



The New Jersey Coalition for Special Education Funding Reform

Recommendations for Special Education Funding September 2007

Background:

The Coalition for Special Education Funding Reform is comprised of nine statewide, not-for-profit organizations concerned with special education funding and policy. Organized in 1996, as the Comprehensive Educational Improvement Financing Act (CEIFA) was developed, the Coalition was successful in influencing the new special education funding formula. Since then, our group has continued to monitor issues affecting special education funding and special education policy.

We seek a special education funding mechanism that is adequate, efficient, equitable, predictable, flexible, transparent, fully placement-neutral, and is accountable for both spending and student outcomes.

The Coalition includes:

- The Alliance for the Betterment of Citizens with Disabilities (ABCD);
- The Association for Children of New Jersey (ACNJ);
- The Arc of New Jersey;
- ASAH, formerly the Association of Schools and Agencies for the Handicapped;
- The Coalition for Inclusive Education;
- The NJ Center for Outreach and Services for the Autism Community (COSAC);
- The Education Law Center;
- New Jersey Protection and Advocacy, Inc. (NJP&A); and
- The Statewide Parent Advocacy Network (SPAN).

Our recommendations are summarized below in eight key areas:

Data based Policy Decisions & Accountability

1. First and foremost, the Coalition strongly urges New Jersey to conduct a scientifically-validated, longitudinal outcomes study to examine the lives of adults who, as students, received special education services in New Jersey. We invest millions of dollars in educating students with disabilities, but objective data on these students in adult life is absent. We need to identify variables that affect positive outcomes in order to make informed decisions about education policy and funding. We note that the U.S. Department of Education's State Performance Plan, mandated by the Individuals with Disabilities Education Act, requires states to measure the outcomes of special education for youth with disabilities.

State Funding for Special Education

2. The level of state special education aid provided to a district should be based on a student's needs, not a district's ability to pay. We oppose any effort to link special education aid to local district wealth. Such a move would have a negative impact on students with disabilities and would discourage districts with resources from developing quality special education programs and services. It would create a fiscal incentive for poorer districts to over-identify students, and, conversely, would discourage wealthy districts from identifying students who may need special education. It would have a particularly negative impact on students who move from one district to another. *This recommendation was supported by the Special Education Review Commission (SERC), established by the New Jersey Legislature to provide recommendations regarding special education services and funding.*

3. The New Jersey Department of Education (NJDOE) should establish a single, consistent accounting methodology for determining the actual cost of special education, and for setting tuition to be used for all programs – public and private. New Jersey lacks data on the actual excess costs of special education needed to make informed decisions regarding the funding of special education services. Data available from NJDOE show a highly irregular set of public school tuition rates for self-contained special education programs – no costs data whatsoever are available from NJDOE on the full excess costs of inclusive programs and services.

The Coalition strongly urges the State to commission an independent study to **determine the full actual excess costs** of providing special education services on a statewide and regional basis, using the A41, A42 accounting option established by the NJDOE. Currently, most districts in New Jersey use a ratio method for assigning certain costs. This allows costs to be assigned to classrooms that do not have students in them, resulting in certified public school tuition rates for special education which are inaccurate and in some cases, meaningless. Moreover, public school tuition rates cannot be compared to private school rates, which reflect *all* costs, e.g., pension, retirement benefits, debt service, facilities. Public school tuition excludes these costs because they are paid by *state* tax dollars, not *local* tax dollars. This accounting difference allows public schools to report tuition rates that are lower than the full actual cost. *This recommendation was also endorsed by the SERC.*

Note: Our recommendation to determine the actual excess costs of special education does not suggest that our coalition supports state funding for the full excess costs of special education.

4. New Jersey should preserve a weighted categorical funding system for special education, but base it on the intensity of student need. Disability categories and program categories do not reliably capture the costs of educating a particular student. We recommend that the current tiered system be reviewed and revised to reflect the intensity of services provided, and the actual cost of those services. In addition, the Coalition urges NJDOE to make the weighting process more transparent. *This too, was a recommendation of the SERC.*

5. New Jersey should provide additional funds to districts serving students with highly specialized, intensive special education needs though an 'extraordinary services' special

education aid supplement. This aid should be generated based on the services in a student's IEP – not the cost of the placement – and the aid should be transportable across placements, so that districts working to return students who are in self-contained settings and who receive intensive services do not risk losing state aid. We urge the Legislature to fully fund this supplemental aid so that any district educating a student with unusually intensive service needs can receive an adequate level of additional state funding. *This recommendation was supported by the SERC.*

Further, the NJDOE should revise its practice of excluding certain costs of educating students in inclusive settings and in-district programs from the calculation of the total cost of educating that student, when those same costs are included in out-of-district tuition rates. This means that, in effect, students who are educated in-district must cost more to generate extraordinary aid than students educated out-of-district, which violates the placement-neutral funding requirements of federal law.

Improved Coordination of Services and Improved Public/Private Collaboration

6. New Jersey should establish a statewide database to track the type and capacity of all self-contained programs –public and private – which serve students with disabilities. *This was a recommendation of the SERC.*

7. NJDOE should facilitate shared special education services within the county or region. The shared services should include but not be limited to direct services, e.g., specialized evaluations, related services such as occupational therapy, physical therapy, speech therapy, nursing services, counseling, personnel development and technical assistance. We also support efforts to help districts develop high quality in-district inclusive programs and services, training regarding inclusive education, positive behavior supports, transition to adult life, and parent/professional collaboration. We urge that separate programs with specialized expertise – public and private – be considered as a resource for local districts seeking training, consultation and program development services to provide services to students with disabilities in-district and in inclusive settings. *This recommendation was supported by the SERC and is consistent with recommendation #20 of the Joint Legislative Committee on School Finance (JCSF).*

8. New Jersey should increase opportunities for schools, both public and private, to share equipment and assistive technology (AT). We support coordinated efforts to disseminate information about existing loan and re-circulation of equipment and AT centers, to provide training and technical assistance regarding AT, and to establish an AT lending library. *This is consistent with recommendations supported by the SERC and with recommendation #20 of the JCSF.*

9. New Jersey should promote increased collaboration between local school districts and separate, self-contained programs – public and private – which solely serve students with disabilities so that these programs can be located in local public school buildings and integrated in the general education program. *This recommendation is supported by the SERC and is consistent with recommendation #20 of the JCSF.*

Transportation

10. New Jersey should enhance coordination and regionalization of pupil transportation services to increase efficiency and reduce costs. In addition, NJDOE should examine the benefits of establishing a state academic calendar. *Both of these recommendations were supported by the SERC.*

Pre-referral Intervention Services

11. New Jersey should facilitate effective general education pre-referral intervention services in an effort to reduce inappropriate classification for special education services. We urge, however, that protections be put in place to ensure that the appropriate referral of children with disabilities to special education is not delayed. *This was strongly recommended by the SERC and is consistent with recommendation #18 of the JCSF.*

12. New Jersey should establish a dedicated flat grant to districts based on enrollment, in order to enhance the general education program and provide appropriate pre-referral intervention services, in addition to the weighted categorical aid system. *This was endorsed by the SERC and is consistent with recommendation #18 of the JCSF.*

Facilities

13. The Legislature should amend the “Educational Facilities Construction and Financing Act” and its implementing regulations to require local districts to plan for and provide suitable facilities for students with disabilities. We caution, however, that legislative or policy efforts to advance this goal not be limited to ensuring adequate special education classroom space, and development of a special education “wing” in a building must be clearly proscribed. Rather, architectural elements of Universal Design must be applied to all new school construction so that students with a full range of physical, behavioral and learning disabilities may be served, to the extent appropriate, in the general education classroom. New school facilities must also include space dedicated for training, program consultation and supervision to ensure the high quality of special education services. *This is supported by recommendation #19 of the JCSF.*

14. NJDOE should be required to verify the need for all self-contained special education programs, public or private; the new construction of separate buildings solely for students with disabilities; and the retrofitting of buildings for such purposes.

Budget Controls

15. We urge that special education costs be placed OUTSIDE any proposed revenue cap. To do otherwise causes animosity between general education and special education services at the local level, and places unnecessary “blame” on students with disabilities and their families for the cost of special education. *This was a key recommendation of the SERC.*

Early Childhood

16. We support efforts to require full-day kindergarten for all students, and to provide state aid for high quality preschool programs for all students. Public programs will allow more kindergartners and preschoolers with disabilities the opportunity for inclusive placements. *This was also a recommendation of the SERC. This is also consistent with recommendation #28 of the JCSF.*