

CEIFA

This document outlines the various State aid categories under the State's school funding law, the "Educational Improvement and Financing Act of 1996," (CEIFA) P.L.1996, c.138, adopted by the Legislature on December 19, 1996. Prior to the discussion of the State aid categories, this document provides information on some of the provisions of CEIFA which are the basis upon which core curriculum standards aid under CEIFA is distributed.

Thoroughness Standards - the State Board of Education adopted core curriculum content standards in May of 1996 which define what a student in New Jersey needs to know and be able to do - they define the substance of a thorough education. Standards have been adopted in visual and performing arts, comprehensive health and physical education, language arts/literacy, mathematics, science, social studies, world languages, technological literacy, and career education and consumer, family and life skills.

Efficiency Standards - the Commissioner of Education develops and establishes efficiency standards which define the types of programs, services, activities, and materials necessary to achieve a thorough and efficient education. The efficiency standards are reviewed biennially and revised as necessary.

The Governor recommends biennially in the Report on the Cost of Providing a Thorough and Efficient Education the T&E per pupil amount which is based on the thoroughness and efficiency standards, the T&E range, and additional per pupil amounts for the other aid programs established in the law. Those amounts are adjusted for inflation in the second year to which the report applies.

The March 2000 biennial report established the T&E amount for the 2001-2002 school year (the last school year in which CEIFA was used to distribute State school aid) at \$7913 for an elementary school pupil. This amount was weighted 1.04 for a middle school pupil, 1.11 for a high school pupil, and .5 for a kindergarten pupil.

State Aid Programs

Core Curriculum Standards Aid - this aid category is the equalization aid component of the school aid formula in that its purpose is to equalize the educational resources available to students within the State regardless of their residence and to address inequities in the fiscal capacity of school districts to raise those resources. Based on the T&E amount established under CEIFA (the per pupil amount required for each student to receive a thorough and efficient education) and the district's enrollment, the district determines its T&E budget. The T&E budget funds the regular education services provided by each school district and although a district may spend above its T&E budget, it will only receive core curriculum standards aid on its T&E budget. (Additional categorical funding is provided to districts to fund the costs associated with the special

educational needs of particular groups of students such as special education, bilingual, low-income etc.). The amount which a district must contribute to its T&E budget (its local share) is based on the district's property wealth and personal income wealth. The district's T&E budget minus its local share equals the amount of core curriculum standards aid to which the district is entitled, if any.

In considering core curriculum standards aid, it is important to remember that CEIFA set the amount of aid to be awarded in the 1997-98 school year under this program (\$2.6 billion); and that in each subsequent school year, the amount of core curriculum standards aid increases by the sum of 1.0, the CPI and the State average enrollment growth percentage between the prebudget and budget years. In the 2001-2002 school year, available core curriculum standards aid equaled \$3.078 billion, an increase of \$135 million (4.6%) over the FY 2001 appropriation of \$2.9 billion. (In light of the fact that CEIFA has not been used to calculate State aid entitlements since the 2001-2002 school year, the amount of available core curriculum standards aid remains at approximately \$3.1 billion.) There is therefore a predetermined amount of core curriculum standards aid funding that is being distributed each year and districts are ranked relative to each other according to their property wealth and income to determine eligibility for this aid. (While some districts that don't receive core curriculum standards aid contend that they are similar in characteristics to some other district which receives core curriculum standards aid, the reality is that when ranked relative to all other districts according to the wealth factors in the formula, they rank more highly.) If the total amount of core curriculum standards aid were greater, more districts would potentially qualify for such aid. The State, under both CEIFA and the prior school funding law, the QEA, established a predetermined amount to be distributed under the equalization aid component of the formula.

Supplemental Core Curriculum Standards Aid - in an attempt to address the issue of municipal overburden, CEIFA established the component of supplemental core curriculum standards aid. Districts which have a concentration of low-income pupils which equals or exceeds 40%, and which have an equalized school tax rate which exceeds the Statewide average estimated equalized school tax rate by more than 10%, are eligible for this aid category.

Early Childhood Program Aid - this aid category is distributed to school districts with high concentrations of low-income pupils for the purpose of providing full-day kindergarten and preschool classes and other early childhood programs and services.

In the 2001-2002 school year, for districts in which the concentration of low-income pupils is equal to or greater than 20% and less than 40%, aid equals \$506 per pupil. If the district's concentration of low-income pupils is equal to or greater than 40%, aid equals \$817 per pupil. The per pupil amounts are multiplied by the district's resident enrollment to calculate the district's aid.

Demonstrably Effective Program Aid - demonstrably effective program aid is generated by individual schools within a district and paid to the district for the purpose of providing instructional, school governance, and health and social service programs to students enrolled in the generating schools.

For districts with schools in which the concentration of low-income pupils is equal to or greater than 20% but less than 40%, aid equals \$327 per pupil in those schools for the 2001-2002 school year. For districts with schools in which the concentration of low-income pupils is equal to or greater than 40%, aid equals \$463 per pupil in those schools. The per pupil amounts are multiplied by enrollment within the schools which generate the aid entitlement.

Instructional Supplement Aid - this aid category is distributed to school districts with concentrations of low-income pupils equal to or greater than 5% and less than 20% for the purpose of providing supplemental services to those students. Aid equals \$369 per pupil in the 2001-2002 school year.

Special Education Categorical Aid - State aid for special education students is distributed on the basis of a student's special education classification under four tiers, with an increasing amount of per pupil aid for each tier. **Tier I** includes related services which are provided to students classified in one of the other three tiers (funding can be provided for up to four related services); **Tier II** includes pupils not receiving Tier IV intensive services meeting the criteria for specific learning disabled, cognitive impaired - mild, preschool disabled, traumatic brain injury, and classified pupils receiving special education services in shared time county vocational programs in a county vocational school which does not have a full-time child study team; **Tier III** includes pupils not receiving Tier IV intensive services meeting the criteria for cognitive impaired - moderate, orthopedically impaired, auditorially impaired, emotionally disturbed, communication impaired, multiply disabled, other health impaired, and visually impaired; **Tier IV** includes pupils receiving intensive services meeting the classification definition of autistic, cognitive impaired-severe, and other classified pupils who receive one or more of nine intensive services.

In the 2001-2002 school year, Tier I aid equals \$310, Tier II aid equals \$3,260, Tier III aid equals \$5,975, and Tier IV aid equals \$13,037.

Bilingual Education Aid - \$1168 per bilingual education pupil in the 2001-2002 school year.

County Vocational Aid - \$1883 per county vocational school district pupil in the 2001-2002 school year.

Distance Learning Network Aid - \$44 per pupil in the 2001-2002 school year to support the cost of the establishment of Statewide distance learning networks. Distance Learning Aid was to be provided for a five-year period beginning in the 1997-98 school year and ending in the 2001-2002 school year.

Adult High School, County Vocational School Post-secondary Programs - for the 2001-2002 school year, adult education aid equals \$1443 per pupil and county vocational school post-secondary education aid will equal \$1985.

Transportation Aid - CEIFA establishes a base aid formula to calculate State aid for pupil transportation services. The formula is based on the number of eligible public and nonpublic school pupils transported on regular school buses, the number of special education pupils transported on specialized equipment, the average home to school mileage, and four cost coefficients which are established in the biennial report. CEIFA also directed the Department of Education to develop an incentive factor which would be applied against a school district's base aid paid for the transportation of regular education pupils. The incentive factor will essentially reduce the State aid of those school districts which do not meet the State standard for efficient transportation services based on the district's vehicle capacity utilization. The incentive factor was to be applied for the first time in the 2001-2002 school year; however while districts are being notified of where they rank in terms of efficiency, the incentive factor is not currently applied.

Stabilization Aid - (Section 10) - rationale is to hold districts harmless against dramatic increases or decreases in State aid.

Subsection a. - Stabilization Aid Growth Limit - a district's State aid may not increase from one school year to the next by more than 10% or the rate of growth in the district's projected resident enrollment over the prebudget year, whichever is greater.

Subsection b. - Stabilization Aid Decline - State Aid may not be decreased by more than 10% below the amount paid in the prior year. The FY 2001 appropriations act overrode this provision of CEIFA to provide that a school district's State aid could not decrease in the 2000-2001 school year by more than 2%. In a number of subsequent budget years, the Legislature overrode CEIFA to hold school districts harmless against any loss in school aid.

Subsection c. - Supplemental Stabilization Aid - pursuant to the provisions of this subsection, in the 1997-98 school year, all school districts, other than those which had an enrollment decline, received additional stabilization aid to hold them harmless in the amount of their total aid decline or \$4 million, whichever was less. The same dollar amount was distributed under this aid category in the 1998-99 and 1999-2000 school years to those districts which received the aid in 1997-98. This aid was eliminated in the 2000-2001 school year when the State adopted the 2% hold harmless through the budget.

Subsection d. - Large, Efficient District Aid - provides additional aid to districts with a projected 1997-98 resident enrollment which exceeded 10,000 pupils; which do not receive core curriculum standards aid in an amount greater than 50% of

their T&E budgets; and which were not notified of an administrative penalty in the 1996-97 school year.

Subsection e. - County Special Services School District Hold Harmless

Aid - provided additional aid to school districts to assist them in the transition to funding county special services school district students through the district of residence. This aid category was only operational for the 1997-98 school year and under CEIFA was to be discontinued in 1998-99; however, the same dollar amount distributed in 1997-98 was distributed in the 1998-99 and 1999-2000 school years. This aid category was eliminated in the 2000-2001 school year when the State adopted the 2% hold harmless through the budget.

Subsection f - Supplemental School Tax Reduction Aid - provides

additional aid for districts which were spending less than 115% of the State average net budget per pupil in 1996-97; in which the school tax rate in 1996-97 was greater than 130% of the Statewide average equalized school tax rate; does not receive any supplemental core curriculum standards aid; is not an I or J district.

Subsection g. - Supplemental Senior Aid - provides additional aid to

any district which is located in a municipality which has a population composed of more than 45% senior citizens age 65 or older. Aid equals \$200 per pupil.

Academic Achievement Reward - provides rewards to districts having

one or more schools that meet the criteria for absolute success or significant progress towards high student academic achievement. \$10 million is distributed through this aid program.