



The New Jersey Coalition for Special Education Funding Reform

Comments before the New Jersey Assembly Budget Committee

-- March 19, 2012--

Thank you, Mr. Chairperson and other members of this committee, for the opportunity to share our thoughts about the proposed 2012-2013 state budget.

My name is Ruth Lowenkron. I represent the New Jersey Coalition for Special Education Funding Reform.

Our coalition formed in 1996, and is comprised of statewide organizations concerned with special education funding and policy. Collectively, we represent tens of thousands of parents and advocates for students with disabilities.

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

I begin by expressing our support for the Governor's proposed increases to education of \$213 million. We are particularly pleased to note that the base rate for special education students has, for the first time in years, been increased in the proposed budget from roughly \$11,000 to roughly \$15,000.

We thank the Governor for his support of special education and urge the Legislature to maintain these increases. We note however, as do many other advocates for school children in New Jersey, that even with this increase, most New Jersey school districts find themselves with less, not more, aid for special education than they had three years ago. In addition, because special education funding is not dedicated funding, increases to special education funding can be used to offset the failure to increase general education, to the detriment of children with disabilities. Moreover, the failure to increase the base rate for general education hurts children with disabilities, as well as their non-disabled peers.

Furthermore, we will once again go on record with an unlikely message: "It is not always a matter of more money; it is a matter of smarter money."

Policy must be informed by objective data in areas such as funding, costs and best practices. To that end, we urge the State of New Jersey to conduct a scientifically validated, longitudinal outcomes study to examine the lives of adults who, as students, received special education services. We invest millions of dollars educating students with disabilities, but objective data on

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their lives as adults is missing. We need to identify variables that affect positive outcomes in order to make informed decisions.

In addition, we believe:

- 1) New Jersey should commission an independent study to examine the full actual excess cost of special education. We lack accurate, objective cost data. Published tuition rates for public school programs are very misleading and fail to capture the full excess costs to taxpayers.
- 2) There should be a moratorium on the construction of new public school buildings to be used primarily for students with disabilities. Taxpayer dollars are better spent improving and expanding local school capacity, not building and financing new separate buildings.
- 3) Public/private partnerships should be directly encouraged to help bring high quality, specialized services into all settings.
- 4) Student transportation should be regionalized, and the New Jersey Department of Education (NJDOE) should increase opportunities for districts to share equipment and assistive technology.
- 5) NJDOE should do more to facilitate effective pre-referral intervention, which may reduce the need for special education services.

Last, the Coalition urges that the state funding mechanism for special education be revisited so that aid is generated based not on a statewide average and a statewide percentage, but rather on a student's needs, and provided in such a way that money can follow the student across placements.

Last fall, NJDOE released the findings of an independent research firm calling for a sweeping overhaul of the way in which the State distributes aid to local districts to help them cover the costs of special education. Augenblick Palaich and Associates, a Denver-based, private consulting firm, was contracted by NJDOE to analyze New Jersey's census-based special education funding formula. The report, "An Analysis of New Jersey's Census-Based Special Education Funding System," and its findings strongly support the position of the Coalition.

The report chides NJDOE for its failure to collect and use meaningful data to drive decision-making, and identifies major inconsistencies in the ways in which local districts collect data as it relates to costs.

For example, in reporting "per pupil expenditure data" for students with multiple disabilities, local districts report an average excess cost of roughly \$28,000 per student, but the specific costs per pupil ranges from \$51 for one particular student to \$409,000 for another student. The difference, according to the report, is due to gross disparities from district to district in the ways in which certain expenses are allocated across budget lines.

The report calls for major changes.

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First and foremost according to the independent experts, NJDOE must begin to collect and use data “in a manner that allows for analysis of both where students are being served, and the costs of serving different types of students.” In addition, the report calls on NJDOE to undertake an analysis of special education enrollment patterns and costs associated with services across district sizes and types.

The report concluded that New Jersey should do two things:

- 1) Return to a system that funds special education based on actual enrollment, not a statewide census. Notably, this was also recommended by the non-partisan New Jersey Office of Legislative Services last year.
- 2) Return to a system that differentiates funding for higher cost students before the threshold for “extraordinary costs” kicks in.

We urge the Legislature to mandate accurate data collection, along with data-driven decision-making. Without it, we are guessing with billions of taxpayer dollars, and, more importantly, with the educational lives of millions of New Jersey’s school children with disabilities.

Thank you for your consideration.