

A Formula for Success:
All Children, All Communities

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Introduction

After years of a court-driven, ad-hoc approach to school funding, the New Jersey Department of Education (Department) is proposing a new funding formula designed to ensure that all children in all communities have the opportunity to succeed. The proposal is a culmination of five years of work by the Department to develop an equitable and predictable way to distribute State aid for education.

The current formula, the Comprehensive Educational Improvement and Financing Act (CEIFA), was enacted in 1996. In its decision in *Abbott v. Burke*, 149 NJ 145, 177 (1997) (“Abbott IV”), the NJ State Supreme Court found that the funding provisions of CEIFA were unconstitutional as applied to the Abbott districts (also referred to as special needs districts or SNDs). Although the CEIFA formula included provisions for districts and schools with high concentrations of poverty, the Supreme Court stated:

“The amount of aid provided for those programs... is not based on any actual study of the needs of the students in the SNDs or the costs of supplying the necessary programs” (Abbott IV at 180).

In the absence of documentation demonstrating that the CEIFA model provided sufficient resources to educate students in districts with high concentrations of poverty, the Court required an interim remedy: Abbott districts would receive “parity aid,” or an amount equal to the average regular education per pupil expenditures in the State’s wealthiest districts. The following year, in *Abbott v. Burke*, 153 NJ 480 (1998) (“Abbott V”), the Court held that Abbott districts could also seek supplemental funding over parity to support particularized needs.

The CEIFA formula was calculated from fiscal year 1998 through fiscal year 2002. Since that year, the formula has not been run and State aid has been distributed based on district demographics and other characteristics existing in FY 2002. During that time period, litigation over various aspects of funding for the Abbott districts continued, and in May 2006, the Department informed the Court that the creation of a new funding formula was a Departmental priority and that it was committed to develop a funding formula that would meet the needs of all students and would address the inequities that had resulted from the imbalance of increased funding targeted primarily to Abbott districts.

The need for a permanent, formulaic remedy for all districts has been the driving force behind the work of the New Jersey Department of Education. Since 2002, the last year in which CEIFA was calculated, many districts have experienced significant demographic shifts that have not been accounted for or reflected in the distribution of state aid. Currently, 49% of low income students live outside of Abbott districts. Moreover, any increases in aid have been highly unpredictable, which has hindered all school districts in planning and budgeting for each upcoming school year. The Department recognizes the need to fund districts based on actual community characteristics, and is committed to implementing a new formula that can equitably be applied to all school districts beginning in fiscal year 2009.

Background: Work Leading up to December 2006

In 2002, the Department hired the consultant firm Augenblick, Palaich and Associates (APA) to assist in estimating the cost of providing an adequate education to the students of New Jersey. The consultants worked with Department staff to facilitate two separate cost analyses. The methods used were: Successful School Districts (SSD); and Professional Judgment Panels (PJP). Both approaches are described in detail in the *Report on the Cost of Education in New Jersey (RCE)*, which is available on the Department's website for the reader's reference.¹

The Successful School District approach has been used to study educational costs in at least eight other states,² typically in conjunction with other methodologies. One of the major drawbacks to this method is that it cannot be used to identify the additional costs associated with students that have special needs. Given its limitations, and the fact that the New Jersey cost estimates were similar to the PJP base costs, the SSD method was ultimately rejected in favor of the PJP results described below.

The Professional Judgment method has been used in at least 13 other states to estimate education costs.³ This approach assembles panels of professionals to identify resources (including equipment, personnel, and programs) for representative model school districts. Panelists are asked to identify resources that would be sufficient to educate all students, including students with additional needs. After the panelists determine the resources, costs are assigned to the various resources using actual cost data. Since resources are specified separately for students with special needs, it is possible to estimate the base costs for education, as well as the additional costs associated with at-risk, limited English proficient, and special education students.

In facilitating the PJP process in New Jersey, APA worked with Department staff to create representative model school districts and assemble three panels. The panelists were asked to identify a set of resources sufficient for districts to enable students to meet the State's Core Curriculum Content Standards. The first panel was comprised of Department staff, while the two subsequent panels consisted exclusively of professionals in the field. The later panels were not restricted in their modifications – the changes of each successive panel replaced the previous panel's work – so the final panel's results were the final resources to which the costs were applied.

Once the panelists specified the resources, Department staff applied actual cost data to the model resources. The state median salaries from the fall 2004 certificated staff data collection were applied for all certificated staff, while the non-certificated staff salaries were taken from the Bureau of Labor Statistics' New Jersey data (May 2005).

After the unit costs were applied to the models, consultants from APA developed formulas so the Department could estimate adequate costs in any school district, accounting for demographic differences as well as district size and configuration (elementary, K-12, and high school districts). The costs were then adjusted using the Geographic Cost of Education Index developed by Jay Chambers to account for district-level differences in the cost of living and the difficulty of hiring

¹ The *Report on the Cost of Education (RCE)* can be found at: <http://www.state.nj.us/education/sff/report.pdf>

² Found at: http://www.schoolfunding.info/resource_center/costingoutprimer.php3 ; accessed Oct. 18, 2007.

³ Found at: http://www.schoolfunding.info/resource_center/costingoutprimer.php3 ; accessed Oct. 18, 2007.

and retaining teachers.⁴ On December 12, 2006 the results of the study, along with the cost estimates, were released in the *Report on the Cost of Education*.

⁴ See the *RCE*, p. 17, for more details on the Geographic Cost of Education Index and a link to Chambers' study.

Public Response & Department Action

Public Comment

On the same day the *Report on the Cost of Education* was released, the Department announced formal hearings to invite public testimony on the contents of the report. Three hearings were scheduled for Dec. 18, 2006. Three additional hearings were subsequently scheduled for January 24 and January 25. In order to maximize public accessibility, the hearings were scheduled for morning, afternoon, and evening. In total, there were eight locations from which participants could testify, each in a different county. A live “webcast” of each hearing was available online, and a link was provided on the Department’s website. The Department also received many written letters regarding the publication and State aid issues.

Department staff attended the hearings and summarized the comments and suggestions. The most commonly cited concerns are listed below:

- 1) In calculating personnel costs, salary figures should be updated and the mean, rather than the median, salary should be used.
- 2) The cost for benefits should be based on current spending patterns and should reflect different benefit rates for certificated and non-certificated staff, rather than a percentage of salary.
- 3) The definition of at-risk students should be expanded to include students eligible for reduced-priced lunches. Commenters also expressed concern that there were too few security guards in schools with high concentrations of at-risk students.
- 4) The actual costs for special education should be studied.
- 5) The formula should include an adjustment for cost of living differences based on more current data than the Chambers’ index used in the *RCE*.
- 6) Pre-kindergarten programs are essential for districts that serve large populations of low-income students and support for the existing programs should not be reduced with the implementation of a new formula.
- 7) Concerns were raised regarding the involvement of Department staff in the first round of PJP panels.

In response to the initial round of hearings, the Department hired three experts in the field of school finance to review and comment on the work that was published. Their report is more fully described in the following section. At the same time, the Department worked with APA to update the *RCE* using more current cost figures by increasing the non-personnel costs to reflect two years of inflation and updating the salaries using data from the latest year available (fall 2005 Certificated Staff data). The consultants from APA were also asked to modify the calculations of the various student weights that resulted from the updating of these costs. The results of this update were published as an appendix to the *RCE* on the Department’s website on January 19, 2007 and are still available for reference.⁵

⁵ The Updated Appendix on the *RCE* can be found at: <http://www.state.nj.us/education/sff/appendix/>

Expert Review

In January 2007, the Department retained the services of three school finance experts -- Allan Odden from the University of Wisconsin-Madison, Lawrence Picus from the University of Southern California, and Joseph Olchefske from the American Institutes for Research -- to review and comment on the contents of the *Report on the Cost of Education*. Odden then condensed the individual comments into a single report. Odden's final review, including an appendix containing the individual reviews, was released on February 5, 2007. The report is available on the Department's School Funding website.⁶

These experts analyzed the resources identified by the PJP process using an evidence-based (EB) approach and found that the PJP model resources met or exceeded the EB standards in the following areas: class size and number of teachers; support staff; central office resources; books, materials, equipment; student activities; resources for English Language Learners.

The reviewers identified three areas where they felt that additional resources were needed:

- 1) *At-risk student weights*: The resources for at-risk students are similar to those recommended by the EB standards. However, the EB model includes more students in the definition of at-risk students. Odden's report recommended that the definition of at-risk be expanded to include students eligible for reduced-priced lunches. In addition, he recommended that the weight for at-risk students should not decrease as the concentration of at-risk students increases. Instead, he suggested that the Department apply a uniform weight for each eligible student regardless of the district's at-risk concentration (p.12, 15).
- 2) *Salaries*: Odden's report recommended that the Department use mean salaries to determine the model costs rather than median salaries as set forth in the *RCE* (p.8).
- 3) *Professional Development*: Odden further suggested increasing the cost allocation for professional development (p.7).

In addition, the three experts proposed specific recommendations for further analysis by the State. They did not necessarily identify a deficiency in these areas, but simply offered suggestions for analysis or improvement. The following is a summary of their recommendations for further study:

- 1) *Substitute pay*: The Department should consider comparing the \$100 allocated as the per diem rate for substitutes with actual district costs (p.6).
- 2) *Benefits*: While the 20% benefit rate assumption seems reasonable, it may not be adequate for employees with salaries that are lower than teacher salaries. The Department should examine actual costs for benefits (p.7).
- 3) *Geographic Cost Adjustment*: The Department should consider using a newer cost adjustment (p.7).

The experts concluded that the PJP model was, for the most part, satisfactory for providing a sufficient level of resources to ensure delivery of an adequate education:

⁶ Odden's review can be accessed directly at: <http://www.state.nj.us/education/sff/reports/summary.pdf>

All three reviewers expressed general support for the recommendations contained in the *NJ Report*. Both Picus and Odden, using the EB frame, concluded that the recommendations in the *NJ Report* (with the exceptions noted above) met nearly all of the common standards of the EB approach. Olchefske, using his frame for creating a weighted student formula, also expressed clear support for the general recommendations in the *NJ Report* [on the Cost of Education]. We believe the recommendations could serve as the basis for a new, and simpler school finance formula.⁷

The Department of Education published the expert reviews on its School Funding website, and began internal deliberations over the recommendations. Beginning in January 2007, Department staff worked to compare the recommendations from all sources, and to consider additional modifications that would enhance the PJP-derived resource model.

Advisory Panel

In June 2007, the Department began meeting with three consultants -- Thomas Corcoran from the Teachers College at Columbia University, Susanna Loeb from Stanford University, and David Monk from Pennsylvania State University -- to develop final recommendations for a new funding formula. During the course of the summer, the advisory panel reviewed the work of the Department, as well as stakeholder and expert comments, and assisted the Department in analyzing and revising the formula proposal.

Stakeholder & Legislator meetings

In April 2007 the Department scheduled the first of several stakeholder/legislator meetings in order to discuss specific issues with those individuals and organizations most interested in the development of the school funding formula. All New Jersey State legislators were invited to attend. The first meeting topic was the process of developing the adequacy budgets, and included a presentation from the consulting firm that implemented the PJP cost study (APA). Additional meetings with both legislators and stakeholders took place throughout the summer at the Statehouse and the NJ Department of Education. The issues covered at these meetings were: transportation and property tax issues; school choice, charter schools, vocational schools; early childhood education; and special education. On November 30, 2007, the Governor and the Commissioner presented the concepts and framework of the funding formula proposal to stakeholders, and on December 12, 2007, the Governor and Commissioner met again with legislators and stakeholders to discuss a detailed description of the proposal.

A chronology of the development of the new school funding formula is included in Appendix A.

⁷ Odden, Allan. "Final Report on the Reviews of the *Report on The Cost of Education in New Jersey*" p.15. Found at: <http://www.state.nj.us/education/sff/reports/summary.pdf>

Determining Adequate Costs

In response to public concerns, and with the guidance of the advisory panel, the Department has made several changes to the adequacy budget since the December publication of the *Report on the Cost of Education*. This section describes the changes and presents the base costs for educational services, and the additional costs for students with additional needs. All costs and weights presented in this section are summarized in the Appendices. The base cost for elementary students, along with all student weights are listed in Appendix C. Appendix D shows the actual per pupil cost range for each of the categories as they are calculated when the weights are applied. Finally, the updated resources and costs for the base amounts, LEP, and at-risk students are provided in Appendix E, Tables 1 through 5a.

Representative Model District

In consultation with the advisory panel, the Department decided to use only one representative model for determining adequacy budgets for all districts. The six models that were previously published exhibited higher base costs for smaller districts and for elementary districts. This created financial incentives for small and limited purpose districts, which is contrary to the State's goal of encouraging regionalization. Of the two K-12 models that accounted for high proportions of at-risk students, large and very large, the large model was chosen. The large model has a higher base cost, and the enrollment specifications are representative of more districts than the very large model. Consequently, the final proposal uses only the large K-12 representative district to determine the base adequacy amount for all districts.

Another modification since the December publication is the fact that the new base amounts are specified at the elementary level, with higher costs allocated for middle school and high school students. This is the same method that was used in CEIFA. In response to public criticism, expert comments, and guidance from the advisory panel, the Department concluded that this method better reflects the higher costs associated with educating students in the upper grade levels. Using the costs from the large K-12 representative district from the PJP process, the weights are derived by calculating the ratio of the base costs at the middle school and high school relative to the base cost in the elementary school.

Salary & Benefit Adjustments⁸

The Department has adopted the recommendation to use mean salaries in the model. Further, the salaries were updated to reflect the most recently available data – fall 2006 for certificated staff and May 2006 data from the Bureau of Labor Statistics (BLS) for non-certificated staff. The benefits were also updated to reflect actual benefits for certificated versus non-certificated staff. By inflating actual calendar year state health benefits 2007 data, the Department determined that the medical benefits for fiscal year 2009 would be \$12,305 per personnel. Using actual data, the Department

⁸Tables 5 and 5a were added to Appendix E on December 18, 2007 to show the updated salary and benefit calculations.

projected the following additional benefit rates for fiscal year 2009: worker's compensation 0.84%; Public Employees' Retirement System (PERS) 7.3%; Federal Insurance Contributions Act (FICA) 7.65%. Since the State pays the district's share of pension and FICA for certificated staff, only the workers' compensation and medical benefits were applied for these employees. For non-certificated staff, all actual benefit rates as well as the medical benefits were applied.

Cost Adjustments for Inflation & Geography

The Department made other adjustments to determine an estimate for fiscal year 2009, the anticipated year of implementation. In addition to the above salary and benefit adjustments, all salaries were increased by inflation. Certificated staff salaries from 2006-07 were inflated by 2 years of the New Jersey Consumer Price Index for All Urban Consumers (NJ CPI-U) as calculated by New Jersey Department of Treasury. Non-certificated staff salaries from May 2006 BLS data were inflated by 3 years of the NJ CPI. The \$100 allocation for the daily rate for substitute teachers was increased by the NJ CPI up to \$127 for FY09. All non-personnel costs were adjusted from the 2005-06 data that were previously released in the *RCE* by the NJ CPI except for Energy. Costs for utilities were inflated for three years from the original PJP cost estimates using the Consumer Price Index for Energy for New Jersey⁹ to reflect the substantial increase in energy prices during this time.

The Department also agreed that the geographic cost adjustment used in the December publication is out of date, and should be replaced with a more current adjustment. An alternative index, by Lori L. Taylor and William J. Fowler Jr., was published in May 2006 by the National Center for Education Statistics (NCES).¹⁰ It is a "Comparable Wage Approach" that is a regional index based on 2000 Census data. The Department replicated Taylor/Fowler's methods to create an index unique to New Jersey. Consistent with Taylor/Fowler study, the Department used census data to determine the relative differences in wages¹¹ between counties, while controlling for a variety of factors, including occupation and industry codes, educational attainment and age. The Department incorporated recently available data from the 2005 Census, and developed a county level index. The resulting geographic cost index is presented in Appendix B.

Other Adjustments to the Base Cost Amount

Other modifications were made that affected the base cost amount. In consultation with the advisory panel, the Department added a line item to the PJP resources for capital improvements. An amount of \$175 per pupil is used for the fiscal year 2009 adequacy estimates. This number was derived from the fiscal year 2008 efficiency standards that make up the foundation of the CEIFA formula, and were inflated by one year. The amount is notably higher than the \$117 per pupil actual average

⁹ The calculation for inflation in the Energy CPI for NJ employed the same method used by the NJ Department of Treasury for calculating inflation using the CPI-U.

¹⁰ *A Comparable Wage Approach to Geographic Cost Adjustment* can be found at NCES. The .pdf file is at the following address: <http://nces.ed.gov/pubs2006/2006321.pdf>.

¹¹ Wages of K-12 teachers were excluded consistent with the Taylor/Fowler methodology.

expenditure for capital found by Departmental analysis. In addition, the Department decided to remove the costs for security from the base adequacy cost and fund them instead as a separate aid category. This is described in more detail in a subsequent section.

The Department determined that some additional resources for professional development are warranted. The Department recognizes that since State and district initiatives are ever changing, districts should be provided with sufficient resources to assist teachers in meeting new standards, and incorporating new technology and teaching methods. Consequently, the Department added nine coach/facilitators at the district level and an allocation of \$20,000, both identified for supplemental professional development. Other changes to the base cost include a reduction in the insurance allocation to reflect worker's compensation that was added to benefits, and an increase in audit and grounds/maintenance to account for resources that were included in other K-12 models.

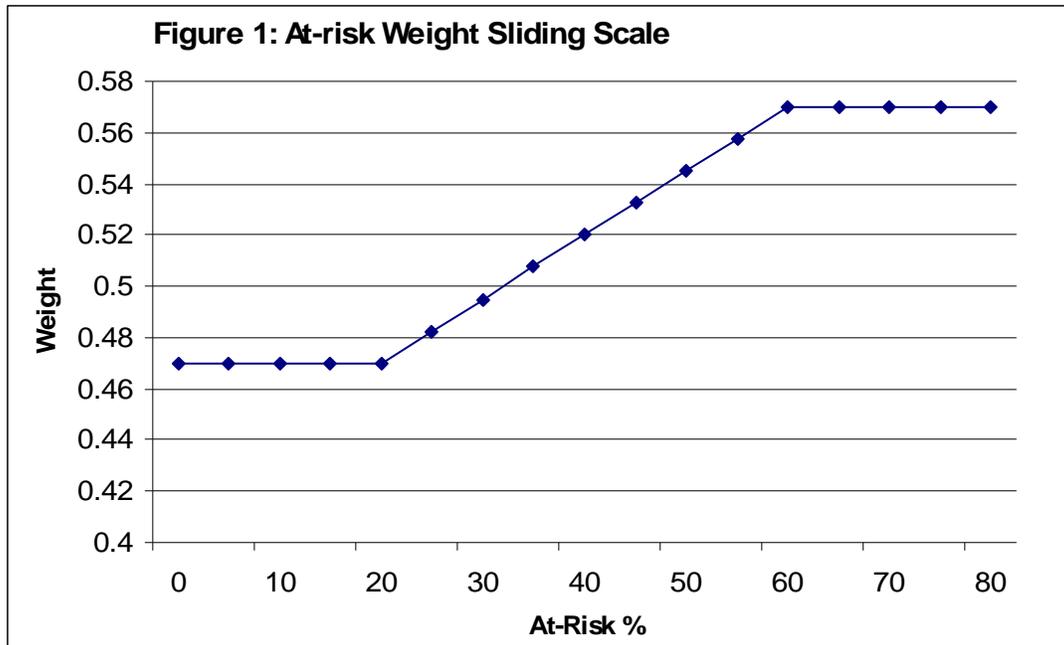
Incorporating the changes described above yields a base amount for elementary students of \$9,649. The corresponding weight for middle school students is 1.04, for a cost of \$10,035, and the weight for high school students is 1.17, for a cost of \$11,289.

At-Risk

Based on the response from the public, Odden's review, and guidance from the advisory panel, the Department decided to expand the definition of "at-risk" to include students that are eligible for reduced-priced lunches (185% of the Federal Poverty Level, FPL). This is a significant enhancement since the definition has historically included only students that are eligible for free lunch (130% FPL). In addition, the Department decided to increase the weight as the district's proportion of at-risk students increases to reflect the additional academic challenges present in districts with high concentrations of poverty. The at-risk weights implied by the PJP resources seemed counter-intuitive, as they did not increase with at-risk concentration. The weights implied by the PJP process are: 0.45 for the low at-risk concentration; 0.42 for the moderate at-risk concentration; and 0.46 for the high at-risk concentration.¹²

The Department's final proposal accounts for the "concentration effect" by applying a sliding scale at-risk weight with finite values at 0.47 and 0.57. In other words, in districts with an at-risk concentration less than 20% each at-risk student will receive a weight of 0.47. This weight will gradually increase as the at-risk concentration increases to a maximum weight of 0.57 for districts with an at-risk concentration greater than or equal to 60%. The slope for the at-risk weight in the Department's proposal is shown below in Figure 1.

¹² For more details regarding the resources included in the PJP specification for at-risk students, and in the difference between the PJP implied weights and the proposed weights, see Appendix E, Tables 4 & 4a.



Limited English Proficient

After consulting with the advisory panel, the Department established a weight for LEP students of 0.5, higher than the weight of 0.47 that is implied by the LEP resources specified in the large K-12 PJP model.¹³ Students that qualify for both the at-risk and LEP weight will receive the full at-risk weight plus one quarter of the LEP weight to address the non-overlapping resources (such as after school programs and summer school) specified for LEP students in the PJP model.

Table 1:

<u>Classification</u>	<u>Weight</u>
LEP	0.50
LEP and At-Risk	0.125 + At-Risk Weight

County Vocational Districts

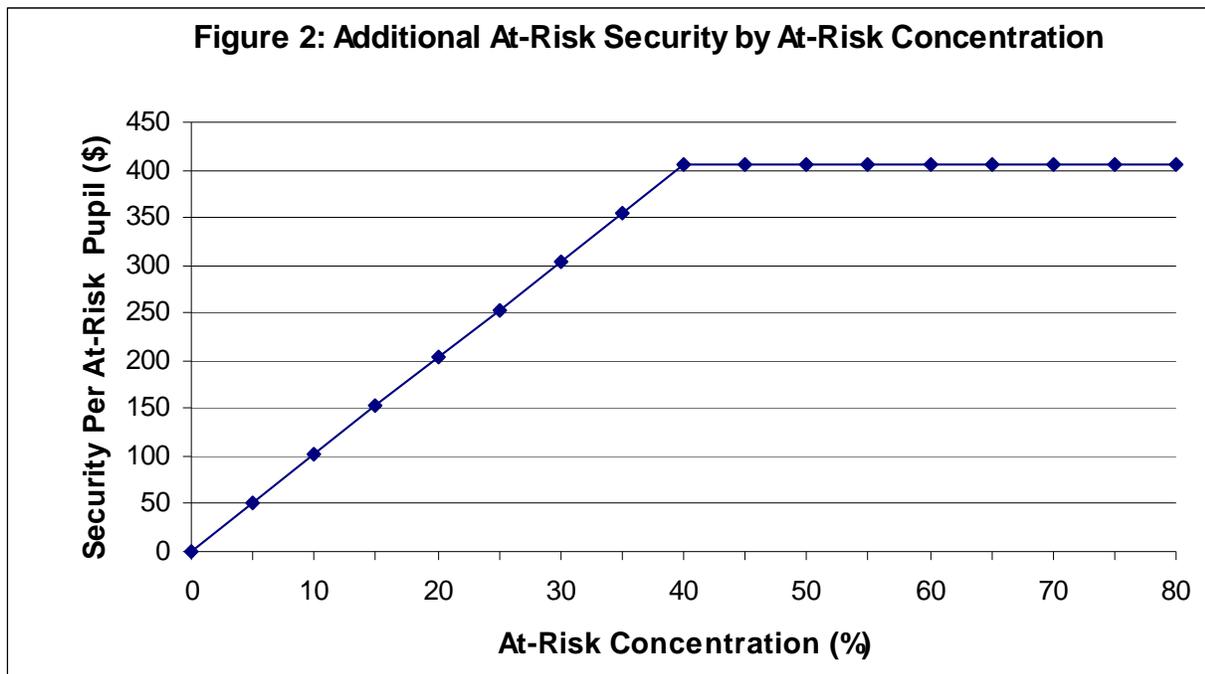
The Department revised the analysis of the cost of providing an adequate education in county vocational districts. The new analysis compared average actual costs from FY 2006 for regular education students in vocational districts with the high school base cost as determined by the PJP model. This comparison showed that the costs for county vocational districts are 31% higher than the high school base amount. Thus, the weight for county vocational districts is 1.31, substantially

¹³ For more detail regarding the resources specified in the PJP panels, and the difference between the PJP implied weight and the proposed weight for LEP students, see Appendix E, Table 3.

higher than the weight presented in the Department’s December publication. Since the county vocational weight supplements the high school weight, which is already 17% higher than the elementary base, the resulting base per pupil amount for county vocational districts is \$14,789.

Security

The professional judgment panelists specified resources for security for all students, and additional security guards for schools with high concentrations of at-risk students. In reviewing the formula and in response to comments received during the public hearings, the Department increased the number of security guards from the original PJP specification for high at-risk concentrations at all school levels. In addition, the Department decided that security costs should be removed from the adequacy budget, and instead be provided to all districts in the form of categorical aid. Every district will receive \$70 per pupil for security for all of its students. Moreover, districts will receive an additional security amount that increases with their at-risk population. The Department’s sliding scale applies the PJP-derived costs, as augmented by the Department. The additional allocation for at-risk students will gradually increase to \$406 per at-risk pupil in a district with at least 40% of students deemed at-risk. The maximum cost is derived from the representative district at the 40% at-risk concentration, where the following ratios of security guards per pupil are applied: 1 to 175 in High School; 1 to 200 in Middle School; and 1 to 400 in Elementary School. The sliding scale for the security costs for at-risk students is shown in Figure 2.



Special Education

New Jersey currently funds special education through a pupil weighting system. Special education children are assigned to “tiers” that are based on categories of disability, and districts receive State categorical aid based on the number of students in the district in each tier. Districts receive \$3,260 for each child in tier II (mild disability), \$5,975 for each child in tier III (moderate disability) and \$13,037 for each child in tier IV (any student with a disability receiving intensive services). The State also provides \$310 each for up to four related services provided to a child under tier I. The State aid provided in these tiers has not changed since 2002 and it does not fully compensate districts for the cost of educating these children.

In addition to providing this categorical aid, the State also reimburses districts for a portion of the costs associated with educating children with extraordinary needs, defined as those whose education costs exceed \$40,000. At present, the State reimburses districts for approximately 23% of their special education expenditures over \$40,000 per child.

In 2003, the Center for Special Education Finance conducted the New Jersey Special Education Expenditure Project (NJSEEP) to study special education expenditures in New Jersey. The study showed that average public education spending per student with a disability is estimated to be about 40% higher in New Jersey than the national average. With respect to the pupil weighting system, the NJSEEP report noted that there appears to be substantial misunderstanding by school district staff regarding eligibility standards by “tier,” since over 30% of the sample of students studied had been assigned to the wrong funding tier by the districts, and that category of disability is generally a poor proxy for variations in special education spending.

Based on these findings, Thomas Parrish, Director of the Center for Special Education Finance, recommended in his testimony before the Joint Legislative Committee on Public School Funding Reform that the State consider the “census” method as a viable alternative to the current funding system.

After studying the feasibility of the census-based method with the advisory panel, the Department decided to recommend that the State adopt this method as part of the new funding formula. This approach bases the aid allocation on the district’s total enrollment. Using this method, special education needs are projected by multiplying the excess cost of educating special education students by the statewide average classification rate, which is then multiplied by the district’s total enrollment. The census-based method is currently used by the federal government for special education aid to states, and in ten other states including California, Massachusetts, and Pennsylvania.

The Department conducted an analysis to determine actual current costs for special education throughout the State. The analysis indicated that the PJP estimates for “Moderate” and “Severe” were unrealistic when compared with districts’ average current costs.

Given the concerns with the PJP costs, the Department decided to use the analysis of actual expenditures as the basis for funding special education costs, except for the “Mild” category (speech only). Since the “Mild” disability category specified by the PJP process included resources

exclusively for speech, and since districts do not identify expenditures for speech in a way that they could be readily identified for the actual cost analysis, the PJP costs for this category will be applied in the funding formula.

In determining the actual costs for special education, the Department used audited expenditure data from fiscal year 2006 to determine the actual excess costs for special education, where excess costs are those that exceed the base cost for education. In addition to allocating the costs for special education expenditure lines, a portion of the general education budget was also attributed to special education to account for the special education costs for students that are mainstreamed for at least some portion of the day. The adjustment was based on the percentage of time special education students spent in regular classrooms according to the data collected from districts pursuant to federal reporting requirements.

The excess cost for general special education was determined to be \$10,898¹⁴ and was based on a determination that a total of \$3.931 billion or \$19,519 per pupil was spent in fiscal year 2006 for special education services, excluding the costs for speech, extraordinary aid and federal aid. The cost for fiscal year 2009 was determined by subtracting the weighted PJP base amount for general education, and then inflating the fiscal year 2006 excess costs by three years using the NJ CPI. The average excess cost for speech was found to be \$1,082 per pupil, based on the 2005-2006 PJP model and inflated for fiscal year 2009.

Next, the Department determined the State average classification rates for general special education and speech; they are 14.69% and 1.897%, respectively. According to the census-based method, the formula calculates each district's special education funding needs by multiplying the district's total enrollment by the average classification rate of 14.69% times the average excess cost of \$10,898 for general special education, and 1.897% times the average excess cost of \$1,082 for speech.

<u>Special Ed Census</u>	<u>Classification Rate</u>	<u>Cost</u>
General Special Ed	14.69%	\$10,898
Speech Only	1.897%	\$1,082

Extraordinary costs will continue to be funded as categorical aid, separate from the census-based approach. Further, the level of reimbursement for districts' extraordinary special education costs will be significantly increased. While CEIFA facially requires 100% of State funding for extraordinary costs beyond \$40,000 per pupil, current reimbursement is only 23% of extraordinary special education costs. Under the Department's proposal, the State will reimburse districts for 75% of the costs over \$40,000 for educating a child with extraordinary needs in in-district placements, and 75% of the costs over \$55,000 for educating a child with extraordinary needs in a separate placement. Such reimbursement will be conditioned upon demonstration by the district that the child's Individualized Educational Program (IEP) requires the provision of intensive services. The Department anticipates that this change will support district efforts to offer or seek programs that are more inclusive, in accordance with the Federal requirements set forth in the Individuals with Disabilities Education Act (IDEA) for placing students in the "least restrictive environment."

¹⁴ The excess cost for special education was revised on December 18, 2007 to account for a \$1 rounding error. The modified number matches the cost used in the program that calculates each district's adequacy budget.

There are several significant advantages to the changes described above. First, the proposal accounts for the full Statewide cost of special education, estimated at approximately \$4.4 billion for fiscal year 2009, and by wealth-equalizing a portion of the aid, directs more aid to less wealthy districts. This will minimize the “crowding out effect”—where districts are forced to use general education funds to comply with special education mandates, which can result in the elimination of general education programs and services. Moreover, the increase in categorical aid to districts for extraordinary costs will compensate districts that have a higher percentage of children with greater and more expensive needs. The proposal also provides for a predictable level of special education funding for districts. The formula will be easy to administer—both for the State and the districts—and will provide districts with greater discretion and flexibility. Finally, the census model disassociates disability category from funding, and because it assumes an equal distribution of disabilities throughout the student population of the state, it reduces any incentive that may exist to inaccurately report special education students.

Preschool

The Department is proposing to dramatically increase access to preschool throughout the State. There is a substantial body of research that demonstrates positive academic and social outcomes for at-risk students who attend high-quality full-day preschool programs. The Department’s proposal includes full State funding for all at-risk 3- and 4-year-olds to attend full-day preschool programs in every district. The proposal would also fund any 3- or 4-year-old, regardless of income, who lives in a district with the DFG designation “A” or “B” or those in “CD” districts that also have an at-risk concentration of at least 40%.¹⁵

The original 2002 PJP analysis by APA included resources for preschool students. However, the costs were inconsistent across the models, and the resources were not as rich as those present in existing programs. This was likely due to the fact that early childhood experts were not represented on the panels. A second PJP study was conducted by APA in May 2006 exclusively for preschool. These panels identified a more comprehensive set of resources, but there also appeared to be confusion over specifying additional costs for at-risk and LEP programs, particularly since the preschool program itself is designed to address the needs of at-risk children.

Given the uncertainty about the PJP results, and given the demonstrable beneficial results and success of the current Abbott preschool program, the Department decided to use budgeted program costs in Abbott districts for the costing out of this program. The preschool programs in Abbott districts, which have comprehensive, high-quality program standards as set forth in State regulations, have received enhanced funding from the State since 1999, and have been shown to increase achievement in later grades. Since the State’s 31 Abbott districts generally serve high concentrations of at-risk students, the data already reflect the costs for small class sizes, master teachers, parent and community involvement specialists, parent workshops, family workers, medical supplies and screening, security costs, social workers, outreach programs, preschool intervention and referral teams, and other costs associated with providing services to these students.

¹⁵ For the purpose of preschool aid, DFG designations have been calculated for districts that do not currently have them.

The Department used detailed line item data available for Abbott districts to estimate the costs of high quality preschool programs for at-risk students. These costs were used to calculate three statewide average costs: in-district programs; provider-based programs; and Head Start programs. The final costs were then inflated by one year of the NJ CPI for fiscal year 2009, and they will be applied to each district according to the distribution of students between program types. The preschool costs determined by the Department for fiscal year 2009 are: \$11,506 for students served within the district, \$12,934 for students served in private providers, and \$7,146 for students served in Head Start programs¹⁶. Costs for district-wide administration of these programs is included in the per pupil amounts.

¹⁶ The Head Start program is also supported by significant federal funding.

The Allocation of Aid to Districts

The Department’s proposal includes two types of aid: wealth-equalized and categorical. Wealth-equalized aid is allocated according to each district’s ability to raise enough local revenue to support their adequacy budget. The equalization formula used in New Jersey considers both a community’s property wealth (measured by equalized property valuation) and aggregate income to determine the local ability to pay. Both measures are considered equally and indexed by the statewide wealth multipliers. The multipliers ensure equalization of the local tax effort, and are similar to applying a local property tax rate equally to all districts. The wealth equalized portion of the funding formula is applied uniformly to all districts, distributing state aid equitably based on each community’s ability to pay relative to that of all others in the state.

Categorical aid is allocated regardless of a district’s ability to raise local revenue. Categorical amounts are typically determined by multiplying the cost factor for a particular category by the number of students that qualify for the aid.

Adequacy Budget

The Department is proposing that the aid allocation for four categories be wealth-equalized. The following four categories are combined to total the district’s “adequacy budget,” and are described in more detail below:

- 1) The base amount for elementary, middle, and high school students;
- 2) The weights for at-risk & LEP students, and county vocational districts;
- 3) Two-thirds of the census-based costs for the general special education category.
- 4) All of the census-based costs for speech.

The base budget is calculated at an elementary per pupil cost of \$9,649 and, as previously noted, incorporates higher weights for middle school and high school students (1.04 and 1.17 respectively). As part of the Department’s proposal for expanding early childhood funding, the cost for full-day kindergarten students will now be counted at the full elementary cost. The cost for kindergarten students that attend half-day programs will be allocated at a ratio of 0.5. As described in the previous section, county vocational districts receive a weight of 1.31 to reflect their higher operating costs. Given these costs, the formulas for determining the adequacy budgets are as follows:

<u>Grade Level</u>	<u>Base Cost</u>	<u>Weight</u>
Elementary School	\$9,649	1.00
Middle School	\$10,035	1.04
High School	\$11,289	1.17
Vocational Schools	\$14,789	1.31

Adequacy Budget =

$$\mathbf{(Base\ Cost + AR\ Cost + LEP\ Cost + Comb.Cost + Spec\ Ed\ Census) \times GCA}$$

$$Base\ Cost = 9,649 \times [Elem\ Enr + (MS\ Enr \times 1.04) + (HS\ Enr \times 1.17)]$$

For County Vocational Districts:

$$\text{Base Cost} = 9,649 \times [\text{Elem Enr} + (\text{MS Enr} \times 1.04) + (\text{HS Enr} \times 1.17)] \times 1.31$$

Where:

AR = At-Risk (includes students that are eligible for free and reduced priced lunches)

LEP = Limited English Proficient

Comb. = Combination (an LEP student who is also eligible for free or reduced-priced lunch)

Spec Ed Census = The special education census-based costs that will be wealth-equalized

GCA = Geographic Cost Adjustment (Index in Appendix B)

Elem = Elementary

MS = Middle School

HS = High School

Enr = Enrollment

The At-Risk and LEP student weights are applied to the weighted base numbers, so a middle school student that is deemed at-risk will have a greater cost than an elementary student that is deemed at-risk. As described in the previous section, the at-risk weights are applied on a sliding scale, so the per pupil weight increases as the at-risk concentration of the district increases. In districts with an at-risk concentration less than 20% each at-risk student will receive a weight of 0.47. This weight will gradually increase as the at-risk concentration increases to 0.52 at a 40% at-risk concentration, and up to a maximum weight of 0.57 for districts with an at-risk concentration greater than or equal to 60%. The weight for LEP students is 0.5, except where the student is also at-risk. In that case, the LEP weight is 0.125, which is added to the at-risk weight. For simplicity, these students are identified in the formulas as “combination students”.

$$\text{AR Cost} = 9,649 \times [\text{Elem AR Enr} + (\text{MS AR Enr} \times 1.04) + (\text{HS AR Enr} \times 1.17)] \times \text{AR weight}$$

<u>District AR Percentage</u>	<u>AR Weight</u>
Less than 20% AR	0.47
Between 20% and 60% AR	$(\text{AR}\% \times 0.25) + 0.42$
Greater than or equal to 60% AR	0.57

$$\text{LEP Cost} = 9,649 \times [(\text{Elem LEP Enr}) + (\text{MS LEP Enr} \times 1.04) + (\text{HS LEP Enr} \times 1.17)] \times 0.5$$

$$\text{Combination Cost} = 9,649 \times [\text{Elem Comb Enr} + (\text{MS Comb Enr} \times 1.04) + (\text{HS Comb Enr} \times 1.17)] \times (\text{AR Weight} + 0.125)$$

The proposed method for funding a large share of the special education costs is the census-based method. The average excess costs, those costs above and beyond the base amount, are \$10,898 for general special education and \$1,082 for speech. The general special education cost is multiplied by the State average classification rate (14.69%) and district enrollments. The census-based cost for general special education is pro-rated since only two-thirds of this portion will be included in the

wealth-equalized adequacy budget.¹⁷ For speech students, the speech excess cost is multiplied by the State average speech classification rate (1.897%) and district enrollments, and the entire cost is funded in the adequacy budget. The formula for determining special education and speech costs for the wealth-equalized portion of the adequacy budget is as follows:

$$\text{Spec Ed Census} = (\text{Total Enr} \times 14.69\% \times 10,898 \times 2/3) + (\text{Total Enr} \times 1.897\% \times 1,082) \\ (\text{Special Education Cost} \times 2/3) \qquad (\text{Speech Cost})$$

Categorical Aids

The Department is proposing that the aid for the following be allocated as categorical, as described in more detail below:

- 1) 75% of “extraordinary” special education costs;
- 2) One-third of the census-based costs for the general special education category;
- 3) Security costs;
- 4) Transportation;
- 5) Preschool;
- 6) Debt service & Benefits Payments;
- 7) School Choice Aid

Special Education

The Department recognizes the need to increase State support for extraordinary costs. As a result, the Department is proposing to expand the funding for extraordinary aid by funding 75% of the cost over the threshold amount for educating students with extraordinary needs. As described in the previous section, the threshold for extraordinary costs will be \$40,000 for students placed in in-district placements, and \$55,000 for students placed in separate facilities. The Department is proposing that one-third of the census-based general special education funding be allocated as categorical aid. The formulas for determining the general special education categorical and extraordinary aid amounts are:

$$\text{Spec Education Categorical Aid} = \text{Total Enr} \times 14.69\% \times \$10,898 \times 1/3 \times \text{GCA}^{18}$$

$$\text{Extraordinary Aid} = [(\text{Actual In-District Cost} - \$40,000) + (\text{Actual Separate Cost} - \$55,000)] \times 75\%$$

Security

As described earlier, the costs for security identified through the PJP process were augmented by the Department, and then removed from the base costs to be funded separately as categorical aid. Every student generates a security cost of \$70. Each at-risk student generates an additional security cost that increases as at-risk concentration increases, up to a maximum of \$406 per at-risk pupil for districts where at least 40% of students are deemed at-risk.

$$\text{Security Aid} = (\text{Total Enr} \times 70) + (\text{AR Enr} \times \text{AR Security Amount}) \times \text{GCA}^{19}$$

¹⁷ The remaining one-third of the census-based cost for general special education will be funded as a categorical aid, which is described in the following subsection.

¹⁸ This equation was revised December 18, 2007 to reflect the application of the GCA.

AR Security Amount for Districts with:

Less than 40% AR Concentration = AR Percent x 1015

Greater than or equal to 40% AR Concentration = \$406

Transportation

In light of the new initiatives set forth in the CORE legislation, P.L. 2007, c.63, for encouraging shared services as a means for achieving cost efficiencies in districts, particularly in the area of transportation, the Department will not be making any fundamental changes to the transportation funding formula immediately, in order to build upon the recommendations of the new Executive County Superintendents. Rather, transportation will be funded in the same manner as it is currently, as categorical aid based on the costs from the efficiency standards used for the CEIFA formula. However, the Department is proposing to update the formula so that it will be based on the current student counts.

The Department calculated transportation aid for all districts using the cost factors for fiscal year 2002 (FY) published in the 2002 Biennial Report.²⁰ Districts' transportation aid amounts were then adjusted proportionately in order to maintain the statewide transportation allocation for FY 2008. The following formulas show the calculations for transportation aid for FY 2009:

$$\text{Regular Transportation Aid} = (\text{Reg Count} \times 383.88) + (\text{Reg Count} \times 10.50 \times \text{Reg Avg Dist})$$

$$\text{Special Transportation Aid} = (\text{SE Count} \times 2,675.77) + (\text{SE Count} \times 5.10 \times \text{SE Avg Dist})$$

$$\text{Prorated Transportation Aid} = (\text{Regular Transportation} + \text{Special Transportation}) \times 81.4876\%^{21}$$

Where:

Reg Count = Number of students eligible for regular transportation, including aid-in-lieu

Reg Avg Dist = Average distance from home to school for students eligible for transportation

SE Count = Number of students receiving special transportation

SE Avg Dist = Average distance from home to school for students receiving special transportation

Preschool

The Department's proposal also includes an expansion of preschool programs. Specifically, the Department is proposing that all districts be required to offer high quality preschool to all three- and four-year-olds in the A and B District Factor Group (DFG) districts and to all three- and four-year-olds in CD districts where the concentration of at-risk students is 40% or greater. Furthermore, under this expansion, all other districts will receive state funds and be required to offer high quality preschool programs to all *at-risk* three- and four-year-olds. This expansion will be phased in over time, with the goal of reaching at least 80% of the eligible population in all districts within six years.

¹⁹ The security calculation was revised December 18, 2007 to reflect the application of the GCA.

²⁰ The 2002 Biennial Report is available on the Department's website: <http://www.nj.gov/education/genfo/birep.htm>

²¹ This percentage was revised on December 17, 2007 to correct for a typo.

In accordance with regulations and standards to be adopted by the Commissioner, all districts must submit a five year plan for implementation of full day preschool for all eligible 3- and 4-year-olds. Districts must annually update the plan based on actual experience and revise projections accordingly. Depending on the status of their preschool program in FY 2008, districts will have different obligations and will receive different funding as the enhanced preschool program is phased in:

- For all districts that did not receive any preschool aid in FY 2008, FY 2009 will be a planning year.
- Districts that received ELLI aid in FY 2008 will receive preschool aid in FY 2009 in the amount of the district's FY 2008 allocation of ELLI aid.
- Districts that received ECPA, but not preschool expansion aid, in FY 2008 will receive preschool aid in FY 2009 in the amount of the district's FY 2008 per pupil of ECPA for preschool included in the district's original budget certified for taxes, inflated by the CPI, and multiplied by the district's projected enrollment. In addition, any of these districts that can demonstrate in the plan submitted to the Commissioner the capacity to offer a full-day 3- and 4-year-old program in FY 2009 that meets the preschool quality standards to be determined by the Commissioner may be approved for funding of the full-day program in accordance with the new per pupil allocation formula. Notification of such funding will be provided upon approval of the district's five year plan.
- For districts that received preschool expansion aid or EOA in FY 2008, preschool aid will be provided as follows: in FY 2009, preschool aid will equal the preschool budgets approved by the Commissioner in January 2008. In FY 2010 and beyond, these districts will receive preschool aid according to the per pupil allocation formula, but will receive no less than the higher of the following: the district's total FY 2009 preschool aid amount; or the district's FY 2009 preschool per pupil aid amount multiplied by the number of projected preschool students.

Except as described above, districts will be provided preschool aid in accordance with the per pupil formula based on the projected enrollments in the district's annual plan submitted. Beginning in FY 2010, districts may also receive start up funds in accordance with regulations adopted by the Commissioner. In order to receive preschool aid, all districts must maintain the preschool quality standards adopted by the Commissioner. Districts will receive the full per pupil cost for their projected enrollment in each of the three types of programs (in-district, private providers, and Head Start). For any year that actual student counts are higher or lower than projected, State aid will be adjusted in the subsequent year's aid amount. The cost per pupil for each of the program types is as follows: \$11,506 for district programs; \$12,934 for private provider programs; \$7,146 for Head Start programs. Costs for district-wide administration of these programs is included in the per pupil amount.

The formula for preschool aid is as follows:

$$\text{Preschool Aid} = [(In-Dist\ Enr \times \$11,506) + (Provider\ Enr \times \$12,934) + (Head\ Start\ Enr \times \$7,146)] \times GCA$$

Preschool aid will be accounted for in the special revenue fund. Unspent aid may be carried over in accordance with regulations adopted by the Commissioner. Districts that reach their projected

universe of eligible children for the preschool program and are implementing the quality standards adopted by the Commissioner may use preschool aid to support K-12 or to support funding for ineligible preschool children (in combination with local and/or tuition funds, if necessary) upon approval of the Commissioner as part of the annual budget approval process. Districts that are phasing in the program may also use preschool aid to support K-12 or to support funding for ineligible preschool children (in combination with local and/or tuition funds, if necessary) if they can demonstrate in their plan (and annual updates) the ability to serve the eligible students as identified and funded pursuant to their plan (and subsequent annual updates) implementing the quality standards adopted by the Commissioner.

Debt Service Aid & Benefits Payments

Debt service includes payments of principal and interest on school bonds and other obligations issued to finance the purchase or construction of school facilities. It also includes payments for obligations issued to finance additions to school facilities, or the reconstruction, remodeling, alteration, modernization, renovation or repair of school facilities, including furnishings, equipment, architect fees and the costs of issuance of such obligations. The Department's proposal does not include any changes for the funding of Debt Service..

The new funding formula proposal does not change the State benefits payments on behalf of districts for certificated staff. The State will continue to make payments for districts' contributions for certificated staff to the Teachers' Pension and Annuity Fund, and for Social Security and Medicare (FICA).

School Choice Aid

Although the interdistrict public school choice program has expired, school choice students are still entitled to remain in their choice districts until graduation (N.J.S.A. 18A:36B-13). School choice aid will be provided in order to ensure that choice districts are adequately funded for these students. School choice students will be counted as resident students of the choice district they attend, so that they will receive all State aid as a resident student, and will be included in the enrollment total used to calculate special education funding according to the census method. In addition, for each school choice student, choice districts will receive State aid to make up for the difference between the district's adequacy budget per pupil and the district's State aid per pupil.

The Calculation of Aid to Districts

In order to determine a district's wealth, the Department will use equalized valuation and aggregate income as they are applied in CEIFA. First, the Department will determine the statewide property rate and income rate, or multipliers, for the State. For FY 2009, the property value rate is set to approximately 92.7 cents per \$100 of equalized valuation. For FY 2009, the income rate is approximately 4.55%. The rates are then applied to each district's equalized valuation and aggregate income to determine each district's ability to support their adequacy budget (local fair share). The wealth-equalized portion of a district's aid is then calculated by subtracting the LFS from the adequacy budget. The formula for the LFS is as follows:

$$LFS = (Eq\ Val \times Prop\ Val\ Rate \times 50\%) + (Aggregate\ Income \times Income\ Rate \times 50\%)$$

Where:

Eq Val = District's total equalized valuation

Prop Val Rate = Property value rate for FY 2009 is 0.0092690802, or about 92.7 cents per \$100 of equalized valuation

Income Rate = 0.04546684

The final calculation of a district's aid allocation is the difference between the adequacy budget and the local fair share, plus the sum of the categorical aids. The formula is:

$$\text{State Aid} = (\text{Adequacy Budget} - \text{Local Fair Share}) + \text{Categorical Aids}$$

County Vocational Districts

For county vocational districts, the local fair share is calculated using the county average local fair share, as shown below:

$$\text{Co Voc LFS} = (\text{Sum of Districts' LFS}) / (\text{Sum of Districts' Adequacy Budgets}) \times \text{Co Voc Adequacy Budget}^{22}$$

Charter Schools

Charter school students will continue to receive 90% of the sum of each resident district's equalization aid per pupil, security categorical aid per pupil, preschool categorical per pupil (where applicable) and the general fund tax levy per pupil. In addition, they will receive a portion of each district's special education categorical funding in proportion to the number of students each district sends to the charter school, and any federal funds attributable to each student.

Aid Adjustments

Adjustment Aid

For at least three years, adjustment Aid will be provided so that all districts (including county vocational districts) will receive no less than their fiscal year 2008 State aid amounts increased by 2%. After that time period, decreases in adjustment aid will only occur for those districts that experience significant decreases in enrollment.

Aid Caps

Since CEIFA has not been updated for current characteristics since fiscal year 2002, many districts' current aid is not reflective of current district characteristics. It is critical that districts carefully plan for the optimal use of aid increases. Therefore, the Department is proposing caps on the phase in of aid increases so that districts have time to anticipate and plan for significant projected increases in aid. The increased aid to districts that are spending above their adequacy budgets will be capped at 10%, while the increased aid to districts that are spending below adequacy will be capped at 20%.

²² Equation revised December 18, 2007.

State Aid Adjustment Process

State aid, including preschool aid, will be adjusted in the year following the budget year after submission of data for the Application for State School Aid (ASSA).

EOA Adequacy Aid

Districts that received EOA in FY 2008 are eligible for additional aid if: 1) they are under adequacy; and 2) they are failing and/or municipally overburdened. The aid is designed to bring them to adequacy within three years, and districts eligible for this aid will have a required local contribution.

Conclusion

For the past year, since the publication of the *Report on the Cost of Education*, the Department has intensified its efforts to ensure that the final school funding proposal will be both adequate and equitable for all districts throughout the State of New Jersey. The Department is confident that this proposal meets both objectives. The Department hopes that this proposal can be adopted expeditiously for implementation in fiscal year 2009 in order to finally end the unpredictable, ad-hoc funding that currently exists.

Appendix A – Chronology of Funding Formula Development

June 11-12, 2002: Department of Education hosted a conference to discuss school finance policies with school districts and other stakeholders. Dr. John Augenblick, Mr. Josiah Peterson, and Mr. Michael Griffith presented on various matters related to education finance.

October 2002: Department entered into a contract with Augenblick, Palaich, and Associates, Inc. (APA), formerly Augenblick and Myers, to provide consulting services to develop a new school funding formula.

December 2002 through March 2003: Department personnel worked with APA to conduct Successful School Districts (SSD) analysis and identify appropriate prototype school districts for use in Professional Judgment Panel (PJP) analysis. Based on the characteristics of New Jersey school districts, APA recommended using six prototype school districts in the PJP analysis.

January 21-23, 2003: First professional judgment panel met at the Department of Education. The participants identified the resources necessary to educate all students in six prototype school districts to the State’s Core Curriculum Content Standards. Panelists included the following Department personnel (titles and affiliations are as of the meeting date):

Name	Title	Affiliation
Ms. Eunice Couselo	Director	Office of Special Populations
Dr. Bruce Greenfield	County Superintendent	Ocean County
Ms. Vicky Guo	County Business Administrator	Hudson County
Dr. Michael Klavon	Director	Office of Vocational/Technical, Career and Innovative Programs
Dr. Robert Riehs	Educ. Prog. Development Spec.	Office of Academic and Professional Standards
Dr. Judith Weiss	Assistant Commissioner	Northern Regional Services
Ms. Melinda Zangrillo	Planning Associate	Office of Special Education Programs

February 20-21, 2003: Second professional judgment panel met in Jamesburg, New Jersey. The panel reviewed and modified the resource recommendations made by the first panel. Invited panelists included the following individuals (titles and affiliations are as of the meeting date):

Name	Title	Affiliation
Mr. Steven Block	Director	Education Law Center
Mr. Anthony Campisi	Whole School Reform Facilitator	Paterson School District
Mr. Samuel Citron	Principal	Voorhees Middle School (Voorhees Twp. Public Schools)
Ms. Gail Cohen	Assistant to the Superintendent	Cherry Hill Public Schools
Mr. Angelo DeSimone	Business Administrator	Hawthorne Public Schools
Ms. Mary Ellen Eck	Superintendent	Riverton Public Schools
Ms. Annette Edmonds	School Business Administrator	Greenwich Township School District
Mr. Richard Flamini	Supervisor	South Plainfield Board of Education
Ms. Edythe Fulton	President	New Jersey Education Association
Ms. Elizabeth George	School Business Administrator	Mount Arlington Public School
Dr. Bertha Henson	Supervisor of Instruction	Vineland City Board of Education
Ms. Carmen Holster	Principal	Washington Elementary School (Little Ferry Public Schools)
Mr. Richard Horowitz	Principal	J. Fithian Tatem Elementary School (Haddonfield Public Schools)

Name	Title	Affiliation
		Schools)
Ms. Kelly Ippolito	School Business Administrator	Cresskill Public Schools
Mr. Paul Kadri	Superintendent	Moorestown Public Schools
Dr. Carole Kernan	Director of Special Services	Summit Public Schools
Mr. John Knorr	School Board Member	Galloway Township Public Schools
Dr. Richard Konet	Principal	Parsippany High School
Dr. Ted Kozlik	Director of Special Services	Westfield Public Schools
Ms. Suzane Krewson	Teacher	Holland Township School
Dr. Walter Mahler	Superintendent	Springfield Public Schools
Dr. Thomas McMahon	Superintendent	Barneget Township School District
Mr. Robert Murphy	Principal	East Brunswick High School (East Brunswick Public Schools)
Dr. Charles Murray	Superintendent	Mercer Co. Special Services School District
Mr. Joseph Pompeo	Principal	Wallington High School (Wallington Public Schools)
Mr. Robert Reid	Principal	Wildwood Elementary School (Mountain Lakes School District)
Dr. Lester Richens	Superintendent	Belmar Public Schools
Dr. Andrew Rinko	Superintendent	Bedminster Schools
Mr. Lou Ripatrazone	Superintendent	Roxbury Public Schools
Ms. Magda Savino	Principal	Joseph H. Brensinger Elementary School (Jersey City Public Schools)
Mr. Jeff Scott	Asst. Sup. for Business	South Brunswick Public Schools
Mr. David Shaftner	Business Administrator	East Windsor Regional School District
Mr. Richard Sullivan	Assistant Director	New Jersey School Boards Association
Ms. Regina Swierc	Superintendent	Warren Co. Special Services School District
Mr. Jerry Tarnoff	Superintendent	West Orange Public Schools
Mr. Dennis Ventrello	Principal	Brookside Elementary School (Monroe Twp. School District)
Dr. Carmina Villa	Whole School Reform Facilitator	Long Branch School District
Ms. Barbara Williams	Director	Irvington Board of Education
Mr. Fred Wright	Business Administrator	Eastern Camden County Regional School District
Dr. Debra Zamparelli	Director	Tinton Falls Board of Education

March 11-12, 2003: Third professional judgment panel met at the Department of Education. The group reviewed and revised the resource recommendations made by the second panel and provided feedback on the Department's SSD analysis. Panelists included the following individuals (titles and affiliations are as of the meeting date):

Name	Title	Affiliation
Dr. Pablo Clausell	Superintendent	Perth Amboy Public Schools
Dr. Jacqueline Cusack	Superintendent	Pequannock Township Public Schools
Dr. Len Elovitz	Professor	Kean University, College of Education
Mr. Peter Genovese	School Business Administrator	Long Branch Public Schools
Dr. Patricia Hoey	Superintendent	Harrison Township School District
Mr. Brian O'Leary	School Board Member	South Orange-Maplewood Public Schools
Mr. Bruce Quinn	Superintendent	Matawan-Aberdeen Regional School District
Dr. Morton Sherman	Superintendent	Cherry Hill Public Schools

Subsequent to the third panel meeting, Department personnel used available data to calculate the cost of the resources recommended by the final panel. The Department periodically updated both the SSD and PJP analyses as more current data became available.

October 24, 2006: The Department and APA presented study findings in testimony before the Joint Legislative Committee on Public School Funding Reform.

December 8, 2006: The Department released the *Report on the Cost of Education*.

December 18, 2006: The Department hosted three public hearings to collect public input on the *Report on the Cost of Education*.

January 2, 2007: The Department entered into an agreement with Dr. Allan Odden, Dr. Lawrence Picus, and Mr. Joseph Olchefske to review the *Report on the Cost of Education*.

January 19, 2007: Updated appendix tables for the *Report on the Cost of Education* are released.

January 24-25, 2007: The Department hosted three additional public hearings to discuss the *Report on the Cost of Education*.

February 5, 2007: The external review of the *Report on the Cost of Education* is released.

April 25, 2007: Legislator and Stakeholder meetings: Dr. John Augenblick and Justin Silverstein of APA met with the group along with the Commissioner to discuss the funding formula development process and to answer questions.

May 18, 2007: Legislator meeting: property tax issues

June, 2007: The Department began meeting with Thomas Corcoran, Susanna Loeb, and David Monk to discuss the final development of the funding formula proposal.

June 8, 2007: Stakeholder meeting: transportation.

June 11, 2007: Legislator meeting: transportation

June 18, 2007: Legislator meeting: charter schools, school choice and vocational schools.

June 25, 2007: Stakeholder meeting: charter schools, school choice and vocational schools.

July 19, 2007: Legislator and Stakeholder meeting: early childhood.

August 17, 2007: Legislator and Stakeholder meeting: special education.

November 30, 2007: Stakeholder meeting: the Governor and Commissioner presented concepts and framework of the new formula.

December 12, 2007: Stakeholder meeting: the Governor and Commissioner presented details of the new formula.

Appendix B – Geographic Cost Adjustment

The Geographic Cost Adjustment is applied to each district's adequacy model in order to make adjustments for cost of living differences across the State. Each district's adequacy budget is first calculated based on mean salaries and the average cost of other resources. The Geographic Cost Adjustment is then applied to that adequacy budget to account for the variation in uncontrollable costs that school districts face due to differences in wage markets in the State. Once the final adequacy budget for each district is determined, State aid is calculated based on the district's adequacy budget and local fair share, with no other adjustments for geography.

Geographic Cost Adjustment*

Modeled after Taylor (NCES, 2006)

<u>County Name</u>	<u>GCA**</u>
Atlantic County	0.9452
Bergen County	1.0312
Burlington County	0.9613
Camden County	0.9463
Cape May County	0.8762
Cumberland County	0.8818
Essex County	1.0432
Gloucester County	0.9189
Hudson County	1.0393
Hunterdon County	1.0156
Mercer County	1.0087
Middlesex County	1.0180
Monmouth County	1.0170
Morris County	1.0633
Ocean County	0.9424
Passaic County	0.9987
Salem County	0.9189
Somerset County	1.0608
Sussex County	0.8966
Union County	1.0298
Warren County	0.9467

* Revised December 18, 2007.

** The index assumes 90% of costs vary by geography.

Appendix C – Summary Table of Costs and Weights

Elementary School	<u>Weight</u> = 1.0 <u>Amount</u> = \$9,649	At-Risk/LEP combined students	<u>Weight</u> = at-risk weight plus 1/4 LEP weight <u>Amount</u> = \$5,741 ES/low % to \$7,846 HS/high %
Middle School	<u>Weight</u> = 1.04 <u>Amount</u> = \$10,035	Special Education Census	Assume 14.69% classification rate, pay \$10,898 average excess cost of special ed students Two-thirds included in the adequacy budget, remainder paid through categorical aid (aid independent of wealth)
High School	<u>Weight</u> = 1.17 <u>Amount</u> = \$11,289		
Vocational Education	<u>Weight</u> = 1.31 plus high school weight <u>Amount</u> = \$14,789	Speech	Assume 1.897% of students require services, pay \$1,082 per student
At-Risk Weight	<u>Weight</u> = sliding scale from 0.47 to 0.57, based on free and reduced lunch percentage; <u>Amount</u> = range from \$4,535 for ES/low % to \$6,435 for HS/ high %	Preschool	In-district: \$11,506 Private Provider: \$12,934 Head Start: \$7,146
Limited English Proficiency Weight	<u>Weight</u> = 0.50 <u>Amount</u> = \$4,825 ES to \$5,645 HS	Security	\$70 for all students; plus up to \$406 per at-risk student as at-risk concentration approaches 40%

Appendix D – Summary Table of Costs as Applied to Base

	Elementary	Middle	High	Voc Ed
Base Cost	\$9,649	\$10,035	\$11,289	\$14,789
At-Risk	\$14,184-\$15,149	\$14,751-\$15,755	\$16,595-\$17,724	\$20,095-\$21,224
LEP	\$14,474	\$15,052	\$16,934	\$21,506
At-Risk/LEP	\$15,390-\$16,355	\$16,006-\$17,009	\$18,006-\$19,135	\$21,506-\$22,635
Spec. Ed.²³	\$20,547	\$20,933	\$22,187	\$25,687
Speech	\$10,731	\$11,117	\$12,371	\$15,871

²³ Costs were revised December 18, 2007.

Appendix E – Table 1: District Resources & Base Costs

(5,240 students)

<u>Personnel:</u>	<u>Resources</u>	<u>Unit Cost*</u>	<u>Total Cost</u>
Superintendent	1	198,356.50	198,357
Assistant Superintendent	2	128,596.61	257,193
Directors	4	135,618.33	542,473
Supervisors	1	121,720.94	121,721
Coordinators	4	101,782.65	407,131
Coaches / Facilitators	9	75,822.93	682,406
Business Administrator	1	126,867.68	126,868
Assistant Business Administrator	1	81,042.45	81,042
Facilities Manager	1	121,720.94	121,721
Business Clerks	4	58,551.98	234,208
Clerical/Data Entry	10	55,436.88	554,369
Technician	1	73,976.18	73,976
Custodian	40	42,736.82	1,709,473
Maintenance	6	58,690.71	352,144
Grounds	4	45,322.23	181,289
<u>Additional Costs:</u>			
Prof Dev Custodial	50	235.27	11,763
Prof Dev Clerical	10	882.25	8,823
Prof Dev Professional	23	1,763.41	40,559
Supplemental Professional Development	1	20,000.00	20,000
Security	1	17,638.50	17,639
Technology	1	94,072.03	94,072
Telephone/Communications	5,240 pupils	46.84	245,419
Utilities	708,440 sq.ft	1.99	1,406,421
Textbooks	5,240 pupils	117.63	616,400
Insurance	1	644,662.20	644,662
Legal	1	146,987.54	146,988
Supplies	5,240 pupils	9.80	51,367
Maintenance Supplies	5,240 pupils	68.62	359,567
Elections	1	41,156.51	41,157
Audit	1	40,000.00	40,000
Activities	1	23,518.01	23,518
School Physician	1	29,397.51	29,398
Association Fees	1	29,397.51	29,398
Home Instruction	1	75,210.35	75,210
Capital	5,240 pupils	175.00	917,000
District Cost (w/o security)**			10,446,089
District Cost Per Pupil			1,994

* All unit costs in Appendix E are rounded to the nearest cent, resulting in some differences in the total cost column.

** All total and per pupil costs in Appendix E omit security costs since they will be funded as a separate categorical aid.

Appendix E – Table 2: Resources & Base Costs

	<u>Elementary *</u> (400 students per school)			<u>Middle School *</u> (600 students per school)			<u>High School *</u> (1,640 students)		
	Resources	Unit Cost	Total Cost	Resources	Unit Cost	Total Cost	Resources	Unit Cost	Total Cost
Personnel:									
Classroom Teachers	22.0	75,822.93	1,668,105	43.0	75,822.93	3,260,386	128.0	75,822.93	9,705,335
Other Teachers	5.2	75,822.93	394,280						
Librarian / Media Specialists	1.0	90,087.16	90,087	1.0	90,087.16	90,087	2.0	90,087.16	180,174
Technology Specialists	1.0	73,976.18	73,976	1.0	73,976.18	73,976	2.0	73,976.18	147,952
Counselors	1.0	91,527.36	91,527	2.5	91,527.36	228,818	9.1	91,527.36	832,899
Nurses	1.0	78,164.65	78,165	1.0	78,164.65	78,165	2.0	78,164.65	156,329
Clerical / Data Entry	2.0	55,436.88	110,874	3.0	55,436.88	166,311	9.0	55,436.88	498,932
Principal	1.0	132,811.25	132,811	1.0	134,751.06	134,751	1.0	145,732.02	145,732
Assistant Principal				1.0	114,238.05	114,238	3.0	122,677.08	368,031
Substitutes	272 days	127.04	34,556	430 days	127.04	54,629	1,280 days	127.04	162,617
Media Aides	1.0	50,694.85	50,695	1.0	50,694.85	50,695	1.0	50,694.85	50,695
Athletic Director							1.0	120,579.13	120,579
Lunchroom Aides	0.6	15,105.66	9,063	0.5	15,105.66	7,553			
Security Guards				1.0	51,867.70	51,868	3.0	51,867.70	155,603
Alternative Educational Services							1.0	75,822.93	75,823
Department Chairs							4.0	120,579.13	482,317
Additional Costs:									
Professional Development	33.2 teachers	1,470.42	48,818	54.5 teachers	1,470.42	80,138	162.1 pupils	1,470.42	238,355
Supplies & Materials	400 pupils	352.90	141,160	600 pupils	375.77	225,464	1,640 pupils	470.53	771,676
G&T Supplies & Materials	28 pupils	58.80	1,647						
Equipment	400 pupils	58.82	23,527	600 pupils	58.82	35,290	1,640 pupils	88.23	144,689
Technology	400 pupils	176.45	70,580	601 pupils	176.45	105,870	1,640 pupils	176.45	289,379
Assessment	1.0	18,728.79	18,729	1.0	40,510.62	40,511	1.0	59,821.04	59,821
Student Activities	400 pupils	58.82	23,527	601 pupils	176.45	105,870	1,640 pupils	470.53	771,676
Safety and Security	1.0	8,819.25	8,819	1.0	8,819.25	8,819	1.0	17,638.50	17,639
School Cost (w/o security)			3,062,126			4,852,752			15,203,013
School Cost Per Pupil			\$7,655			\$8,088			\$9,270
District Cost Per Pupil			\$1,994			\$1,994			\$1,994
Total Costs			\$9,649			\$10,082			\$11,264
Base & Weights			\$9,649			1.04			1.17

* Base costs include resources for gifted and talented (G&T)

Appendix E – Table 3: Resources & Costs for LEP Students

<u>School Resources:</u>	<u>Elementary LEP</u> (28 students per school, 7%)			<u>Middle School LEP</u> (43 students per school, 10.75%)			<u>High School LEP</u> (72 per school, 4.39%)		
	Resources	Unit Cost	Total Cost	Resources	Unit Cost	Total Cost	Resources	Unit Cost	Total Cost
Teachers	1.1	75,822.93	83,405	2.0	75,822.93	151,646	3.0	75,822.93	227,469
Substitutes	11.0	127.04	1,397	20.0	127.04	2,541	30.0	127.04	3,811
Professional Development	1.1	1,470.42	1,617	2.0	1,470.42	2,941	3.0	1,470.42	4,411
Supplies & Materials	28.0	58.82	1,647	43.0	375.77	16,158	72.0	58.82	4,235
Assessment	28.0	58.82	1,647	43.0	58.82	2,529	72.0	58.82	4,235
After School	14.0	564.20	7,899	21.5	564.20	12,130			
Summer School	14.0	470.50	6,587	21.5	470.50	10,116	36.0	470.50	16,938
Total School LEP Cost			104,200			198,061			261,099

<u>District Resources:</u>	<u>District-wide LEP</u> (326 students, or 6.2%)		
	Resources	Unit Cost	Total Cost
Supervisors	0.5	121,720.94	60,860
Clerical/Data Entry	0.5	55,436.88	27,718
Interpreter/Liason	0.5	42,465.85	21,233
Teachers	2.0	75,823.93	151,646
Prof Dev Clerical	0.5	882.25	441
Prof Dev Professional	2.5	1,763.41	4,409
Supplies	326.0	5.45	1,775
District LEP Cost			268,083

LEP Cost Summary	<u>Total Costs for LEP - All Schools & District</u>				<u>Resulting Cost & Weight</u>		
	6 Elementary Schools	2 Middle Schools	1 High School	District-wide Costs	Total District Cost	Cost Per Pupil (weighted)	LEP Weight
	625,198	396,122	261,099	268,083	1,550,502	\$4,534	0.47

<u>Difference Between Proposed and PJP Implied LEP Costs Per Pupil</u>						
	<u>Proposed Weight</u>	<u>Cost</u>	<u>PJP Weight</u>	<u>Cost</u>	<u>Difference</u>	
Elementary School	0.50	4,825	0.47	4,535	\$289	
Middle School	0.50	5,017	0.47	4,716	\$301	
High School	0.50	5,645	0.47	5,306	\$339	

Appendix E – Table 4: School Level Costs for At-Risk Students

<u>Elementary:</u>	<u>Low At-Risk Concentration (10%)</u> (40 students per school)			<u>Moderate At-Risk (20%)</u> (80 students per school)			<u>High At-Risk (40%)</u> (160 students)		
	Resources	Unit Cost	Total Cost	Resources	Unit Cost	Total Cost	Resources	Unit Cost	Total Cost
Social Workers							1.0	82,308.48	82,308
Instructional Aides	2.0	41,160.35	82,321	2	41,160.35	82,321	4.0	41,160.35	164,641
Substitutes	20.0	127.04	2,541	20.0	127.04	2,541	40.0	127.04	5,082
Reading Specialist	2.0	88,426.38	176,853	4	88,426.38	353,706	8.0	88,426.38	707,411
Parent Liaison							1.0	42,465.85	42,466
Security Guards							1.0	51,867.70	51,868
Professional Development	4.0	1,470.42	5,882	6.0	1,470.42	8,823	14.0	1,470.42	20,586
Supplies & Materials	40.0	58.82	2,353	80	58.82	4,705	160.0	58.82	9,411
After School	20.0	564.20	11,284	40	564.20	22,568	80	564.20	45,136
Summer School	20.0	470.50	9,410	40	470.50	18,820	80	470.50	37,640
Total Elementary			290,643			493,483			1,114,681
<u>Middle School:</u>	<u>Low At-Risk Concentration (10%)</u> (60 students per school)			<u>Moderate At-Risk (20%)</u> (120 students per school)			<u>High At-Risk (40%)</u> (240 students)		
	Resources	Unit Cost	Total Cost	Resources	Unit Cost	Total Cost	Resources	Unit Cost	Total Cost
Social Workers							1.0	82,308.48	82,308
Security Guards							2.0	51,867.70	103,735
Reading Specialist	1.0	88,426.38	88,426	3	88,426.38	265,279	6.0	88,426.38	530,558
Professional Development	1.0	1,470.42	1,470	3.0	1,470.42	4,411	7.0	1,470.42	10,293
Supplies & Materials	60.0	58.82	3,529	120	58.82	7,058	240.0	58.82	14,116
After School	30	564.20	16,926	60	564.20	33,852	120	564.20	67,704
Summer School	30	470.50	14,115	60	470.50	28,230	120	470.50	56,460
Total Middle School			124,467			338,830			761,440
<u>High School:</u>	<u>Low At-Risk Concentration (10%)</u> (164 students per school)			<u>Moderate At-Risk (20%)</u> (328 students per school)			<u>High At-Risk (40%)</u> (656 students)		
	Resources	Unit Cost	Total Cost	Resources	Unit Cost	Total Cost	Resources	Unit Cost	Total Cost
Social Workers							1.0	82,308.48	82,308
Security Guards				4.3	51,868.00	223,031	6.4	51,867.70	331,953
Reading Specialist	2.0	88,426.00	176,853	4	88,426.00	353,706	8.0	88,426.38	707,411
Professional Development	2.0	1,470.42	2,941	4.0	1,470.42	5,882	9.0	1,470.42	13,234
Supplies & Materials	164.0	58.82	9,646	328	58.82	19,292	656.0	58.82	38,584
After School	164.0	172.00	28,208	328.0	86.00	28,208	656.0	43.00	28,208
Summer School	82.0	470.50	38,581	164.0	470.50	77,162	328.0	470.50	154,324
Total High School			256,229			484,249			1,024,069

Appendix E – Table 4a: Additional Resources & Costs for At-Risk Students

<u>Districtwide</u>	<u>Low At-Risk Concentration (10%)</u> (524 students)			<u>Moderate At-Risk (20%)</u> (1,048 students)			<u>High At-Risk (40%)</u> (2,096 students)		
	Resources	Unit Cost	Total Cost	Resources	Unit Cost	Total Cost	Resources	Unit Cost	Total Cost
Alternative Educational Services	2.0	75,822.93	151,646	4.0	75,822.93	303,292	8.0	75,822.93	606,583
Guidance Counselor				1.0	91,527.36	91,527	1.0	91,527.36	91,527
Prof Dev Professional	2.0	1,763.41	3,527	5.0	1,763.41	8,817	9.0	1,763.41	15,871
Total District At-Risk			155,173			403,636			713,982

At-Risk Cost Summary	Total Costs for At-Risk - All Schools & District				Resulting Costs & Weights		
	6 Elementary Schools	2 Middle Schools	1 High School	Districtwide Costs	Total District Costs	Cost Per Pupil (weighted)	At-Risk Weight
Low At-Risk (10%)	1,743,856	248,934	256,229	155,173	2,404,191	4,316	0.45
Moderate (20%)	2,960,898	677,661	484,249	403,636	4,526,444	4,063	0.42
High (40%)	6,688,086	1,522,879	1,024,069	713,982	9,949,017	4,463	0.46

<u>Difference Between Proposed and PJP Implied At-Risk Costs</u>						
	<u>Proposed Weight</u>	<u>Cost</u>	<u>PJP Weight</u>	<u>Cost</u>	<u>Difference</u>	
Elementary School	At-Risk 10%	0.47	4,535	0.45	4,342	\$193
	At-Risk 20%	0.47	4,535	0.42	4,053	\$482
	At-Risk 40%	0.52	5,017	0.46	4,439	\$579
	At-Risk 60%	0.57	5,500	0.46	4,439	\$1,061
Middle School	At-Risk 10%	0.47	4,716	0.45	4,516	\$201
	At-Risk 20%	0.47	4,716	0.42	4,215	\$502
	At-Risk 40%	0.52	5,218	0.46	4,616	\$602
	At-Risk 60%	0.57	5,720	0.46	4,616	\$1,104
High School	At-Risk 10%	0.47	5,306	0.45	5,080	\$226
	At-Risk 20%	0.47	5,306	0.42	4,742	\$564
	At-Risk 40%	0.52	5,870	0.46	5,193	\$677
	At-Risk 60%	0.57	6,435	0.46	5,193	\$1,242

Appendix E – Table 5: Salaries and Benefits (School Level)²⁴

School Level	Salaries 08-09	Benefits 08-09	Total Cost 08-09	Data Source
Classroom Teachers	62,989	12,834	75,823	Mean Cert Staff 2006 - 2007
Other Teachers	62,989	12,834	75,823	Mean Cert Staff 2006 - 2007
Librarians	77,135	12,953	90,087	Mean Cert Staff 2006 - 2007
Technology Specialists	53,262	20,715	73,976	BLS Salary Data (Occ Code 15-1041 Computer Support Specialist) May 2006
Student Support Staff				
Counselors	78,563	12,965	91,527	Mean Cert Staff 2006 - 2007
Nurses	65,311	12,853	78,165	Mean Cert Staff 2006 - 2007
Psychologists	73,945	12,926	86,871	Mean Cert Staff 2006 - 2007
Social Workers	69,421	12,888	82,308	Mean Cert Staff 2006 - 2007
Instructional Aides	24,921	16,240	41,160	BLS Salary Data (Occ Code 25-9041 Teacher Assistants) May 2006
Clerical/Data Entry	37,250	18,186	55,437	BLS Salary Data (Occ Code 43-6014 Secretaries) May 2006
Principal - Elementary	119,503	13,308	132,811	Mean Cert Staff 2006 - 2007
Asst. Principal - Elementary	100,708	13,151	113,859	Mean Cert Staff 2006 - 2007
Principal - Middle	121,426	13,325	134,751	Mean Cert Staff 2006 - 2007
Asst. Principal - Middle	101,084	13,154	114,238	Mean Cert Staff 2006 - 2007
Principal - High	132,316	13,416	145,732	Mean Cert Staff 2006 - 2007
Asst. Principal - High	109,453	13,224	122,677	Mean Cert Staff 2006 - 2007
Substitutes	127	0	127	Professional Judgment Panel
Security Guard	34,168	17,700	51,868	BLS Salary Data (Occ Code 33-9032 Security Guards) May 2006
Reading Specialists	75,488	12,939	88,426	Mean Cert Staff 2006 - 2007
Speech Pathologists	71,853	12,908	84,761	Mean Cert Staff 2006 - 2007
Media Aides	33,155	17,540	50,695	BLS Salary Data (Occ Code 25-4031 Library Technicians) May 2006
School Directors	107,373	13,207	120,579	Mean Cert Staff 2006 - 2007
Parent Liaison	24,576	16,185	40,762	NJEA Salary Data 2002 - 2003 inflated by 2.11, 2.64, and 5.89 percents
Lunchroom Aide	7,732	7,373	15,106	BLS Salary Data (Occ Code 35-9099 Food Prep and serving related workers, all other) May 2006. Based on hourly median (\$8.66) for four hours per day for 180 days per year.
Non-Certificated Staff			0.1579	Workers' Compensation²⁵, PERS, FICA (0.84% + 7.3% + 7.65%)
Certificated Staff			0.0084	Workers' Compensation
All Staff			12,305	Medical Benefits (not including Dental)

²⁴ Tables 5 and 5a were added to the report on December 18, 2007.

²⁵ Benefits include workers' compensation, which was included in the insurance cost at the district level in the large K-12 PJP model.

Appendix E – Table 5a: Salaries and Benefits (District Level)

	Salaries 08-09	Benefits 08-09	Total Cost 08-09	Data Source
Salaries / Districtwide				
Superintendent (Has Asst Sup)	184,502	13,854	198,357	Mean Cert Staff 2006 - 2007
Assistant Superintendent	115,323	13,273	128,597	Mean Cert Staff 2006 - 2007
Assistants to the Superintendent	53,033	20,678	73,711	BLS Salary Data (Occ Code 43-6011 Exec Secretaries) May 2006
Business Administrator	113,609	13,259	126,868	Mean Cert Staff 2006 - 2007
Assistant Business Administrator	68,165	12,877	81,042	60% of BA Salary (per V. Guo)
Facilities Manager	108,505	13,216	121,721	Same as supervisors' salary
Business Clerks	39,941	18,611	58,552	BLS Salary Data (Occ Code 43-3031 Bookkeeping, Acct, & Aud Clerks) May 2006
Clerical/Data Entry	37,250	18,186	55,437	BLS Salary Data (Occ Code 43-6014 Secretaries) May 2006
Technician	53,262	20,715	73,976	BLS Salary Data (Occ Code 15-1041 Computer Support Specialist) May 2006
Director	122,287	13,332	135,618	Mean Cert Staff 2006 - 2007
Supervisors	108,505	13,216	121,721	Mean Cert Staff 2006 - 2007
Coordinators	88,733	13,050	101,783	Mean Cert Staff 2006 - 2007
Plant Maintenance & Operations				
Custodians	26,282	16,455	42,737	BLS Salary Data (Occ Code 37-2011 Janitors & Cleaners) May 2006
Maintenance	40,061	18,630	58,691	BLS Salary Data (Occ Code 49-9042 Maintenance & Repair, general) May 2006
Grounds	28,515	16,807	45,322	BLS Salary Data (Occ Code 37-3011 Landscaping & Groundskeeping) May 2006

Non-Certificated Staff	0.1579	Workers' Compensation, PERS, FICA (0.84% + 7.3% + 7.65%)
Certificated Staff	0.0084	Workers' Compensation
All Staff	12,305	Medical Benefits

