

ASSEMBLY, No. 175

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman HAROLD "HAL" J. WIRTHS

District 24 (Morris, Sussex and Warren)

Assemblyman PARKER SPACE

District 24 (Morris, Sussex and Warren)

SYNOPSIS

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

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



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 county.

33 b. AR Cost shall be calculated as follows:

34 $AR \text{ Cost} = BPA \times ARWENR \times AR \text{ Weight}$

35 where

36 BPA is the base per pupil amount;

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

40 AR Weight is the at-risk weight.

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

43 for a district in which the concentration of at-risk pupils is less
44 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 for a
4 district in which the concentration of at-risk pupils is equal to or
5 greater than 60% of resident enrollment, the at-risk weight shall
6 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 $\text{SE Census} = (\text{RE} \times \text{SEACR} \times \text{AEC} \times 2/3) + (\text{RE} \times \text{SACR} \times \text{SEC})$

33 where

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

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

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

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

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

43 For the 2008-2009 through 2010-2011 school years the State
44 average classification rate shall be 14.69% for general special
45 education services pupils and 1.897% for speech-only pupils. For
46 subsequent school years, the State average classification rates shall
47 be established in the Educational Adequacy Report.

1 For the 2008-2009 school year the excess cost shall be \$10,898
2 for general special education services pupils and \$1,082 for speech-
3 only pupils. The excess cost amounts shall be adjusted by the CPI
4 in the 2009-2010 and 2010-2011 school years as required pursuant
5 to subsection b. of section 4 of this act. For subsequent school
6 years, the excess cost amounts shall be established in the
7 Educational Adequacy Report, with the amounts adjusted by the
8 CPI for each of the two school years following the first school year
9 to which the report is applicable.
10 (cf: P.L.2007, c.260, s.9)

11

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

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

16
$$SE = (RE \times SEACR \times AEC \times 1/3) \times GCA$$

17 where

18 RE is the resident enrollment of the school district or county
19 vocational school district;

20 SEACR is the State average classification rate for general special
21 education services pupils;

22 AEC is the excess cost for general special education services
23 pupils; and

24 GCA is the geographic cost adjustment as developed by the
25 commissioner, except that GCA shall not be less than 1.0 for any
26 county.

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

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

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

1 to 90% of the amount of that excess in accordance with the
2 provisions of paragraph (4) of this subsection.

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

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

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

19
$$EA = ((ADC - \$40,000) \times .90) + (((AIC - \$40,000) + (ASC -$$

20
$$\$55,000)) \times .75)$$

21 where

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

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

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

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

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

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

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

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

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

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

25
26 3. Section 14 of P.L.2007, c.260 (C.18A:7F-56) is amended to
27 read as follows:

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

30
$$SA = ((RE \times \$70) + (AREN \times ARSA)) \times GCA$$

31 where

32 RE means the school district's or county vocational school
33 district's resident enrollment;

34 AREN means the district's number of at-risk pupils;

35 ARSA means the at-risk security amount; and

36 GCA is the geographic cost adjustment as developed by the
37 commissioner, except that GCA shall not be less than 1.0 for any
38 county.

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

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

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

46 The security cost coefficients, \$70, \$10.15 and \$406, used to
47 determine the security amount, shall be adjusted by the CPI in the
48 2009-2010 and 2010-2011 school years as required pursuant to

1 subsection b. of section 4 of this act. For subsequent school years,
2 the cost coefficients shall be established in the Educational
3 Adequacy Report, with adjustments by the CPI for each of the two
4 school years following the first school year to which the report is
5 applicable.

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

7

8 4. This act shall take effect immediately and shall first apply to
9 the 2018-2019 school year.

10

11

12

STATEMENT

13

14 This bill amends the “School Funding Reform Act of 2008”
15 (SFRA), P.L.2007, c.260, to require that the county-level
16 geographic cost adjustment (GCA) established by the Department
17 of Education is greater than or equal to 1.0 for all counties. The
18 purpose of the GCA is to reflect differences in the cost of providing
19 educational services that are outside the control of the district and
20 consequently leads to increases in State aid in some districts and
21 decreases in others. Under current law, 12 counties, Atlantic,
22 Burlington, Camden, Cape May, Cumberland, Gloucester,
23 Monmouth, Ocean, Passaic, Salem, Sussex, and Warren Counties,
24 have a GCA of less than 1.0.