Assembly Budget Committee
State House Annex, 4th Floor, Committee Room 11
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New Jersey Department of Education
Kevin Dehmer, Commissioner

Good morning, Chairwoman Pintor Marin, Vice Chairwoman Park, and members of the Assembly Budget Committee. Thank you for the opportunity to be here to discuss the Preschool and K-12 education components of Governor Murphy's proposed budget for Fiscal Year 2026.

I especially want to thank the Committee members for our collaboration and ongoing discussions that are critical to the well-being of students, families, and educators across our State. The conversations we've had this year and in previous years have consistently reaffirmed that we share a commitment to continually improving New Jersey's education system for all our students.

Today, I would like to share some highlights from this year's budget proposal and detail a few key updates that reflect both your feedback and the evolving needs of our students, educators, and families.

Let's start with the numbers.

This budget allocates a historic $22.2 billion for education. This includes $12.1 billion in direct formula aid to schools, a nearly $400 million increase over Fiscal Year 2025 levels.

This investment continues the Administration's track record of support for New Jersey schools, a 48% increase in K-12 school aid since Governor Murphy took office. That this proposal includes such a significant increase in direct aid to schools in a budget year as difficult as this one is no small feat. This budget demanded even tougher decisions than usual, as we work to cement and build on our State's commitment to education in uncertain times. But through strategic investments, this proposal continues progress toward several shared goals, including greater stability in school funding; accelerated learning; and universal preschool.

Let's start with K-12 formula aid, the biggest slice of our budget.

Last year, I shared that we would build on the milestone of fully funding the formula for the first time by working closely with stakeholders to identify improvements to the formula—changes that would promote greater stability and predictability while staying true to the strong foundations of the formula. Our formula not only serves as a model for other states; it settled decades of legal scrutiny: providing a framework where State aid is allocated according to a district's current needs and the local community's ability to contribute to the district. This year's proposal is the result of detailed feedback from diverse groups of stakeholders and is reflective of those conversations in several important ways.

First, rather than relying on a single year of property valuation and income data, the proposal for Fiscal Year 2026 incorporates multiple years of data to determine each district's local share – essentially smoothing out year-to-year changes by using additional data points. This shift will bring greater stability to the formula's measure of a community's capacity to support its education costs.

Second, we've modernized the formula's measure of the costs necessary to educate students to the State's academic standards to include updated costs using actual school district expenditure data, added new resources for mental health, and adjusted school security resources, better ensuring the formula reflects the realities of today's schools. Additionally, based on one of the most frequently raised concerns from stakeholders, we're proposing a shift to calculate special education aid using each district's special education enrollment and moving away from the census-based method.

In addition to these changes to the formula, we've proposed a mechanism to allocate supplemental aid to qualified districts that need additional flexibility in their tax levy growth limitation. Specifically, school districts are eligible to apply for this flexibility if they are taxing below their local share and spending below adequacy. For communities facing unique financial challenges, this flexibility—paired with local decision-making—can make the pivotal difference needed to sustain key programs.

Finally, under our proposal, no district will lose more than 3% of its State aid across the four primary aid categories. And for the first time that I'm aware of, the Department was able to share that information with districts ahead of the Governor's budget announcement. Having this information earlier was a significant help to districts better plan for the upcoming year.

These changes address the feedback we hear most frequently from school districts and other stakeholders: greater stability and additional planning time. They reflect feedback from school officials and other stakeholders and deliver on the Administration's commitment to review the formula to improve predictability and alignment to district needs.

Now, I want to turn to one of the greatest opportunities we have to invest in our future—early childhood education.

This year's budget proposal includes $1.3 billion in preschool funding, which funds existing programs and allocates $10 million for expansion into new school districts. Since Governor Murphy took office, the Administration has increased preschool funding by more than $550 million, making high-quality preschool available in more than 290 districts serving nearly 80,000 students.

Thanks to our shared efforts we are now providing preschool for 3- and 4-year-olds in more than half of our elementary school districts, moving even closer to delivering on the promise of universal preschool in New Jersey.

In addition to investing in New Jersey's youngest students, the Governor's budget proposal includes initiatives to support academic achievement and improve the classroom environment. Notably, it allocates $7.5 million in new grant funding for high-impact tutoring, a key component of the

Department's continued effort to address the persistent learning gaps we've identified for some of our students.

High impact tutoring has proven to be one of our most effective interventions. This is intensive tutoring, with students typically meeting with tutors at least two or three times per week. During these sessions students receive individualized instruction that is tailored to meet their unique needs, either through one-on-one tutoring or in small groups.

Within our current program, we've now awarded grants to almost 300 districts which have already served nearly 70,000 students. The results speak volumes. In Franklin Township, Somerset County, 260 students who received high-impact tutoring saw an average growth of 87% in English and 95% in math. In Camden, participating students in grades 3-5 achieved 80% growth in math and 139% growth in literacy. These outcomes aren't just data points—they're a roadmap to help us focus our resources to where they're most effective.

The state and national data make clear that younger students experienced the greatest learning disruptions during COVID-19, which is why this budget proposal targets those supports where they're most needed. By third grade, students typically shift from learning to read to reading to learn, making early literacy intervention especially critical. To that end, this budget includes continued support for literacy initiatives to provide an additional year of assistance as districts begin implementing universal literacy screeners in kindergarten through third grade. We expect this funding to build on the work we're doing this year implementing the landmark literacy legislation the Governor signed late last summer, such as forming a new office dedicated to Learning Equity and Academic Recovery. In tandem with high impact tutoring and other academic supports, these initiatives will help students build those foundational skills so crucial to lifelong learning.

Of course, we know that academic success doesn't happen in a vacuum. There are myriad non-academic factors that impact a student's ability to learn and thrive in their school environment. And Governor Murphy has made youth mental health a top priority—recognizing that our responsibility to students extends beyond academics to their overall well-being. Building on that legacy, this budget includes $3 million in grants to support phone-free school environments. These grants are a meaningful next step—designed to spark innovation, share best practices, and help schools create positive learning environments where students can stay focused, engaged, and free of distractions.

We are also continuing our long-standing commitment to computer science education. Since 2018, the State has invested over $9 million in computer science programming. According to Code.org, over 86 percent of New Jersey high schools offer computer science courses – an increase from 59 percent in 2017-2018. These investments are preparing our students for success in a rapidly evolving workforce.

Over the past eight budget cycles, the Governor has consistently prioritized public education, leading us through pandemic recovery and uncertainty while still allocating historic levels of funding to school districts, investing in early childhood education, and finding innovative ways to accelerate student learning. This year's budget is no different, the Governor's proposal will continue to provide all

students with a high-quality education, making New Jersey one of the best places to live, work, and educate our children.

Before I close, I would be remiss if I didn't acknowledge that policy changes at the federal level can have a substantial impact on our school districts and the New Jersey Department of Education. While some of these issues are the subject of ongoing litigation, I do want to make sure to share that the Department is laser-focused on protecting much needed federal resources and supports for our districts, while also upholding the laws and values that make New Jersey a national model for public education.

Thank you again for the opportunity to speak with you today and I look forward to continuing our work together to deliver on our shared commitment to New Jersey's children. I'd be happy to answer any questions you may have.