Information for School Funding Survey – Haddonfield School District

November 2025

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1. Funding Formula Ignores Actual Needs

- The **School Funding Reform Act (SFRA)** uses **assumed percentages** (14.7% for special education, 1.72% for speech) instead of real student counts.
- Post-COVID, **student needs have surged**, especially in special education and mental health.
- Formula **discourages overclassification** but **underfunds real services**—creating a deficit we must fill locally.
- Failure to meet needs results in costly lawsuits and increased need for services at older ages, but lack of funding makes it challenging to implement programs which could otherwise result in better outcomes for students and lower costs for schools over time

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2. PILOT Programs Hurt Schools–shifts costs to taxpayers

- **PILOTs do not contribute to school funding**, yet districts are legally required to educate all children, including those in PILOT housing.
- **Local taxpayers shoulder the full cost**—this is unfair and unsustainable.
- A portion of PILOT payments **must be shared** with school districts to avoid service cuts and tax hikes.

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3. Local Taxes Burden are at the Breaking Point

- **Haddonfield's tax levy share is 88.36%**, the highest in Camden County.
- Compared to Voorhees (84.42%) with a much larger population, **Haddonfield's smaller tax base bears a heavier burden**.
- Raising local taxes further is **not viable** and may **displace residents**, including seniors and working families.

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5. Formula Penalizes the District for High-Income Outliers

- The aid formula considers **aggregate income**, but Haddonfield's is **skewed by a few ultra-high earners**, (i.e., professional athletes, large corporate bonuses, etc.)
- These individuals sometimes **don't have children in the schools**, but their income **reduces our state aid**. Their income pays state income tax, so why are we not receiving a portion of that back through state aid? It's counterintuitive. Why use a measure to determine state aid when it only hurts the district? Yes, they have high income tax but we're not seeing a portion of that in the schools, we're seeing a reduction in state monies, instead.
- We need a **more accurate aid formula** that reflects real fiscal capacity and local burden.

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7. Extraordinary Aid: Underfunded and Reverse-Engineered

- Extraordinary Aid is meant to reimburse districts for high-cost special education services—**but only a portion is actually funded each year**.
- The state uses a fixed pot of money, then divides it among districts, instead of funding based on actual documented need.
- **Reimbursement percentages fluctuate yearly** and are often far below the statutory thresholds.
- Districts are legally required to provide these services, so any **unmet costs fall directly on local taxpayers.**
- Post-COVID increases in complex student needs make this gap even larger and more unsustainable.

8. Call to Action

- **Provide a cap on the amount of funding a district can lose** – make the 3% limit for losses in state aid permanent
- **Fully fund special education costs** — allow funding based on actual student needs.
- **Mandate PILOT revenue sharing** with school districts.
- **Remove income outliers to income-based aid calculations** to prevent distortions.
- **Provide targeted funding** for space-limited districts with growing enrollment.
- **Make the 3% minimum change in district funding a law** so districts can plan proper budgets,
- **Release state funding earlier,** like January or February, to relieve schools of the pressure to create budgets on short notice.