



NEWSLETTER

Hasbrouck Heights Schools

Heights: Where Tradition and Innovation Take Flight

School Funding Formula

Understanding the state school funding formula is an important part of being an informed community member. This newsletter will help families understand the school funding formula and how it works and impacts schools and the Board of Education decision making process.

According to the League of Municipalities, the New Jersey school funding formula is calculated in the following manner:

How the School Funding Formula Works:

The School Funding Reform Act distributes approximately \$8.0 billion in state aid to K-12 education. ***Of the \$8 billion, Hasbrouck Heights receives approximately 1.4 million, which is approximately 5% of the overall cost to the district. In fact, Bergen County sends more money to Trenton than any other county in the state, and receives the lowest amount in return.***

“The calculations are based on a per-pupil adequacy budget, reflecting an analysis of what it should cost to educate a child according to New Jersey’s standards in an efficiently-functioning K-12 school district. A base amount is set for elementary school students and is increased for middle school students, high school students and vocational school students, since it grows more expensive to meet students’ needs as they get older and vocational schools cost more to operate than traditional high schools.

Additional weights are added to the bases at the various grade levels for at-risk students (those eligible for free or reduced lunch), students with Limited English Proficiency (LEP) and special education students. A combination weight is calculated for students who are both at-risk and LEP. Because there are additional challenges in meeting students’ needs in a very poor district, the additional at-risk weight increases as the poverty concentration in a community increases. Because the cost of goods and services vary throughout the state, each district’s adequacy budget is adjusted by a geographic cost index.” (Lucille Davy, 2008)

If a district has a large population of academically at-risk and English Language Learners (ELL), then that district receives more funding. Since the number of these students in Hasbrouck Heights is relatively low, we receive less funding.

Special Education Funding “Under a method used by the federal government and many other states, each district’s adequacy budget for special education costs will be calculated by using a “census model” by multiplying the district’s total enrollment by the statewide average classification rate of 14.69 percent and by the statewide average special education excess cost.

One-third of each district’s base special education costs will be funded on a categorical basis, which means the district receives 100 percent funding for one-third of the special education costs calculated using the “census model,” and two-thirds will be funded on a wealth-equalized basis. This means that districts receive two-thirds of the special education costs calculated by the census model based on its relative wealth defined by property and income. The state will also reimburse all districts regardless of wealth for most of the extraordinary costs of providing special education programs for students with the most severe disabilities.” (Lucille Davy, 2008)

This means if the district wealth, income per family, is high, the district receives less funding. The Hasbrouck Heights per family income is considered high, thus we receive less funding. Furthermore, in a district that has students who are more severely disabled, that district will receive an increased amount of funding. Currently, the Hasbrouck Heights school district does not have a large percentage of students with severe disabilities.

Calculating the District’s Fair Share “The District’s total adequacy budgets are supported by a combination of state and local funding. Under the formula, the calculation of each district’s local fair share is based on the wealth of each community as measured by aggregate income and property value. This is the same method of determining the fair local contribution as was used under CEIFA. As should be expected under an equitable system, wealthy municipalities will still be expected to pick up a larger share of the cost of public education in their districts than poorer communities, but every district will continue to receive state aid.” ***Hasbrouck Heights property taxes support approximately 94% of the school budget. The town receives minimal funding from the state because, in comparison to other districts, the per family income is considered high.***

“Another important aspect of the process is that the demographic data on which it is based will be updated every year, and every three years, the department will update the adequacy budget resources and the estimate of costs on which it is based. In the intervening years, the adequacy budget costs will be inflated annually by the CPI. This will help us avoid situations in which the allocation of state aid doesn’t keep up with changing circumstances, resulting in inequities and imbalances.” (Lucille Davy, 2008)

It is fair to say that inequalities and imbalances continue to exist in the school funding formula.

State-Financed Preschool for At-Risk Children

The state offers aid for “High quality preschool for low income three- and four year-olds throughout the state. The expansion will be phased in over time; the goal is to reach at least 90 percent of the eligible population within six years.”

The Hasbrouck Heights School District does not meet the criteria for a low-income preschool program.

Summary:

I believe it is important that the community understand the way in which the school funding formula works. It is also important to understand that the local Board of Education and municipality have no control over the formula or how the school budget is funded. Unfortunately, in a town such as Hasbrouck Heights, we are considered *wealthy* and the state believes we should pay 94% of the school budget through our local property taxes. In addition, the State has not capped health insurance rates at 2% and the district has experienced annual increases of approximately 10%. This is not factored into the formula further putting the BOE and municipality in a financial conundrum. While there are inequalities in school funding and unfair practices, such as insurance rates, we will continue to take steps to stay within the prescribed 2% cap.

Dr. Matthew Helfant
Superintendent of Schools