

Executive View

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Governor Sherrill's FY 2027 Budget: A Briefing for NJASA Membership

Governor Sherrill's FY 2027 budget proposal reinforces a clear message: New Jersey is doubling down on its commitment to public education while shifting toward greater fiscal accountability, transparency, and long-term sustainability.

At \$22.5 billion in total Pre-K–12 funding—the largest investment in state history—this proposal reflects a \$222.6 million increase over the prior year. However, for district leaders, the "record funding" headline is only the beginning of the story.

The Legislative Phase: Our Window for Advocacy

The budget has now moved to the Legislature. Over the coming months, committees will conduct public hearings, scrutinize aid distribution, and develop a revised budget for the Governor's signature by the June 30 deadline.

This is not a passive period. This is the window where NJASA's collective voice, backed by your local data and impact stories, can influence final outcomes.

Record Funding with Guardrails

Of the total investment, \$12.4 billion is allocated through the school funding formula. To reduce volatility and support predictable budgeting, several "guardrails" remain:

- 3% cap on aid reductions.
- 6% cap on aid increases.
- Enrollment-linked special education funding.
- Multi-year averaging for property wealth and income.

While these mechanisms provide stability, they also mean some districts will remain below adequacy targets while others see limited gains.

Political Reality: Targeted Adjustments, Not a Rewrite

We expect the Legislature to focus on incremental "add-on" appropriations rather than a structural overhaul of the funding framework. Expect continued debate regarding:

- "Winners and losers" under the current formula.
- Legislative pressure to support outlier districts facing acute fiscal stress.
 - One-time supports for districts with specific local concerns.

A Push for Transparency & Oversight

A notable shift this year is the Governor's emphasis on public transparency. The DOE is tasked with developing user-friendly dashboards to show exactly how state aid is calculated and distributed.

What this means for you: Expect more informed (and inquisitive) stakeholders. Your ability to communicate your district's financial narrative will be more critical than ever as public visibility increases.

Increased Technical Support—and Scrutiny

The state plans to expand DOE capacity for fiscal oversight and early identification of financial distress. While this offers more technical assistance for districts facing inflationary pressures, it also signals a narrower margin for financial missteps.

Priority Investments: Learning Supports

The budget doubles down on evidence-based academic interventions, including:

- \$15 million for high-impact tutoring (doubling last year's investment).

Immediate Priorities for District Leadership

1. **Proactive Engagement:** Use this window to communicate with your local legislators. Data-driven narratives about your specific needs shape final decisions.
2. **Flexibility in Planning:** Build contingency scenarios for your local budgets. Expect adjustments between now and June 30.
3. **Refine Your Messaging:** Prepare for increased public awareness. As transparency tools expand, clear communication with your Board and community is paramount.

Final Thought

While the Governor's proposal is strong, the outcome is not yet final. The next few months will determine how this funding is ultimately distributed.

NJASA remains your unified voice. We are elevating your concerns and ensuring that lawmakers understand the real-world impact of their decisions. By working collectively, we can shape a final budget that is equitable, sustainable, and responsive to the needs of New Jersey's students.