



---

March 22, 2024

Via Email

Dear Governor Murphy, Senate President Scutari, and Assembly Speaker Coughlin:

As executive director of Education Law Center, which has for 50 years advocated on behalf of New Jersey schoolchildren, I write to urge you to take immediate steps to update the state school funding formula, the School Funding Reform Act (SFRA), to ensure that all students statewide receive an education that satisfies the New Jersey Constitution.

In recent years, New Jersey has taken positive steps toward providing additional funding for our public schools. In particular, we commend Governor Murphy for including full state funding of the existing school funding formula in his proposed FY25 State Budget. The Legislature should, after implementing [some important changes](#), support the Governor's preK-12 education funding proposal for the 2024-25 school year.

But the progress made to fund schools under the current formula belies an unfortunate reality: the target for adequate funding defined by the formula is outdated and does not reflect the resources needed to deliver the current learning standards. The formula has not once been reviewed to consider changes in curriculum, technology and mental health, and how those changes affect district costs.

Updating the school funding formula is not merely a policy recommendation. It is a legal requirement. The SFRA itself includes a provision requiring evaluation of the formula every three years; based on this evaluation, recommendations may be made for adjustments to the costs, weights and aid amounts in the formula for the following three years. The evaluation and recommendations for formula adjustments must be presented by the Governor in a formal report to the Legislature called the "Educational Adequacy Report," or EAR (N.J.S.A. 18A:7F-46(b)).

The state has repeatedly, since 2009, failed to comply with this legislative mandate, instead updating only school personnel salary data but not analyzing whether the school resources identified nearly twenty years ago are still relevant given changes in curricular standards and educational best practices over the years.

Moreover, in *Abbott v. Burke* [Abbott XXI](#) (2009), the New Jersey Supreme Court stated that, independent of its obligation to fully fund the school funding formula, the state has a second obligation: to undertake a meaningful and rigorous review, or "look-back analysis," of the formula itself, to ensure that it is meeting the needs of students in high-need (i.e., "SDA", formerly known as "Abbott") districts.

This second mandate was critical to the Court's approval of the SFRA, which it said was "tethered to the State's commitment diligently to review the formula after its initial years of implementation and to

adjust the formula as necessary based on the results of that review” and a “dissection of how the statute’s formula actually worked once implemented.” Periodic review of the school funding formula, according to the Court, reflects the fact that “a state funding formula’s constitutionality is not an occurrence at a moment in time; it is a continuing obligation.”

I urge the Governor’s office and the Department of Education (DOE) to conduct a thorough and in-depth review of the formula for the EAR due in the spring of 2025. To achieve this, the DOE must:

- Coordinate a statewide listening tour aimed at gathering perspectives and recommendations from a diverse and representative group of students, families, school staff, community groups, school district leadership and professional associations;
- Commission school finance experts to update the SFRA using reputable methodologies, including revising the base cost for general education students, grade level weights, and the weights for English learners and students in poverty;
- Evaluate the preschool per-pupil amounts in the formula to ensure they are sufficient to meet current program requirements across settings and locations;
- Update transportation and security coefficients to better reflect actual district costs.

In addition, areas beyond the scope of the EAR that must still be addressed to improve the school funding formula include:

- Replacing the census-based special education funding method, which funds districts based on average spending and average classification rates, with a system that targets funding based on the actual needs of each district’s special education population;
- Revising the method for how responsibility for funding is allocated between the state and local share. The current method, the Local Fair Share formula, has led to untenable year-to-year fluctuations in state aid that disrupts districts’ ability to budget effectively.

The above activities – notably commissioning a school finance cost study – must be accompanied by appropriate funds in the FY25 state budget.

Advocates across the state, including Education Law Center, will be watching to ensure that the state meets its legal and moral obligations to New Jersey’s schoolchildren. To [quote](#) again from our state’s high court, “we trust that the State will not allow our school districts to regress to the former problems that necessitated judicial intervention in the first place.”

Thank you very much for your attention to this important matter, and we look forward to working with you on improving the SFRA.

Sincerely,



Robert Kim

cc: Acting Commissioner of Education Kevin Dehmer