

SENATE, No. 3675

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MAY 13, 2019

Sponsored by:

Senator KRISTIN M. CORRADO

District 40 (Bergen, Essex, Morris and Passaic)

Senator THOMAS H. KEAN, JR.

District 21 (Morris, Somerset and Union)

Co-Sponsored by:

Senators Pennacchio, Oroho, O'Scanlon and A.R.Bucco

SYNOPSIS

Requires 100 percent of State aid for certain special education students be calculated as categorical aid.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/14/2019)

1 AN ACT concerning special education categorical State aid and
2 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
27 as 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.

32 b. AR Cost shall be calculated as follows:

33 $AR \text{ Cost} = BPA \times ARWENR \times AR \text{ Weight}$

34 where

35 BPA is the base per pupil amount;

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

39 AR Weight is the at-risk weight.

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

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

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 equal
2 to 20% but less than 60% of resident enrollment, the at-risk weight
3 shall equal the district's $((\text{at-risk \%} - 0.20) \times 0.25) + 0.47$; and

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

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

9 c. LEP Cost shall be calculated as follows:

10 $\text{LEP Cost} = \text{BPA} \times \text{LWENR} \times \text{LEP Weight}$

11 where

12 BPA is the base per pupil amount;

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

16 LEP Weight is the bilingual pupil weight.

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

20 d. COMB Cost shall be calculated as follows:

21 $\text{COMB Cost} = \text{BPA} \times \text{CWENR} \times (\text{AR Weight} + \text{COMB Weight})$

22 where

23 BPA is the base per pupil amount;

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

26 AR Weight is the at-risk weight; and

27 COMB Weight is the combination pupil weight.

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

31 e. SE Census shall be calculated as follows:

32 $\text{SE Census} = \text{[(RE} \times \text{SEACR} \times \text{AEC} \times 2/3) + \text{] (RE} \times \text{SACR} \times$
33 SEC)

34 where

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

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

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

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

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

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

1 subsequent school years, the State average classification **[rates]**
2 rate shall 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
5 speech-only pupils. The excess cost **[amounts]** amount shall be
6 adjusted by the CPI in the 2009-2010 and 2010-2011 school years
7 as required pursuant to subsection b. of section 4 of this act. For
8 subsequent school years, the excess cost **[amounts]** amount shall be
9 established in the Educational Adequacy Report, with the amounts
10 adjusted by the CPI for each of the two school years following the
11 first school year 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
$$SE = (RE \times SEACR \times AEC \text{ **[x 1/3]**}) \times GCA$$

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.

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

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

43 (1) In those instances in which a pupil is educated in an in-
44 district public school program with non-disabled peers, whether run
45 by a public school or by a private school for the disabled, and the
46 cost of providing direct instructional and support services for an
47 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. This act shall take effect immediately and shall first apply to
29 the first full school year following the date of enactment.

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31

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STATEMENT

33

34 Under the provisions of the "School Funding Reform Act of
35 2008" (SFRA), P.L.2007, c.260 (C.18A:7F-43 et al.), two-thirds of
36 the excess cost of general special education services pupils is
37 included in the adequacy budget, and therefore, supported on a
38 wealth-equalized basis through equalization aid. The remaining
39 one-third is provided as categorical aid. This bill provides that all
40 of the excess cost of general special education services pupils will
41 be supported through categorical special education State aid.
42 Students who are classified as eligible for speech-only services will
43 continue to be included in the adequacy budget and supported on a
44 wealth-equalized basis.