

## FOR IMMEDIATE RELEASE

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### New Report Finds New Jersey Must Recalibrate School Funding Formula to Meet Modern Educational Needs

**Miami, FL** — A comprehensive new study released today concludes that New Jersey's two-decades-old school funding formula no longer reflects the costs of educating today's students to the state's higher standards—and requires a substantial recalibration to restore equity, adequacy, and effectiveness.

The report, *Estimating the Costs of an Adequate Education in New Jersey: Recalibrating the School Funding Reform Act for the Next Decade*, authored by **Bruce D. Baker**, Professor at the University of Miami, provides the first fully data-driven statewide cost model built using school-level expenditure and outcome data from 2019–2024.

Despite New Jersey's longstanding reputation as a national leader in public education and school funding effort, the study finds that the **School Funding Reform Act (SFRA)**—enacted in 2008 using cost assumptions built from 2004 data—no longer aligns with current student needs, academic standards, or district demographics.

#### Key Findings

- **Higher standards and changing student populations have outpaced the funding formula.** The current SFRA weights do not reflect the actual costs of meeting today's academic expectations, especially for students experiencing poverty, multilingual learners, and students with disabilities.
- **Funding progressiveness has eroded dramatically.** After two decades of rising equity, New Jersey's funding distribution is now *flatter than in the 1990s*, leaving high-poverty districts without the resources needed to match the outcomes of their peers.
- **Many districts operate below the funding levels required to achieve statewide average outcomes.** Cost modeling shows substantial gaps between what districts spend today and what is needed to achieve adequate outcomes—particularly in high-poverty communities.
- **Current spending patterns do not match need.** The report finds only weak alignment between present school-site spending and the needs of economically disadvantaged students, multilingual learners, and others requiring additional support.
- **A modern cost model identifies the factors that drive the true cost of equal educational opportunity.** These include poverty concentration, neighborhood conditions, disability incidence, English learner status, district size, competitive wage variation, and the effects of charter and private school market share.

#### Major Recommendations

The report outlines several pathways for recalibrating SFRA:

##### Short-Term (FY 2027)

- Update and expand student need weights, particularly for economic disadvantage and multilingual learners.

- Adjust base costs to reflect the actual spending required to achieve current outcome benchmarks.
- Address underfunding in districts below adequacy.

#### **Mid-Term (FY 2028–29)**

- Overhaul the economic disadvantage measure using a new **Economic Disadvantage Index** that more accurately captures the relationship between poverty and outcomes.
- Revisit special education cost structures using updated disability prevalence and placement patterns.
- Incorporate geographic cost adjustments based on modern wage data.

#### **Longer-Term**

- Strengthen the Education Adequacy Report process to require rigorous, recurring cost analyses.
- Ensure transparency and public access to data used in calculating formula adjustments.
- Reassess the structural implications of school district size, population density, and charter expansion on efficiency and equity.

#### **A Call to Action**

“New Jersey’s students continue to be among the highest-performing in the nation,” said author **Bruce Baker**, “but the state’s commitment to equitable, adequate school funding has slipped. The data clearly show that to maintain excellence—and extend it to all children—New Jersey must realign its school finance system with the realities of today’s classrooms.”

The report urges state leaders to use this modeling framework to guide the **2026 Education Adequacy Report** and upcoming legislative deliberations on school finance reform.

#### **About the Author**

**Bruce D. Baker** is a national expert in school finance and a professor at the University of Miami. He has led school funding adequacy and cost modeling studies in Vermont, New Hampshire, Delaware, Colorado, Oregon, and Texas, and is co-author of multiple national reports on educational resource equity.