

ASSEMBLY, No. 1337

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman DeCROCE

1 AN ACT concerning aid for special education and amending P.L.1990,  
2 c.52.

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

6  
7 1. Section 14 of P.L.1990, c.52 (C.18A:7D-16) is amended to read  
8 as follows:

9 14. Each district's special education aid shall be determined in  
10 accordance with the following calculations:

11 a. The number of special education aid units shall be determined by  
12 adding the products obtained by multiplying the pupils in each  
13 category by the appropriate additional cost factors. The additional cost  
14 factors shall be the following:

Special Education Categories	Additional
Cost Factors	
Educable.....	0.60
Trainable.....	0.99
Orthopedically handicapped.....	1.70
Neurologically impaired.....	0.42
Perceptually impaired.....	0.12
Visually handicapped.....	2.79
Auditorily handicapped.....	1.63
Communication handicapped.....	0.84
Emotionally disturbed.....	1.09
Socially maladjusted.....	0.67
Chronically ill.....	2.23
Multiply handicapped.....	1.05
Resource room.....	0.45
Autistic.....	1.84

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

**Matter underlined thus is new matter.**

1	Preschool Handicapped, half day.....	0.30
2	Preschool Handicapped, full day.....	0.60
3	County special services school district	1.38
4	Regional Day schools.....	1.38
5	County Vocational School,	
6	Special Education Services.....	0.59
7	Residential facility for the retarded..	1.72
8	Day training center.....	2.37
9	Residential youth center.....	1.39
10	Training school or correctional facility	0.56
11	Child treatment center or psychiatric	
12	hospital.....	1.03
13	Supplementary and speech instruction..	0.18
14	based on the	
15	number of	
16	pupils	
17	actually	
18	receiving	
19	such	
20	instruction	
21	in the prior	
22	school year	

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24     b. The number of special education aid units for home instruction  
 25 shall be determined by multiplying the number of hours of instruction  
 26 actually provided in the prior school year by 0.0025.

27     c. For the purposes of this section, special education aid shall be  
 28 paid to the districts in which the pupils reside except in the case of  
 29 home, supplementary or speech instruction where aid shall be paid to  
 30 the district providing the service. No tuition may be charged for such  
 31 home, supplementary or speech instruction. For the 1991-92 school  
 32 year special education aid for pupils enrolled in resource room  
 33 programs in county vocational schools or county special services  
 34 schools and for home, supplementary or speech instruction shall be  
 35 paid to the districts in which the pupils reside.

36     d. Special education aid shall equal the number of special education  
 37 aid units multiplied by the State foundation amount, as defined  
 38 pursuant to section 6 of P.L.1990, c.52 (C.18A:7D-6).

39     e. For the 1991-92 school year, aid for all pupils in preschool  
 40 handicapped classes shall be calculated using the additional cost factor  
 41 for half day programs. Beginning with the 1992-93 school year, both  
 42 half day and full day cost factors shall be utilized.

43     f. For each special education pupil whose individualized education  
 44 program requires a residential placement, the school district shall  
 45 receive special education aid in an amount equal to the greater of the  
 46 special education aid for the pupil calculated pursuant to subsection d.

1 of this section or an amount equal to that portion of the cost for the  
2 pupil which exceeds 200 percent of the district's average per-pupil cost  
3 for educating a regular education pupil in the prebudget year.

4 (cf: P.L.1991, c.62, s.10)

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6 2. Section 85 of P.L.1990, c.52 (C.18A:7D-28) is amended to read  
7 as follows:

8 85. a. "Maximum permissible net budget" means the amount  
9 calculated as follows:

10  $PNB = PCI \times PR \times PBY$  where

11 PNB is the maximum permissible increase in the net budget for the  
12 budget year;

13 PCI is the average annual percentage increase in per capita income  
14 as defined in section 3 of P.L.1990, c.52 (C.18A:7D-3);

15 PR is  $1.7442 - (.6460 \times BR)$ , however PR shall not be greater than  
16 1.1628 or less than .9690;

17 BR is the ratio of the district's local levy budget of the prebudget  
18 year to the district's maximum foundation budget for the budget year  
19 as determined pursuant to section 6 of P.L.1990, c.52 (C.18A:7D-6);

20 and

21 PBY is the net budget for the prebudget year.

22 For the purposes of this subsection, the term "net budget" shall not  
23 include State aid received by the district pursuant to section 14 of  
24 P.L.1990, c.52 (C.18A:7D-16) or the district's local levy expenditures  
25 for special education services pupils.

26 b. In determining a district's maximum permissible net budget for  
27 the 1991-92 school year, the district's net budget for the 1990-91  
28 school year shall be increased by the amount of any current expense or  
29 capital outlay surplus which was appropriated in the district's 1990-91  
30 annual school budget.

31 c. Annually through the 1995-96 school year for each special needs  
32 district, the commissioner shall calculate an equity spending cap which  
33 shall provide for a percentage increase in the district's budget that, if  
34 sustained for each year through the 1995-96 school year, would result  
35 in the per pupil budget of the special needs district equalling the  
36 average per pupil budget of the districts included in the Department of  
37 Education's district factor groups I and J. The equity spending cap  
38 shall also allow for those budget items included in the net budget, but  
39 excluded from the local levy budget, to grow annually at the PCI or  
40 CPI, as appropriate. To ensure equity, the commissioner shall also  
41 adjust the calculation of the equity cap, when necessary, to account for  
42 the payment of teacher pension and social security aid.

43 As used in this subsection:

44 CPI is the consumer price index as defined in section 3 of P.L.1990,  
45 c.52 (C.18A:7D-3);

46 PCI is the average annual percentage increase in per capita income

1 as defined in section 3 of P.L.1990, c.52 (C.18A:7D-3); and

2 Per pupil budget is the budget divided by the resident enrollment.

3 d. If, for any year, a special needs district's equity spending cap  
4 determined by the commissioner pursuant to subsection c. of this  
5 section exceeds the maximum permissible increase in the net budget as  
6 determined pursuant to subsection a. of this section, the district may  
7 increase its net budget in accordance with the equity spending cap.

8 e. A board of education of a school district which: (1) for the two  
9 years prior to the prebudget year, has had an annual average increase  
10 in the district's resident enrollment which is greater than two percent;  
11 or (2) between the prebudget year and the year prior to the prebudget  
12 year, has had an increase in the district's local cost for special  
13 education pupils which is greater than five percent; or (3) during the  
14 1990-91 school year but prior to April 1, 1991, has entered into a  
15 lease purchase agreement, may apply to the Commissioner of  
16 Education for a waiver of the expenditure limitation established  
17 pursuant to this section. A board of education of a school district that  
18 sends pupils and pays tuition to a special needs district may apply to  
19 the Commissioner of Education for a waiver of the expenditure  
20 limitation established pursuant to this section. Any waiver granted by  
21 the commissioner pursuant to this subsection shall not be included in  
22 the question on excess expenditures which is to be submitted to the  
23 voters of the district pursuant to subsection f. of this section.

24 f. Any school district may submit a proposal to raise the amount of  
25 tax levy necessary to exceed the maximum permissible net budget  
26 permitted by this section to the legal voters of the district for type II  
27 school districts without a Board of School Estimate and to the Board  
28 of School Estimate for those school districts with a Board of School  
29 Estimate as required during the school budget approval process  
30 pursuant to chapters 22 and 54 of Title 18A of the New Jersey  
31 Statutes and section 13 of P.L.1971, c.271 (C.18A:46-41). The  
32 proposal to raise additional tax levy to exceed the maximum  
33 permissible net budget shall be in addition to the amounts required to  
34 be approved for each school district in accordance with chapters 22  
35 and 54 of Title 18A of the New Jersey Statutes and section 13 of  
36 P.L.1971, c.271 (C.18A:46-41). In the event that a school district's  
37 proposal to raise the tax levy to exceed the maximum permissible net  
38 budget is not approved in accordance with the budget approval  
39 process set forth in chapter 22 of Title 18A of the New Jersey Statutes  
40 for type II districts and for type I districts, chapter 54 of Title 18A of  
41 the New Jersey Statutes for county vocational school districts and  
42 section 13 of P.L.1971, c.271 (C.18A:46-41) for county special  
43 services school districts, that disapproval shall be deemed final and  
44 shall not be subject to further review or appeal.

45 (cf: P.L.1991, c.62, s.19)

1       3. This act shall take effect immediately.

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STATEMENT

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6       This bill provides a revised formula for calculating State aid in the  
7 case of a special education pupil whose individualized education  
8 program (IEP) requires a residential placement. Under the bill, a  
9 district would receive the amount of the aid now provided under the  
10 formula or an amount equal to that portion of the cost for the pupil  
11 which exceeds 200 percent of the district's average per-pupil cost for  
12 educating a regular education pupil in the prebudget year, whichever  
13 amount is greater.

14       In addition, the bill exempts expenditures for special education from  
15 the cap now imposed on the amount of the annual increase which is  
16 permitted in a school district budget.

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21       Provides revised formula to calculate aid for certain special education  
22 pupils and exempts special education expenditures from budget cap.