	2,084,276	-6.04%
LENAPE VALLEY REGIONAL	-1,551,761	20,045,369	87,170	1,638,931	-7.74%
ALLENDALE BORO	-1,533,059	22,493,383	406,911	1,939,970	-6.82%
POINT PLEASANT BEACH	-1,520,017	21,964,398	328,933	1,848,950	-6.92%
CARLSTADT-EAST RUTHERFORD	-1,516,939	21,996,582	339,129	1,856,068	-6.90%
CLEMENTON BORO	-1,503,358	19,962,360	-17,256	1,486,102	-7.53%
WALLKILL VALLEY REGIONAL	-1,502,559	17,178,818	-115,480	1,387,078	-8.75%
BARRINGTON BORO	-1,463,460	17,745,519	-94,853	1,368,607	-8.25%
HARRISON TWP	-1,446,117	23,619,739	491,010	1,937,126	-6.12%
LINCOLN PARK BORO	-1,444,655	26,466,115	538,063	1,982,718	-5.46%
WOODCLIFF LAKE BORO	-1,443,516	21,638,073	416,249	1,859,765	-6.67%
DEMAREST BORO	-1,436,910	22,055,500	393,202	1,830,112	-6.51%
BLOOMINGDALE BORO	-1,426,848	24,301,000	427,157	1,854,004	-5.87%
EAST RUTHERFORD BORO	-1,420,348	22,684,312	420,658	1,841,006	-6.26%
FAIR HAVEN BORO	-1,419,344	19,973,152	372,405	1,791,749	-7.11%
MONTVALE BORO	-1,407,862	23,013,010	447,950	1,855,812	-6.12%
CHESTERFIELD TWP	-1,401,371	14,166,183	-231,744	1,169,627	-9.89%
WILDWOOD CITY	-1,391,818	20,913,077	346,554	1,738,373	-6.66%
LOGAN TWP	-1,390,195	24,267,214	457,869	1,848,063	-5.73%
LONG HILL TWP	-1,381,055	22,041,974	423,826	1,804,881	-6.27%
nan	-1,375,610	22,914,065	413,600	1,789,210	-6.00%
SOMERDALE BORO	-1,371,088	10,973,586	-492,249	878,839	-12.49%

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY26->FY27	Modeled Cost Change FY26->FY27	FY27 Deficit as Pct of FY26 Budget
KITTATINNY REGIONAL	-1,368,621	21,621,727	412,100	1,780,720	-6.33%
GREAT MEADOWS REGIONAL	-1,362,487	23,442,978	403,712	1,766,199	-5.81%
LITTLE FALLS TWP	-1,359,146	20,481,183	398,811	1,757,957	-6.64%
SHORE REGIONAL	-1,350,797	21,668,810	396,883	1,747,681	-6.23%
WANAQUE BORO	-1,317,716	20,716,735	398,290	1,716,007	-6.36%
BEDMINSTER TWP	-1,310,343	21,442,878	402,668	1,713,011	-6.11%
MORRIS PLAINS BORO	-1,306,837	23,072,150	437,664	1,744,502	-5.66%
MOUNTAINSIDE BORO	-1,302,210	22,101,465	434,256	1,736,467	-5.89%
CRANBURY TWP	-1,298,121	21,952,906	423,593	1,721,715	-5.91%
TABERNACLE TWP	-1,296,116	12,933,551	-61,915	1,234,201	-10.02%
LITTLE SILVER BORO	-1,291,404	18,458,485	332,225	1,623,629	-7.00%
MERCHANTVILLE BORO	-1,284,465	15,104,970	-170,261	1,114,204	-8.50%
MINE HILL TWP	-1,275,813	15,209,449	-152,871	1,122,942	-8.39%
DELAWARE VALLEY REGIONAL	-1,268,977	19,838,330	399,416	1,668,393	-6.40%
NORTH CALDWELL BORO	-1,253,241	18,523,496	350,912	1,604,153	-6.77%
TEWKSBURY TWP	-1,250,323	16,985,649	308,183	1,558,507	-7.36%
SOUTH BOUND BROOK	-1,232,113	16,663,116	11,718	1,243,831	-7.39%
ENGLEWOOD CLIFFS BORO	-1,230,881	19,246,564	342,680	1,573,562	-6.40%
WASHINGTON BORO	-1,227,123	12,208,763	-136,903	1,090,220	-10.05%
WATCHUNG BORO	-1,222,637	18,367,068	342,393	1,565,030	-6.66%
OCEAN TWP	-1,215,603	20,919,003	372,880	1,588,483	-5.81%
ANDOVER REG	-1,214,366	21,384,633	376,135	1,590,502	-5.68%
VENTNOR CITY	-1,210,860	20,644,804	361,617	1,572,477	-5.87%
BRIGANTINE CITY	-1,201,298	18,036,570	341,466	1,542,764	-6.66%
PALMYRA BORO	-1,192,608	23,865,841	764,846	1,957,454	-5.00%
EGG HARBOR CITY	-1,188,195	15,381,155	78,379	1,266,574	-7.73%
BYRAM TWP	-1,187,361	18,241,235	350,838	1,538,200	-6.51%
SOMERS POINT CITY	-1,177,033	16,294,174	305,688	1,482,720	-7.22%
ROCKAWAY BORO	-1,175,939	13,475,295	-53,711	1,122,228	-8.73%
MULLICA TWP	-1,173,158	12,623,456	-131,266	1,041,892	-9.29%
FAIRFIELD TWP	-1,140,886	17,849,870	328,552	1,469,437	-6.39%

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY26->FY27	Modeled Cost Change FY26->FY27	FY27 Deficit as Pct of FY26 Budget
LINWOOD CITY	-1,139,443	16,792,938	312,743	1,452,186	-6.79%
DENNIS TWP	-1,134,200	17,230,304	333,559	1,467,760	-6.58%
FRANKLIN BORO	-1,125,352	12,370,895	-99,229	1,026,122	-9.10%
HO HO KUS BORO	-1,122,824	19,174,005	369,923	1,492,747	-5.86%
MOUNT EPHRAIM BORO	-1,120,575	13,624,265	-56,330	1,064,245	-8.22%
HARRINGTON PARK BORO	-1,091,490	16,959,369	317,163	1,408,653	-6.44%
POHATCONG TWP	-1,081,421	9,801,669	-308,131	773,289	-11.03%
LAWNSIDE BORO	-1,073,728	14,368,802	-41,427	1,032,301	-7.47%
LEBANON TWP	-1,068,650	14,991,673	272,768	1,341,418	-7.13%
MANSFIELD TWP	-1,048,553	12,879,058	66,776	1,115,329	-8.14%
NORTH WARREN REGIONAL	-1,040,957	16,954,643	326,673	1,367,631	-6.14%
SHAMONG TWP	-1,038,767	15,777,320	289,925	1,328,692	-6.58%
CARLSTADT BORO	-1,028,539	15,461,686	273,178	1,301,718	-6.65%
BELVIDERE TOWN	-1,027,187	12,038,050	16,639	1,043,827	-8.53%
ORADELL BORO	-1,011,242	16,251,342	314,888	1,326,130	-6.22%
MONTAGUE TWP	-1,001,804	11,210,718	-67,750	934,054	-8.94%
EASTAMPTON TWP	-997,645	11,127,157	-100,476	897,169	-8.97%
SOUTHAMPTON TWP	-980,854	16,034,380	301,322	1,282,176	-6.12%
ROCHELLE PARK TWP	-980,676	17,032,325	319,300	1,299,976	-5.76%
BOONTON TWP	-979,800	17,493,187	333,740	1,313,540	-5.60%
CLINTON TOWN	-978,400	10,847,734	-11,727	966,673	-9.02%
LONG BEACH ISLAND	-974,653	14,917,612	160,020	1,134,673	-6.53%
MARGATE CITY	-972,672	14,803,979	245,752	1,218,424	-6.57%
MANSFIELD TWP	-965,403	15,117,858	270,691	1,236,094	-6.39%
OCEANPORT BORO	-946,750	14,314,617	283,403	1,230,153	-6.61%
MENDHAM BORO	-934,500	14,410,174	265,585	1,200,086	-6.49%
MOUNT ARLINGTON BORO	-907,120	16,204,803	291,276	1,198,396	-5.60%
DELANCO TWP	-902,124	10,922,520	-68,530	833,594	-8.26%
NORWOOD BORO	-901,167	14,638,735	275,176	1,176,343	-6.16%
BRIELLE BORO	-900,219	16,731,153	333,791	1,234,011	-5.38%
BELMAR BORO	-897,717	14,750,848	244,208	1,141,925	-6.09%

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY26->FY27	Modeled Cost Change FY26->FY27	FY27 Deficit as Pct of FY26 Budget
HARDYSTON TWP	-877,820	14,079,496	265,280	1,143,101	-6.23%
UPPER PITTSGROVE TWP	-874,409	8,473,564	-201,107	673,302	-10.32%
HAWORTH BORO	-863,895	13,179,054	242,494	1,106,389	-6.56%
COMMERCIAL TWP	-862,284	14,855,367	228,635	1,090,919	-5.80%
HARDING TOWNSHIP	-855,301	14,177,818	271,144	1,126,444	-6.03%
GREENWICH TWP	-854,336	14,385,128	285,999	1,140,335	-5.94%
OAKLYN BORO	-853,532	10,755,121	-77,483	776,049	-7.94%
WEST LONG BRANCH BORO	-852,542	13,779,667	258,391	1,110,933	-6.19%
LAUREL SPRINGS BORO	-842,011	7,187,594	-329,038	512,973	-11.71%
NORTHVALE BORO	-834,286	13,306,870	258,271	1,092,557	-6.27%
HOLLAND TWP	-822,119	12,955,575	250,556	1,072,675	-6.35%
HIGH BRIDGE BORO	-807,039	8,938,539	-32,832	774,207	-9.03%
UNION TWP	-804,118	12,894,219	236,732	1,040,850	-6.24%
NORTH HALEDON BORO	-800,296	13,038,188	260,065	1,060,360	-6.14%
GREEN TWP	-797,537	14,058,404	261,458	1,058,995	-5.67%
LAWRENCE TWP	-792,913	12,297,169	174,495	967,408	-6.45%
EAST NEWARK BORO	-777,330	9,692,489	-83,461	693,869	-8.02%
ALLAMUCHY TWP	-775,815	12,317,249	244,257	1,020,073	-6.30%
FRANKFORD TWP	-772,449	11,921,674	240,967	1,013,416	-6.48%
WOODBURY HEIGHTS BORO	-766,218	5,594,694	-317,887	448,331	-13.70%
WILDWOOD CREST BORO	-758,222	11,375,856	191,994	950,216	-6.67%
ROSELAND BORO	-755,800	11,515,385	214,706	970,505	-6.56%
MOONACHIE BORO	-752,901	13,618,501	229,089	981,990	-5.53%
HAMBURG BORO	-745,814	8,092,697	-44,223	701,591	-9.22%
HOPEWELL TWP	-745,212	10,296,911	95,170	840,382	-7.24%
LAKEHURST BORO	-740,358	10,916,681	109,176	849,533	-6.78%
STANHOPE BORO	-736,700	8,338,458	-61,049	675,651	-8.83%
RIVERDALE BORO	-717,298	12,575,020	209,375	926,673	-5.70%
ALEXANDRIA TWP	-714,356	11,422,491	224,599	938,955	-6.25%
DELAWARE TWP	-713,978	10,998,681	208,198	922,176	-6.49%
BEVERLY CITY	-712,423	10,581,841	96,595	809,018	-6.73%

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY26->FY27	Modeled Cost Change FY26->FY27	FY27 Deficit as Pct of FY26 Budget
SHREWSBURY BORO	-710,110	11,282,765	211,176	921,286	-6.29%
HAINESPORT TWP	-708,625	12,015,177	233,091	941,716	-5.90%
FOLSOM BORO	-684,987	9,645,449	99,540	784,527	-7.10%
EAST AMWELL TWP	-679,789	10,171,763	191,203	870,992	-6.68%
NORTH WILDWOOD CITY	-672,328	9,664,338	157,767	830,096	-6.96%
SPRING LAKE HEIGHTS BORO	-671,128	11,595,078	213,762	884,890	-5.79%
FAIRFIELD TWP	-670,694	10,657,629	233,954	904,648	-6.29%
WESTVILLE BORO	-658,873	9,437,891	94,361	753,233	-6.98%
BETHLEHEM TWP	-656,989	9,953,424	183,349	840,338	-6.60%
BROOKLAWN BORO	-656,468	8,638,881	38,553	695,021	-7.60%
WHITE TWP	-655,807	10,697,602	187,522	843,329	-6.13%
MAURICE RIVER TWP	-647,508	10,595,687	183,025	830,533	-6.11%
MEDFORD LAKES BORO	-645,127	10,009,959	182,661	827,787	-6.44%
GARWOOD BORO	-644,101	11,098,185	217,281	861,382	-5.80%
KINGWOOD TWP	-640,464	8,823,436	151,494	791,958	-7.26%
NEPTUNE CITY	-639,916	10,864,821	209,044	848,960	-5.89%
ALPHA BORO	-631,318	7,579,815	-63,710	567,608	-8.33%
ELK TWP	-630,440	7,341,024	-69,375	561,065	-8.59%
SADDLE RIVER BORO	-624,991	11,986,820	218,244	843,235	-5.21%
SOUTH HACKENSACK TWP	-615,034	10,865,256	201,263	816,297	-5.66%
NETCONG BORO	-614,160	8,425,674	33,259	647,418	-7.29%
OLDMANS TWP	-604,940	7,528,444	5,480	610,420	-8.04%
OXFORD TWP	-602,151	7,253,816	-53,013	549,137	-8.30%
QUINTON TWP	-594,131	8,007,161	30,414	624,545	-7.42%
FRANKLIN TWP	-587,958	9,471,068	164,650	752,608	-6.21%
BLAIRSTOWN TWP	-584,049	10,005,103	203,934	787,982	-5.84%
NATIONAL PARK BORO	-575,799	7,209,310	3,724	579,523	-7.99%
TUCKERTON BORO	-574,196	5,974,095	-41,144	533,052	-9.61%
WOODBINE BORO	-572,586	7,136,939	-36,036	536,550	-8.02%
DEERFIELD TWP	-565,700	7,063,021	34,519	600,218	-8.01%
NEW HANOVER TWP	-554,410	6,200,059	-83,001	471,409	-8.94%

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY26->FY27	Modeled Cost Change FY26->FY27	FY27 Deficit as Pct of FY26 Budget
ALPINE BORO	-551,638	9,021,580	162,338	713,976	-6.11%
HAMPTON TWP	-550,320	8,365,513	165,682	716,002	-6.58%
WASHINGTON TWP	-529,549	8,876,368	181,024	710,573	-5.97%
ALLOWAY TWP	-504,670	7,653,030	38,655	543,325	-6.59%
OGDENSBURG BORO	-503,517	5,562,533	-45,265	458,251	-9.05%
BRADLEY BEACH BORO	-496,194	8,020,846	156,698	652,892	-6.19%
SPRING LAKE BORO	-484,619	7,887,336	133,570	618,188	-6.14%
HARMONY TWP	-472,688	7,573,007	146,166	618,854	-6.24%
nan	-470,356	5,235,422	-53,963	416,393	-8.98%
STILLWATER TWP	-467,124	7,149,417	135,675	602,799	-6.53%
GIBBSBORO BORO	-465,929	6,556,324	105,083	571,012	-7.11%
DEAL BORO	-451,402	6,387,978	54,061	505,463	-7.07%
ESSEX FELLS BORO	-438,828	6,809,357	129,833	568,661	-6.44%
ESTELL MANOR CITY	-437,006	5,135,130	-36,018	400,988	-8.51%
MONMOUTH BEACH BORO	-418,136	6,487,334	123,523	541,659	-6.45%
RIVERTON	-403,976	6,958,286	137,775	541,752	-5.81%
CAPE MAY CITY	-399,241	5,386,456	45,069	444,309	-7.41%
WEYMOUTH TWP	-389,342	4,610,542	-31,301	358,041	-8.44%
SEA GIRT BORO	-387,088	6,275,454	107,422	494,510	-6.17%
SEASIDE HEIGHTS BORO	-380,840	5,252,825	98,130	478,970	-7.25%
ROOSEVELT BORO	-380,516	3,646,501	-109,814	270,702	-10.44%
HAMPTON BORO	-370,496	4,380,778	-33,921	336,575	-8.46%
FRANKLIN TWP	-368,846	5,531,027	94,389	463,235	-6.67%
MANNINGTON TWP	-368,753	4,706,933	23,289	392,042	-7.83%
ELSINBORO TWP	-367,698	3,851,869	-58,291	309,408	-9.55%
BLOOMSBURY BORO	-362,408	3,719,078	-75,367	287,040	-9.74%
SOUTH HARRISON TWP	-359,366	6,108,567	109,411	468,777	-5.88%
AVON BORO	-352,820	5,587,163	91,568	444,388	-6.31%
DOWNE TWP	-350,131	4,590,775	-8,963	341,168	-7.63%
NEWFIELD BORO	-349,482	5,089,192	-43,415	306,068	-6.87%
LAFAYETTE TWP	-347,540	5,694,242	103,975	451,515	-6.10%

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY26->FY27	Modeled Cost Change FY26->FY27	FY27 Deficit as Per of FY26 Budget
FREDON TWP	-346,813	5,217,309	97,678	444,491	-6.65%
PORT REPUBLIC CITY	-339,716	4,066,632	-27,688	312,028	-8.35%
LAVALLETTE BORO	-326,942	5,481,607	92,317	419,259	-5.96%
SPRINGFIELD TWP	-318,822	4,842,300	82,716	401,538	-6.58%
KNOWLTON TWP	-312,786	4,765,218	92,042	404,828	-6.56%
OCEAN GATE BORO	-306,353	3,370,112	-16,175	290,179	-9.09%
HI NELLA	-304,841	3,391,814	-100,909	203,932	-8.99%
EAGLESWOOD TWP	-304,767	3,902,926	53,108	357,875	-7.81%
SANDYSTON-WALPACK TWP	-303,882	4,630,717	69,911	373,794	-6.56%
LOWER ALLOWAYS CREEK	-294,482	4,664,441	80,301	374,783	-6.31%
HOPE TWP	-284,777	5,117,970	105,210	389,987	-5.56%
WINFIELD TWP	-280,040	4,477,928	57,396	337,436	-6.25%
AVALON BORO	-276,962	4,205,351	66,064	343,025	-6.59%
BAY HEAD BORO	-257,976	4,383,350	78,830	336,807	-5.89%
WOODLAND TWP	-242,228	3,121,017	7,943	250,171	-7.76%
CHESILHURST	-241,789	4,734,213	42,263	284,053	-5.11%
FARMINGDALE BORO	-233,223	3,648,187	69,546	302,769	-6.39%
LEBANON BORO	-221,367	3,436,829	65,757	287,124	-6.44%
STONE HARBOR BORO	-216,127	3,429,993	55,584	271,711	-6.30%
WENONAH BORO	-214,169	3,746,348	73,279	287,448	-5.72%
ISLAND HEIGHTS BORO	-207,459	3,199,760	57,802	265,261	-6.48%
CALIFON BORO	-206,174	3,291,753	56,927	263,101	-6.26%
FRENCHTOWN BORO	-203,016	3,098,390	55,750	258,766	-6.55%
BEACH HAVEN BORO	-198,148	2,756,892	45,287	243,435	-7.19%
FRELINGHUYSEN TWP	-193,529	3,322,393	59,287	252,816	-5.82%
MILFORD BORO	-173,097	2,679,523	51,822	224,920	-6.46%
LAKE COMO	-151,435	3,791,588	76,060	227,495	-3.99%
WEST CAPE MAY BORO	-148,193	2,480,932	31,456	179,649	-5.97%
SEA ISLE CITY	-120,636	2,867,087	51,389	172,025	-4.21%
BASS RIVER TWP	-109,206	1,735,148	-5,097	104,109	-6.29%
WASHINGTON TWP	-97,597	2,218,267	35,499	133,096	-4.40%

District	FY27 Deficit	FY26 Operating Budget	Modeled Revenue Change FY26->FY27	Modeled Cost Change FY26->FY27	FY27 Deficit as Pct of FY26 Budget
CORBIN CITY	-82,306	1,179,368	-11,544	70,762	-6.98%
WEST WILDWOOD	-72,188	1,556,272	21,404	93,592	-4.64%
LONGPORT	-70,468	1,459,604	17,492	87,960	-4.83%
LOCH ARBOUR	-59,071	1,060,370	4,551	63,622	-5.57%
INTERLAKEN	-54,794	1,340,747	26,011	80,805	-4.09%
SEASIDE PARK BORO	-40,365	897,151	13,464	53,829	-4.50%
ROCKLEIGH	-39,170	907,546	15,651	54,821	-4.32%
ALLENHURST	-22,556	507,792	8,032	30,588	-4.44%
CAPE MAY POINT	-7,461	155,025	2,087	9,548	-4.81%
RUNNEMEDE BORO	311,552	19,562,948	2,028,657	1,717,105	1.59%

Table 3.13: Modeled FY27 District Deficits with constant enrollment and 3% CPI

4 Impact of Aggregate Income on Equalization Aid

4.1 Background

Equalization Aid is granted to school districts in New Jersey to make up the difference between the expected cost of educating students in the district and the capacity of the district to raise funds locally. The capacity of a district to raise local funds is a function of the wealth held by the district tax base, its residents and businesses. In order to model this capacity, the state uses two pieces of information, the value of taxable property within the district's borders and the amount of income the district's residents receive.

The use of property valuation is an obvious choice, since the way districts provide funding is through local property taxes, collecting a percentage of the value of each taxable property within its borders. This is the tax levy.

The use of income as a measure has some justification but also many problems. Property taxes cannot be paid with the value of the property being taxed, especially when that property is someone's home. In actuality, it is the yearly income received by the owner of the property that is used to pay the taxes. Increased income does provide the capacity to pay higher property tax rates. However, this is an imperfect measure. Property that is owned by businesses or that are not primary residences do not have an income to be directly associated with the district. This means that residential communities with fewer commercial properties have proportionally higher income relative to their property valuation than other districts, despite not having any more capacity to support higher tax rates. Additionally, districts with vacation homes, such as beach towns, have lower income relative to their property valuation despite having property owned by taxpayers with enough income to own multiple homes.

In addition, if the aggregate income of a district's residents were to increase significantly from one year to the next, the 2% cap on raises to the tax levy prevents the district from accessing any of that increased income. The 2% cap has been in place for more than a decade, meaning many years of divergence between changes in aggregate income and the actual ability to match those increases with adjustments to the tax levy.

Finally, the actual measure used for income is the aggregate income of the district's residents. This is problematic because it can be distorted by high income individuals. Having a small number of high income individuals does not increase the ability of a district to raise funds, since only the property values can be taxed. Even if the property is worth more than the typical property within the district, it is unlikely to be worth as much relative to other properties as a billionaire's income is relative to the typical income of a NJ resident. It is clear how this fails for a single or small number of high worth individuals, but it is also a problem for any imbalanced distribution of incomes, particularly for districts with a diverse socioeconomic population.

4.2 Details of Equalization Aid Calculation

Equalization aid is calculated as the difference between the budget estimated to be required to educate the district student population and the capacity of the district to raise local funds. The budget required to educate the district's student population is known as the Adequacy Budget, AB. The town's capacity to raise local funds is known as the Local Fair Share, LFS. The formula for Equalization Aid, EA, is

$$EA = ReLU(AB - LFS)$$

where $ReLU$ is the "Rectified Linear Unit," a function which returns 0 if given any value below 0, and the input for any non-negative value[3]. This is the mathematical statement that Equalization Aid is never negative.

4.2.1 Adequacy Budget

The Adequacy Budget is the cost of educating a district's students. It is composed of two parts. The first is the cost of educating all students. This is composed of a base cost per student, BPA, multiplied by the **weighted enrollment,** $WENR$ of students in the district. Weighted enrollment accounts for the different cost of educating general education students. Middle and high school students have additional weights, as do students who are not native English speakers or who come from low income households (below 185% of the federal poverty threshold) or both.

The second component is a portion of the cost of educating special education students in the district. Two-thirds of the cost of special education is allocated to the adequacy budget, while the final third is funded directly by the state through categorical special education aid. See Section 1.1 for more details.

For the purposes of this analysis, we source the pre-calculated Adequacy Budgets from the spreadsheets of StateAidGuy, Jeff Bennet, listed in the references section.

4.2.2 Local Fair Share

The Local Fair Share is calculated from two measures, as discussed above. First, the sum of all equalized property values within the district, $EQVAL$, and second the aggregate household income in the district, INC. Each of these is multiplied by one of the two rate factors, the property value rate, PVR, and the income value rate, INR, and then averaged to form the Local Fair Share.

$$LFS = \frac{1}{2}(PVR * EQVAL + INR * INC)$$

[3] The use of ReLU is interesting as a curiosity in that it is a function used extensively in machine learning and turns some of the equations later in this section into the form of very small neural networks.

If the rate factors were specified independently, then the calculation would be simple. Take each district's Adequacy Budget, then apply the rate factors to $EQVAL$ and INC, subtract them, and get the Equalization Aid. The total of all Equalization Aid would then be appropriated by the legislature and distributed.

However, this is not how budgeting is done. In fact, most of the time the legislature appropriates an amount of money first and **then** the value rates are determined in order to get the total equalization aid to match the appropriated value. Since there is one piece of specified information, and two unknown rate factors, this is not enough to determine the rate factors unambiguously. The procedure is specified as follows:

1. Calculate the Property Value Rate as if only equalized valuation is used to determine equalization aid

$$TEA = \sum_i ReLU\left(AB_i - PVR * EQVAL_i\right)$$

2. Calculate the Income Rate as if only aggregate income is used to determine equalization aid

$$TEA = \sum_i ReLU\left(AB_i - INR * INC_i\right)$$

3. Adjust both rate factors *equally* to make sure the total aid, TEA adds up to amount appropriated[4]

$$TEA = \sum_i ReLU\left(AB_i - \frac{1}{2}\left(PVR * EQVAL_i + INR * INC_i\right)\right)$$

It is not entirely clear what *"equally"* in step 3 means mathematically. In the analysis below it is ignored as the impact is fairly small.

Newton's method can be used to solve steps 1 and 2 numerically. The equation to be solved is finding the root of

$$F(PVR) = \sum_i ReLU\left(AB_i - PVR * EQVAL_i\right) - TEA = 0$$

Start with a guess for PVR: PVR_0

Find the derivative of the sum with respect to the rate factor:

[4] This is exactly the form of a neural network with one layer having two neurons. This means machine learning techniques could be used to solve for the rate factors as the neuron weights, and analyze the effects of changes in inputs. However, it is not necessary to use such tools for this simple model.

$$\frac{d}{dPVR}F(PVR) = \frac{d}{dPVR}\sum_i\left[ReLU\left(AB_i - PVR * EQVAL_i\right)\right] - TEA$$

$$\frac{d}{dPVR}F(PVR) = \sum_i\left[ReLU\left(AB_i - PVR * EQVAL_i\right) * \left(-EQVAL_i\right)\right]$$

Update the value for the guess using a linear approximation for the function:

$$F\left(PVR_{k+1}\right) = F\left(PVR_k\right) + \frac{d}{dPVR}F(PVR) * \left(PVR_{k+1} - PVR_k\right)$$

Solve for an updated guess by setting the approximation to 0:

$$F\left(PVR_{k+1}\right) = 0$$

$$0 = F\left(PVR_k\right) + \frac{d}{dPVR}F(PVR) * \left(PVR_{k+1} - PVR_k\right)$$

$$PVR_{k+1} = PVR_k - \frac{F\left(PVR_k\right)}{\frac{d}{dPVR}F(PVR)}$$

So, the first update is:

$$PVR_1 = PVR_0 - \frac{\sum_i\left[ReLU\left(AB_i - PVR_0 * EQVAL_i\right)\right] - TEA}{\sum_i\left[ReLU\left(AB_i - PVR_0 * EQVAL_i\right) * \left(-EQVAL_i\right)\right]}$$

Repeat until $F\left(PVR_k\right)$ is close to 0, or for a specified number of iterations. In this analysis 10 iterations are used and the resulting value of $F\left(PVR_{10}\right)$ is less than the no longer minted penny.

4.3 Analysis

In order to examine the impact of aggregate income, Equalization Aid is calculated using the current formula for Local Fair Share and then again using only the property value rate, PVR and equalized valuation, $EQVAL$. This was done using FY26 values for aggregate income, equalized valuation and total equalization aid. For the purposes of this analysis, the county vocational schools were left out.

The total equalization aid across all districts for FY26 was $9,096,084,092. The property rate is 0.015246 and the income rate is 0.061329. If Equalization Aid is calculated using only equalized property value then the property rate would be 0.030492.

Figure 4.1 shows the winners and losers of this change in Equalization Aid calculation. A positive amount indicates that removing aggregate income would result in more Equalization Aid for a district, and a negative amount shows that the district would lose Equalization Aid under this change in formula. Districts with the biggest changes in aid (more than $15 Million) are labeled.

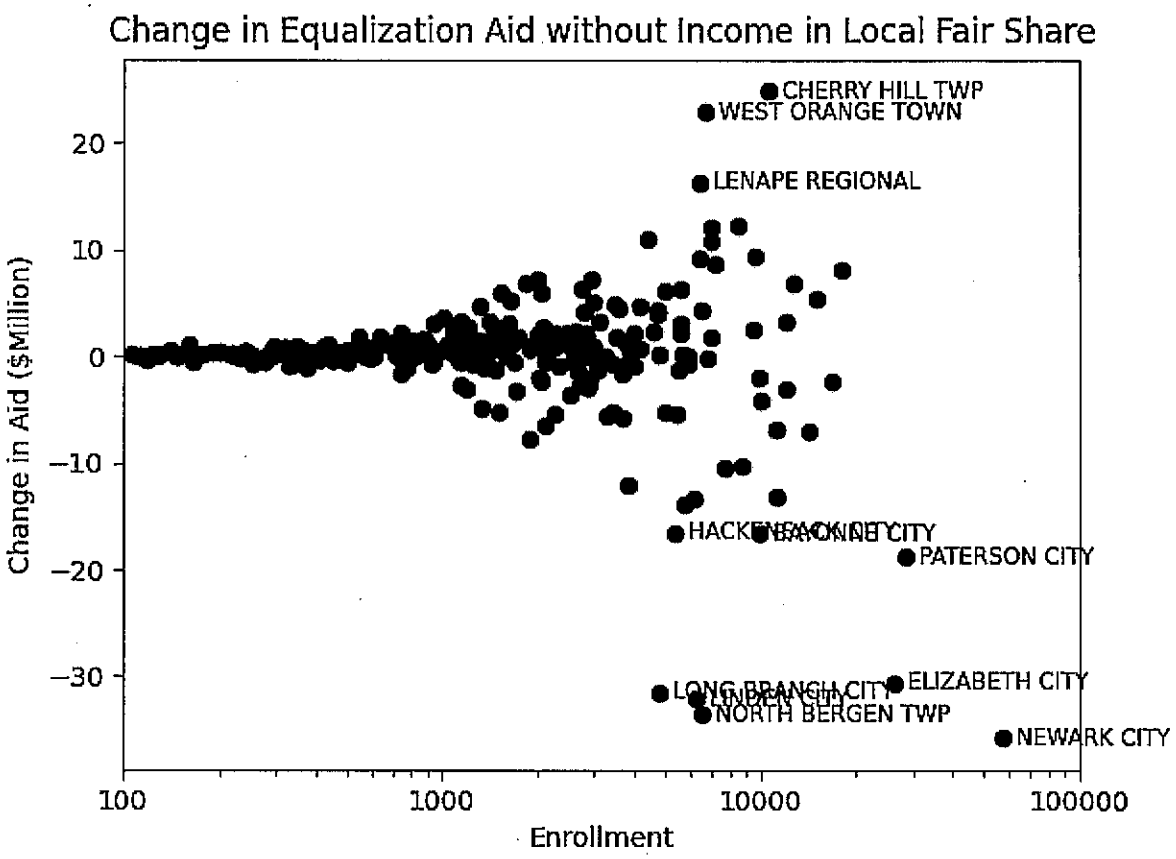

Figure 4.1

Figure 4.2 shows the same information but calculated as aid change per student in the district. Districts with the biggest changes in aid above as well as those with large changes per pupil (more than $3800/pupil) are labeled.

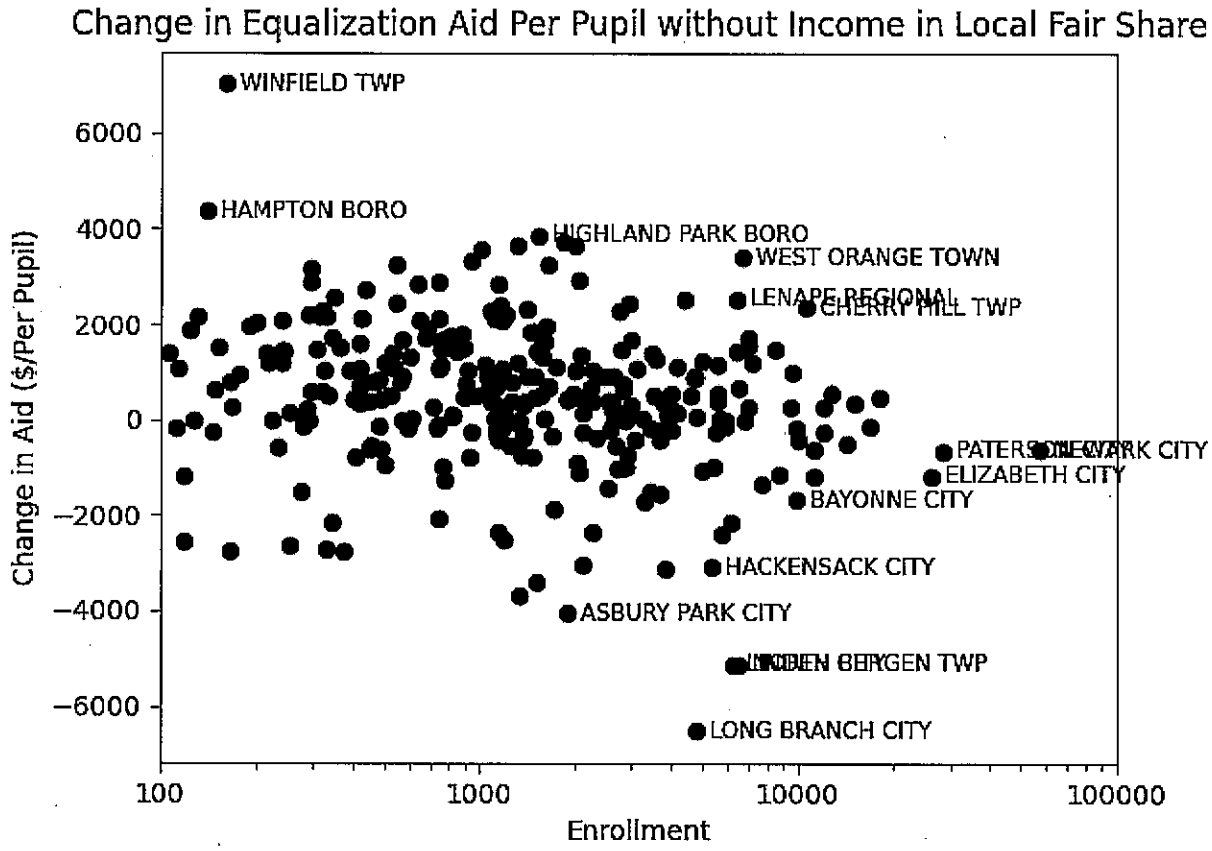

Figure 4.2

A list of districts affected by more than $1 million dollars is shown in Table 4.1.

County	District	Change in Aid	Enrollment
CAMDEN	CHERRY HILL TWP	$24,883,564	10,613
ESSEX	WEST ORANGE TOWN	$22,900,271	6,738
BURLINGTON	LENAPE REGIONAL	$16,354,928	6,438
MIDDLESEX	EAST BRUNSWICK TWP	$12,377,458	8,489
GLOUCESTER	WASHINGTON TWP	$12,070,178	7,029
BURLINGTON	EVESHAM TWP	$11,131,320	4,419
SOMERSET	HILLSBOROUGH TWP	$10,886,747	6,950

County	District	Change in Aid	Enrollment
CUMBERLAND	VINELAND CITY	$9,417,347	9,615
CAMDEN	GLOUCESTER TWP	$9,239,491	6,395
HUDSON	WEST NEW YORK TOWN	$8,659,215	7,169
MERCER	TRENTON CITY	$8,095,458	17,989
GLOUCESTER	CLEARVIEW REGIONAL	$7,296,277	1,999
CAMDEN	VOORHEES TWP	$7,226,414	2,964
CAMDEN	EASTERN CAMDEN COUNTY REG	$6,843,079	1,838
MERCER	HAMILTON TWP	$6,842,306	12,810
GLOUCESTER	MONROE TWP	$6,399,387	5,578
GLOUCESTER	KINGSWAY REGIONAL	$6,295,099	2,757
MERCER	EAST WINDSOR REGIONAL	$6,148,409	5,024
CAMDEN	HADDON TWP	$5,962,120	2,044
MIDDLESEX	HIGHLAND PARK BORO	$5,948,279	1,542
CAMDEN	CAMDEN CITY	$5,409,197	15,001
CAMDEN	COLLINGSWOOD BORO	$5,296,998	1,634
BURLINGTON	CINNAMINSON TWP	$5,087,473	3,003
CAMDEN	BLACK HORSE PIKE REGIONAL	$4,881,902	3,488
GLOUCESTER	HARRISON TWP	$4,813,163	1,312
ESSEX	NUTLEY TOWN	$4,694,916	4,189
BERGEN	BERGENFIELD BORO	$4,605,946	3,564
ESSEX	BLOOMFIELD TWP	$4,413,733	6,539
MORRIS	MOUNT OLIVE TWP	$4,328,207	4,750
BURLINGTON	MEDFORD TWP	$4,118,810	2,800
CAMDEN	WINSLOW TWP	$4,077,407	4,722
GLOUCESTER	PITMAN BORO	$3,609,438	1,014
CAMDEN	LINDENWOLD BORO	$3,336,058	3,130

County	District	Change in Aid	Enrollment
SALEM	PITTSGROVE TWP	$3,268,435	1,413
UNION	PLAINFIELD CITY	$3,258,690	11,995
GLOUCESTER	EAST GREENWICH TWP	$3,256,716	1,149
GLOUCESTER	SWEDESBORO-WOOLWICH	$3,174,002	1,629
CAMDEN	HADDON HEIGHTS BORO	$3,112,398	936
CUMBERLAND	BRIDGETON CITY	$3,083,598	5,610
BURLINGTON	NORTHERN BURLINGTON REG	$2,807,034	2,086
CAMDEN	AUDUBON BORO	$2,771,288	1,159
GLOUCESTER	DELSEA REGIONAL H.S DIST.	$2,755,760	1,485
SALEM	WOODSTOWN-PILESGROVE REG	$2,682,763	1,217
CAMDEN	WATERFORD TWP	$2,666,583	1,459
BURLINGTON	FLORENCE TWP	$2,584,026	1,592
ESSEX	IRVINGTON TOWNSHIP	$2,512,079	9,439
BURLINGTON	LUMBERTON TWP	$2,466,511	1,086
GLOUCESTER	FRANKLIN TWP	$2,458,712	1,183
CAMDEN	HADDONFIELD	$2,452,362	2,643
GLOUCESTER	MANTUA TWP	$2,371,024	1,109
CUMBERLAND	MILLVILLE CITY	$2,363,707	4,584
HUDSON	HARRISON TOWN	$2,284,050	2,251
BERGEN	FAIR LAWN BORO	$2,272,292	5,597
ATLANTIC	HAMMONTON TOWN	$2,270,101	2,457
CAMDEN	BARRINGTON BORO	$2,160,924	745
BURLINGTON	DELRAN TWP	$2,144,865	2,848
SOMERSET	SOMERVILLE BORO	$2,140,734	1,505
BURLINGTON	WILLINGBORO TWP	$2,140,099	3,991
CAMDEN	PINE HILL BORO	$2,087,894	1,576

County	District	Change in Aid	Enrollment
BURLINGTON	RANCOCAS VALLEY REGIONAL	$2,033,630	1,988
SALEM	PENNSVILLE	$1,940,762	1,740
ATLANTIC	EGG HARBOR TWP	$1,819,801	6,957
MONMOUTH	MATAWAN-ABERDEEN REGIONAL	$1,808,218	3,549
BURLINGTON	SHAMONG TWP	$1,807,897	634
CAMDEN	MERCHANTVILLE BORO	$1,790,132	548
WARREN	PHILLIPSBURG TOWN	$1,779,737	2,841
GLOUCESTER	GATEWAY REGIONAL	$1,587,280	884
CAMDEN	STRATFORD BORO	$1,575,234	739
GLOUCESTER	CLAYTON BORO	$1,566,459	1,315
CAMDEN	GLOUCESTER CITY	$1,500,963	2,231
ATLANTIC	NORTHFIELD CITY	$1,437,594	813
ATLANTIC	ABSECON CITY	$1,369,259	891
BURLINGTON	BURLINGTON CITY	$1,345,640	1,497
BURLINGTON	CHESTERFIELD TWP	$1,343,185	646
CAMDEN	MOUNT EPHRAIM BORO	$1,338,980	544
BURLINGTON	TABERNACLE TWP	$1,286,322	683
CAMDEN	CLEMENTON BORO	$1,286,300	760
ATLANTIC	MAINLAND REGIONAL	$1,274,362	1,182
BURLINGTON	PEMBERTON TWP	$1,272,778	3,775
WARREN	WARREN HILLS REGIONAL	$1,267,687	1,415
BURLINGTON	PALMYRA BORO	$1,264,118	861
SUSSEX	BYRAM TWP	$1,260,480	816
WARREN	GREENWICH TWP	$1,233,323	840
CAMDEN	BELLMAWR BORO	$1,218,854	1,044

County	District	Change in Aid	Enrollment
CAMDEN	BERLIN BORO	$1,205,313	844
CAMDEN	OAKLYN BORO	$1,204,625	439
MIDDLESEX	MILLTOWN BORO	$1,178,324	1,159
SUSSEX	LENAPE VALLEY REGIONAL	$1,152,715	675
GLOUCESTER	WOODBURY CITY	$1,150,532	1,648
UNION	WINFIELD TWP	$1,130,291	161
CAMDEN	STERLING HIGH SCHOOL DIST	$1,109,564	751
MORRIS	WASHINGTON TWP	$1,096,106	1,972
BERGEN	RIVER DELL REGIONAL	$1,068,398	1,633
GLOUCESTER	DEPTFORD TWP	$1,049,454	3,970
CUMBERLAND	CUMBERLAND REGIONAL	$1,022,602	1,265
MONMOUTH	KEANSBURG BORO	-$1,023,005	1,351
SUSSEX	MONTAGUE TWP	-$1,042,273	378
MONMOUTH	FREEHOLD BORO	-$1,163,440	1,462
CAMDEN	PENNSAUKEN TWP	-$1,302,731	5,516
MONMOUTH	NEPTUNE TWP	-$1,304,951	3,058
GLOUCESTER	WEST DEPTFORD TWP	-$1,403,177	2,688
MONMOUTH	KEYPORT BORO	-$1,526,389	743
SOMERSET	NORTH PLAINFIELD BORO	-$1,553,721	3,708
ESSEX	EAST ORANGE	-$1,855,504	9,968
MIDDLESEX	MIDDLESEX BORO	-$1,874,444	2,038
MORRIS	DOVER TOWN	-$2,179,187	2,891
BERGEN	NORTH ARLINGTON BORO	-$2,223,674	2,053
MIDDLESEX	EDISON TWP	-$2,290,619	16,892
BERGEN	LITTLE FERRY BORO	-$2,701,341	1,141
BERGEN	ELMWOOD PARK	-$2,710,460	2,707

100x

County	District	Change in Aid	Enrollment
UNION	HILLSIDE TWP	-$2,793,386	2,876
SUSSEX	VERNON TWP	-$2,857,888	2,879
MONMOUTH	RED BANK BORO	-$2,974,333	1,192
PASSAIC	PASSAIC CITY	-$3,000,931	11,957
BERGEN	RIDGEFIELD PARK TWP	-$3,251,571	1,723
BERGEN	CLIFFSIDE PARK BORO	-$3,622,612	2,529
MIDDLESEX	PERTH AMBOY CITY	-$4,161,836	9,999
OCEAN	LITTLE EGG HARBOR TWP	-$4,868,941	1,326
OCEAN	BARNEGAT TWP	-$5,127,176	3,450
OCEAN	PINELANDS REGIONAL	-$5,138,643	1,520
BERGEN	GARFIELD CITY	-$5,232,276	5,016
CAPE MAY	MIDDLE TWP	-$5,328,977	2,278
MONMOUTH	HOWELL TWP	-$5,360,195	5,474
BERGEN	LODI BOROUGH	-$5,574,511	3,303
MIDDLESEX	SOUTH PLAINFIELD BORO	-$5,748,192	3,701
BERGEN	FAIRVIEW BORO	-$6,384,087	2,114
HUDSON	UNION CITY	-$6,793,112	11,279
MIDDLESEX	WOODBRIDGE TWP	-$7,046,137	14,163
MONMOUTH	ASBURY PARK CITY	-$7,624,099	1,878
MIDDLESEX	NEW BRUNSWICK CITY	-$10,172,802	8,782
UNION	UNION TWP	-$10,361,337	7,670
MIDDLESEX	CARTERET BORO	-$12,015,291	3,860
PASSAIC	CLIFTON CITY	-$13,207,056	11,279
ATLANTIC	ATLANTIC CITY	-$13,287,184	6,131
HUDSON	KEARNY TOWN	-$13,793,200	5,768
BERGEN	HACKENSACK CITY	-$16,540,456	5,360
HUDSON	BAYONNE CITY	-$16,625,893	9,897

County	District	Change in Aid	Enrollment
PASSAIC	PATERSON CITY	-$18,774,288	28,647
UNION	ELIZABETH CITY	-$30,545,525	26,105
MONMOUTH	LONG BRANCH CITY	-$31,507,288	4,835
UNION	LINDEN CITY	-$32,159,140	6,286
HUDSON	NORTH BERGEN TWP	-$33,565,886	6,553
ESSEX	NEWARK CITY	-$35,761,444	57,262

Table 4.1: Districts with Equalization Aid changing by more than $1 million if Aggregate Income were not used

Table 4.2 shows the number of districts in each county that gain more than $1 million in Equalization Aid when eliminating Aggregate Income from the Local Fair Share calculation.

County	Change in Aid (Count)	Enrollment (Average)
ATLANTIC	5	2,460
BERGEN	3	3,598
BURLINGTON	16	2,397
CAMDEN	25	2,730
CUMBERLAND	4	5,269
ESSEX	4	6,726
GLOUCESTER	15	2,271
HUDSON	2	4,710
MERCER	3	11,941
MIDDLESEX	3	3,730
MONMOUTH	1	3,549
MORRIS	2	3,361
SALEM	3	1,457
SOMERSET	2	4,228
SUSSEX	2	746
UNION	2	6,078
WARREN	3	1,699
Grand Total	95	3,263

Table 4.2: Number of Districts in each County that receive $1 million or more in addition Equalization Aid when eliminating Aggregate Income from Local Fair Share

5 Conclusions

Current state policy and implementation of SFRA is creating structural deficits in districts across the state. Significant structural changes to the formula must be made, and courage to address long term problems is required.

Adjust the Local Fair Share calculation:
While the implementation and eventual funding of the SFRA formula was noble in its intentions to equitably distribute funds to all New Jersey school districts, the formula has not kept up with the changes in the NJ economy and has led to unfair consequences for many districts.

- **Local Fair Share (LFS) increases should not outpace permissible tax increases**: Local Fair Share, or the amount of money the state expects districts to raise locally, has risen at a rate significantly higher than we are even legally permitted to raise taxes. Based on this calculation, it means the state is giving less money because it has determined we should be able to cover more ourselves—all while our hands are tied because we are legally prohibited from raising taxes enough to cover our "fair share." **Local Fair Share must be tied to the actual ability of local districts to raise funds to support their schools. It should be capped to ensure it does not increase faster than the permissible 2% property tax increase.**

- **Income should not be used to calculate Local Fair Share**: The LFS metric currently measures a town's wealth, and therefore ability to generate its LFS, based on an average between town's property values and aggregate income. The use of property values to calculate LFS makes sense given that our school budget is directly tied to our property taxes. However, the use of aggregate income as a determinant of our state funding is inherently unfair: If residents are financially successful and achieve higher income or a few rich individuals move to our town, then we send more income taxes to Trenton but none of those additional taxes can actually benefit our local schools, which are only locally funded based on property tax. Instead, based on the current formula, any increase in income leads to less state funding for our schools, forcing us to cut valued teachers and programs with no way to save them. Also, by using aggregate income, the formula doesn't account for the fact that more than 40% of our school families are low income and should not be burdened with having to make up this shortfall through additional property tax increases. **Local Fair Share must be tied to the actual ability of local districts to raise funds to support their schools.**

- **Local Fair Share should be based on 5-year averages and changes phased over time:** Predictability in school budgets is valuable for long term planning and stability. Therefore, every effort should be made to phase in changes in the formula. For example, in the event that there are dramatic shifts in local wealth in a given year (e.g. pandemics), the result should not lead to immediate changes in funding and instead should be based on 5-year averages. Also, just as the roll-out of fully funding the formula occurred over many years, any reductions based on the LFS calculations should be capped in any given year to prevent jarring impacts to district budgets. **Local Fair Share must be tied to the actual ability of local districts to raise funds to support their schools.**

Additional Policy Recommendations for Bills Under Consideration

1. Reduce the size of the cap on a district's aid reduction from 2% of the previous year's operating budget to 0.5% of the previous fiscal year's operating budget. (Section 3.3.2)
2. Reduce the set increase of wealth factors in A3881 (previously A5966) from 5% to an amount equal to the CPI. This requires an additional allocation of $60 million to Equalization Aid for a CPI of 3%. (Section 3.3.1)
3. Create a task force to revise the definition of Local Fair Share to ensure that it does not rise faster than the tax levy can be increased. The influence of aggregate income on Local Fair Share should be studied carefully and reduced. (Section 4)
4. Use the breakdown of Equalization Aid changes in the proposed Aid Portal to explain changes. (Section 3.1)
5. Fully fund Equalization Aid to meet growth in Adequacy Budgets from year to year. Under the 2% levy cap, it is not possible to locally fund the rising costs of an adequate education. (Section 3.4)
6. Examine and revise the 2% levy cap so that it is consistent with the total funding formula. (Section 3.4)

References

P.L. 2007, Chapter 260 (SFRA), http://www.njleg.state.nj.us/2006/Bills/A0500/500_I2.PDF

P.L. 2018, Chapter 67 (S-2), https://www.njleg.state.nj.us/2018/Bills/PL18/67_.PDF

18A:7F-38 School district budget increase limited [2% Levy Cap]

2025 Report on School Funding Survey, https://www.nj.gov/education/stateaid/docs/FY2026%20Resolution%201378_School%20Funding%20Report_Final_12.1.2025_AE.pdf

Annual Local Fair Share Calculations:

24-25
2024-25 State Aid,
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2014 Geographic Cost Adjustment, https://www.nj.gov/education/stateaid/docs/gca2014.pdf

Educational Adequacy Report 2026,
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User Friendly Budgets in CSV, https://www.nj.gov/education/budget/ufb/index.shtml

Dear Chairwoman Reynolds-Jackson and Members of the Assembly Education Committee,

My name is Eric Wilsusen, the proud Mayor of the Township of Jefferson, located in Morris County in the northwest part of the State, bordering Sussex and Passaic Counties. We are 42 sq miles in area with a population of approx. 23,000 residents. I am lifelong resident who has lived, worked and served in my community for the 61 years, serving as our Mayor for the last 8. I graduated our high school as well as my two children. A true hometown boy! This whyt this issue so important to me an my community.

As you convene today to discuss school district budget deficits, I am here today to bring urgent attention to the Highlands Region—specifically Jefferson Township Schools—which is facing a severe financial crisis through no fault of its own.

Jefferson Township has been uniquely impacted by state policy. Approximately 88% of our municipality lies within the Highlands Preservation Area under the 2004 Highlands Water Protection and Planning Act. While we support the Act's vital mission to protect New Jersey's drinking water, its restrictions have significantly limited our ability to grow a commercial tax base and generate new revenue. At the same time, the state's current school funding formula, established under S2 school funding law, does not adequately account for municipalities constrained by these preservation mandates.

The financial consequences have been staggering:

- **Student enrollment has declined by 29%, yet we have lost 60% of our state aid.**
- **Since implementation of S2, our district has experienced a cumulative $45 million reduction in state aid**
- **Jefferson now faces a $4.8 million shortfall for the upcoming school year.**

These are not abstract figures—they have had real and painful consequences for our students and community including:

- **Closure of two schools, another was previously closed and utilized for administrative offices.**
- **Loss of more than 100 staff positions, with additional reductions anticipated**
- **Potential elimination of athletics and most extracurricular programs for the 2026–2027 school year**
- **Elimination of courtesy busing in a 42-square-mile township**
- **Loss of basic skills program**
- **33 students to a classrooms K-5**

This in addition to the cuts already made over the last 8 years since S2 went into effect. If these additional cuts have to go into effect, my alma mater that I love will not be recognizable and will be devasting to our community.

Jefferson's taxpayers already contribute well above the state average toward school funding. Yet because we are largely prevented from expanding our ratable base, we are structurally unable to offset continued state reductions. By state mandate, our community accepted growth limitations to safeguard clean water for millions of New Jersey residents. However, the State has not provided a sustainable offset for the fiscal impact of those restrictions.

Our children's education should not become the unintended cost of environmental preservation.

As you deliberate district deficits this week, we respectfully urge the Committee to consider immediate intervention and to advance a permanent Highlands Impact Aid solution for affected districts. Without action, communities like ours will continue to face disproportionate harm. I hate to be dramatic but my community is in a death spiral.

I would welcome the opportunity to provide additional detail or meet at your convenience to further discuss the Highlands-specific challenges facing Jefferson Township.

Thank you for your consideration and leadership on this critical issue.

In recent years the S2 funding shift has caused havoc on school districts in Newark, hitting Ocean County specifically incredibly hard

One of the glaring issues has been the infusion of equity into shifting these funds which seems to favor districts like Newark

Like to share with you a comparison of Tom's River and Newark

Newark

~44,000 students

$1.57B+ budget (2025-26)

Per-pupil: Often >$35k total (heavy state aid)

Toms River

~14,200 students

~$293M budget (imposed, $22M shortfall)

Per-pupil: ~$16,854 budgetary (among lowest in large districts)

Newark gets massive aid for needs; Toms River faces cuts → 12.9% tax hike despite low costs

Here is some expanded enrollment data for both these areas

Newark: Enrollment grew from 35,000 in 2014–2015 to a peak of 41,672 in 2021–2022, then declined to 37,662 by 2024–2025

Toms River: Enrollment declined gradually from 15,800 in 2014–2015 to 14,501 in 2022–2023, with a slight increase to 14,700 by 2024–2025

Math and Reading Proficiency (NJSLA/ELA and Math) of Newark and Tom's River

109x

Statewide averages for 2023-2024 were approximately 52.2% in ELA/reading and 40.2% in math (with gradual post-pandemic recovery but still below 2019 pre-pandemic levels)

Newark Public Schools

ELA/Reading proficiency: Around 31.8% (federal accountability rate; district-wide, with improvements noted in 2024 but still well below state averages; e.g., some reports show ~34% in recent analyses for traditional public schools)

Math proficiency: Around 19% (federal accountability rate; e.g., ~21% in some 2024 breakdowns, with incremental gains but significantly lagging state levels)

Toms River Regional School District

ELA/Reading proficiency: Around 44.9% (federal accountability rate; generally closer to or slightly below state averages in many grades)

Math proficiency: Around 32.9% (federal accountability rate; stronger relative performance, often in the 30-40% range across grades)

Toms River outperforms Newark substantially in both subjects yet has had its funding stripped year after year

Under the S2 funding shift, The Murphy administration has cut about $800 million to 173 school districts, just like Tom's River, while Newark is flush with money, 83% of their total almost $1.6 Billion dollar budget from outside the district

If we extend this out to other cities besides Newark that received $1.3B

Jersey City - $578M

Elizabeth - $525M

Paterson - $506M

These cities totaled $2.909 Billion Dollars in state aid in 2025

110x

https://x.com/i/status/1913332864755654758

When looking at the funding shift from year to year in Newark in 2022 saw a dramatic rise in funding of hundreds of millions of dollars

While Tom's River lost over $20M

What does all this mean?

Cities like Newark are benefiting from the S2 funding formula shift, while enrollment numbers decline and testing scores are below state standards, costing almost triple what Tom's River does per student

All while Tom's River has better testing scores

So why is Tom's River gutted why Newark is rewarded? That should be something that is looked into

Something needs to be fixed, we cannot reward mediocrity, and punish schools that are doing well, this system shouldn't be based off equity

It's not right, not fair

Last word - A noticeable effect of this S2 shift are the Property taxes skyrocketing, worst in the country at over $10500 per year average communities are seeing huge jumps of 20%, this is unsustainable

Michael from WakeUpNJ

111x

Assembly Education Committee Testimony for A3887

(Authorizes use of school bus monitoring systems)

February 19, 2026

Stephen G. Carrellas, P.E.
Director of Government and Public Affairs
New Jersey Chapter
National Motorists Association

The New Jersey Chapter of the National Motorists Association **opposes A3887** and recommends **the committee reject it.**

The data says it's a SCAM (School Bus Cams Antagonizing Motorists)

The use of automated school bus stop-arm cameras is the best example of a **SCAM** as decades of federal data show that illegal school bus passing rarely results in severe injury or death. In fact:

- An average of only 0.4 school-aged children are killed annually nationwide by drivers illegally passing a stopped school bus. (NHTSA finding)
- The odds of a school-aged child being killed by a driver passing a stopped bus are 1 in 22.75 billion.

There is no compelling safety case for their deployment. It is all about financially enriching camera system vendors (e.g., Bus Patrol) and participating municipalities.

Identify and resolve causes for likely unintended illegal passing first

Instead of first figuring out why supposed illegal passing occurs to address causes - such as confusion about school bus stopping laws, inconsistent warning times, and poorly located bus stops - the corrupt ticketing industry is selling its profit-making solution.

The bill has problems that would result in implementation issues that could easily ensnare motorists for technical and unintended violations or ones that don't account for special cases allowed by current law. And we can look at Pennsylvania's school bus camera program to support these points.

State Sen. Lisa Boscola said Pennsylvania's 2018 school bus stop-arm camera law is unfairly penalizing thousands of motorists. She cited mounting complaints from motorists who say they were wrongly cited and left with little recourse to fight back. Here are specifics from one jurisdiction where the system wrongly cited motorists:

- 29 due to improper activation of the school bus stop arm (bus driver error)
- 19 because the vehicle did not pass a bus with its sign out, or proper yellow lighting was not displayed, allowing the driver a reasonable amount of time to stop
- 10 because the driver's view of the bus was obstructed
- Nine because the vehicle was unable to stop safely, including vehicles on blind curves encountering a school bus

Focusing on driver education, improving bus stop placements, and ensuring adequate warning times would likely be more effective in protecting children without relying on costly and controversial automated enforcement that often penalize innocent motorists.

Due Process Implications

And looking at the history of changes to this bill from recent past legislative sessions where it failed, it **appears the adjudication provisions had too much due process for proponents liking**. The resulting amendment (now included in the current bill) was to change the violation from being a traditional summons to handling it as a civil liability with a municipality to create an administrative hearing officer to deal with contested notices of liability. Contesting the liability further takes one to Superior Court, with the associated expense. This is typical of the corrupt ticketing industry to minimize due process and get the courts out of the picture.

The National Motorists Association urges the committee to reject this bill as it will not impact safety since there isn't an underlying safety issue that would be resolved with automated school bus cameras. But it could easily ensnare motorists for technical or unintended violations or ones that don't account for special cases allowed by current law.

Thank you for your consideration.

113x

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MEMORANDUM

TO: Members of the Assembly Education Committee

FROM: Dale Florio
Sam Weinstein

DATE: February 18, 2026

RE: A-3887; Authorizes Use of School Bus Monitoring Systems.

The bill would permit, not require, school districts and municipalities to administer a program to identify violators of traffic laws that affect school buses. According to the Administrative Office of the Courts, during the period between **November 2022 and November 2023, over 3,185 violations** were cited in New Jersey (See attached) for illegally passing a school bus. This number is very likely under-reported because the system depends on police or school bus drivers and parents to actually record a license plate number and provide to the local police.

Who Supports the Legislation?

- New Jersey Education Association
- National Transportation Safety Board
- New Jersey School Boards Association
- New Jersey Principals and Supervisors Association
- Garden State Coalition of Schools
- New Jersey League of Municipalities
- New Jersey School Administrators Association
- New Jersey Bus Contractors Association

The Woodbridge School District Pilot

The district has conducted a pilot program with cameras on the sides of 10 buses. See attached. In summary, the **daily estimated violation rate was 2.3 violations a day or 17.5 per week.**

WHAT DOES THE BILL DO?

- The bill establishes a program **to allow, but not require**, school districts to install school bus monitoring systems to enforce "stop-arm violations" i.e., drivers who illegally pass a school bus that has stopped to pick-up or discharge children. Additionally, a school district may choose to conduct a program on its own or use a third-party vendor.

- The system has proven to be an effective force multiplier to reduce stop-arm violations. **Overall, 26 states permit the use of such systems including all of New Jersey's border states.**

- Data shows that such enforcement has produced 90% or better recidivism rates.

- Camera systems with third party evidence processing for law enforcement would be provided at no cost to the school district. The bill creates a process whereby a school district/municipality may contract with a third-party vendor and cover the vendor's cost through paid fines.

- Under the bill, bus drivers would no longer be obligated to appear in court as a witness. The photograph provided by the system is prima facie evidence. **This evidence is transmitted to the police who then determine if a violation has indeed occurred and, if so, issue a ticket.**

- The bill increases the fine to not less than $250 for the first offense and no more than $500 for subsequent offenses. The violation would no longer carry points against the driver's license. The fine revenue can only be used for municipal and school district purposes.

- It's worth repeating that there is no cost to the municipality or school district. Stop arm violations are one of the worst moving violations because children are at risk. Using technology to capture these violations alleviates law enforcement constraints and builds awareness around a serious issue.

WHY DO WE NEED THE BILL?

- Stop-arm violations are a serious safety issue. Numerous studies including the National Highway Traffic Safety Administration data over the past 60 years have found that an average school bus is illegally passed once every day in the United States. An average of 21 children are injured or killed each year while getting on or off the bus. Half of these students are between the ages of 5 and 7.

- The existing law does not have a significant deterrent effect. Across the United States, data show that stop-arm violations go largely unenforced.

New Jersey Courts
Independence • Integrity • Fairness • Quality Service

ATS TRAFFIC TICKETS WITH 39:4-128.1 VIOLATIONS AS THE INITIAL CHARGE
TICKETS ISSUED FROM NOV 1, 2022 THRU OCT 31, 2023

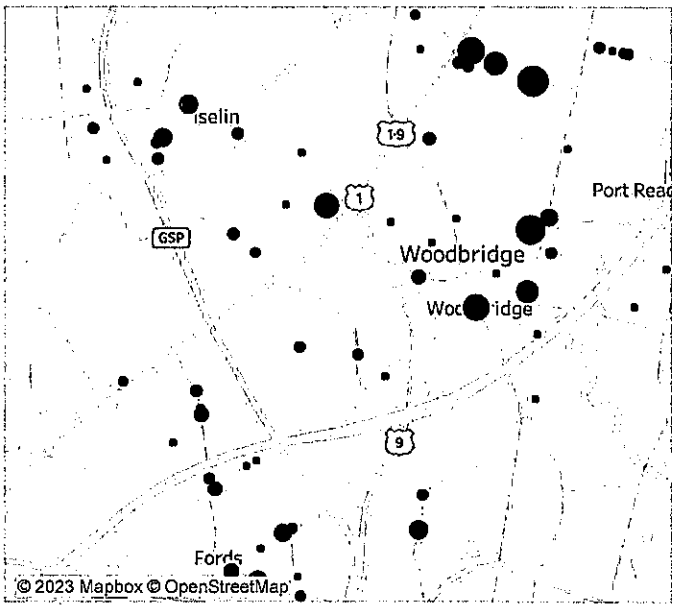
COUNTY	OFFENSE	OFFENSE DESCRIPTION	# TICKETS	# DISMISSALS
ATLANTIC	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	133	6
BERGEN	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	102	3
BURLINGTON	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	35	1
CAMDEN	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	97	7
CAPE MAY	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	5	1
CUMBERLAND	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	15	1
ESSEX	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	104	2
GLOUCESTER	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	148	36
HUDSON	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	92	5
HUNTERDON	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	29	5
MERCER	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	18	3
MIDDLESEX	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	142	8
MONMOUTH	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	215	16
MORRIS	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	1,765	86
OCEAN	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	96	6
PASSAIC	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	51	2
SALEM	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	2	0
SOMERSET	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	72	10
SUSSEX	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	20	3
UNION	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	43	3
WARREN	39:4-128.1	PASSING SCHOOL BUS WHILE PICKING UP OR DISCHARGING	5	1
TOTAL			**3,189**	**205**

116x

WOODBRIDGE, NJ

25 Sep 2023 -> 20 Nov 2023

10	Unique buses
558	Unique locations
719	Est Violations
17.5	Est. Violations per Weekday
2.3	Est. Violations per unique daily buses



	Est Violations	Est. Violations per unique daily buses
	719	2.3
September 24, 2023	77	1.6
October 1, 2023	87	2.0
October 8, 2023	75	2.2
October 15, 2023	103	2.5
October 22, 2023	131	2.8
October 29, 2023	127	2.8
November 5, 2023		
November 12, 2023	99	2.1
November 19, 2023	20	2.2

Top 10 Unique Violation Locations

1	100 block of Crows Mill Rd in Woodbridge ..	82
2	100 block of Avenel St in Woodbridge Tow..	64
3	100 block of Freeman St in Woodbridge T..	56
4	300 block of Avenel St in Woodbridge Tow..	47
5	100 block of N James St in Woodbridge To..	43
6	700 block of Green St in Woodbridge Tow..	37
7	200 block of Avenel St in Woodbridge Tow..	30
8	400 block of Rahway Ave in Woodbridge T..	27
9	400 block of Florida Grove Rd in Perth Am..	17
10	400 block of Lincoln Hwy in Woodbridge T..	17
11	Others 548	299
Grand Total		719

Est. Violations per Bus

NJWO0179	189
NJWO0010	119
NJWO0100	94
NJWO0187	80
NJWO0208	54
NJWO0052	46
NJWO0224	46
NJWO0092	44

Road segment names provided are for informational purposes and are based on the best estimate obtained by converting actual GPS coordinates using Google Maps to enhance usability. These names may not always precisely match official road designations or local signage.

117x