

**REPORT OF THE NEW JERSEY  
LEGISLATIVE TASK FORCE  
ON SPECIAL EDUCATION**

**DECEMBER 22, 1995**

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ON SPECIAL EDUCATION**

December 22, 1995

Honorable Christine Todd Whitman  
Governor of the State of New Jersey

Honorable Donald T. DiFrancesco  
President of the Senate

Honorable Chuck Haytaian  
Speaker of the General Assembly

Honorable Jack Ewing  
Chair, Joint Committee on the  
Public Schools

Honorable John Rocco  
Vice Chair, Joint Committee on the  
Public Schools

Dear Governor Whitman, President DiFrancesco, Speaker Haytaian,  
Senator Ewing and Assemblyman Rocco:

The New Jersey Legislative Task Force on Special Education is pleased to present you with this report on the issues associated with the funding and the delivery of services for special education. As indicated therein, the Task Force has focused on the urgent need to find ways to provide for special education in a cost effective way in order to ensure the availability and the adequacy of such services to children who need them. The report contains an analysis of factual information concerning the existing status of special education in New Jersey and sixty-two specific recommendations for the improvement of the system.

The Task Force appreciates your commitment to the improvement of the special education system in New Jersey.

Respectfully submitted,

*Andrea L. Kahn*

Andrea L. Kahn, Task Force Chair

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# NEW JERSEY LEGISLATIVE TASK FORCE ON SPECIAL EDUCATION

Andrea Kahn, Chair  
Brenda G. Considine, Vice Chair

## INTRODUCTION

The New Jersey Task Force on Special Education was created pursuant to Chapter 56 of the Pamphlet Laws of 1995, signed into law by the Governor on March 17, 1995. The statutory purpose of the Task Force is to study the issues surrounding the costs and the delivery of special education services. Consistent with the statutory findings and declarations of its enabling legislation, the Task Force has focused on the urgent need to find ways to provide for special education in a cost effective way in order to ensure the availability and the adequacy of such services to children who need them. A list of the members is attached to this report as Appendix A.

The Task Force was convened by Senator Jack Ewing and Assemblyman John Rocco at the Legislative Annex on Thursday, May 19, 1995. A Chair, a Vice Chair and a Secretary were elected by the Task Force, and a meeting schedule was developed. The Task Force identified issues to be addressed and created three subcommittees, a Delivery of Services Subcommittee, a Cost Subcommittee and a Funding Subcommittee, to lead the research and the discussions of the Task Force on the issues involved in each category. A Steering Committee was created consisting of the Chair and the Vice Chair of the Task Force and the three Subcommittee Chairs to plan the agendas and the work of the Task Force and to supervise the writing of the report. The Task Force met with experts, reviewed reports and position papers and shared their own expertise drawn upon from the perspectives of the agencies and the experiences represented by Task Force members. The Task Force held four public hearings to gain the perspectives of educators, families and professionals concerned about the future of special education in New Jersey. See Appendix B, "List of Sources."

The Subcommittees submitted reports containing their findings and recommendations to the Task Force. The final Task Force report was drafted on the basis of the subcommittee reports and the discussions and the conclusions of the Task Force. The entire Task Force reviewed and discussed the Task Force Report before it was finalized and adopted on December 22, 1995. In many instances

there were controversial issues and diverse points of view. The report was adopted by the Task Force with the recognition that adoption did not indicate unanimous concurrence with every recommendation contained in the report.

The creation of this Task Force follows a long history starting with the State's leadership role in providing special education and the review, the modification and the improvement of its programs over a period of forty years. For a review of that history and various reports and studies suggesting modifications, see Appendix C.

## MISSION STATEMENT

The mission of the New Jersey Legislative Task Force on Special Education is to recommend ways in which the State of New Jersey can ensure a thorough and efficient education to pupils with disabilities in a cost-effective manner.

Our goal is to have a system of public education for all pupils in New Jersey that provides services and supports to pupils with educational disabilities through a full range of program options in the least restrictive environment and that prepares pupils to be contributing, productive members of their communities. This system must be funded in a manner that will provide access to programs, services and supports without barriers or incentives.

Our recommendations will:

1. Support a unified, coordinated system of education that provides for the individual needs of all pupils, including those with disabilities;
2. Reflect a consideration of effective and efficient use of resources in the education system;
3. Reflect a sensitivity to public perception about special education;
4. Focus on ways to improve outcomes for pupils with disabilities;
5. Focus on ways to increase accountability in all aspects of the system;
6. Consider the impact of state and federal law and regulation on the system;
7. Reflect consideration of gender and minority issues;
8. Address the issues identified by Commissioner Klagholz in his Comprehensive Plan for Financing and other relevant documents.

## OVERVIEW OF CURRENT SYSTEM

The New Jersey State Constitution provides that "The Legislature shall provide for the maintenance and support of a thorough and efficient system of free public schools for the instruction of all children in the State between the ages of five and eighteen years." Article VIII, Section IV, Paragraph 1. The courts have expanded this to ensure educational opportunities to children between the ages of three and twenty-one to ensure that the Constitutional mandate is met. Under the statutory scheme, the State has delegated to the local school districts, in large part and under the supervision of the State Department of Education, the responsibility of defining and providing a free and appropriate public education to the students in this State. N.J.S.A. 18A:7A-7.

In order to ensure a thorough and efficient education for students of the State with handicapping conditions, the Legislature enacted Chapter 46 of Title 18A to provide for the special requirements of those children. Pursuant to the provisions of law, regulations have also been promulgated and are codified as N.J.A.C. 6:28. The provisions for State school aid for education including for special education are set forth in N.J.S.A. 18A:7D-7 et seq. Since New Jersey has opted to receive federal assistance, the State is also subject to the requirements of federal law in providing for the educational needs of children with disabilities.

Under the supervision of the State, the actual providers of services include primarily local school districts, local school districts in sending and receiving relationships, county special services school districts, educational services commissions, jointure commissions, private not-for-profit schools, private for-profit schools, out-of-state not-for-profit and/or for-profit private schools and training centers operated under the supervision of the Department of Human Services.

## COSTS AND DELIVERY OF SERVICES

New Jersey is committed to delivering a free and appropriate public education to all pupils with disabilities. Educational programs must be individually determined, based on the specific educational needs of each pupil as determined by the Individual Educational Program (IEP). The goal of special education is to ensure that pupils with disabilities achieve high standards and graduate from school capable of being participating and contributing members of the community. This includes the preparation of pupils with disabilities for successful post secondary educational experiences, employment and independent living.

New Jersey's special education system is based on the right of pupils with disabilities to be educated with their nondisabled peers and the responsibility of districts to provide modifications and alternatives within the regular education environment whenever possible and appropriate to ensure student success. In order for this to be successful, it is critical that the individualized services needed by each pupil must be provided. This includes related services as well as equipment and technology necessary to meet the needs of pupils with disabilities. We believe that special education must be viewed as a coordinated set of services rather than "a place".

While Federal law assumes that the regular classroom is the preferred placement for all pupils, we recognize that for some pupils this will not be appropriate even with modifications, supports and services. We also recognize the responsibility of school districts to provide a full range of placement options for all pupils. We recognize that parents are valuable partners and must work together with district personnel in developing and in implementing successful special education programs.

In order to accomplish our mission, the New Jersey Task Force on Special Education examined key areas that affect the delivery and the cost of special education services. Our findings and recommendations are described below in fifteen (15) areas:

### **A. Support of Regular Education**

#### **CURRENT STATUS:**

In order for special education students to be successful in regular classrooms, a number of conditions must be present. First the classroom teacher must view the pupil with special needs as a

legitimate member of the class. Second, the needs of all pupils in the class must be viewed as equally significant. Third, any assistance, support or services needed for the pupil(s) with disabilities must be provided in a manner that meets the pupil's needs as well as the collective needs of the class.

#### **RECOMMENDATIONS:**

1. Regular education class size and composition should take into account the nature and the extent of the educational accommodations and supports needed by classified pupils.
2. Paraprofessionals should be assigned to regular education classes based on the composition of the entire class and the specific needs of the pupil(s) with disabilities in that class.
3. Consultation with Child Study Team or other professionals with expertise must be an integral part of the program and must allow for planning and the evaluation of the program.
4. Ample time for consultation and planning should be arranged in order to have meaningful instructional coordination between the classroom teacher and the special education support staff.
5. Regular education teachers should participate in the IEP meeting in order to provide input in program planning and to ensure that the IEP is meaningful and provides all necessary specific modifications and supports.
6. Best practices, such as collaborative teaching should be encouraged.

## **B. Child Study Team Services**

#### **CURRENT STATUS:**

Child Study Team members can and must be involved in regular education programs as well as special education programs. They can provide consultation, prereferral interventions and direct services, such as counseling, crisis intervention and behavior management, to nondisabled pupils. In so doing, they may help prevent unnecessary classification of pupils. Frequently, however, school districts view the Child Study Team as only providing special education services and therefore do not fully use the talent and the expertise of the Child Study Team to the benefit of all pupils in the district.

New Jersey law requires that the Child Study Team include a minimum of three specific professionals. In addition, the New Jersey Administrative Code requires the Child Study Team to conduct at least four (4) assessments for each initial evaluation of pupils who may be eligible for special education, including a medical evaluation. New Jersey regulations further require specialized evaluations for certain disability classifications regardless of whether or not such evaluations are necessary for educational programming. The Task Force recognizes that pupils may need different types of assessments at different points in their educational career.

**FACTS:**

1. Child Study Team services are not included in special education costs. Instead, they are considered as part of regular education costs.
2. The statewide average number of classified pupils per professional Child Study Team staff has remained quite constant since 1988.

POSITION	1988	1994
Psychologist	112	125
Social Worker	115	110
LDTTC	99	111

*(from NJ DOE Statistic Report for 1994-95 - in press)*

2. In 1980, 43.6% of those pupils referred to Child Study Teams for evaluation were determined eligible for special education. In 1994, 77.5% of those referred were determined eligible. At the same time, the percentage of all pupils who were identified for evaluation decreased from 3.6% of total school enrollment to 2.3%. These data suggest that school districts have become more efficient in the evaluation process for special education, spending less time evaluating pupils who do not have disabilities.

**RECOMMENDATIONS:**

● **Evaluation/Assessment:**

1. State code should be amended to:

- a) require a minimum of two assessments.
- b) eliminate the requirement for medical and other specialized evaluations.
- c) eliminate the requirement that each Child Study Team member observe the pupil outside the test situation. Only one Child Study Team member should be required to conduct such an observation.
- d) The Child Study Team should determine which assessments are needed for pupils on an individual basis.

2. The New Jersey Department of Education should provide guidelines for the appropriate ratio of Child Study Teams per total population and should encourage school districts to enhance the role of the Child Study Teams within regular education.

● **Classification System:**

1. The current medical model disability labeling system should be changed to avoid overburdening children with disability labels. A new system with the designation, "Eligible for Special Education," with specific criteria for eligibility should be established.

2. The criteria for "neurologically impaired" and "perceptually impaired" would be replaced with a single set of criteria for "learning disabled."

3. The criteria for "eligible for speech correction" should be defined so that it becomes a service provided under section 504 of the Rehabilitation Act, thus reducing paperwork and reporting while making the provision of this service more reasonable. This shift is recommended only if federal funding for the Individuals with Disabilities Act (IDEA) is changed to a non "head count" model.

● **Costs:**

1. A portion of the cost of Child Study Team services must be considered a special education cost.

**C. Rates of Classification**

**CURRENT STATUS:**

There is a public perception that the rates of classification in New Jersey have been climbing in recent years. Data do not support that perception. Further, there is a growing concern that

pupils are being classified due to a lack of regular education alternatives to meet their educational or behavioral needs. The State of New Jersey has a higher rate of classification than the national average (9.5% compared to 7.85%) based on the ages 3 to 21 census. This is the second highest classification rate in the country.

**FACTS:**

1. In New Jersey, the percentage of the census of all children and youth aged 3 to 21 classified as having a disability increased steadily from 1977 to 1988, from 5.4% to 8.6%. Since 1989, however, the percentage of classified pupils has increased less than 1%, to the current level of 9.5% in 1994.

Because census data are not available for each school district, it is not possible to calculate the classification rates in the same manner used above. Therefore, an index of classification rates within New Jersey is used instead. It is calculated by dividing the number of resident pupils with disabilities aged 3 to 21 (excluding nonpublic pupils) by the resident public school enrollment. These data are published annually in the Special Education Statistical Report. The following facts (2 to 7) were based on this percentage.

2. The percentage of total enrollment that is newly classified each year has remained constant since 1980 at between 1.6% and 1.8%.

3. In 1994, approximately 190,000 pupils aged 3 to 21 in New Jersey attended special education programs in various settings. This represents 14.9% of the total school enrollment and 9.5% of the census for youth aged 3 to 21.

4. Classification rates vary greatly among districts, from a low of 5.4% to a high of more than 30%. Even between counties, there are significant differences: Classification rates range from a low of 13% in Essex County to a high of 20% in Mercer County.

5. Due to factors of urban poverty, it can be inferred that rates of disability in cities are likely to be higher than other areas of the State. Yet, classification rates in our State's large cities vary greatly. For example, in 1994, Newark classified 10% of total pupil enrollment as educationally disabled, well below both the state and national averages. The City of Trenton classified one in four of its

pupils, with a classification rate of 25.4% of the total pupil enrollment.

6. In 1994, pupils classified "speech eligible" and "Perceptually Impaired" made up 64.5% of all classified pupils in NJ. 6% of the total public school enrollment (not counting nonpublic school pupils) were classified as "perceptually impaired"; 3.3% were classified "eligible for speech".

7. Child Study Team classification rates for black males were about 1.3 times the rate for whites. Much of the difference between the black and white rates were in the "emotionally disturbed" (ED) category. Minority group pupils were classified for speech at a rate substantially lower than their white counterparts.

#### **RECOMMENDATIONS:**

1. Regular education alternatives and support services should be made available to pupils experiencing learning difficulties, thus preventing unnecessary classification while providing needed specialized supports. There must be increased opportunities for prereferral type activities such as pupil assistance teams, instructional modification, alternative programming, etc.
2. Resource center support services should be open to all pupils, both classified and nonclassified, and should be available at levels appropriate to the school enrollment and the needs of buildings, classes and teachers. The number of resource center teachers should reflect both the needs of special education and a support system for regular education. They would work in collaboration with regular class teachers and would provide services primarily to classified students and, when necessary, to nonclassified pupils.
3. The New Jersey Department of Education should analyze classification patterns to determine why there is so much variance and to determine whether or not the "Child Find" requirements of IDEA are being fully implemented.
4. Further study is needed to determine reasons for racial, ethnic and gender differences in classification patterns.
5. The New Jersey Department of Education should collect data on placement patterns for Black and Hispanic pupils and other racial and ethnic minorities.

## D. Related Services

### ● Occupational Therapy, Physical Therapy, Speech Therapy and Counseling

#### CURRENT STATUS:

Related services must be provided to pupils with disabilities based on their individual needs and the relationship of the service to the pupils' performance and participation in school. Districts have expressed concern over the high cost of some of these services and their lack of availability. Unfortunately, actual cost data for occupational therapy (OT), physical therapy (PT) and speech services are not available.

Because pupils with disabilities are particularly vulnerable, problems of drug abuse, delinquency, drop out and teen pregnancy place the pupil with disabilities at great risk. Counseling services are often required in order for special education students to cope with the demands of the regular education environment.

#### FACTS:

1. District representatives report that hourly rates for these professional services ranged from \$35-\$85/hr in 1995.
2. Local districts do not receive state aid for related services, except in the case of pupils classified "Eligible for Speech as a Related Service".
3. As shown in the chart below, the percentage of classified pupils receiving related services has increased dramatically in recent years. This increase has a direct impact on costs.

Related Services	1987-88	1993-94	% Change
PT	2.8%	4.3%	+53.5%
Speech	23.2%	27.2%	+16%
OT	4.5%	7.6%	+68.8%
Counseling	13.7%	12.6%	-8%

(data on related services from NJDOE Statistical Report for 1994 - in press)

## RECOMMENDATIONS:

1. When appropriate, consultative and integrated therapeutic models should be provided to pupils in lieu of individual and small group therapy. For examples, alternative models, in which the classroom teacher, the physical education teacher or the classroom aide learns to incorporate certain strategies and activities into the classroom structure should be utilized.
2. Extensive training for parents, staff and child study teams is needed to help them understand the viability of alternative therapeutic models for related services.
3. Related services should be provided only when educationally relevant and needed to allow the pupil to benefit from special education.
4. Related services such as suctioning, catheterization and positioning services must be made available to pupils with disabilities in all educational settings, including the regular neighborhood school building.
5. State institutions of higher learning should be provided incentives to establish four year undergraduate programs in OT and PT services in order to prepare enough professionals to meet the increasing demand.
6. Pupils should not be placed in separate facilities because the related services personnel are located there. Local districts must develop strategies for delivering the services to the pupil as compared to delivering the pupil to the service. This can be accomplished through sharing services among districts or having a local district or private contractor in the county provide these services to the districts on a contractual basis.
7. Adequate support services, such as drug abuse counseling, career awareness and family life instruction, must be available and provided in such a way as to meet the needs of pupils with disabilities.
8. Alternative education programs, employment education programs and vocational education programs must be expanded and made available to special education students.

### ● Transportation

**CURRENT STATUS:**

A wide range of transportation costs exists due to many factors such as regional differences in costs, length of trip, ability to coordinate routes within and between districts, types of vehicles used, and existing regulations that preclude cost effectiveness and incompatible schedules of operation.

**FACTS:**

1. In 1993-94, Local districts report \$120M in expenditures for special education transportation. \$75M was paid to districts in state aid.
2. The amount of state aid per pupil varied greatly, ranging from a low of \$308 per pupil, to a high of \$929 per pupil. For pupils with disabilities, that amount ranged from \$912 to \$5,700 per pupil for the academic year 1992-93.

**RECOMMENDATIONS:**

1. The New Jersey Department of Education, Bureau of Transportation should examine the benefits of:
  - regionalized purchasing of transportation services to reduce costs
  - the establishment of a state academic calendar
  - county-determination of snow days
  - coordination of operating hours on a regional basis to allow for more efficient bus routes (without reducing the length of the school day)and should make recommendations accordingly.

**E. Placement Issues**

● Least Restrictive Environment

**CURRENT STATUS:**

New Jersey's special education funding formula has created a fiscal disincentive for districts to provide inclusive education programs for pupils with disabilities. While state categorical aid is available for placement in a special class, or separate program, there is no comparable categorical aid for placing the same pupil in the regular class with all necessary supports and services such as teacher aides, OT, PT, specialized equipment, consultation of specialists etc.

**FACTS:**

1. Since 1981, the number and percentage of pupils with educational disabilities in public schools placed in supplemental instruction or resource room/center increased from 47,815 (26.8%) to 64,247 (33.9%). In 1994, 62% of all pupils with educational disabilities were in regular class for most of their school day (supplemental instruction and resource centers (33.9%), pupils receiving speech (21%) and pupils in nonpublic schools (6.7%). See Appendix E.

2. Since 1991, the number and percentage of pupils with educational disabilities placed in public special classes decreased from 65,892 (36.9%) down to 61,884 (32.6%). Most of these pupils are in Class I - in buildings with regular grades (55,985 in 1994) as compared with Class II - in buildings with no regular grades (5,899 in 1994).

3. Since 1991, the percentage of pupils with educational disabilities in private schools (day 5.3% or residential 0.1%) or on home instruction (0.5%) has remained the same.

4. According to the 1993 data reported in the Seventeenth Report to Congress, New Jersey ranks fourth from the bottom among states according to the proportion of pupils placed in regular classes or resource rooms (centers).

**RECOMMENDATIONS:**

1. Districts should be encouraged to provide programs in regular classes to pupils with disabilities to the maximum appropriate.

2. Programs should be developed in New Jersey for students who are typically sent out of state such as students with severe behavioral disorders.

3. New Jersey's special education funding formula must allow state special education to support the provision of special education services and supports for classified pupils placed in the regular classroom.

**● Preschool****CURRENT STATUS:**

There is a significant lack of opportunities for preschool pupils with disabilities to be educated in programs with their

nondisabled peers. Because most New Jersey schools do not operate pre-K programs for typical pupils, the only services available in public schools are "preschool handicapped programs." In addition, there is currently no funding for the provision of special education programs in the natural settings such as the home, day care, Head Start Programs, nursery programs and the neighborhood school. Although integrated placement options are increasing for pupils aged 5 to 21, the full continuum of services must be available for the 3 to 5 year old age group as well.

**FACTS:**

1. 99.7% of all pupils newly classified "preschool handicapped" children attend segregated special education programs.
2. Since most districts do not operate preschool programs for the general population, they are unable to operate integrated programs for preschool handicapped.
3. Both Federal law and State Code require districts to make available to preschoolers the same "full continuum" of placement options that are available for children aged 5 to 21. This continuum must include, and in fact, prefers, placement in programs with typical peers.
4. The excess cost of preschool handicapped services include all costs since the state foundation budget does not include preschool costs.

**RECOMMENDATIONS:**

1. *Modify New Jersey code to explicitly allow for the provision of on-site delivery of special education services in community based settings, such as nursery schools, day care centers and Head Start Programs.*
2. *Create incentives for districts to establish in-district programs or to work together with community based organizations to provide coordinated services.*
3. *Provide extensive training to districts, families and teachers to clarify the responsibility of districts to provide preschool programs in the least restrictive environment, and explicitly identify for districts, parents and teachers what those options are and how services may be provided.*
4. *Funding must be provided for preschool handicapped education in all settings.*

## **F. Costs Per Pupil in Various Settings**

### **CURRENT STATUS:**

The total cost of providing special education services to children with similar disabilities varies according to the placement selected. Unfortunately, current accounting procedures do not allow for a way to determine actual per pupil costs of special education services in public schools in New Jersey. There are no data available to indicate actual costs for "inclusive education."

Providers report that the severity of disabilities among classified children has increased in recent years and that children are more medically complex and have more severe multiple disabilities. The task force examined this area because of the link between the severity of disability and the cost of providing more specialized educational services.

### **FACTS:**

1. According to the New Jersey Department of Education, Bureau of Finance, the average cost in 1993-94 to educate a pupil in New Jersey was \$9,975.
2. Local district's do not receive state categorical aid for those pupils with disabilities placed in regular classes. Therefore, the entire cost of any specialized supports and services provided to pupils with disabilities in the regular class are borne by the district. An identical child placed in a special class, public or private, would generate state categorical aid for a district, ranging from \$840 (PI) to \$12,888 (autistic) per pupil, depending on the class into which the child is placed.
3. Cost factors for students placed in special services school districts and regional day schools are fixed as a single cost factor and do not reflect different class types. State government provides more special education categorical aid for pupils placed in classes for educable mentally retarded (EMR), trainable mentally retarded (TMR), multiply handicapped (MH), neurologically impaired (NI), perceptually impaired (PI), emotionally disturbed (ED) and preschool handicapped (PSH) when they are placed in Special Services School Districts (SSSDs) and Regional Day Schools than when they are placed in private schools and public schools.
4. The average tuition paid by local districts for similar services in different placements varies greatly. The cost of

a particular program to local districts and the actual total cost of programs are not consistently related across class type, placement or disability category.

SETTING	AVERAGE COSTS (*)	AVERAGE TUITION	STUDENT/STAFF RATIO	ADE
Private School	22,350	22,350	3:1	9,297
SSSD	22,316	4,973 (**)	3:1	3,750
Regional DS	22,480	22,349	n/a	1,100

(data are for 1993-94 school year).

(\*) Approximate cost per pupil based on 1993 audited fiscal reports. Transition aid (when applicable) and foundation aid and categorical aid are currently received directly by SSSDs. SSSDs have no local tax levy.

(\*\*) Tuition charged by SSSDs to local school districts is offset by county taxes. In 1993, SSSDs received more than \$13M in county support.

6. According to a Task Force Survey, 81% of the public schools, 80% of the private schools and 100% of the special services school districts report an increase in the severity of disabilities in pupils over time. Roughly 60% of those responding to the survey reported an increase in medically fragile pupils.

7. The percentage of classified pupils whose IEPs call for related services (OT, PT and speech services) increased significantly in the period 1988-93. This may suggest an increase in the severity of disabilities.

8. As shown in the chart below, the number of certain special education professionals employed by New Jersey school districts have outpaced the rate of increase in classified pupils. Between 1988 and 1994, the number of special education professionals in public schools increased 29%. In the same time frame, the number of classified pupils increased 10%. This could suggest that the needs of the pupils served have become more severe.

POSITION	1988	1994	% INCREASE
Sp. Ed. Teachers	5,260	6,123	16%
Resource Ctr	2,982	4,689	44%
Teacher's Aides	3,700	5,090	38%
Nurses	1,624	2,162	33%

**TOTAL # of professionals:**  
18,270      23,538      +29%

**TOTAL # of classified pupils :**  
169,234      185,984      +10%

**RECOMMENDATIONS:**

1. New Jersey's funding system must include a mechanism to provide appropriate levels of state aid to local districts that place classified pupils with disabilities in regular classes with special education supports and services.
2. In order to support decision making at the local levels, all state funding for special education services (categorical aid, foundation aid and transition aid) should go directly to the district of residence, regardless of placement.
3. State funding for special education should be provided to the district of residence based on costs of program and services not the location of the placement selected.
4. The funding system must allow private programs the flexibility to set several tuition rates as is permitted for all other special education placements. The tuition should be based upon the nature of services needed and the actual costs subject to state oversight.
5. The funding system must not distort decision making by local districts regarding educational programs and placements.
6. Fiscal reporting requirements must be made consistent across placements to allow state government to accurately determine special education costs on a per pupil basis.

7. Further study is needed to examine the perception that the special education population in New Jersey is becoming more severe and complex. The link between severity of disability and increased costs to educate pupils will have an obvious impact on costs.

## G. UNUSUAL AND EXTRAORDINARY COSTS

### ● Residential Services

#### CURRENT STATUS:

In the 1994 school year, 126 pupils with disabilities were placed in residential programs that were fully funded by their districts. Such placements are sometimes court ordered, and other times are agreed to by the district and the parent. When pupils with disabilities are placed by the Division of Youth and Family Services (DYFS) in residential placements, school districts are responsible for the day school tuition only. These placements are not reflected in the data reported below.

#### FACTS:

1. Less than one tenth of one percent of the New Jersey pupils with disabilities are placed by local districts in residential programs. 99 of these pupils were in out-of-state programs, 27 were placed in New Jersey.
2. The average cost is \$66,500 per child, with a range of cost from \$187,500 - \$17,000 per year for both tuition and residential services. The average cost in-state is \$87,500; the average cost out-of-state is \$60,800.
3. 89 (15%) of the 611 New Jersey school districts have placed students in residential services.
4. Only 5 New Jersey children are placed out of state in locations other than the North East - 1 in Texas, 1 in Illinois, 1 in Idaho, 1 in Kansas and 1 in Utah.
5. Residential costs and other related services for children placed by local districts are borne entirely by local districts. Districts receive no additional state or federal aid.

SOURCE: NJ DOE's "An Analysis of Residential Costs, 5/95)

## ● Intensive Needs Programs

### **CURRENT STATUS:**

Some pupils, because of the nature and severity of their disability, require nonresidential programs that are very costly. Pupils who are medically fragile may require intensive and highly specialize related services. Pupils with autism may require highly intensive, one to one home-based behavioral intervention. Pupils with extensive physical limitation may require costly adaptive technology to allow them to benefit from special education. These programs, although needed for only a small number of pupils, can be very costly and need to be considered as unique and extraordinary for funding purposes. Additional state aid must be provided to districts to help them provide these services to a small number of pupils.

### **RECOMMENDATIONS:**

1. A mechanism to assist districts in paying for "unusual and extraordinary costs" such as those described above must be developed. State government should assume the residential costs when it is determined by an appropriate state agency to be the only appropriate placement. Local districts should have responsibility for recommending residential placements. A "review team" should be established to determine those cases in which the state will pay for the placement. Because the placement decision remains at the district level, they remain responsible for payment should the state "review team" deny state funding.

2. Certain "unusual and extraordinary costs," if borne by the district, should be excluded from local budget "caps."

## **H. Transition Services**

### **CURRENT STATUS:**

One of the most critical points in the lives of young people with disabilities is the transition from school to the world of employment, post secondary education and training, and life as a responsible adult. Developing self-determination, exploring one's talents and interests, deciding upon a career path, and pursuing employment, additional training, or community contribution and citizenship are just some of the challenges that youth in transition face.

As of December 1991, New Jersey had 189,771 students classified as eligible for special education services. Of these, approximately 55,023 (or 28%) fall into the 14-21 age range. All of these students need to receive transition services as mandated under federal and state law.

During the 1994 school year approximately 8% of transition-aged (14-21) special education students dropped out of public school and no tracking system currently exists to follow these students. Many appear to make use of post-secondary employment agencies. There are a wealth of post-secondary options available in New Jersey, but information about them needs to be systematically given to professionals, students and families.

While some New Jersey school districts are developing comprehensive transition services for youth with disabilities, many special education secondary school services tend to remain unrelated to adult life expectations. Transition needs to be viewed as a long range plan for students with disabilities, and the IEP needs to be used as the mechanism to accomplish the seamless transition from school to adult life. There is a need within the state of New Jersey to increase the availability, the access and the quality of transition assistance through the development and improvement of policies, procedures, system and other mechanisms for young adults with disabilities and their families when preparing for and entering adult life.

#### **RECOMMENDATIONS:**

- 1. Districts must work with other districts, colleges, community agencies, employers and the private sector to facilitate a seamless transition for pupils with disabilities from school to adult life.*
- 2. Districts must have professionals who are knowledgeable in the field of transition responsible for working with students and their families.*
- 3. Districts should provide opportunities for community experience, career exploration, awareness and guidance and vocational training beginning as early as possible.*

### **I. Extended School Year Programs (ESY)**

#### **CURRENT STATUS:**

Some children with disabilities require instruction through out the summer in order to prevent regression. This extension of the academic year adds to the cost of special education. No data

are available from the New Jersey Department of Education on ESY, the number of pupils receiving ESY, the number of programs approved to operate an ESY or the cost of ESY.

**FACTS:**

1. According to a survey distributed by the Task Force to all public and private providers in New Jersey, nearly 7,300 pupils with disabilities in New Jersey receive an extended school year program. Approximately 2,600 of these pupils are served in private schools. There are 203 public and private programs that reported providing extended school year instruction to pupils with disabilities.

2. Local districts do not receive additional state or federal aid for providing ESY to pupils with disabilities so the entire cost of this services is borne by the local district.

3. The costs of providing related services such as transportation during ESY are also borne by the local school district.

**RECOMMENDATIONS:**

1. A one time study to determine the extent to which extended school year is being provided and its cost impact is warranted.

2. New Jersey Administrative Code should be modified to allow the flexibility to provide a portion of the program described in the IEP as opposed to the entire "comparable" program as is now required.

## **J. Assistive Technology**

**CURRENT STATUS:**

Assistive technology and equipment, such as computers, speech synthesizers, auditory equipment, adaptive switches etc, are required by some pupils with disabilities in order for them to benefit from a free and appropriate education. Public and private providers of educational services purchase this specialized equipment and technology at great cost. When pupils grow out of it, no longer need it, or move out of districts, the equipment may be placed in storage.

**FACTS:**

1. Local districts and private providers do not receive state or federal aid in order to purchase assistive technology or equipment.

**RECOMMENDATIONS:**

1. A statewide network should be used to allow public and private educational agencies to purchase used equipment.
2. A regionalized or statewide system of purchasing or sharing of such equipment may result in greater overall access and cost savings.
3. Private industry should assume a more visible leadership role in the provision of educationally related equipment.

**K. Professional Development and Pre-service**

**CURRENT STATUS:**

Professional development is being provided through local district in-service and the state comprehensive system of personnel development. Most staff being exposed to special education professional development experiences are persons currently providing special education services. The vast majority of regular education staff have not been trained in instructional strategies appropriate to the educational needs of pupils with disabilities. Training in collaborative teaching has been available to regular educators; however, because of space limitations, it is often not provided to all of those needing training. Training that is provided to staff is often exposure rather than skill development. There must be a comprehensive staff program in place geared to meet the needs of all staff and in sufficient quantity to meet the demand.

**RECOMMENDATIONS:**

1. At the local level, more opportunities for in-service training to supplement the statewide effort must be available.
2. Both pre-service and in-service training models must provide teachers with the techniques to work in either collaborative or consultative teaching settings.
3. Continued in-service should be included to provide teachers with the tools needed to participate in the development of IEP's and Annual Reviews. These in-service

programs should focus on skill development rather than simple awareness sessions.

## **L. Parent Education**

### **CURRENT STATUS:**

Parent participation in all aspects of special education is an integral part of the process and is critical to the success of children with disabilities. There should be emphasis on meaningful participation rather than merely procedural participation. The process will work best if parents are knowledgeable and informed. This facilitates better communication and can help to avoid costly disputes. In order for parents to participate meaningfully in the education process, parent training must be provided.

### **RECOMMENDATIONS:**

- 1. Districts should provide information prior to meetings for parents to review and should provide appropriate training for parents and professionals.*
- 2. Districts should provide timely notice and explanations of parents rights during each stage of the process. The Department of Education should develop technical assistance bulletins to help districts disseminate specific targeted notices. These notices should highlight parental and student rights and should be delivered at each specific stage of the process (i. e. evaluation, IEP service and placement decisions and decertification).*

## **M. Results/Accountability**

### **CURRENT STATUS:**

There is a lack of information on the results of special education. This is true on a local, state and national level. For a variety of reasons pupils with disabilities have been excluded from local and state testing programs, and alternative assessments have not been developed. If we maintain that pupils with disabilities should be working on achieving the same goals as their nondisabled peers, then we must assess their progress toward this end. The vast majority of special education pupils will be working in the regular curricular areas. However, some pupils with disabilities will be working on goals that are not the same as those for nondisabled pupils, such as mobility and self care

skills. Nonetheless, these goals too are directed to an end result of successful adult functioning as productive members of society. As a school, a district and a state, we need to know how we are progressing in assisting pupils with disabilities to achieve these goals.

We need to collect and to analyze a variety of data to determine both individual progress as well as program accountability. Areas in which we can begin to collect information include dropout rates, graduation rates, meeting high school requirements, post-secondary education and post-school employment. All pupils with an educational disability, with the exception of the small percentage of pupils who cannot respond to the test in a meaningful way and for whom the test would have no relevance to instruction, should be included in all state and local assessments. Reasonable test accommodation must be provided when there is sufficient evidence in the form of reports, e.g. educational and psychological reports, and should be the same as those required in the instructional program. Further, we believe that all pupils with disabilities who are required to pass the HSPT should be included in the district reporting of scores. In addition, the scores of pupils with disabilities should be reviewed in a manner that would allow for the assessment of student and program progress.

#### **RECOMMENDATIONS:**

1. *Professional staff members providing direct educational instruction and/or service to educationally disabled students must be accountable for appropriately implementing the IEP of the students.*
2. *Reasonable test accommodation must be provided when indicated in the IEP.*
3. *IEP goals and objectives must be written in such a way as to enhance accountability for measurable outcomes.*

#### **N. Regionalization of Services**

##### **FACTS:**

1. Several counties have formed informal, voluntary regional systems for "shared services" (Bergen and Burlington) that reduce costs in some areas. Other formal agencies such as educational services commissions and jointure commissions also provide shared services. (Service sharing for staff

development, three year plans, transportation, OT/PT costs and purchasing).

2. Eight counties have Special Services School Districts, which served approximate 3,750 pupils in 1993-94. Of these, 4 districts also operate special education programs in regular school buildings.

3. There are no cost data available to indicate whether or not New Jersey's regionalized systems for the provision of direct special education services actually cost less than non-regionalized services.

4. There are no data to suggest that the increased use of intermediate units for the provision of direct special education services would result in a cost savings.

#### **RECOMMENDATIONS:**

1. *Non-direct services such as administration, staff training, planning and purchasing can be regionalized at a cost savings to both the local district and state government.*

2. *Further research is needed to examine the cost effectiveness of intermediate units for direct service provision.*

## **O. Dual Special Education System**

#### **CURRENT STATUS:**

Currently there is a dual system in place in New Jersey. Those school districts that were selected to pilot test "The Plan to Revise Special Education" are continuing to use the special education system described in NJAC 6:28, subchapter 11. All other school districts are using the special education system that P2R was intended to replace. This has caused confusion.

#### **RECOMMENDATIONS:**

1. The State of New Jersey should determine one system and require its use statewide.

## FUNDING

### OVERVIEW

In exploring ways for funding special education in New Jersey, the Task Force examined the current and previous systems, the funding laws of other states, and numerous informative documents prepared by the Center for Special Education Funding in California. More than half of the states are currently reviewing their special education funding programs and some states have recently enacted changes. The Task Force has analyzed and has considered these models. We have examined the strengths and the weaknesses of many funding systems. It is clear that any single system, in its pure form, cannot create a comprehensive solution to our state's needs. Therefore, we have looked at hybrids of various systems to find ways to utilize the strong points and minimize the weaknesses. It is fundamental that the funding system must support special education program objectives, not impede them.

### GUIDING PRINCIPLES

Before analyzing various proposals, the Task Force agreed upon a set of "guiding principles" that were intended to be a standard against which provisions of a new proposal would be measured. While each of these standards is desirable, some may conflict with others. Therefore, the Task Force tried to create a balance among the principles in considering various funding proposals.

#### 1. ADEQUACY

- (a) Funding must be sufficient for all districts to provide appropriate programs and services to all eligible pupils with disabilities.
- (b) State aid support should be provided for the excess costs of special education.
- (c) The excess costs of special education should be funded without regard to district wealth (property values, income, etc.)
- (d) All program options and related services must be funded as an additional cost.
- (e) The funding of programs and services should be supplemented with support from other child service agencies (DHS, DOC, DOH).

- (f) The funding program must reflect cost of living increases.

2. **CLEAR DEFINITION**

The funding system must be based on clearly defined eligibility criteria in order to reduce error, subjective judgment and excessive costs.

3. **PREDICTABILITY**

The funding system should seek to enable policy makers and providers to accurately project funding requirements and anticipate revenues.

4. **IDENTIFICATION NEUTRAL**

The funding system must not distort decision making regarding the education of disabled pupils by encouraging inappropriate placements or discouraging needed services.

5. **COST CONTAINMENT**

The funding system should encourage cost containment.

6. **ADMINISTRATIVE OVERSIGHT**

- (a) The funding system must be simple and easily understood in order to minimize administrative time for data collection, data analysis and regulatory monitoring. The funding system must be reviewed periodically (biannually) by the Department of Education to ensure that the form follows the function.

- (b) State and local administrative and procedural expenses must be minimized (within boundaries of appropriate management) to ensure the greatest proportion of dollars to direct student services while ensuring the delivery of required services.

7. **ACCOUNTABILITY**

- (a) Funding should encourage student outcomes and measurable results.

- (b) State funding must support mandatory and accountable training programs for all districts in regular education and special education.

## **STATE FUNDING FOR SPECIAL EDUCATION - HISTORICAL BACKGROUND**

Limited state funding to support programs for the deaf and blind began as early as legislation enacted in 1911. In 1954 and 1959 the "Beadleston Acts" provided state aid for programs for handicapped pupils in New Jersey public schools. Subsequently, Chapter 212, Laws of 1975 established comprehensive programs and services, and state funding procedures for every school district in the state. Later, the federal All Handicapped Children Act closely followed the New Jersey model. The Quality Education Act (QEA) was enacted in 1990. In each of these state laws, aid was provided to local districts to support programs for disabled children based on the additional costs that exceeded the cost to educate a child in a regular education program. Cost factors were developed to reflect these additional costs to the district. Unfortunately, as enrollments increased, state categorical aid for disabled pupils has been frozen at 1992 levels with the modest exception of the current year when level funding was supplemented by increases based on changes in enrollment since 1991. (See Appendix D for Summary of Current and Prior State Special Education Funding Systems.)

In February of 1995, the Commissioner of Education distributed an interim report on his proposal for financing public schools in New Jersey. This past November 21, 1995, a final version of this report was released. The Commissioner's final plan was prepared prior to the completion of the Task Force's recommendations on special education. There are several critical provisions of the Commissioner's plan with which our report strongly disagrees. The Task Force opposes any artificial ceiling of classification rate for funding purposes. The Task Force also objects to the averaging of statewide costs to determine a single cost factor for all children.

### **SOME PROBLEMS WITH THE CURRENT SYSTEM**

1. The funding system has rarely been implemented as designed. Frequently, underfunding and the failure of the state to make the required adjustments to categorical cost factors have resulted in the local districts' paying increased proportions of the additional costs that the State was committed to pay under the law.

2. Even if fully implemented, the funding laws require the State to pay costs based on state-wide averages, rather than actual costs to the district.

3. There are significant areas that are integral to the special education program and that the State does not include as a

cost of special education, e.g. occupational therapy, physical therapy and teacher aides in the regular class.

4. The current system does not provide funding for special education services in the regular classroom and therefor discourages education in the least restrictive environment.

5. There is no relief provided to those districts that experience extraordinary costs associated with out-of-state and residential placements, especially those required by legal determinations and adjudication.

6. Because the State has not met its statutory commitments, many school districts and the public have developed a sense that the costs of special education are out of control. If the cost factors and foundation amounts had been continually adjusted as required, and if state aid had been fully funded rather than frozen, then the costs to local districts would have been within a normally acceptable range.

7. The broad range of costs associated with a classification category make aid based on that classification impractical. For example, children currently classified as multiply handicapped may require programs and services ranging from simple and less expensive to highly specialized and costly. Under traditional funding systems, this broad range of costs would be supported by the same categorical aid.

8. Restrictions resulting from frozen state aid levels, rising costs and budget caps have produced a conflict for resources between general education and special education.

#### **TASK FORCE FUNDING PROPOSAL**

The Special Education Task Force is proposing a funding system consisting of three interrelated components.

1. A dedicated flat grant to school districts based on total district enrollment. The purposes of this grant are threefold:

- to enhance the ability of the general education program through a dynamic system of professional staff development with particular emphasis on individual student learning, class management and techniques for educating children who are disabled. The Task Force believes that the regular education program can and should be more responsive to the individual needs of a diversified enrollment.

● to provide for speech services to children who need only these services. These children currently represent approximately 30% of all classified children.

● to provide prereferral intervention services that are designed to prevent and to remediate the needs of children prior to engagement with the classification and evaluation processes. It is the Task Force's belief that Child Study Team, counseling, health and other support services in the schools should be directed to assist all teachers, administrators and students to effectively meet the demands of the learning environment.

2. The additional costs of programs and services for disabled children would be funded through categorical state aid based on the actual costs of such programs over and above the costs of educating nonhandicapped pupils in that district. Specifically, the Task Force recommends that the total expenses for educating disabled pupils, minus the costs the district commits for all nonhandicapped pupils, should be reimbursed by the state to the districts that provide such programs except for a percentage to be paid by the local district to encourage cost containment (e.g. 80% State, 20% local share). This recommendation implements the long held intention of the State to assist districts with the excess costs associated with programs and services for these children. While the State has historically articulated its intention to accomplish this purpose, the prior law's reliance on statewide averages did not fulfill this goal. Further, the Task Force believes that requiring the local district to contribute an appropriate share of the excess cost represents an element of cost containment essential to an efficient funding plan. Cost containment is directly related to the ratio of state versus local funding of excess costs.

The Department of Education should make any adjustments necessary to the required local district budgeting documents so that the accounting system accurately identifies and reports expenditures attributable to programs and services for disabled children. In spite of dramatic improvements due to the recently implemented GAAP accounting system, adjustments to the current accounting and budgeting system are still required.

Preschool handicapped programs should be funded at 80% of all program costs since local districts are not required to provide programs for nondisabled preschool pupils.

### 3. Extraordinary Excess Costs

Costs judged to be "extraordinary," that is, costs in excess of a given threshold to be determined (e.g., six times the foundation amount), would be fully funded by the State upon

approval of a state review board. The Task Force is recommending the establishment of a review board to make judgments concerning the State's responsibility to fund extraordinary excess costs associated with necessary special education programs and services. While this review board would not have the authority to approve or to disapprove any specific interventions or placements, it would consider a referred pupil's disability with regard to severity and complexity as well as options available to the district for programs or placements in determining the State's responsibility to fund the extraordinary excess cost.

### **Evaluation of Proposal under Guiding Principles**

The proposed funding system would permit adequate funding (**Principle #1 - Adequacy**) by providing sufficient state support of the excess costs of special education (including extraordinary excess costs) while encouraging cost containment (**Principle #5 - Cost Containment**) through the required local contribution. Since the state aid would be based on actual costs of special education incurred by a local district, the amount of aid available each year would be predictable (**Principle #3 - Predictability**). The eligibility of children to receive special education services should be addressed programmatically (see Costs and Delivery of Services Report above) through clear eligibility standards rather than through the funding system (**Principle #2 - Clear Definition**). Aid that is based on real costs would be less likely to encourage or to discourage classification, placements or programs (**Principle #4 - Identification Neutral**). Under the new GAAP system it should be relatively simple to obtain the information necessary to implement the funding proposal, and it would encourage proper record keeping (**Principle #6 - Administrative Oversight**). The availability of accurate cost information on Special Education has long been a goal in our state (See PARI Report and Education Funding Commission Report). While the accountability of the special education system can best be ensured programmatically, the provision of adequate funding certainly will help to ensure sufficient resources to review the success of programs, including the transition from school to adult life (**Principle #7 - Accountability**).

## SUMMARY OF CONCLUSIONS

The Task Force supports a unified, coordinated system of education for the individual needs of all pupils, including those with disabilities. As part of this single system, pupils with educational disabilities should be provided services and supports through a full range of program options in the least restrictive environment in order to prepare them to be contributing, self-sufficient, productive members of their communities. To accomplish this in the most cost effective way and to ensure the availability and the adequacy of necessary services, the Task Force has made the following recommendations:

### **Support of Regular Education**

1. Regular education class size and composition should take into account the nature and the extent of the educational accommodations and supports needed by classified pupils.

2. Paraprofessionals should be assigned to regular education classes based on the composition of the entire class and the specific needs of the pupil(s) with disabilities in that class.

3. Consultation with Child Study Team or other professionals with expertise must be an integral part of the program and must allow for planning and the evaluation of the program.

4. Ample time for consultation and planning should be arranged in order to have meaningful instructional coordination between the classroom teacher and the special education support staff.

5. Regular education teachers should participate in the IEP meeting in order to provide input in program planning and to ensure that the IEP is meaningful and provides all necessary specific modifications and supports.

6. Best practices, such as collaborative teaching, should be encouraged.

### **Child Study Team - Evaluation and Assessment**

7. State code should be amended to:

- a) require a minimum of two assessments.
- b) eliminate the requirement for medical and other specialized evaluations.

c) eliminate the requirement that each Child Study Team member observe the pupil outside the test situation. Only one Child Study Team member should be required to conduct such an observation.

d) The Child Study Team should determine which assessments are needed for pupils on an individual basis.

8. The New Jersey Department of Education should provide guidelines for the appropriate ratio of Child Study Teams per total population and should encourage school districts to enhance the role of the Child Study Teams within regular education.

#### **Classification System**

9. The current medical model disability labeling system should be changed to avoid overburdening children with disability labels. A new system with the designation, "Eligible for Special Education," with specific criteria for eligibility should be established.

10. The criteria for "neurologically impaired" and "perceptually impaired" would be replaced with a single set of criteria for "learning disabled."

11. The criteria for "eligible for speech correction" should be defined so that it becomes a service provided under section 504 of the Rehabilitation Act, thus reducing paperwork and reporting while making the provision of this service more reasonable. This shift is recommended only if federal funding for the Individuals with Disabilities Act (IDEA) is changed to a non "head count" model.

#### **Costs**

12. A portion of the cost of Child Study Team services must be considered a special education cost.

#### **Rates of Classification**

13. Regular education alternatives and support services should be made available to pupils experiencing learning difficulties, thus preventing unnecessary classification while providing needed specialized supports. There must be increased opportunities for prereferral type activities such as pupil assistance teams, instructional modification, alternative programming, etc.

14. Resource center support services should be open to all pupils, both classified and nonclassified, and should be available

at levels appropriate to the school enrollment and the needs of buildings, classes and teachers. The number of resource center teachers should reflect both the needs of special education and a support system for regular education. They would work in collaboration with regular class teachers and would provide services primarily to classified students and, when necessary, to nonclassified pupils.

15. The New Jersey Department of Education should analyze classification patterns to determine why there is so much variance and to determine whether or not the "Child Find" requirements of IDEA are being fully implemented.

16. Further study is needed to determine reasons for racial, ethnic and gender differences in classification patterns.

17. The New Jersey Department of Education should collect data on placement patterns for Black and Hispanic pupils and other racial and ethnic minorities.

#### **Occupational Therapy, Physical Therapy, Speech and Counseling**

18. When appropriate, consultative and integrated therapeutic models should be provided to pupils in lieu of individual and small group therapy. For examples, alternative models, in which the classroom teacher, the physical education teacher or the classroom aide learns to incorporate certain strategies and activities into the classroom structure should be utilized.

19. Extensive training for parents, staff and child study teams is needed to help them understand the viability of alternative therapeutic models for related services.

20. Related services should be provided only when educationally relevant and needed to allow the pupil to benefit from special education.

21. Related services such as suctioning, catheterization and positioning services must be made available to pupils with disabilities in all educational settings, including the regular neighborhood school building.

22. State institutions of higher learning should be provided incentives to establish four year undergraduate programs in OT and PT services in order to prepare enough professionals to meet the increasing demand.

23. Pupils should not be placed in separate facilities because the related services personnel are located there. Local

districts must develop strategies for delivering the services to the pupil as compared to delivering the pupil to the service. This can be accomplished through sharing services among districts or having a local district or private contractor in the county provide these services to the districts on a contractual basis.

24. Adequate support services, such as drug abuse counseling, career awareness and family life instruction, must be available and provided in such a way as to meet the needs of pupils with disabilities.

25. Alternative education programs, employment education programs and vocational education programs must be expanded and made available to special education students.

### **Transportation**

26. The New Jersey Department of Education, Bureau of Transportation should examine the benefits of:

- regionalized purchasing of transportation services to reduce costs
  - the establishment of a state academic calendar
  - county-determination of snow days
  - coordination of operating hours on a regional basis to allow for more efficient bus routes (without reducing the length of the school day)
- and should make recommendations accordingly.

### **Least Restrictive Environment**

27. Districts should be encouraged to provide programs in regular classes to pupils with disabilities to the maximum extent appropriate.

28. Programs should be developed in New Jersey for students who are typically sent out of state, such as students with severe behavioral disorders.

29. New Jersey's special education funding formula must allow state special education to support the provision of special education services and supports for classified pupils placed in the regular classroom.

### **Preschool**

30. Modify New Jersey code to explicitly allow for the provision of on-site delivery of special education services in

community based settings, such as nursery schools, day care centers and Head Start Programs.

31. Create incentives for districts to establish in-district programs or to work together with community based organizations to provide coordinated services.

32. Provide extensive training to districts, families and teachers to clarify the responsibility of districts to provide preschool programs in the least restrictive environment, and explicitly identify for districts, parents and teachers what those options are and how services may be provided.

33. Funding must be provided for preschool handicapped education in all settings.

#### **Costs Per Pupil in Various Settings**

34. New Jersey's funding system must include a mechanism to provide appropriate levels of state aid to local districts that place classified pupils with disabilities in regular classes with special education supports and services.

35. In order to support decision making at the local levels, all state funding for special education services (categorical aid, foundation aid and transition aid) should go directly to the district of residence, regardless of placement.

36. State funding for special education should be provided to the district of residence based on costs of program and services not the location of the placement selected.

37. The funding system must allow private programs the flexibility to set several tuition rates as is permitted for all other special education placements. The tuition should be based upon the nature of services needed and the actual costs subject to state oversight.

38. The funding system must not distort decision making by local districts regarding educational programs and placements.

39. Fiscal reporting requirements must be made consistent across placements to allow state government to accurately determine special education costs on a per pupil basis.

40. Further study is needed to examine the perception that the special education population in New Jersey is becoming more severe and complex. The link between severity of disability and

increased costs to educate pupils will have an obvious impact on costs.

### **Residential Services**

41. A mechanism to assist districts in paying for "unusual and extraordinary costs" must be developed. State government should assume the residential costs when it is determined by an appropriate state agency to be the only appropriate placement. Local districts should have responsibility for recommending residential placements. A "review team" should be established to determine those cases in which the state will pay for the placement. Because the placement decision remains at the district level, they remain responsible for payment should the state "review team" deny state funding.

42. Certain "unusual and extraordinary costs," if borne by the district, should be excluded from local budget "caps."

### **Transition Services**

43. Districts must work with other districts, colleges, community agencies, employers and the private sector to facilitate a seamless transition for pupils with disabilities from school to adult life.

44. Districts must have professionals who are knowledgeable in the field of transition responsible for working with students and their families.

45. Districts should provide opportunities for community experience, career exploration, awareness and guidance and vocational training beginning as early as possible.

### **Extended School Year**

46. A one time study to determine the extent to which extended school year is being provided and the cost impact is warranted.

47. New Jersey Administrative Code should be modified to allow the flexibility to provide a portion of the program described in the IEP as opposed to the entire "comparable" program as is now required.

### **Assistive Technology**

48. A statewide network should be used to allow public and private educational agencies to purchase used equipment.

49. A regionalized or statewide system of purchasing or sharing of such equipment may result in greater overall access and cost savings.

50. Private industry should assume a more visible leadership role in the provision of educationally related equipment.

#### **Professional Development and Preservice**

51. At the local level, more opportunities for in-service training to supplement the statewide effort must be available.

52. Both pre-service and in-service training models must provide teachers with the techniques to work in either collaborative or consultative teaching settings.

53. Continued in-service training should be included to provide teachers with the tools needed to participate in the development of IEP's and Annual Reviews. These in-service programs should focus on skill development rather than simple awareness sessions.

#### **Parent Education**

54. Districts should provide information prior to meetings for parents to review and should provide appropriate training for parents and professionals.

55. Districts should provide timely notice and explanations of parents rights during each stage of the process. The Department of Education should develop technical assistance bulletins to help districts disseminate specific targeted notices. These notices should highlight parental and student rights and should be delivered at each specific stage of the process (i. e. evaluation, IEP service and placement decisions and decertification).

#### **Results/Accountability**

56. Professional staff members providing direct educational instruction and/or service to educationally disabled students must be accountable for appropriately implementing the IEPs of the students.

57. Reasonable test accommodation must be provided when indicated in the IEP.

58. IEP goals and objectives must be written in such a way as to enhance accountability for measurable outcomes.

## **Regionalized Services**

59. Non-direct services such as administration, staff training, planning and purchasing can be regionalized at a cost savings to both the local district and state government.

60. Further research is needed to examine the cost effectiveness of intermediate units for direct service provision.

## **Dual Special Education System**

61. The State of New Jersey should determine one system and require its use statewide.

## **Funding**

62. State aid should be provided in a three tiered system consisting of (1) a dedicated flat grant to school districts based on total district enrollment to enhance the general education program to be responsive to the individual needs of a diversified enrollment, to provide for speech services to children who need only those services and to provide prereferral intervention services, (2) reimbursement of actual costs except for a percentage local contribution designed to promote cost containment and (3) payment of extraordinary costs, that is costs in excess of a threshold amount, subject to state approval.

APPENDIX A

SPECIAL EDUCATION TASK FORCE MEMBERS

GOVERNOR'S APPOINTMENTS

David Panner, Executive Director, Kingsway Learning Center, Haddonfield, NJ

H. Mark Stanwood, Superintendent of Schools, Atlantic County Special Services School District

Anthony Vaz, Director of Special Services/Special Programs, Spotswood Public Schools

COMMISSIONER'S DESIGNEE

Barbara Gantwerk, Director, Office of Special Education Programs, New Jersey Department of Education

SENATE PRESIDENT'S APPOINTMENTS

P. Kelly Hatfield, Ph.D., Parent and Member, Summit Board of Education

Andrea L. Kahn, Esq., Task Force Chair, Parent and Partner, McManimon & Scotland, Attorneys at law

ASSEMBLY SPEAKER'S APPOINTMENTS

Maureen Babula, Parent and Director, Office for the Disabled, and Coordinator, Office of the Human Services Advisory Council, Sussex County

Dr. Robert W. Ferris, former Assistant Superintendent, Cherry Hill School District

ORGANIZATIONS' APPOINTMENTS

ARC OF NJ

Brenda Considine, Task Force Vice Chair

NJ ASSN. SCHOOL ADMINISTRATORS

Judith Conk, Superintendent, Oradell School District

DEV. DISABILITIES COUNCIL

Susan Richman

NJ ASSN. OF SCH. BUSINESS OFFICIALS

Gene Keyek, Task Force Secretary

NJEA

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Vacancy

NJ PRINCIPAL-SUPERVISOR ASSN

Antoinette Rath, Director of Special Services, Paulsboro Public Schools

NJ SCH. BDS. ASSN

Dr. Anthony DelTufo, former Director of Special Services and President of Livingston Board of Education

APPENDIX B

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- The Role of State Aid"

Statement of Senator John Ewing, initial meeting of New Jersey Task  
Force on Special Education delivered May 19, 1995

Statement of Assemblyman Jack Rocco to the New Jersey Task Force on  
Special Education on May 19, 1995

A2150, P.L. 1995, c. 56

Draft, Comprehensive Plan for Educational Improvement in Financing -  
Executive Summary

Special education statistical report for the 1993-94 school year  
published by the New Jersey State Department of Education Office of  
Special Education Programs

Special Education Statistic Report for 1994/95 school year in press

NJASA Report on Special Education

Various Reports, Center for Special Education Finance, California

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## APPENDIX C

### HISTORICAL TIMELINE

The New Jersey State Constitution provides that "The Legislature shall provide for the maintenance and support of a thorough and efficient system of free public schools for the instruction of all children in the State between the ages of five and eighteen years." Article VIII, Section IV, Paragraph 1. The courts have expanded this to ensure educational opportunities to children between the ages of three and twenty-one to ensure that the Constitutional mandate is met. Under the statutory scheme, the State has delegated to the local school districts, in large part and under the supervision of the State Department of Education, the responsibility of defining and providing a free and appropriate public education to the students in this State. N.J.S.A. 18A:7A-7. For years the method of financing the system of free public education in New Jersey has been the subject of legal debate. Many people are very concerned with the cost of providing public education in New Jersey. The costs and requirements of special education have been of particular concern as part of this debate.

The following is a brief timeline of some of the milestones in special education in New Jersey:

1911	First legislation to provide programs for the deaf and blind
1954	Enactment of Beadleston Act
1973	State Supreme Court ruled in <u>Robinson v. Cahill</u> that the existing method of financing school costs principally through property taxation was unconstitutional. This led to the enactment of the Public School Education Act of 1975 (P.L. 1975, c. 212), which required funding of the State school aid through a New Jersey gross income tax act (P.L. 1975, c. 47).
1975	Federal legislation
1982	New Jersey Special Education Study Commission created by the Legislature - chaired by Assemblyman Albert Burstein

1985

The New Jersey Special Education Study Commission chaired by Al Burstein issued its report entitled, "The Turning Point: New Directions in Special Education."

-This report led to the plan to revise (P2R) in pilot districts

-P2R was not implemented Statewide and not funded according to the proposal.

-The report reached the following conclusions:

(1) opposed to use of disability labels to link State aid allocations to program costs that are not related to actual program costs;

(2) Concluded that labeling system creates medical rather than educational model for treatment and that a labeling system creates an erroneous connotation that the label denotes a specific scientific approach - that is, it is medicine for a condition;

(3) Labeling needlessly stigmatizes children;

(4) It called for a program-driven system that emphasizes educational needs.

1986	<p>State Department of Education issued its report entitled, "A Plan to Revise Special Education in New Jersey." (Cooperman/Ozowski). This was the response to the public hearings and the DOE analysis that followed the Burstein Report. The plan suggested the following:</p> <ol style="list-style-type: none"> <li>(1) a reduction in labeling;</li> <li>(2) creation of school resource committees;</li> <li>(3) delineate levels of pupil need as (a) in need of general education with intervention, (b) in need of combined regular/special education, (c) in need of clearly labeled full-time special education;</li> <li>(4) classify based on program need (a) eligible for related services, (b) eligible for part-time special education, (c) eligible for full-time special education;</li> <li>(5) focus on instructional needs, not diagnostic categories or classification;</li> <li>(6) eliminate excessive testing; emphasize role of child study team in providing service to general education population and programs;</li> <li>(7) increase staff competence through in-service and pre-service training;</li> <li>(8) current year dedicated State funding based on approved local district special education program plan and budget.</li> </ol>
January 1988	Plan update by Department of Education. It created the pilot program.
August 1990	An evaluation of plan. Final report issued by Educational Testing Service, Princeton, New Jersey
June 1990	Supreme Court ruled in <u>Abbott v. Burke</u> that the Chapter 212 general school aid formula was unconstitutional as applied. The court never questioned the categorical aid formula for funding special education.
1990	In response to <u>Abbott v. Burke</u> the Legislature enacted the Quality Education Act of 1990, which was signed into law on July 3, 1990 (amended by P.L. 1991, c. 62 effective March 14, 1991).
August 1991	Analysis of public comments, pilot project outcomes and recommendations issued by the Department of Education with respect to P2R

1993	<p>The Quality Education Act was again amended by Chapter 7 of the Pamphlet Laws of 1993 effective January 14, 1993 to provide a QEA study commission to recommend proposed changes in the State school funding formula, among other things. The committee was called the Education Funding Review Committee. The Committee was chaired by Al Burstein and issued its report April 13, 1994. While it focused on funding of all education, it referenced special education in several respects.</p> <ol style="list-style-type: none"> <li>(1) It continued the current system.</li> <li>(2) State aid for special education should not be wealth equalized.</li> <li>(3) It recommended the creation of a task force to study the funding of special education and cost factors. <ol style="list-style-type: none"> <li>(a) strongly recommends full State funding of any funding proposal</li> <li>(b) recommended dedicated funding</li> <li>(c) criticized current system <ol style="list-style-type: none"> <li>(i) State aid is received regardless of actual cost</li> <li>(ii) encourages placement in unduly restrictive programs</li> <li>(iii) concerned with residential placements, particularly out-of-state placements and suggests needs to develop in-state residential placements</li> </ol> </li> </ol> </li> <li>(4) Also called for consolidation of school district functions and services task force and a transportation task force</li> </ol>
July 1994	<p>Report entitled, "Linkages in the Delivery and Financing of Special Education Services in New Jersey" submitted to the New Jersey Developmental Disabilities Council by the Center for Government Services at Rutgers, the State University and the Public Affairs Research Institute of New Jersey (Rutgers/PARI). Called for study of real costs - Henry Coleman, Ph.D., Director of Rutgers Center for Governmental Services; Joan Ponessa, Acting Director, Public Affairs Research Institute; Ernest C. Reock, Jr., Ph.D. and others (Rutgers)</p>
	<p>Governor's Education Task Force report and recommendations</p>

1995	MGD Study sponsored by Department of Education; report due in October (PARI Report and Burstein Report had noted inability to get handle on costs and acknowledged that cost information was a necessary ingredient to controlling and covering them.)
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## APPENDIX D

### SUMMARY OF CURRENT AND PRIOR SPECIAL EDUCATION FUNDING SYSTEM

The Chapter 212 system that preceded our current system purported to provide categorical aid for a pupil equal to an additional cost factor for that child's category of placement in a special education program multiplied by the state average cost to educate a regular education child. Under Chapter 212 the base cost was deemed to be the net current expense budget per pupil for the pre-budget year. The additional cost factor was to be derived on the basis of assumptions, including the average basic cost per child and the average additional cost per child in a particular category of program. Under this method, special education or categorical aid would be paid by the state to the local district for the additional or excess costs of special education in addition to any other aid the state would pay for the child. The factors were to be adjusted periodically to reflect changing conditions and information. The intent was to have the entire additional cost born by the state.

Under the Quality Education Act of 1990, the additional cost factors were changed from the previous law and other changes were made as well. Under QEA the base cost was deemed to be the foundation budget, which includes any state foundation aid and the local contribution. Under QEA special education was to be funded by a combination of a wealth sensitive foundation formula and categorical aid for the additional costs of special education. The foundation amount was deemed to be the amount required to provide a thorough and efficient education for the average child in grades 1 to 5. The concept was to determine the average cost of educating special needs children statewide and to determine a factor that when applied to the foundation amount would produce the average cost of meeting the needs of a child receiving assistance in a particular category of program, such as NI, MH, resource room etc. In determining the extra costs of special education, the costs of child study teams, administration and occupational and speech therapy generally were not counted. The costs of educating a special needs child in a regular classroom, even if it included aids and other expensive equipment or interventions and support, were not included.

In determining the excess costs for special education, moreover, the data used was derived from the 1987/88 school year. No distinction was made for regional differences in costs. QEA was crafted in the spring of 1990 for the 91/92 school year. The 1987/88 costs were increased for the 91/92 school year based on an assumed inflation rate. The statistics were never reexamined.

Under QEA II the foundation budget was increased and there were other changes. The factors were applied to the new foundation amount. Under QEA I the foundation amount was supposed to be adjusted periodically. In 93/94 the Public School Reform Act froze categorical aid at the 92/93 level, all of which was based on 91 counts. In 94/95 categorical aid was frozen again. In 95/96 there was talk about redistributing categorical aid based upon 94/95 enrollments. Because of a limitation on the amount of money that was available, that would have meant some districts would get more and some less. Instead everyone got the amount they received in the prior year and the extra money was distributed based upon differences in enrollments between 91 and 94.

**APPENDIX E**  
**PLACEMENT DATA**

NEW JERSEY STATE DEPARTMENT OF EDUCATION  
OFFICE OF SPECIAL EDUCATION PROGRAMS

NUMBER OF PUPILS WITH EDUCATIONAL DISABILITIES  
AND THEIR PROPORTIONS IN VARIOUS PLACEMENTS

YEAR	PUBLIC SPEECH	SI / INC.	IN-CLASS RR		OUT-OF-CLASS RR **		TOTAL RR/SL	CLASS I	CLASS II	TOTAL CLASS III	DAY PRIVATE		RES. PRIVATE	HI NONPUB.	TOTAL DISABLED
			SI	RR	<21%	>21%					PRIVATE	HI			
1986										55865	7916	105	754	10763	166800
1987	47039						44358			57341	8208	133	587	11116	167846
1988	45913						44548			58636	8817	107	723	11295	169229
1989	45182						44469			60853	9554	99	764	11637	171312
1990	43654						44851			62467	9862	115	836	12053	175400
1991	43071						46986			65892	8510	128	734	11703	178627
1992	42845						47815	59097	6785	66020	8365	117	798	12388	182585
1993	41744						46580	59434	6586	62828	9923	110	980	12224	185948
1994	41137						25319	58272	6556	61894	8989	126	1071	12845	189771
1995	39809						21564	55985	5899	55204	8906	121	839	12841	192348
1996	39431						21158	49626	5578	50486	10080	123	853	13066	195720
	39144						21333	45211	5284						

YEAR	PUBLIC SPEECH	SI / INC.	IN-CLASS RR		OUT-OF-CLASS RR **		TOTAL RR/SL	CLASS I	CLASS II	TOTAL CLASS III	DAY PRIVATE		RES. PRIVATE	HI NONPUB.	TOTAL DISABLED
			SI	RR	<21%	>21%					PRIVATE	HI			
1986										33.5%	4.7%	0.1%	0.5%	6.5%	100.0%
1987	28.2%						28.6%			34.2%	4.9%	0.1%	0.3%	6.6%	100.0%
1988	27.4%						28.5%			34.6%	5.2%	0.1%	0.4%	6.7%	100.0%
1989	28.7%						28.3%			35.4%	5.6%	0.1%	0.4%	6.8%	100.0%
1990	26.5%						28.2%			35.6%	5.6%	0.1%	0.5%	6.8%	100.0%
1991	24.0%						28.8%			36.9%	5.3%	0.1%	0.4%	6.8%	100.0%
1992	24.0%	3.0%					22.9%	33.1%	3.8%	36.8%	5.1%	0.1%	0.4%	6.8%	100.0%
1993	22.9%	3.0%					25.5%	32.6%	3.6%	33.8%	5.3%	0.1%	0.5%	6.8%	100.0%
1994	22.1%	1.3%					12.1%	30.3%	3.5%	32.6%	5.3%	0.1%	0.6%	6.7%	100.0%
1995	21.0%	1.4%					5.3%	29.5%	3.1%	28.7%	5.2%	0.1%	0.4%	6.7%	100.0%
1996	20.5%	1.8%					7.5%	25.8%	2.6%	25.6%	5.2%	0.1%	0.4%	6.7%	100.0%
	20.0%	2.2%					9.0%	23.1%	2.7%		5.2%	0.1%	0.4%	6.7%	100.0%

SOURCE: SPECIAL EDUCATION PLANS 1986-1994 (INCLUDES P2R DISTRICTS)

PERCENTAGES ARE CALCULATED BY DIVIDING THE NUMBER OF PUPILS IN EACH TYPE OF PLACEMENT BY THE TOTAL NUMBER OF PUPILS WITH EDUCATIONAL DISABILITIES.

\* DATA NOT AVAILABLE

NOTE: FIGURES FOR 1995 AND 1996 ARE PROJECTIONS

\*\* OUT-OF-CLASS RR/RC LESS THAN 21% OF THE INSTRUCTIONAL DAY CLASS I: IN BUILDINGS WITH REGULAR GRADES  
\*\* OUT-OF-CLASS RR/RC MORE THAN 21% OF THE INSTRUCTIONAL DAY CLASS II: IN BUILDINGS WITH NO REGULAR GRADES

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H. Mark Stanwood**

The cost based reimbursement program recommended in the report will result in a state appropriation which is driven by local school district expenditures. Such a system lacks meaningful cost containment principles and would make the budget planning process unpredictable for the Governor and the legislature and although unintended for local school districts. Based on history, the impact would be false hopes, legislative cuts and a funding program never implemented as intended.

Therefore, aid to support special education in New Jersey public schools should consist of three components as follows:

- a. The first component provides for services to all students currently characterized as "eligible for speech services." These students, who currently represent about 26% of all classified students, would be funded through the expansion of the state's foundation aid program.
- b. The second component is intended to fund programs and services for mildly disabled pupils and moderately disabled pupils who are in less than full time programs and resource rooms and who are supported by an array of child study team and other services. These programs and services would be funded through a single per pupil cost factor which is based on the state wide average costs of such services. It is intended that approximately 60% of all disabled children (not including the speech students referenced in (a) above) would be provided for in this component. The expenses for these children state wide fall within the same general cost range which can be supported by the single cost factor. Funds received by a school district for this component must be dedicated to programs and services for these children or returned to the state.
- c. The third component is for programs servicing pupils whose disability is sufficiently severe as to require full time placement in the local district or outside the local district in county special services school districts, educational service commissions, or approved private schools for the handicapped. These children currently represent about 40% of the remaining classified pupils who require intensive, specialized programs which significantly exceed the costs of children in the second component. Because there are significant differences in costs for children who require full time placements, it is recommended that the Department of Education establish both low and high cost factors in this component. These two cost factors should be determined by review and analysis of actual expenditures for full time placements.
- d. The fourth component is a special fund available to school districts for the costs of specialized services related to the disability and required by the individual educational plan (IEP) proscribed for a classified pupil. These related services may include physical therapy, occupational therapy, intensive psychological or related medical support essential to the success of the student's program. This special fund, administered by the Commissioner of Education, will provide up to 75% state reimbursement for the approved costs of these services.

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Expenses for residential costs, when the placement has been directed by an appropriate jurisdiction such as the Office of Administrative Law and other courts, or the Department of Human Services, shall be paid for by the state. In addition, the Commissioner of Education may approve state reimbursement for residential costs which are determined, in advance, to be essential.

Responsible public policy demands a public system of regional planning and delivery of programs and services. Therefore, it is further recommended that the Commissioner assure that every school district in the state have access to a directly funded regional special education delivery system in each county which provides specialized programs and services for the severely disabled, in a consolidated, cost effective and consistently accountable manner. These county wide agencies would also offer to provide local school districts with child study team and related services, employment training, alternative education, pupil transportation and other such services on a regional basis which will assist districts to contain the rising costs of special education through cooperation and consolidation.