

WHITE PAPER

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**The Fiscal Savings
to the New Jersey Public
School Systems Resulting
from Parents Educating
Their Children in Nonpublic
Schools**

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Teach Coalition, a division of the Orthodox Union, is the leading national advocacy organization working to ensure Jewish families have access to safe, high quality, and affordable Jewish education.

Founded in 2013, Teach Coalition advocates for equitable government funding and policies that support yeshivas and Jewish day schools, including security, STEM education, scholarships, meals, transportation, and other essential services. Through policy advocacy, research, and grassroots engagement, Teach Coalition works to strengthen support for nonpublic school students and families.

Today, Teach Coalition serves communities representing over 90% of Jewish day school students nationwide across New York, New Jersey, California, Florida, Nevada, Pennsylvania, and Maryland.



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Synopsis and Key Findings

In the past two decades, many states have created or expanded state programs to support nonpublic schools and the students enrolled therein.

One factor important to the political debate over such programs is how existing nonpublic schools can save governments considerable amounts of money by providing an essentially similar product to public schools – a quality education – at very low cost to the taxpayer.

While this matter has been investigated in the literature, this paper refines the cost savings models used in prior literature and applies them specifically to New Jersey.

This paper provides a conservative estimate on the level of fiscal savings using a general model for estimating variable costs for public schools. By looking only at variable costs the model excludes fixed costs such as administration, capital, and building maintenance expenses which – one could argue – the public schools had to spend anyway. By accounting for variance in expenditure rates across school districts, different grade levels (i.e. elementary vs. secondary), and special needs status, this study provides a more refined cost accounting model than those utilized in prior research.

After conducting this analysis, we found that:

- **Public School Expenditures:** New Jersey's 580 public school districts enrolled approximately **1.32 million students** and spent **\$40.37 billion** on non-capital expenditures. Of this amount, **\$26.76 billion (66.3%)** represented **variable costs** – including instruction and student support, averaging **\$20,316** per pupil.
- **Nonpublic School Enrollment and Savings:** Nonpublic schools enrolled **160,570 K-12 students** across **741 schools statewide**, generating an estimated **\$2.92 billion in savings** for public school districts by absorbing students who would otherwise require public education.
- **Average Savings:** The average nonpublic school saved its local district approximately **\$3.95 million** in variable expenditures, with the average nonpublic school student saving **\$18,187**.
- **Budgetary Impact:** If all nonpublic school students attended public schools, district budgets would need to increase by **7.2%** to accommodate the additional students.
- **Conservative Estimate:** These figures exclude fixed costs (e.g., facilities, administration) and additional expenses for special education students. In the long term, an influx of students into public schools would likely require higher fixed costs for new classrooms, staff, and infrastructure.

1 Introduction

In the state of New Jersey, more than 10% of the state's 1.4 million elementary and secondary school students attend nonpublic schools. In Fiscal Year 2022-2023, \$142.7 million of state education funding and negligible local government education funding went to support these schools – compared to \$40.370 billion in spent by New Jersey school districts in the 2022-2023 school year.

Many proponents of nonpublic schools argue that public school districts avoid substantial fiscal costs when students are enrolled in nonpublic schools. If existing nonpublic schools closed and enrollment in a public school system increased by 10% – the argument goes – then public education spending would also need to increase by 10% to meet the increased demand.

Critics counter that nonpublic schools can only take credit for a fraction of said savings. They point out that since much of the infrastructure for public education already exists, only a fraction of public education spending is “variable costs” that change when enrollment goes up or down.

In the long run all costs are variable – more students will ultimately mean more classrooms and administrators.¹ However, the annual state and district budgeting process does not take this into account. If a school adds 25 more students, it might need to hire another teacher but not another principal or secretary.

This paper takes a conservative approach to mathematically model the potential savings to the public school system in New Jersey. By excluding all the fixed cost of school districts and considering only the variable costs, we estimate the savings to taxpayers resulting from parents' choice to educate 160,570 K-12 students – more than 10% of the statewide total – outside of the public school system.

¹N. Gregory Mankiw, *Principles of Economics*, 6th ed (Mason, OH: South-Western Cengage Learning, 2012), 271.

2 Literature Review and Objectives

2.1. Literature Review.

There have been several attempts to quantify the variable costs of providing a public school education. Nearly all have been in the context of quantifying the costs – and potential savings – from various types of school choice program.

In the 2008 paper “The Fiscal Impact of the Milwaukee Parental Choice Program; 1993-2008,” Robert Costrell weighed the costs of the Milwaukee voucher program against the savings to state and local taxpayers.² Costrell found that for every public school student accepting a voucher averaging \$6,501 to attend nonpublic school, state and local taxpayers – who expended an average of \$8,833 per public school pupil – saved \$2,332. The main questions Costrell then addressed were what percentage of voucher recipients would have otherwise attended public school, and how the savings were allocated between state and local taxpayers.

In his analysis, Costrell implicitly assumed that the full \$8,833 in per pupil expenditures was realized as a saving by the school district when a student left public school for private school. He did not distinguish between fixed and variable costs.

This is a common approach taken in non-scholarly literature to estimating the savings that private schools generate for taxpayers. Assuming the full cost of per pupil public school expenditures is realized when a student attends private school, the savings would be state per pupil public school expenditures multiplied by nonpublic school enrollment. For example, the Council for American Private Education on its website estimates that nonpublic schools save taxpayers \$49.9 billion per year using this approach.³

Critics of nonpublic school funding programs have argued that simply multiplying enrollment by average per pupil expenditures gives an inflated picture of the cost savings generated by these schools. When a public school system’s enrollment goes down, Center for American Progress researchers Neil Campbell and Catherine Brown argue in a 2017 article, districts’ fixed costs such as building maintenance and utilities remain.⁴

² Robert Costrell, “The Fiscal Impact of the Milwaukee Parental Choice Program in Milwaukee and Wisconsin, 1993-2008,” (SCDP Comprehensive Longitudinal Evaluation of the Milwaukee Parental Choice Program, 2008).

³ CAPE, “Private Schools Are Good for America,” (CAPE Website: <https://capenetwork.org/good-for-america/>. Retrieved 7/24/23).

⁴ The Center for American Progress, “Vouchers Are Not a Viable Solution for Vast Swaths of America,” (CAP website: <https://www.americanprogress.org/article/vouchers-are-not-a-viable-solution-for-vast-swaths-of-america/> . Retrieved 8/1/24).

In a 2012 paper “The Fiscal Effects of School Choice Programs on Public School Districts,” Benjamin Scafidi addressed these critiques. He refined the analysis of savings from students attending nonpublic school by separately considering public schools fixed and variable costs. He found that nationwide about 64% of short-run costs are variable and 36% are fixed (in New Jersey, he found the ratio was 68.8% variable to 31.2% fixed).⁵ In his analysis of public school expenditure data reported by the National Center for Education Statistics, he considered spending on instruction, student support, instructional support, enterprise operations, and food service to be “variable,” and spending on capital expenditures, interest, general administration, school administration, operations and maintenance, transportation, and other support to be “fixed.”

Martin Leuken used a more refined and conservative model to estimate the fixed costs of school districts.⁶ Leuken used public school expenditure data reported by the National Center for Education Statistics to separately consider the extra expenditures on special education students – who generally attend public schools at a higher rate than they attend nonpublic schools – and excluded expenditures on enterprise operations, and food service from the category of fixed costs. Thus, under Scafidi’s more conservative model, only spending on Instruction, Student Support, and Instructional Support was considered “variable” while all other spending was considered “fixed.”

In his 2019 paper “The Economics of Building a Voucher or Educational Savings Account Program in Georgia,” Jeffrey Dorfman used a statistical model to determine the marginal per pupil cost in each Georgia school district. By regressing expenditure per pupil on enrollment – with appropriate controls for median household income, average public school size, and relative state per pupil funding – Dorfman’s model successfully explained 99.6% of the statewide variation in total spending per school district.

Overall, Dorfman found that the “marginal per pupil cost” exceeded the “average variable expenditure” (as calculated using Scafidi’s method) in all but three of the state’s 159 school districts. This makes sense – one expects at least some level of variability based on enrollment even for “fixed” costs like maintenance and food service. Overall, this finding suggests that the average variable expenditure cost accounting model used by Scafidi and Leuken is even more conservative than Dorfman’s linear regression model in estimating the savings to districts from nonpublic schools.

⁵ Benjamin Scafidi, “The Fiscal Effects of School Choice Programs on Public School Districts,” (Friedman Foundation for Educational Choice, March 2012).

⁶ Martin F. Lueken, “Fiscal Effects of School Vouchers” (EdChoice, September 2018).

With regards to special education costs, in 1999, the U.S. Department of Education funded the Special Education Expenditure Project (SEEP) to estimate the cost of special education in support of reforms to federal special education allocation formulas. According to the New Jersey Special Education Expenditure Project, a re-analysis of the original SEEP data, “the total expenditure to educate the average special education student is an estimated 1.87 times that expended to educate the typical general education student with no special needs.”⁷

However, the existing literature surrounding nonpublic school savings to taxpayers has not attempted to disentangle the different costs of special vs. non-special education – even though nonpublic schools enroll a lower proportion of special education students compared to public schools, and special education per pupil expenditures are substantially higher than non-special education per pupil expenditures.

Additionally, the literature to date does not include attempts to disentangle the different costs of elementary vs. secondary school expenditures, even though in many districts nonpublic schools enroll different proportion of elementary school students compared to public schools, and National Center for Education Statistics data on nonpublic school tuition suggest that educating secondary school pupils is more expensive than educating elementary school pupils.⁸

2.2. Objectives.

The goal of this study is to assess the short-term variable savings generated by nonpublic schools for New Jersey school districts following the most stringent definition of variable expenditures and taking into account variations in per pupil expenditures among school districts, elementary vs. secondary schools, and general vs. special education students.

This study will produce a high confidence “minimum” estimate of cost savings to New Jersey public school systems.

The rest of the paper outlines the data and assumptions used in the model, presents the model structure and the analysis results.

⁷ New Jersey Special Education Expenditure Project (SEEP), Page 17. The SEEP represents 1999-2000 school year data. Unfortunately, no more recent analysis exists of the relationship between special and general education spending.

⁸ National Center for Education Statistics, 2021 Digest of Education Statistics, “Table 205.50. Private elementary and secondary enrollment, number of schools, and average tuition, by school level, orientation, and tuition: Selected years, 1999-2000 through 2011-12.” This table shows that consistently since 1999, nonpublic schools report that secondary school tuition is substantially higher than elementary school tuition. In 2011-2012, the most recent year tuition data was collected, average nonpublic elementary school tuition was \$7,770, compared to \$13,030 for secondary school tuition.

3 Data

Substantial data on the public education system in both New Jersey and the United States is available from government sources; however, data on the non-public segment are sparser. This analysis utilizes only publicly available data.

Data on **New Jersey public school expenditures** come from the U.S. Census Bureau. The “Annual Survey of School System Finances” data file for the 2022-2023 school year was downloaded from the Census Bureau website on October 21, 2025.⁹ At the time, this was the latest year for which school district finances data was available. This data was used to obtain the total expenditures per district on variable costs; it serves as the numerator in the formulas to calculate district per pupil expenditures.

Data on **enrollment in New Jersey public schools** comes from the New Jersey Department of Education (NJ DOE). The “2022-2023 Enrollment District Reported Data” file was downloaded from the NJ DOE website on October 21, 2025.¹⁰ The 2022-2023 school year’s enrollment data was selected as the most closely representing the cohort of students upon whom the FY2022-2023 funding was spent. This data was used to determine the grade makeup of each district’s total enrollment.

Since NJ DOE enrollment data does not assign enrollment of charter schools by school district, whereas the U.S. Census Bureau’s public school expenditure data does include charter school spending, we could not simply use NJ DOE enrollment data as the denominator for calculating expenditure per pupil. Instead, we used Total Enrollment in the U.S. Census Bureau’s “Annual Survey of School System Finances” for calculating per pupil spending. However, we used the percentage of students enrolled in grades Prek-8 from state data multiplied by the Total Enrollment in the U.S. Census Bureau’s “Annual Survey of School System Finances” data file to estimate the number of children in Elementary and Secondary school in each district.

Data on **special education student enrollment in New Jersey public schools** comes from the NJ DOE. The “Children Receiving Free and Appropriate Education (Ages 5-21)” file was downloaded from the NJ DOE website on October 21, 2025.¹¹ This data is for the 2022-2023 school year. This data was used to estimate each district’s portion of expenditures is dedicated to special education students.

⁹ U.S. Census Bureau, 2023 Public Elementary-Secondary Education Finance Data, “All Data Items.” Retrieved from: 2023 Public Elementary-Secondary Education Finance Data

¹⁰ New Jersey Department of Education, Fall Enrollment Reports, “2022-2023 Enrollment District Reported Data.” Retrieved from: https://www.nj.gov/education/doedata/enr/enr23/enrollment_2223.zip

¹¹ New Jersey Department of Education, IDEA Public Data Report Archive, “2019 Data.” Zip file retrieved from: https://www.nj.gov/education/specialed/monitor/ideapublicdata/docs/2022public618data/SpecialED_Race_5_21_2223.xlsx “Free and Appropriate Education” is the term in the federal Individuals with Disabilities Education Act for used to describe the education to which public school students with identified special needs are entitled. In other words, the “Children Receiving Free and Appropriate Education” document thus details how many students in each school district have been identified with special needs.

Data on **enrollment in New Jersey nonpublic schools** come from the NJ DOE's Office of Special Education Programs. The "2022-2023 Nonpublic School Enrollment" and data files were provided by NJ DOE to Teach Coalition staff via email in 2024 and will be made available by Teach Coalition upon request. Those data were used to determine the total enrollment of nonpublic schools in each public school district, which is one of the factors in calculating the variable expenditure savings nonpublic schools generate for each district. Note: Nonpublic enrollment does not include Pre-K students, but elementary students likely have a similar cost profile - or less - than Pre-K students (who require a higher staff to student ratio), so lumping in Pre-K enrollment with K-8 should - if anything - understate cost savings.

Moments of all data used are provided in Appendix 1.

4 Key Assumptions

Assumption 1: Per pupil public school expenditures vary from school district to school district.

According to the U.S. Census Bureau’s “Annual Survey of School System Finances” data file for the 2022-2023 school year, per pupil expenditures in New Jersey public school districts varied widely from district to district. While the average expenditure per pupil was \$30,653 the lowest was \$19,648 (in the Harrison Township School District), and the highest was \$104,626 (in the Saddle River Boro School District)¹², with a standard deviation of \$18,038.¹³

Variable expenditures per pupil also varied, although to a much lesser extent. Statewide average variable expenditures (see Assumption 4 below) were \$20,316 per pupil, with a minimum of \$13,237 (in the Kingsway Regional High School District), a maximum of \$46,783 (in the Saddle River Boro District), and a standard deviation of \$4,369.

Given these variances in per pupil expenditures, it seems reasonable to assume that educating a student in one district would likely cost a different amount than educating that student in a different district.

Assumption 2: Students with special needs are more costly to educate than students without special needs.

According to the New Jersey Special Education Expenditure Project, a re-analysis of the original SEEP data, “the total expenditure to educate the average special education student is an estimated 1.87 times that expended to educate the typical general education student with no special needs.”¹⁴

Since no more updated figures are available as to the elevated costs to education special education students in New Jersey, this study assumes that special education students are 1.87 times more expensive to educate than general education students consistent with the 1999 SEEP study.

¹² While the Saddle River Boro School District had \$113,509 in per pupil spending, only \$50,755 of this was variable expenditures on the 106 elementary students enrolled in the district itself. Notably, Saddle River Boro School District’s \$12M budget includes \$5.4M for payments to other school districts – likely for all the secondary school-age residents of Saddle River Boro to attend high school in other districts given the lack of a local high school. These inter-district payments are included in the \$113,509 total per pupil expenditure figure but are separate from the \$50,755 variable expenditure per pupil figure.

¹³ Excluding twenty two outlier districts with per pupil expenditures over \$101,000; generally special education or vocational school districts with specialized educational programs and therefore outsized educational costs.

¹⁴ New Jersey Special Education Expenditure Project (SEEP), Page 17. The SEEP represents 1999-2000 school year data. Unfortunately, no more recent analysis exists of the relationship between special and general education spending.

Assumption 3: Secondary School (Grades 9-12) students are more costly to educate than Elementary School (Grades PreK-8) students.

Available data on nonpublic school tuition suggests that – at least in the nonpublic school sector – secondary school is substantially more expensive than elementary school. According to the U.S. Census Bureau’s Digest of Education Statistics, in the 2011-2012 school year tuition for nonpublic elementary schools was \$7,770, compared to \$13,030 for secondary schools.¹⁵

This does not necessarily mean that school districts expenditures on secondary school students are 68% higher than those on elementary school students. Nonpublic school tuition varies broadly from school to school based on many factors (e.g. fundraising ability, religious affiliation) that may not apply to public schools.

However, it does suggest that it is worthwhile to consider savings generated by elementary nonpublic school students separately from savings generated by secondary nonpublic school students.

Assumption 4: “Variable Expenditures” include spending on instruction, student support, and instructional staff support.

This study defines “variable expenditures” using the same variables in the federal Annual Survey of School System Finances data utilized by Leuken in his analysis:¹⁶

- 1. Total Instructional Spending** – This includes teacher salaries and benefits and instructional supplies and purchased services. Tuition payments to other school districts are excluded.
- 2. Spending on Student Support** – This includes student support services like nurses, therapists, and guidance counselors.
- 3. Spending on Instructional Staff Support** – This includes expenditures for supervision of instruction service improvements, curriculum development, instructional staff training, and media, library, audiovisual, television, and computer-assisted instruction services.

¹⁵ National Center for Education Statistics, 2021 Digest of Education Statistics, “Table 205.50. Private elementary and secondary enrollment, number of schools, and average tuition, by school level, orientation, and tuition: Selected years, 1999-2000 through 2011-12.” More recent data is not available because the question on tuition rates has not been included in the National Center for Education Statistics’ biennial Private School Universe survey since the 2011-2012 school year.

¹⁶ Lueken, “Fiscal Effects of School Vouchers”, footnote 24.

Assumption 5: Nonpublic schools enroll a negligible number of special needs students whose costs are not covered by government funding.

According to the U.S. Census Bureau’s Digest of Education Statistics, in the 2011-2012 school year, only 7.1% of students in nonpublic schools have an Individualized Education Plan (IEP) because of special needs or a disability.¹⁷ This compares to the 13% of public school students who have IEPs in the United States as a whole.¹⁸ This suggests that families are about half as likely to send a child to nonpublic school if that child has a special need.

Given the high cost of special education, this is not a surprise. According to the New Jersey DOE’s “Approved Private School for Student with Disabilities” 2022-2023 tuition rate schedule, the median tuition at state-approved special education nonpublic schools is \$82,396 – far beyond the reach of most families.¹⁹

Even with regards to the estimated 7.1% of students with IEPs in nonpublic schools, an unknown – but likely very large – number are state-funded. New Jersey state law allows school districts to place a special education student into “Approved Private Schools for Students with Disabilities” (APSSDs) when the district deems those schools best equipped to meet that student’s needs.²⁰ The Federal Individuals with Disabilities Education Act (IDEA) and associated case law in *Carter vs. Florence County School District* and *Connors v Mills* allows parents to sue school districts to pay the cost of private school tuition if they can show the school district cannot provide a “free and appropriate education” in public schools.

Data is not available on precisely how many special education students in New Jersey nonpublic schools have their tuition paid by school districts via district nonpublic placement decisions or successful *Carters* or *Connors* case challenges. Nonetheless, given the very high cost of special education tuition it is likely that a very small proportion of special education students in nonpublic schools are privately paid.

As such, the model in this study for calculating school district savings does not take into account the heightened cost of special education services – but assumes that schools districts are mostly covering such costs anyway, even for special student's enrollment in nonpublic schools.²¹

¹⁷ National Center for Education Statistics, Schools and Staffing Survey, 2011-2012, “Table 2. Number and percentage of all private schools that had any students with an Individual Education Plan (IEP) ... 2011-12.”

¹⁸ National Center for Education Statistics, 2012 Digest of Education Statistics, “Table 51. Number and percentage of children served under Individuals with Disabilities Education Act, Part B, by age group and state or jurisdiction: Selected years, 1990-91 through 2010-11.”

¹⁹ NJ Department of Education, Approved Private School for Student with Disabilities Tentative Tuition Rate 2022-2023.

²⁰ Per NJSA Section 18A:46-14

²¹ In the first Nonpublic School Savings Research study published in 2021, this assumption was not included. Instead, that study explicitly estimated nonpublic special needs enrollment when calculating savings. However, this may have overstated the savings to the state because an unknown proportion of nonpublic special needs enrollment is covered by the state via private school placements.

5 Model

5.1. Choosing a Cost Accounting Model.

This analysis uses a mathematical accounting model. Consistent with the approach taken by Scafidi and Lueken, this model calculates per pupil variable expenditures made by state and local governments for public school students and uses those results to calculate per pupil variable expenditure saving from each nonpublic school.

It would have been feasible to run an analysis using a linear regression model, as Dorfman did; however, such models are most suited for teasing out the different marginal effects of multiple variables. Since control variables on students in nonpublic schools are not available (e.g. income, race, parental education), a regression analysis would add additional complexity without necessarily adding additional explanatory power.

Moreover, regression models are most appropriate for calculating the impact of changes on the margin and may not hold up in the face of large-scale change. Since the objective of this study is to quantify total savings to taxpayers from nonpublic schools as whole – as opposed to the marginal effect of some number of students transferring from nonpublic to public school – a cost accounting model is more appropriate than a regression model. This is particularly true in districts where a considerable proportion of students attend nonpublic schools.

Finally, when Dorfman compared the results from a marginal cost regression model against the cost-accounting model used by Leuken and Scafidi, he found that his regression model almost always resulted in higher estimates of savings from students switching to nonpublic schools than those estimated by the variable expenditure cost accounting model. While this may simply mean that Dorfman’s model is more adept in teasing out the actual variable costs per pupil – which would reasonably include certain administrative, cafeteria, and other costs excluded by Leuken and Scafidi – the most cautious route would be to utilize a cost accounting model that only considers known variable costs.

With these considerations in mind, this study will utilize the cost-accounting model employed by Scafidi, limiting the definition of “variable costs” to the more restrictive categories employed by Leuken, but consider district-by-district spending variations as did Dorfman. It will also try to account for variations in spending between primary and secondary pupils, and special and non-special education pupils.

5.2. Approach to Calculating District-Level Total Variable Expenditures.

The U.S. Census Bureau collects data on a wide range of different expenditure types for each school district. Following Lueken,²² this model uses the following three variables to collectively represent variable expenditures for each school district:

- Total current spending for instruction (TCURINST)
- Current operation expenditure – Pupil support (E17)
- Current operation expenditure – Instructional staff support (E07)

Together, these represent all expenditures for instruction (including teacher salaries) and expenditures on supporting students and teachers.

Consistent with Leuken's definition of variable expenditures, this study's definition of variable expenditures excludes spending on buildings, operations, enterprise operations, food service and non-instructional staff.²³

All calculations were done using Microsoft Excel.

5.3. Model for Calculating District-Level Per Pupil Variable Expenditures.

Based on the assumptions in Section 4, the model for extrapolating School District Variable Expenditures per student is as follows:

$$T = (S_v * S_e) + (L_v * L_e) + (U_v * U_e)$$

Where:

- **T** is the Total Variable Expenditures in a given school district.
- **S_v** is the Extra Variable Expenditure Per Special Needs Student (in any grade). The process for calculating this variable is given in Section 5.2.1.
- **S_e** is the Special Education Enrollment in a given school district.
- **L_v** is the Variable Expenditure per Elementary School (Pre-K through 8th Grade) Student.
- **L_e** is the Elementary School Enrollment in a given school district.²⁴
- **U_v** is the Variable Expenditure per Secondary School (9th Grade through 12th Grade) Student. The process for calculating this variable is given in Section 5.2.2.
- **U_e** is the Secondary School Enrollment in a given school district.

²² Martin F. Lueken, "The Tax-Credit Scholarship Audit: Do Publicly Funded Private School Choice Programs Save Money?" (EdChoice, October 2016).

²³ Lueken, in footnote 33, explains how his cost accounting model is even more stringent than Scafidi's, as Scafidi includes food serve and enterprise operations as variable expenditures, while Leuken does not.

²⁴ Pre-K enrollment data was not available from the NJ Department of Education.

In keeping with Key Assumption #3 above, this model separately considers expenditure rates on Elementary vs. Secondary school students. On a statewide basis the percentage of public school students in elementary school (69%) does not differ substantially from the percentage of private school students in elementary school (67%). However, within a given school district there may be a substantial mismatch between the grade makeup of the public school students compared to the nonpublic school students.²⁵

Likewise, in keeping with Key Assumption #5 above, this model assumes that a negligible number of special needs students are enrolled in nonpublic schools at parents' expense.

5.3.1. Calculating Extra Expenditures on Special Needs Students.

In Section 5.2, the variable S_v "Extra Variable Expenditure Per Special Needs Student" represents the extra cost to a school district to educate an average special needs student, regardless of grade.²⁶

According to the New Jersey Special Education Expenditure Project (SEEP), a New Jersey-level re-analysis of the U.S. DoE-funded Special Education Expenditure Project, "the total expenditure to educate the average special education student is an estimated 1.87 times that expended to educate the typical general education student with no special needs."²⁷

Assuming this ratio holds for variable expenditures as well, then the per pupil special education "premium" can be expressed mathematically as:

$$S_v = 0.87 * G_v \quad \text{or} \quad G_v = 1.15 * S_v$$

Where:

- S_v is Extra Variable Expenditure per Special Needs student
- G_v is General Education Expenditure per Non-Special Needs student

The model described in Section 2.2 above can be simplified into the following which doesn't account separately for elementary vs. secondary education costs:

$$(G_v * T_E) = (L_v * L_E) + (U_v * U_E)$$

²⁵ Indeed, in the 580 school districts recording K-12 enrollment in state data, fully 275 – 47% – had only elementary school students enrolled. The remainder presumably attended high school in a another districts.

²⁶ Since grade- or age-level special needs student data was not available, it was not possible to separately estimate the cost of elementary vs. secondary school-aged special needs students.

²⁷ New Jersey Special Education Expenditure Project (SEEP), Page 17. The SEEP represents 1999-2000 school year data. Unfortunately, no more recent analysis exists of the relationship between special and general education spending.

Plugging this into the model in Section 2.2, the result is:

$$T = (S_V * S_E) + (G_V * T_E)$$

Substituting for G_V with $1.15 * S_V$ per the relationship above results in the following:

$$T = (S_V * S_E) + (1.15 * S_V * T_E)$$

Simplifying, the following calculates S_V :

$$S_V = \frac{T}{S_E + (1.15 * T_E)}$$

This formula, combined with total variable expenditure from the U.S. Census Bureau and enrollment data from the New Jersey Department of Education, is used to calculate the extra cost per special needs student for each school district.

5.3.2. Calculating Expenditures on Elementary and Secondary School Students.

The master model described in Section 5.2 assumes that variable expenditures are higher for secondary school students than for primary school students. This is based on a presumption that the skills required to teach higher levels of math, science, English, and other subjects are in higher demand, and therefore hiring teachers with this skill is more costly for school districts.

This is borne out by the expenditures data from the “Annual Survey of School System Finances” report for Fiscal Year 2023. In Fiscal Year 2023, average per pupil expenditures in the 274 NJ school districts serving only students in grades Pre-K through 8 had an average per pupil variable expenditure of \$20,228. This is compared to an average per pupil variable expenditure of \$21,049 in the 50 NJ school districts where nearly all students (>95%) were in grades 9-12.

Assuming this ratio holds across the board in NJ school districts, it is 4.05% more expensive to educate secondary school students than elementary school students and this can be expressed mathematically as follows:

$$U_V = 1.0445 * L_V \quad \text{or} \quad L_V = 0.943 * U_V$$

Assuming $(G_V * T_E) = (L_V * L_E) + (U_V * U_E)$, and substituting $U_V = 1.0445 * L_V$ results in the following:

$$(G_V * T_E) = (L_V * L_E) + (1.0445 * L_V * U_E)$$

Simplifying, the following formulas can be used to calculate L_V :

$$L_V = \frac{(G_V * T_E)}{L_E + (1.0445 * U_E)}$$

This formula, deriving G_V via the calculations described in Section 2.4 above and using enrollment data from the New Jersey Department of Education, is used to calculate the extra cost per special needs student for each school district.

5.4. Model for Calculating Nonpublic School-Level Savings to School Districts.

The model uses the following formula to calculate Nonpublic School-Level Savings to School Districts:

$$T_N = (L_V * L_N) + (U_V * U_N)$$

Where:

- T_N is the Total Expected Savings to a school district generated by a given nonpublic school.
- L_V is the Variable Expenditure per Elementary School Student of the school district where the nonpublic school was located.
- L_N is the Grades K-8 School Enrollment in a given nonpublic school.
- U_V is the Variable Expenditure per Secondary School Student of the school district where the nonpublic school was located.
- U_N is the Grades 9-12 School Enrollment in a given nonpublic school.

Once the savings from each nonpublic school have been estimated, the total estimated savings from all nonpublic schools in a given geographic area (e.g. a district, county, or state) is obtained by adding together the estimated savings from each nonpublic school in that geographic area.

5.5. The Lakewood Exception.

One important outlier to consider is the Lakewood Township School District. This district enrolled 5,023 public school students but spent \$225 million – \$69,478 per pupil – on these students.

This skewed spending figure is most likely because it contains 139 nonpublic schools enrolling 45,800 students – a uniquely high 9:1 ratio of nonpublic to public school students. Since the district budget includes transportation services and special education placements for nonpublic school students, the \$69,478 per pupil figure is likely inflated.

This is particularly problematic for our model given that over a fourth of nonpublic school students in the state attend a school located in Lakewood Township. An inflated cost per pupil in Lakewood could result in a vast overestimate of taxpayer savings statewide.

To avoid overestimating taxpayer savings, in our analysis we have used the statewide average for per pupil expenditures for all schools located in Lakewood. This provides a much safer estimate of the taxpayer savings from nonpublic schools students.

6 Results

6.1. District-Level Total and Per-Pupil Variable Expenditures.

According to U.S. National Center for Education Statistics data, there were 1,317,045 students enrolled in public schools in 580 school districts across the state. These school districts spent a total of \$40.3 billion on all non-capital expenditures. The average school district enrolled 2,271 students and spent \$69.6 million, for a per pupil expenditure of \$30,653.

Table 1 – NJ School District Enrollment and Expenditures²⁸

	Enrollment (PreK-12)	Variable Expenditures	Variable Expenditure Per Pupil	All Expenditures	All Expenditures, Per Pupil
All Districts	1,317,045	\$26,756,869,000	\$20,316	\$40,370,896,000	\$30,653

Of this, \$26.756 billion (or 66.3%), was spent on variable expenditures including student instruction, teacher support, and pupil support. This finding – which is consistent with Scafidi’s earlier estimate of 68.8% using a less cautious definition of variable costs – amounts to \$20,316 in average variable expenditures per pupil.²⁹

6.2. Savings Generated by Nonpublic Schools for Public School Districts.

According to New Jersey Department of Education data, in the 2022-2023 school year 741 nonpublic schools enrolled 160,570 K-12 students.

Applying the models in Section 5, this study concludes that nonpublic schools saved New Jersey public schools \$2.92 billion in variable expenditures during the 2022-2023 school year. The average nonpublic school saved its local school district \$3.9 million in variable expenditure alone, or an average of \$18,187 per pupil.³⁰

²⁸ Moments of this data are available in Appendix A, Table A1. The full dataset is available in Appendix B.

²⁹ The process for deriving this estimate can be found in Appendix B.

³⁰ The process for deriving this estimate can be found in Appendix C. Note that the \$25,777 Average Savings per Nonpublic Pupil in Table 2 is slightly off from the \$21,385 Variable Expenditure Per Pupil in Table 1. This suggests that – all else being equal – the districts where nonpublic schools tend to be located have slightly higher average expenditures than the statewide total.

Table 2 – NJ School District Savings from Nonpublic Schools³¹

	Count of Schools	Total Enrollment (K-12)	Total Savings to Districts	Average Savings Per Nonpublic School	Averages Savings Per Nonpublic Pupil
Nonpublic Schools with K-12 Students	741	160,570	\$2,920,239,641	\$3,945,966	\$18,187

The average school district hosting at least one nonpublic school contained 2.7 nonpublic schools and saved \$10.7 million in variable expenditures.³²

This study suggests that if all 160,570 nonpublic school students in the 741 nonpublic schools attended local public schools in 2022-2023, then school districts would have needed to increase their combined \$40.37 billion budget by at least \$2.92 billion (+7.2%).

In practice, the budgetary impact of nonpublic school students attending public schools would not be evenly distributed. Districts with relatively small nonpublic school populations would be lightly impacted while those with relatively large nonpublic school populations would be very heavily impacted.

This is a conservative estimate – it includes only some of the variable costs (i.e. spending on teacher salaries and teacher and student support) and excludes extra district spending from any newly enrolled special education students.

In the long run, if there was an influx of more students into the public school system then fixed costs would also increase reflecting the expense of building additional classrooms, hiring additional administrative, custodial, and cafeteria staff, and other such expenses.

³¹ Moments of this data are available in Appendix A, Table A2. The full dataset is available in Appendix C.

³² The process for deriving this estimate can be found in Appendix D.

7 Discussion

7.1. Limitations.

7.1.1. NCES vs. NJ DoE Enrollment Figures.

The district-level enrollment figures reported by the NJ Department of Education differed somewhat from the total 1,317,045 enrollment reported by the U.S. National Center for Education Statistics.

This may be for several possible reasons, such as inclusion of charter school enrollment in the district totals and taking attendance at various times during the year.

However, this discrepancy should not significantly impact this study's findings, as this amounts to less than a 4% difference in overall enrollment. In no district did it exceed a 17% difference.

The New Jersey Department of Education enrollment data was utilized for this study because this dataset included grade-level enrollment data, whereas the National Center for Education Statistics enrollment figures included only a district-wide total.

7.1.2. Lack of District of Residence Data for Nonpublic Schools.

When estimating the savings from a nonpublic school's operations, this study multiplied the per pupil variable expenditures in the school district where the nonpublic school is located (the "district-of-attendance") by the enrollment in the nonpublic school. This method assumes that most students attend nonpublic schools in the same districts as their homes. However, in the event a nonpublic school closed, and its students moved to public school, they would most likely attend public school near the students' residences (their "district-of-residence") – which is not necessarily where the nonpublic school had been located.

These differences could even out statewide; if one nonpublic school is located in a lower expenditure district compared to its parents' homes, that might be cancelled out by another nonpublic school located in a higher expenditure district.

However, to the extent that nonpublic schools tend to be located in lower- or higher-expenditure school districts relative to their parent bodies' districts of residence, the estimates of overall savings to school districts may be high or low.

7.1.3. Sensitivity Analysis.

This study estimated that nonpublic schools save districts over \$2.92 billion annually. The standard deviation of variable expenditures amongst regular school districts was \$4,137 for elementary school students and \$4,321 for secondary school students.³³

If the variable expenditures per pupil in a nonpublic school students' district of residence were in fact one full standard deviation lower than variable per pupil expenditures in the district where the student attends nonpublic school, then savings from elementary nonpublic school students would be \$440 million lower (Std. Deviation of \$4,137 * 106,407 elementary nonpublic students) and savings from secondary nonpublic school students would be \$234 million lower (Std. Deviation of \$4,321* 54,163 secondary nonpublic students).

Table 3 – Sensitivity Analysis³⁴

	Nonpublic Elementary Enrollment (Grades K-8, +Ungraded)	Nonpublic Secondary Enrollment (Grades 9-12, +Ungraded)	Variable Per Pupil Exp., Elementary Weighted Average	Variable Per Pupil Exp., Secondary, Weighted Average	Estimated Savings, Elementary	Estimated Savings, Secondary	Total Estimated Savings
Base Estimate (See Section 6.2)	106,407	54,163	\$17,683	\$18,470	\$1,881,594,981	\$1,000,390,610	\$2,881,985,591
Pessimistic Scenario (-1 Std. Deviation)	106,407	54,163	\$13,546	\$14,149	\$1,441,389,222	\$766,352,287	\$2,207,741,509
Optimistic Scenario (+1 Std. Deviation)	106,407	54,163	\$21,820	\$22,791	\$2,321,800,740	\$1,234,428,933	\$3,556,229,673

Thus, even if these estimates are off by \$674 million – one standard deviation of the variable expenditure across districts – annual savings to districts from nonpublic school students would still be over \$2.2 billion.

Conversely, it is equally possible that this underestimates the savings from nonpublic schools. If district-of-residence per pupil variable expenditures were a full standard deviation higher than district-of-attendance per pupil variable expenditures, then the result of \$2.92 billion would be undercounting nonpublic schools' savings to districts by \$674 million. Thus, annual savings to districts from nonpublic schools could be as high as \$3.6 billion.

³³18 special education services districts were excluded from this measure of variance because their extraordinarily high per pupil costs skew the measures of variance, and this study already assumes that there are a negligible number of privately paid special education students enrolled in nonpublic schools. (See Assumption #5 in Section 4).

³⁴ Enrollment and variable per pupil expenditure data for nonpublic schools (including standard deviations) is summarized in Table A2 and detailed in Appendix C.

7.2. Conclusion.

Applying a cautious model for estimating savings from nonpublic schools to New Jersey school districts, this study found that in the 2022-2023 school year nonpublic schools saved New Jersey school districts an estimated \$2.92 billion. If all these nonpublic schools closed at the end of the current school year, then next year school districts would have needed to increase their combined budgets by 7.2% – a figure that would even be higher in districts with large nonpublic school populations.

Even assuming a scenario where the estimates of variable expenditures were off by a full standard deviation, then the minimum estimate of savings would be no less than \$2.2 billion and possibly as high as \$3.5 billion.

Since this model uses readily available federal data on public school district expenditures and state data on public and nonpublic school enrollment, this analysis could easily be replicated in any other state that reports nonpublic school-level grade enrollment data. Such states include New York, California, Florida, Pennsylvania, California, Maryland, and many others.

For interested researchers, it may even be feasible to replicate this study on a nationwide scale using data from the National Center for Education Statistics semi-annual Private School Universe Survey.

These should provide high confidence estimates of the minimum savings nonpublic schools generated for their host school districts, and ultimately local, state, and federal taxpayers.

Appendix A: Moments of the Data.

Table A1 – Summary Statistics for Model for Calculating District-Level Per Pupil Variable Expenditures¹

	Instructional Spending (\$1,000s)	Pupil Support Spending (\$1,000s)	Instructional Support Spending (\$1,000s)	Total Variable Expenditures (\$1,000s)	Special Needs Enrollment (Age 6-21)	Elementary Enrollment (Prek-8 + Ungraded)	Secondary Enrollment (Grades 9-12)	Total Enrollment	Extra Variable Expenditure Per Special Needs Pupil*	Expenditure Per Non-Special Needs Pupil*	Variable Expenditure Per Elementary Pupil*	Variable Expenditure Per Secondary Pupil*
	$TCURINST$	$E17$	$E07$	T	S_E	L_E	U_E	T_E	S_V	C_V	L_V	U_V
Count	580	580	580	580	580	580	580	580	562	562	562	562
Sum	22,322,321	3,371,876	1,062,672	26,756,869	201,635	904,678	412,367	1,317,045	-	-	-	-
Mediannt	19,588	3,015	881	23,717	177	797	-	1,187	15,102	17,367	17,186	17,951
Mean	38,487	5,814	1,832	46,133	348	1,560	711	2,271	15,801	18,171	17,986	18,787
Std. Deviation	66,952	9,155	3,846	79,456	490	2,539	1,177	3,489	3,617	4,159	4,137	4,321

Note: 18 special education services districts were dropped from per pupil expenditure summary statistics because their very high costs – over \$500,000 per pupil in some cases – skewed the measures of variance. These districts are special vehicles for enrolling and serving students with severe special needs and therefore have extraordinarily high per pupil costs. Since none of the nonpublic school are “located” within these boundary-less special education services districts, exclusion of these districts from this table has no bearing on the nonpublic school cost savings estimates. Sums are not applicable for per pupil expenditures.

Table A2 – Summary Statistics for Model for Calculating Nonpublic School-Level Savings to School Districts²

	Elementary Enrollment (K-8)	Secondary Enrollment (Grades 9-12)	Total Enrollment	District Variable Expenditure Per Elementary Pupil (\$)	District Variable Expenditure Per Secondary Pupil (\$)	Estimated Savings from Elementary Pupils (\$)	Estimated Savings from Secondary Pupils (\$)	Total Estimated Savings (\$)
	L_N	U_N	$L_N + U_N$	L_V	U_V	$(L_V * L_N)$	$(U_V * U_N)$	T_N
Count	605	271	741	740	740	604	271	740
Sum	106,407	54,163	160,570	13,245,203	13,834,614	1,902,091,453	1,018,148,188	2,920,239,641
Mediannt	118	97	131	17,683	18,470	2,043,804	1,717,664	2,290,007
Mean	176	200	217	17,852	18,647	3,148,786	3,757,004	3,945,966
Std. Deviation	238	249	272	3,554	3,712	4,363,052	4,809,683	5,109,588
Weighted Average	-	-	-	17,876	18,798	-	-	-

Note: Of the 741 that reported enrollment, only 605 reported any Elementary enrollment and only 271 reported any Secondary enrollment. Sums are not applicable for per pupil expenditures; a weighted average is included instead for use in this study’s sensitivity analysis.

¹ Base data used to calculate the moments for Table A1 are in Appendix B.

² Base data used to calculate the moments for Table A2 are in Appendix C.

Appendix B: Enrollment and Variable Expenditure Calculations, by Public School District.

The base data and results from applying this study's Model for Calculating District-Level Per Pupil Variable Expenditures found in Section 5.3 are available at this webpage:

https://teachcoalition.org/content/uploads/sites/9/2026/02/Appendix-B_NJ-Districts-Public-22-23-Enrollment-and-Variable-Expenditures_v.2-1.pdf

Appendix C: Enrollment and Variable Expenditure Calculations, by Nonpublic School.

The base data and results from applying this study's Model for Calculating Nonpublic School-Level Savings to School Districts found in Section 5.4 are available at this webpage:

<https://teachcoalition.org/content/uploads/2026/02/Appendix-C-Enrollment-and-Variable-Expenditure-Calculations-by-Nonpublic-School-2022-2023.pdf>

Appendix D: Savings Generated by Nonpublic Schools, by Public School District.

The base data and results from tabulating each nonpublic school's estimated savings by district and statewide are available at this webpage:

<https://teachcoalition.org/content/uploads/2026/02/Appendix-D-Savings-Generated-by-Nonpublic-Schools-by-Public-School-District-2022-2023.pdf>

Disclosure Statement.

The author(s) declare that there are no conflicts of interest that relate to the research, authorship, or publication of this article.

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