

# ASSEMBLY, No. 2388

## STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED FEBRUARY 28, 2008

**Sponsored by:**

**Assemblywoman ALISON LITTELL MCHOSE**

**District 24 (Sussex, Hunterdon and Morris)**

**Assemblyman GARY R. CHIUSANO**

**District 24 (Sussex, Hunterdon and Morris)**

**SYNOPSIS**

Requires minimum geographic cost adjustment for school districts in certain counties.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning the use of geographic cost adjustments in the  
2 provision of State school aid and amending P.L.2007, c.260.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. Section 9 of P.L.2007, c.260 (C.18A:7F-51) is amended to  
8 read as follows:

9 9. a. The adequacy budget for each school district and county  
10 vocational school district shall be calculated as follows:

11  $AB = (BC + AR \text{ Cost} + LEP \text{ Cost} + COMB \text{ Cost} + SE \text{ Census}) \times$   
12  $GCA$

13 where

14 BC is the district's or county vocational school district's base cost  
15 as calculated pursuant to section 8 of this act;

16 AR Cost is the cost of providing educational and other services  
17 for at-risk pupils as calculated pursuant to subsection b. of this  
18 section;

19 LEP Cost is the cost of providing educational and other services  
20 for bilingual education pupils as calculated pursuant to subsection c.  
21 of this section;

22 COMB Cost is the cost of providing educational and other  
23 services for pupils who are both at-risk and bilingual as calculated  
24 pursuant to subsection d. of this section;

25 SE Census is the cost of providing programs and services to  
26 general special education services pupils and speech-only pupils as  
27 calculated pursuant to subsection e. of this section; and

28 GCA is geographic cost adjustment.

29 The GCA shall be the geographic cost adjustment developed by  
30 the commissioner and revised by the commissioner every five years  
31 in accordance with receipt of census data, except that GCA shall not  
32 be less than 1.0 for any school district located in a county of the  
33 third class.

34 b. AR Cost shall be calculated as follows:

35  $AR \text{ Cost} = BPA \times ARWENR \times AR \text{ Weight}$

36 where

37 BPA is the base per pupil amount;

38 ARWENR is the weighted enrollment for at-risk pupils of the  
39 school district or county vocational school district, which shall not  
40 include combination pupils; and

41 AR Weight is the at-risk weight.

42 For the 2008-2009 through 2010-2011 school years the at-risk  
43 weight shall be as follows:

**EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 for a district in which the concentration of at-risk pupils is less  
2 than 20% of resident enrollment, the at-risk weight shall equal 0.47;

3 for a district in which the concentration of at-risk pupils is equal  
4 to 20% but less than 60% of resident enrollment, the at-risk weight  
5 shall equal the district's  $((\text{at-risk } \% - 0.20) \times 0.25) + 0.47$ ; and

6 for a district in which the concentration of at-risk pupils is equal  
7 to or greater than 60% of resident enrollment, the at-risk weight  
8 shall equal 0.57.

9 For subsequent school years, the AR weight shall be established  
10 in the Educational Adequacy Report.

11 c. LEP Cost shall be calculated as follows:

12  $\text{LEP Cost} = \text{BPA} \times \text{LWENR} \times \text{LEP Weight}$

13 where

14 BPA is the base per pupil amount;

15 LWENR is the weighted enrollment for the bilingual education  
16 pupils of the school district or county vocational school district,  
17 which shall not include combination pupils; and

18 LEP Weight is the bilingual pupil weight.

19 For the 2008-2009 through 2010-2011 school years the LEP weight  
20 shall be 0.5. For subsequent school years, the LEP weight shall be  
21 established in the Educational Adequacy Report.

22 d. COMB Cost shall be calculated as follows:

23  $\text{COMB Cost} = \text{BPA} \times \text{CWENR} \times (\text{AR Weight} + \text{COMB Weight})$

24 where

25 BPA is the base per pupil amount;

26 CWENR is the weighted enrollment for pupils who are both at-  
27 risk and bilingual;

28 AR Weight is the at-risk weight; and

29 COMB Weight is the combination pupil weight.

30 For the 2008-2009 through 2010-2011 school years the COMB  
31 weight shall be 0.125. For subsequent school years, the COMB  
32 weight shall be established in the Educational Adequacy Report.

33 e. SE Census shall be calculated as follows:

34  $\text{SE Census} = (\text{RE} \times \text{SEACR} \times \text{AEC} \times 2/3) + (\text{RE} \times \text{SACR} \times \text{SEC})$

35 where

36 RE is the resident enrollment of the school district or county  
37 vocational school district;

38 SEACR is the State average classification rate for general special  
39 education services pupils;

40 AEC is the excess cost for general special education services  
41 pupils;

42 SACR is the State average classification rate for speech-only  
43 pupils; and

44 SEC is the excess cost for speech-only pupils.

45 For the 2008-2009 through 2010-2011 school years the State  
46 average classification rate shall be 14.69% for general special  
47 education services pupils and 1.897% for speech-only pupils. For

1 subsequent school years, the State average classification rates shall  
2 be established in the Educational Adequacy Report.

3 For the 2008-2009 school year the excess cost shall be \$10,898  
4 for general special education services pupils and \$1,082 for speech-  
5 only pupils. The excess cost amounts shall be adjusted by the CPI  
6 in the 2009-2010 and 2010-2011 school years as required pursuant  
7 to subsection b. of section 4 of this act. For subsequent school  
8 years, the excess cost amounts shall be established in the  
9 Educational Adequacy Report, with the amounts adjusted by the  
10 CPI for each of the two school years following the first school year  
11 to which the report is applicable.

12 (cf: P.L.2007, c.260, s.9)

13

14 2. Section 13 of P.L.2007, c.260 (C.18A:7F-55) is amended to  
15 read as follows:

16 13. a. Special education categorical aid for each school district  
17 and county vocational school district shall be calculated as follows:

18 
$$SE = (RE \times SEACR \times AEC \times 1/3) \times GCA$$

19 where

20 RE is the resident enrollment of the school district or county  
21 vocational school district;

22 SEACR is the State average classification rate for general special  
23 education services pupils;

24 AEC is the excess cost for general special education services  
25 pupils; and

26 GCA is the geographic cost adjustment as developed by the  
27 commissioner, except that GCA shall not be less than 1.0 for any  
28 school district located in a county of the third class.

29 For the 2008-2009 school year the excess cost shall be \$10,898 for  
30 general special education services pupils. The excess cost amount  
31 shall be adjusted by the CPI in the 2009-2010 and 2010-2011  
32 school years as required pursuant to subsection b. of section 4 of  
33 this act. For subsequent school years, the excess cost amount shall  
34 be established in the Educational Adequacy Report, with the  
35 amount adjusted by the CPI for each of the two school years  
36 following the first school year to which the report is applicable.

37 b. Extraordinary special education aid for an individual  
38 classified pupil shall be available when the student is educated in a  
39 general education classroom, special education program, including  
40 but not limited to a resource program or special class program, or  
41 any combination of general education and special education  
42 programs and services, subject to the requirements and thresholds  
43 set forth in this section.

44 (1) In those instances in which a pupil is educated in an in-  
45 district public school program with non-disabled peers, whether run  
46 by a public school or by a private school for the disabled, and the  
47 cost of providing direct instructional and support services for an  
48 individual classified pupil exceeds \$40,000, for those direct

1 instructional and support services costs in excess of \$40,000 a  
2 district shall receive extraordinary special education State aid equal  
3 to 90% of the amount of that excess in accordance with the  
4 provisions of paragraph (4) of this subsection.

5 (2) In those instances in which a pupil is educated in a separate  
6 public school program for students with disabilities and the cost of  
7 providing direct instructional and support services for an individual  
8 classified pupil exceeds \$40,000, for those direct instructional and  
9 support services costs in excess of \$40,000 a district shall receive  
10 extraordinary special education State aid equal to 75% of the  
11 amount of that excess in accordance with the provisions of  
12 paragraph (4) of this subsection.

13 (3) In those instances in which a pupil is educated in a separate  
14 private school for students with disabilities and the tuition for an  
15 individual classified pupil exceeds \$55,000, for tuition costs in  
16 excess of \$55,000 a district shall receive extraordinary special  
17 education State aid equal to 75% of the amount of that excess in  
18 accordance with the provisions of paragraph (4) of this subsection.

19 (4) Extraordinary special education State aid for an individual  
20 classified pupil shall be calculated as follows:

21 
$$EA = ((ADC - \$40,000) \times .90) + (((AIC - \$40,000) + (ASC -$$
  
22 
$$\$55,000)) \times .75)$$

23 where

24 ADC equals the district's actual cost for the direct instructional  
25 and support services in an in-district public school program as set  
26 forth in paragraph (1) of this subsection;

27 AIC equals the district's actual cost for direct instructional and  
28 support services in a separate public school program as set forth in  
29 paragraph (2) of this subsection; and

30 ASC equals the district's actual cost for tuition paid to a separate  
31 private school as set forth in paragraph (3) of this subsection.

32 (5) The receipt of extraordinary special education State aid for  
33 an individual classified pupil shall be conditioned upon a  
34 demonstration by the district that the pupil's Individualized  
35 Education Plan requires the provision of intensive services,  
36 pursuant to factors determined by the commissioner.

37 c. In order to receive funding pursuant to this section, a district  
38 shall file an application with the department that details the  
39 expenses incurred on behalf of the particular classified pupil for  
40 which the district is seeking reimbursement. Additional State aid  
41 awarded for extraordinary special education costs shall be recorded  
42 by the district as revenue in the current school year and paid to the  
43 district in the subsequent school year.

44 d. A school district may apply to the commissioner to receive  
45 emergency special education aid for any classified pupil who  
46 enrolls in the district prior to March of the budget year and who is  
47 in a placement with a cost in excess of \$40,000 or \$55,000, as  
48 applicable. The commissioner may debit from the student's former

1 district of residence any special education aid which was paid to  
2 that district on behalf of the student.

3 e. The department shall review expenditures of federal and  
4 State special education aid by a district in every instance in which  
5 special education monitoring identifies a failure on the part of the  
6 district to provide services consistent with a pupil's Individualized  
7 Education Plan.

8 f. The commissioner shall commission an independent study of  
9 the special education census funding methodology to determine if  
10 adjustments in the special education funding formulas are needed in  
11 future years to address the variations in incidence of students with  
12 severe disabilities requiring high cost programs and to make  
13 recommendations for any such adjustments. The study and  
14 recommendations shall be completed by June 30, 2010.

15 g. A school district may apply to the commissioner to receive  
16 additional special education categorical aid if the district has an  
17 unusually high rate of low-incidence disabilities, such as autism,  
18 deaf/blindness, severe cognitive impairment, and medically fragile.  
19 In applying for the aid the district shall: demonstrate the impact of  
20 the unusually high rate of low-incidence disabilities on the school  
21 district budget and the extent to which the costs to the district are  
22 not sufficiently addressed through special education aid and  
23 extraordinary special education aid; and provide details of all  
24 special education expenditures, including details on the use of  
25 federal funds to support those expenditures.

26 (cf: P.L.2007, c.260, s.13)

27

28 3. Section 14 of P.L.2007, c.260 (C.18A:7F-56) is amended to  
29 read as follows:

30 14. Security categorical aid for each school district and county  
31 vocational school district shall be calculated as follows:

32  $SA = ((RE \times \$70) + (AREN R \times ARSA)) \times GCA$

33 where

34 RE means the school district's or county vocational school  
35 district's resident enrollment;

36 ARENR means the district's number of at-risk pupils;

37 ARSA means the at-risk security amount; and

38 GCA is the geographic cost adjustment as developed by the  
39 commissioner, except that GCA shall not be less than 1.0 for any  
40 school district located in a county of the third class.

41 For the 2008-2009 through 2010-2011 school years the at-risk  
42 security amount shall be calculated as follows:

43 for a district in which the concentration of at-risk pupils is less  
44 than 40% of resident enrollment, the at-risk security amount shall  
45 equal the district's  $(AR\% \times \$10.15 \times 100)$ ; and

46 for a district in which the concentration of at-risk pupils is equal  
47 to or greater than 40%, the at-risk security amount shall equal \$406.

1 The security cost coefficients, \$70, \$10.15 and \$406, used to  
2 determine the security amount, shall be adjusted by the CPI in the  
3 2009-2010 and 2010-2011 school years as required pursuant to  
4 subsection b. of section 4 of this act. For subsequent school years,  
5 the cost coefficients shall be established in the Educational  
6 Adequacy Report, with adjustments by the CPI for each of the two  
7 school years following the first school year to which the report is  
8 applicable.

9 (cf: P.L.2007, c.260, s.14)

10

11 4. This act shall take effect immediately and shall first apply to  
12 the 2009-2010 school year.

13

14

15

#### STATEMENT

16

17 This bill amends the “School Funding Reform Act of 2008”  
18 (SFRA), P.L.2007, c.260, to require that the county-level  
19 geographic cost adjustment (GCA) established by the Department  
20 of Education is greater than or equal to 1.0 for districts located in a  
21 county of the third class. The purpose of the GCA is to reflect  
22 differences in the cost of providing educational services that are  
23 outside the control of the district and consequently leads to  
24 increases in State aid in some districts and decreases in others. The  
25 bill establishes a minimum GCA for all districts located in  
26 Cumberland, Hunterdon, Salem, Sussex, and Warren Counties.