

**SPENDING TARGETS UNDER THE SCHOOL FUNDING REFORM ACT****APPENDIX****SFRA Adequacy Spending Target**

The per pupil funding allocated to each school district under the state's school funding formula – the School Funding Reform Act. The district's adequacy budget is calculated as a base cost per pupil and additional funding for students who require greater resources: students in higher grades, students from low-income families, English learners, and students with disabilities. Districts also receive security aid, preschool aid, and a portion of special education aid as categorical grants. Transportation funding is excluded. Data sourced from NJ Department of Education's (NJDOE) annual state aid notices.

$$\frac{\text{Adequacy Budget} + \text{Special Education Categorical} + \text{Security} + \text{Preschool}}{\text{Projected Resident Enrollment} + \text{Funded Preschool Students}}$$

**Actual Spending**

Per pupil state and local expenditures on PK-12 education. Tuition costs for send/receive relationships, out-of-district placements and transportation costs are excluded, as these costs are outside of the district's adequacy calculation. Enrollment is the number of "on roll" students, which excludes tuition students and out-of-district placements but includes charter and Renaissance students. Data sourced from NJDOE's annual User Friendly Budget reports. Analysis is limited to the most recent school year with actual, not estimated, expenditure and enrollment data.

$$\frac{\begin{aligned} &\text{General Current Expense} + \text{Summer School} + \text{Other Special Schools} \\ &+ \text{Transfers to Charters} + \text{Transfers to Renaissance Schools} \\ &+ \text{General Fund Contribution to School Based Budget (SBB)} \\ &- \text{Student Transportation Services (inc. SBB)} - \text{Tuition} \end{aligned}}{\begin{aligned} &\text{On Roll Full Time (FT)} + \text{Special Education FT} + (\text{On Roll Shared Time (ST)} \times 0.5) \\ &+ (\text{Special Education ST} \times 0.5) + \text{Sent to Contracted PreK} \end{aligned}}$$

**SFRA Adequacy Spending Gap**

A comparison of a district's Actual Spending and its SFRA Adequacy Spending Target. In dollar terms, positive values mean spending is above adequacy, negative values mean spending is below adequacy. In percentage terms, values above 100% mean spending is above adequacy, values below 100% mean spending is below adequacy.

*In dollars:*

$$\text{Actual Spending} - \text{SFRA Adequacy Spending Target}$$

*In percentages:*

$$\frac{\text{Actual Spending}}{\text{SFRA Adequacy Spending Target}}$$