

**Biennial Report on the Cost of
Providing a Thorough and Efficient
Education**

2002

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on the Cost of Providing
a Thorough and Efficient Education**

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**William L. Librera, Ed.D.
Commissioner of Education**

**Richard Rosenberg, Assistant Commissioner
Division of Finance**

**Yut'se Thomas, Director
Office of School Funding**

**New Jersey State Department of Education
P.O. Box 500
Trenton, New Jersey 08625-0500**

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I. BACKGROUND

The Comprehensive Educational Improvement and Financing Act of 1996

T&E Amounts and Categorical Aid Cost Factors

The Comprehensive Education Improvement and Financing Act of 1996 (CEIFA) included a uniform per-pupil regular education spending amount based on a set of assumptions regarding the inputs needed to provide a “thorough” education (one that satisfies the Core Curriculum Content Standards) in an “efficient” manner. CEIFA established a T&E range to account for cost variations experienced in the districts and separate weights to incorporate the varying costs of providing educational services at different grade levels. CEIFA included cost factors for categorical aid provided by the department to school districts. Aid categories included in CEIFA were as follows:

- 1) special education aid;
- 2) early childhood program aid;
- 3) demonstrably effective program aid;
- 4) instructional supplement aid;
- 5) bilingual education aid;
- 6) county vocational education aid;
- 7) distance learning network aid;
- 8) adult and post-secondary education aid.

Updating the Cost of a Thorough and Efficient Education

CEIFA established a two-year process for updating the T&E amounts and categorical aid cost factors. In each even-numbered year, the Governor is required to present to the Legislature the *Report on the Cost of Providing a Thorough and Efficient Education* (Biennial Report). The Educational Facilities Construction and Financing Act (EFCFA) also required the department to develop facilities efficiency standards for the 2002 and subsequent reports. The combined New York City and Philadelphia Consumer Price Index (CPI) is used to adjust the cost factors for inflation in the years between reports.

II. THE 2002 BIENNIAL REPORT ON THE COST OF PROVIDING A THOROUGH AND EFFICIENT EDUCATION

1. Summary

This document fulfills the statutory requirement of *N.J.S.A.* 18A:7F-4c to reexamine the factors used in CEIFA and recommend to the legislature any necessary changes as well as the requirement of *N. J. S. A.* 18A:7G-3 and *N. J. S. A.* 18A:7G- 4h to develop facilities efficiency standards and area cost allowances for this and subsequent reports.

We continue to hear concerns regarding the adequacy and fairness of CEIFA. To address these concerns, the department has begun a deliberate and collaborative process of meeting with a cross-section of stakeholders to explore options for revising the current funding system. It is our plan to have a final proposal completed in time for fiscal 2004-05. In the meantime, work is progressing on interim solutions for fiscal 2004 to address some of the more urgent concerns. Because of the need to complete this report to meet the statutory requirement, and because our work with the funding group is still in progress, none of those ideas is incorporated in these recommendations. Rather, in recognition of the almost universal desire to make fundamental changes to the CEIFA funding system in the near future, we suggest only inflationary changes to the current CEIFA cost factors. Consequently, all of the recommended changes reflect use of the current CPI to increase the 2001-02 cost factors, except for the T&E amount. In this case, the CPI was used to increase the cost factor included in districts' FY 2003 budgets.

2. T&E Amount

2003-04 T & E Amount				
Category	Weight		Range	T&E Amount
Kindergarten	0.5	\$416	\$3,949 – \$4,364	\$4,156
Elementary School	1.0	\$831	\$7,897 – \$8,728	\$8,313
Middle School	1.04	\$865	\$8,213 – \$9,078	\$8,645
High School	1.11	\$923	\$8,766 – \$9,689	\$9,227

3. Categorical Aid Cost Factors

Special Education Cost Factors				
Year	Tier I	Tier II	Tier III	Tier IV
1997 – 1998	\$150	\$2,945	\$5,945	\$8,250
1998 – 1999	\$154	\$3,024	\$6,104	\$8,470
1999 – 2000	\$300	\$3,155	\$4,207	\$12,620
2000 – 2001	\$305	\$3,207	\$4,276	\$12,827
2001 – 2002	\$310	\$3,260	\$5,975 ¹	\$13,037
2002 – 2003	\$310	\$3,260	\$5,975	\$13,037
2003 – 2004	\$317	\$3,329	\$6,101	\$13,312

Early Childhood Program Aid		
Year	Factor (20-40%)	Factor (40% or Greater)
1997-98	\$465	\$750
1998-99	\$477	\$770
1999-00	\$490	\$790
2000-01	\$498	\$804
2001-02	\$506	\$817
2002-03	\$506	\$817
2003-04	\$517	\$834

Demonstrably Effective Program Aid		
Year	Factor (20-40%)	Factor (40% or Greater)
1997-98	\$300	\$425
1998-99	\$308	\$436
1999-00	\$316	\$448
2000-01	\$321	\$455
2001-02	\$327	\$463
2002-03	\$327	\$463
2003-04	\$334	\$473

Instructional Supplement Aid	
Year	Factor
1997-98	\$339
1998-99	\$348
1999-00	\$357
2000-01	\$363
2001-02	\$369
2002-03	\$369
2003-04	\$377

¹ Note that the March 2000 Biennial Report recommended a cost factor of \$6,607 for FY 2002. This cost factor was decreased in the FY 2002 Appropriations Act.

Bilingual Education	
Year	Factor
1997-98	\$1,073
1998-99	\$1,102
1999-00	\$1,131
2000-01	\$1,150
2001-02	\$1,168
2002-03	\$1,168
2003-04	\$1,193

County Vocational Aid	
Year	Factor
1997-98	\$1,662
1998-99	\$1,706
1999-00	\$1,752
2000-01	\$1,781
2001-02	\$1,883
2002-03	\$1,883
2003-04	\$1,923

Adult and Post-Secondary Education Aid		
Year	Adult Education Factor	Post-Secondary Education Factor
1997-98	\$1,345	\$1,345
1998-99	\$1,381	\$1,381
1999-00	\$1,397	\$1,746
2000-01	\$1,420	\$1,775
2001-02	\$1,443	\$1,985
2002-03	\$1,443	\$1,985
2003-04	\$1,473	\$2,027

Transportation Cost Factors				
Year	CP1	CD1	CP2	CD2
1997-98	\$280.24	\$28.75	\$1,192.69	\$80.12
1998-99	\$287.72	\$29.52	\$1,224.53	\$82.26
1999-00	\$371.06	\$10.16	\$2,590.12	\$4.94
2000-01	\$377.69	\$10.33	\$2,632.60	\$5.02
2001-02	\$383.88	\$10.50	\$2,675.77	\$5.10
2002-03	\$383.88	\$10.50	\$2,675.77	\$5.10
2003-04	\$391.98	\$10.72	\$2,732.23	\$5.21

Distance Learning Network Aid	
Year	Factor
1997-98	\$40
1998-99	\$41
1999-00	\$42
2000-01	\$43
2001-02	\$44
2002-03	\$44
2003-04	\$45

4. Facilities Efficiency Standards

Consistent with the other recommendations, the construction cost allowance is adjusted to recognize inflation. However, instead of the CPI, the cost construction index is used. Therefore, the current cost allowance is increased by 3.36 percent.

Recommended Facilities Efficiency Standards	
Elementary Schools	125 square feet per FTE
Middle Schools	134 square feet per FTE
High Schools	151 square feet per FTE

Recommended New Construction Cost Allowances	
Current	\$138
2003-04	\$143

Appendix 1 Historical T&E Amounts

2002 – 2003 School Year

	Weight	T&E Amount	Range
Kindergarten	0.50	\$4,071	\$3,867 - \$4,275
Elementary School	1.00	\$8,141	\$7,734 - \$8,548
Middle School	1.04	\$8,467	\$8,044 - \$8,890
High School	1.11	\$9,037	\$8,585 - \$9,489

2001 – 2002 School Year

	Weight	T&E Amount	Range
Kindergarten	0.50	\$3,957	\$3,759 - \$4,154
Elementary School	1.00	\$7,913	\$7,517 - \$8,309
Middle School	1.04	\$8,195	\$7,785 - \$8,605
High School	1.11	\$8,782	\$8,343 - \$9,221

2000 – 2001 School Year

	Weight	T&E Amount	Range
Kindergarten	0.50	\$3,600	\$3,420 - \$3,779
Elementary School	1.00	\$7,199	\$6,839 - \$7,559
Middle School	1.12	\$8,063	\$7,660 - \$8,466
High School	1.20	\$8,639	\$8,207 - \$9,071

1999 – 2000 School Year

	Weight	T&E Amount	Range
Kindergarten	0.50	\$3,541	\$3,364 - \$3,718
Elementary School	1.00	\$7,083	\$6,729 - \$7,437
Middle School	1.12	\$7,933	\$7,536 - \$8,330
High School	1.20	\$8,500	\$8,075 - \$8,925