

**DEPARTMENT OF EDUCATION
OVERVIEW**

The primary mission of the Department of Education is to provide leadership so that all children receive a meaningful and effective education. The Department will provide leadership for improvement in all districts. It will foster a system of education that facilitates continued success through flexibility, innovation and competition.

The Department's primary and immediate objective will be to realize the goal that every child will read at or above grade level by the end of third grade. This includes recognition that quality early childhood education programs with a rich literacy curriculum are part of the overall solution. As noted below, the State will invest resources specifically directed to achieve this goal.

The Department will realign its priorities to become an educational leader and a partner with school districts. The Department's responsibility to safeguard taxpayers' investments, ensure compliance with federal and State laws, and assure the health and safety of facilities will continue, but the Department will place new emphasis on service and support to school districts. A new set of guiding principles will direct the organization and function of the department: it must be a service and support, mission-driven organization; it should seek the involvement of people and providers with direct experience and expertise in fulfilling its mission; it should enlist a broad group of stakeholders in redefining achievement and workplace readiness; it should develop incentives and accountability measures to improve performance with fewer resources; and it should continue to evaluate the effectiveness of its efforts and those entities it supports through a centralized data base information system.

The Department will ensure accountability for public dollars by motivating schools to provide high-quality and cost-efficient programs, and assist school districts in providing a safe and drug-free learning environment in all schools. Department staff will demonstrate professional conduct that reflects high integrity and respect for the diversity of all people, and the Department will model this conduct with all local school employees.

In support of its mission, the Department establishes standards and designs assessments which link directly to those standards; assures accountability for reaching established standards with a system of rewards and sanctions; provides assistance for the achievement of established standards through professional development, support of model programs, serving as a "clearinghouse" for sound practices, promoting the effective use of technology, and supporting school-business partnerships; and engages the public in discussion and debate.

The fiscal 2003 budget for the Department of Education totals \$7.688 billion, an increase of \$258.2 million, or 3.5%, over the fiscal 2002 adjusted appropriation of \$7.430 billion.

School Aid

School Aid for fiscal 2003 is recommended at \$7.7 billion. This figure includes over \$6.6 billion in Direct Aid awards to school districts. It also provides \$978 million for post-retirement medical benefits and debt service on pension bonds and the employer's share of social security payments for teachers made by the State on behalf of local school districts.

School Construction

In addition, \$44.6 million is provided for the School Construction and Renovation Program budgeted in the Department of the Treasury. The fiscal 2003 funding, which will be supplemented by \$55 million in other

resources, will provide for State debt service and increased aid for recently issued State and local debt for school construction. Under the Educational Facilities Construction and Financing Act, the State will provide 100% of an Abbott district's approved construction/renovation project costs, while all other districts are guaranteed a minimum of 40% of approved project costs.

The fiscal 2003 Direct State Services Budget of \$55.7 million includes \$4.0 million for the operation of the Department's Facilities Review Unit. This Unit will provide extensive review of proposed facilities projects as well as ensure that districts are held strictly accountable for their use of these funds.

The Long Range Facilities Plans have been approved for the Abbott districts. The Economic Development Authority (EDA) is approving school facilities projects in these districts and beginning construction of the first new schools approved and designed under the school construction program. The EDA also will continue working with the non-Abbott districts that opt to enter into grant agreements with the Authority for the State's share of the approved eligible project costs.

Early Childhood Education

Under the Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA), all districts awarded Early Childhood Aid were required to provide full-day kindergarten and half-day preschool programs for four-year-olds by the 2001-2002 school year. For Abbott districts, the preschool requirement was expanded to full-day, full-year programs for three- and four-year-olds. Although the fiscal 2003 recommendation of \$330.6 million for Early Childhood Aid is unchanged from fiscal 2002, the Abbott districts will receive \$142.4 million in Abbott Preschool Expansion Aid to provide funding for the increase in costs of their approved preschool program from fiscal 2002 to 2003. This new category of aid will supplement the other State aid awarded to Abbott districts and provide the resources required to meet the Supreme Court's mandate to offer preschool programs for three- and four-year-old children in the State's poorest communities. It is expected that the number of Abbott preschoolers served in fiscal 2003 will grow to over 39,000 from the 26,500 enrolled in the fall of 2001. The Department of Human Services will receive \$126 million in funding for the before-school, after-school and summer programs for these children, an increase of \$20 million over the amount provided in the current year.

Governor's Literacy Initiative

The Budget provides \$10 million - the first installment in a four-year \$40 million program - for reading coaches and other forms of reading assistance to schools, children and communities. These efforts will help achieve the goal that every student will be able to read at or above grade level by the third grade.

Continuing Programs

The Budget continues to support the Marie H. Katzenbach School for the Deaf, providing \$2.9 million in fiscal 2003.

Funding continues to support efforts to increase the retention rates of new teachers by funding the Teacher Mentoring Program at \$6.5 million in fiscal 2003. These funds will reimburse districts for the first-year mentor costs for 7,200 traditional and 2,600 alternate route teachers. This program, which began as a pilot in fiscal 2001, reimburses districts for the stipends paid to experienced teachers to serve as mentors to new teachers.

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The development of new assessments to determine student achievement of the Core Curriculum Content Standards continues in this Budget by funding Statewide Assessments at \$16.7 million. This will be supplemented by \$8.9 million in federal funds for expanded testing required by fiscal 2006.

The Budget continues to support \$1.8 million for grants to six higher education institutions for the Governor's School Program, a summer residential program at State college campuses, offering intensive experiences for artistically and academically talented high school students.

The Budget provides \$1.0 million for recruitment incentives to increase the number of preschool teachers in all Abbott school districts. This will provide the second year of funding for a four-year program initiated in fiscal 2002 to provide cash and non-cash incentives for new preschool teachers. In the program's first year, 323 eligible applicants were provided cash incentives and laptop computers. In the remaining three years of the program, these teachers will receive partial forgiveness of outstanding student loans and/or a tuition coupon for graduate education in a New Jersey institution.

For essential capital projects for the Department of Education, \$400,000 is provided for renovations of water supply systems at the Katzenbach School for the Deaf.

SUMMARY OF APPROPRIATIONS BY FUND (thousands of dollars)

Year Ending June 30, 2001					Year Ending June 30, 2003			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2002 Adjusted Approp.	Requested	Recom- mended
55,311	3,231	2,071	60,613	54,823	Direct State Services	57,620	55,683	55,683
6,973	---	---	6,973	3,536	Grants-In-Aid	10,326	13,551	13,551
103,825	650	-997	103,478	96,020	State Aid	2,016,638	2,107,259	2,107,259
4,536	2,295	250	7,081	1,970	Capital Construction	2,930	400	400
170,645	6,176	1,324	178,145	156,349	Total General Fund	2,087,514	2,176,893	2,176,893
6,606,930	28,139	-67	6,635,002	6,607,975	Total Property Tax Relief Fund	5,342,720	5,511,588	5,511,588
6,777,575	34,315	1,257	6,813,147	6,764,324	GRAND TOTAL	7,430,234	7,688,481	7,688,481

SUMMARY OF APPROPRIATIONS BY PROGRAM
(thousands of dollars)

Year Ending June 30, 2001					Year Ending June 30, 2003			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2002 Adjusted Approp.	Requested	Recom- mended	
DIRECT STATE SERVICES - GENERAL FUND					DIRECT STATE SERVICES - GENERAL FUND			
Direct Educational Services and Assistance					Direct Educational Services and Assistance			
367	---	---	367	367	Adult and Continuing Education	390	390	390
357	---	---	357	357	Bilingual Education and Equity Issues	391	314	314
171	---	---	171	171	Special Education	184	184	184
895	---	---	895	895	<i>Subtotal</i>	965	888	888
Operation and Support of Educational Institutions					Operation and Support of Educational Institutions			
3,093	63	---	3,156	2,920	Marie H. Katzenbach School for the Deaf	2,961	2,899	2,899
Supplemental Education and Training Programs					Supplemental Education and Training Programs			
475	1	-1	475	475	General Vocational Education	529	529	529
Educational Support Services					Educational Support Services			
294	---	---	294	294	Educational Technology	302	302	302
20,290	1,038	742	22,070	18,129	Academic Programs and Standards	20,997	19,672	19,672
240	---	---	240	240	Grants Management and Development	383	327	327
1,715	1,529	---	3,244	2,182	Professional Development and Licensure	1,939	1,939	1,939
7,334	8	-186	7,156	7,156	Service to Local Districts	8,007	7,795	7,795
834	---	310	1,144	1,144	Office of School Choice	1,003	999	999
364	---	---	364	364	Early Childhood Education	403	403	403
400	2	-12	390	390	Pupil Transportation	491	490	490
3,852	395	---	4,247	3,938	Facilities Planning and School Building			
					Aid	2,770	3,965	3,965
1,613	6	-8	1,611	1,601	Health, Safety, and Community Services	1,859	1,445	1,445
36,936	2,978	846	40,760	35,438	<i>Subtotal</i>	38,154	37,337	37,337
Education Administration and Management					Education Administration and Management			
3,496	170	305	3,971	3,807	School Finance	3,724	3,413	3,413
1,651	2	-3	1,650	1,649	Compliance and Auditing	1,935	1,386	1,386
8,765	17	924	9,706	9,639	Administration and Support Services	9,352	9,231	9,231
13,912	189	1,226	15,327	15,095	<i>Subtotal</i>	15,011	14,030	14,030
55,311	3,231	2,071	60,613	54,823	Subtotal Direct State Services - General Fund	57,620	55,683	55,683
55,311	3,231	2,071	60,613	54,823	TOTAL DIRECT STATE SERVICES	57,620	55,683	55,683
GRANTS-IN-AID - GENERAL FUND					GRANTS-IN-AID - GENERAL FUND			
Supplemental Education and Training Programs					Supplemental Education and Training Programs			
3,000	---	---	3,000	---	General Vocational Education	3,000	---	---
Educational Support Services					Educational Support Services			
3,629	---	---	3,629	3,536	Academic Programs and Standards	7,316	13,233	13,233
344	---	---	344	---	Health, Safety, and Community Services	10	318	318
3,973	---	---	3,973	3,536	<i>Subtotal</i>	7,326	13,551	13,551
6,973	---	---	6,973	3,536	Subtotal Grants-In-Aid - General Fund	10,326	13,551	13,551
6,973	---	---	6,973	3,536	TOTAL GRANTS-IN-AID	10,326	13,551	13,551

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Year Ending June 30, 2001					Year Ending June 30, 2003			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2002 Adjusted Approp.	Requested	Recom- mended	
929	650	---	1,579	929	STATE AID - GENERAL FUND			
94,068	---	-797	93,271	86,543	Direct Educational Services and Assistance			
5,413	---	---	5,413	5,363	General Formula Aid	1,665,868	890,866	890,866
2,448	---	---	2,448	2,418	Non-Public School Aid	97,043	92,899	92,899
					Miscellaneous Grants-In-Aid	1,712	130	130
					Adult and Continuing Education	2,448	2,448	2,448
102,858	650	-797	102,711	95,253	<i>Subtotal</i>	1,767,071	986,343	986,343
					Supplemental Education and Training Programs			
767	---	---	767	767	General Vocational Education	---	5,460	5,460
					Educational Support Services			
200	---	-200	---	---	Pupil Transportation	---	---	---
---	---	---	---	---	Facilities Planning and School Building Aid	140,873	137,858	137,858
---	---	---	---	---	Teachers' Pension and Annuity Assistance	108,694	977,598	977,598
200	---	-200	---	---	<i>Subtotal</i>	249,567	1,115,456	1,115,456
103,825	650	-997	103,478	96,020	Subtotal State Aid - General Fund	2,016,638	2,107,259	2,107,259
					STATE AID - PROPERTY TAX RELIEF FUND			
					Direct Educational Services and Assistance			
4,148,011	28,110	-129	4,175,992	4,172,351	General Formula Aid	2,893,581	3,851,333	3,851,333
110,022	---	-865	109,157	102,893	Miscellaneous Grants-In-Aid	108,363	112,823	112,823
59,250	---	---	59,250	59,250	Bilingual Education and Equity Issues	65,578	65,578	65,578
192,906	---	---	192,906	192,906	Programs for Disadvantaged Youths	199,512	199,512	199,512
770,350	---	67	770,417	770,417	Special Education	911,420	911,420	911,420
5,280,539	28,110	-927	5,307,722	5,297,817	<i>Subtotal</i>	4,178,454	5,140,666	5,140,666
					Supplemental Education and Training Programs			
39,966	---	---	39,966	39,966	General Vocational Education	44,408	38,948	38,948
					Educational Support Services			
15,000	29	---	15,029	10,728	Office of School Choice	13,545	23,855	23,855
302,338	---	239	302,577	301,804	Pupil Transportation	303,787	303,587	303,587
161,022	---	621	161,643	161,391	Facilities Planning and School Building Aid	5,484	4,532	4,532
796,065	---	---	796,065	785,216	Teachers' Pension and Annuity Assistance	797,042	---	---
12,000	---	---	12,000	11,053	Health, Safety, and Community Services	---	---	---
1,286,425	29	860	1,287,314	1,270,192	<i>Subtotal</i>	1,119,858	331,974	331,974
6,606,930	28,139	-67	6,635,002	6,607,975	Subtotal State Aid - Property Tax Relief Fund	5,342,720	5,511,588	5,511,588
6,710,755	28,789	-1,064	6,738,480	6,703,995	TOTAL STATE AID	7,359,358	7,618,847	7,618,847

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Year Ending June 30, 2001					Year Ending June 30, 2003			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2002 Adjusted Approp.	Requested	Recom- mended	
1,946	368	-25	2,289	358	CAPITAL CONSTRUCTION			
Operation and Support of Educational Institutions								
					Marie H. Katzenbach School for the Deaf	1,380	400	400
Education Administration and Management								
					Administration and Support Services	1,550	---	---
4,536	2,295	250	7,081	1,970	Subtotal Capital Construction			
					2,930	400	400	
6,777,575	34,315	1,257	6,813,147	6,764,324	TOTAL APPROPRIATION			
					7,430,234	7,688,481	7,688,481	

EDUCATION

30. EDUCATIONAL, CULTURAL AND INTELLECTUAL DEVELOPMENT 31. DIRECT EDUCATIONAL SERVICES AND ASSISTANCE

OBJECTIVES

1. To provide financial assistance to all public local education agencies to ensure their capacity to deliver the programs and services necessary to bring their students to achievement of the Core Curriculum Content Standards.
2. To provide financial assistance for the education of children attending non-public schools.
3. To provide technical and financial assistance to local school districts for academic programs preparing out-of-school youth and adults to develop literacy skills necessary to obtain a State high school equivalency diploma and to provide a Statewide testing program for high school equivalency.
4. To promote local programs to improve the English and citizenship skills of foreign-born adults.
5. To provide technical assistance to local school districts in the preparation, adoption and implementation of school desegregation plans and affirmative action plans. To monitor departmental and school district compliance with federal and State law and established policy regarding school desegregation, affirmative action and equality of opportunity for minorities and women.
6. To aid, administer, evaluate, and monitor educational programs for children and adults with educational disabilities, including those served by State and federal projects.
7. To aid, develop, manage, and evaluate federal and State educational programs for children and adults of limited English speaking proficiency; to assist in implementing mandated statewide testing programs for the limited English speaking population.
8. To administer and monitor the funding of federal and State programs for students at risk of educational failure, including remedial programs for youth and adults; and to assure suitable educational programs to residents of state institutions.

PROGRAM CLASSIFICATIONS

01. **General Formula Aid.** The Comprehensive Educational Improvement and Financing Act of 1996 established the basis for the aid that ensures the provision of the regular education portion of a thorough and efficient (T&E) education. The Act specifies the amount of money per pupil--the T&E amount--appropriate for delivering the Core Curriculum Content Standards under certain delivery and efficiency assumptions. In recognition of legitimate local differences in cost, a flexible amount of 5% is added to and subtracted from the T&E amount to determine the T&E range, or range of spending on regular education that will be supported by the state. The T&E amount represents the cost of educating a student in the elementary school (grades 1-5). The cost of educating a kindergarten pupil is 50% of the T&E amount, as the delivery and efficiency assumptions include a half-day kindergarten program. The cost for a middle school student (grades 6-8) is 4% higher, and for a high school student (grades 9-12), 11% higher.

A district's T&E budget for regular education of its resident pupils is determined by inflating its prior year per pupil net T&E budget by the consumer price index, provided that the increase in the consumer price index shall not be less than 3 percent, and multiplying that amount by the district's weighted enrollment, and then subtracting out categorical aid for the budget year. If the result falls outside the T&E range, the T&E budget is then the

top or bottom of the range, as appropriate. For the 30 poor urban districts known as Abbott districts, the T&E budget is the top of the T&E range, notwithstanding prior year spending.

a. **Core Curriculum Standards Aid.** Core Curriculum Standards Aid is provided to a district whose T&E budget exceeds the local fair share tax effort. The measure of fiscal capacity is determined by applying statewide multipliers to the value of property and personal income in the district, adjusting the result by the position of the district's T&E budget within the T&E range. The local fair share represents the local resources a district would have to appropriate in order to spend at the level of its T&E budget. A district may spend above its T&E budget level under a variety of circumstances, but its Core Curriculum Standards Aid would not increase. A district may appropriate less than its fair share without its Core Curriculum Standards Aid being reduced. However, all districts are required to appropriate a minimum local share. The determination of this required local share varies by type of district.

b. **Supplemental Core Curriculum Standards Aid.** A first component of Supplemental Core Curriculum Standards Aid is provided to a district with a high concentration of low-income pupils and an excessive burden on its property tax base, and is intended to offset a portion of the required local share. An Abbott district or district that falls within the Department of Education's District Factor Group A designation receives additional Supplemental Core Curriculum Standards Aid in the amount required to offset any tax increase that would be required to meet its required local share after consideration of other regular education aids. A second component of Supplemental Core Curriculum Standards Aid is provided to districts with high T&E tax rates after considering the first component of Supplemental Core Curriculum Standards Aid.

c. **Stabilization Aid and Supplemental Stabilization Aid.** Stabilization provisions in the Act moderate the effects of the abrupt changes in the entitlements from the prebudget year to the budget year. A district whose entitlement growth exceeds the stabilization growth limit of the greater of 10% or the district's projected rate of growth in resident enrollment over the prebudget year, experiences an aid reduction to reach the limit; this reduction is reflected in its aid allocations. A district that experiences a loss in selected aids from the prebudget year receives stabilization aid to offset the amount of the loss. Supplemental stabilization aid is also provided to large efficient districts and to districts in communities with high concentrations of senior citizens.

d. **Early Childhood Program Aid** is provided to districts with a 20% or greater concentration of students from low income families, with a larger amount provided to districts with a 40% or greater concentration of low income pupils, for the purpose of providing preschool, full-day kindergarten, and other early childhood programs and services.

02. **Nonpublic School Aid.** Various types of assistance are available to Boards of Education in public school districts in New Jersey to reimburse such districts for expenses they are required to incur on behalf of students who are enrolled in grades K-12 in a nonpublic school, within the district, which complies with compulsory school attendance requirements and with the requirements of Title VI of the Civil Rights Act of 1964. The following aid programs are included:

a. Nonpublic Textbook Aid (N.J.S.A. 18A:58-37.1 et seq.) supports the purchase and lending of textbooks upon individual request. State aid is paid in an amount equal to the State average budgeted textbook expense per public school pupil for the prebudget year, for all nonpublic students enrolled in grades K-12 of a nonpublic school on the last school day prior to October 16 of the prebudget year.

b. Nonpublic Auxiliary Services Aid for compensatory education, English as a second language, and home instruction (N.J.S.A. 18A:46A-1 et seq.) is provided upon consent of the parent or guardian. State aid is paid for providing services to nonpublic pupils equivalent to the services provided to pupils enrolled in the public schools.

c. Nonpublic Handicapped Aid provides identification, examination, classification, supplemental and speech correction services (N.J.S.A. 18A:46-19.1 et seq.) for each student who is enrolled full time. State aid is paid to each school district in an amount sufficient to provide examination, classification, supplemental and speech correction services to nonpublic pupils.

d. Nonpublic Auxiliary/Handicapped Transportation Aid provides for transporting nonpublic pupils to public schools or neutral sites, for auxiliary/handicapped services that cannot be provided constitutionally in sectarian schools.

e. Nonpublic Nursing Services Aid provides funds for boards of education to provide basic nursing services for nonpublic school pupils who are enrolled full time in nonpublic schools within the school district.

f. Nonpublic Technology Initiative Aid provides funds for Boards of Education to provide technology to nonpublic school students. The goal of the nonpublic technology initiative program is to provide nonpublic school pupils with computers, educational software, distance learning equipment and other technologies that can improve their education by meeting their specific educational needs and to give nonpublic school teachers the skills, resources and incentives to use educational technologies effectively to improve teaching and learning in the classroom.

03. Miscellaneous Grants-in-Aid. The following programs are included:

a. Emergency Aid (N.J.S.A. 18A:58-11) allows the Commissioner, with the approval of the State Board of Education, to distribute funds to meet unforeseen conditions in any school district.

b. Payments for Institutionalized Children-Unknown District of Residence provide for the payment of State Aid for educational services to students in grades K-12 who are homeless or a resident in an institution of the Department of Corrections, the Department of Human Services or Juvenile Justice Commission, and for whom a local school district of residence has not been identified.

c. Distance Learning Network Aid is provided to all districts on a per-pupil basis for the purchase of computers, software and supplies, equipment, wiring, access fees, professional development, staffing, maintenance, and other uses that may be necessary for the establishment of effective distance learning networks.

d. Adult, Post Graduate, and Post-Secondary Vocational Aid. State aid is distributed for pupils enrolled in approved adult high schools, post graduate programs and approved full-time post-secondary programs of county vocational schools.

e. A Rewards and Recognition program was established by the Comprehensive Educational Improvement and Financing Act of 1996 to provide grants to districts with schools demonstrating high levels of achievement or significant gains in achievement on statewide tests.

04. Adult and Continuing Education. The activities in this program classification ensure that persons aged 16 or older who are no longer enrolled in school, will be provided with literacy education opportunities. The following programs are included:

a. Adult and Continuing Education funds (N.J.S.A. 18A:50-7) support leadership for adult educational programs. School districts receive funds according to a formula, for supervisors of adult education.

b. High School Equivalency provides funds to school districts and other agencies to instruct adults and out-of-school youth lacking a high school diploma. Students receive training in academic skills necessary to pass the test of General Educational Development (GED), thereby earning a high school diploma.

c. Adult Literacy provides part of the 25% matching share required under the Federal aid grant for Adult Basic Education (P.L. 102-73). Discretionary grants are made available to local educational agencies to support instructional programs, for teacher training, and for monitoring of local instructional programs.

d. Schooling for Foreign-Born (N.J.S.A. 18A:49-1 et seq.) provides technical and financial assistance to school districts for classes in English and in citizenship, with the State matching local funds to a maximum of \$5,000 per school district in any one year.

05. Bilingual Education and Equity Issues. Categorical aid is provided to local districts for the additional costs of educating students of limited English proficiency. Technical assistance and program support are provided (N.J.S.A. 18A:35-15). Funds are provided to school districts with 20 or more students of limited English proficiency in any one language classification who are enrolled in approved bilingual programs, to districts with fewer than 20 students of limited English proficiency who are enrolled in an approved English as a Second Language program, and to districts operating other programs approved by the State Board of Education.

The Office of Bilingual Education administers, monitors, and evaluates State and federal grant programs related to the education of limited English proficient students and develops administrative code to implement laws related to the provision of programs and services. The Office provides and/or coordinates professional development and technical assistance activities for school district professionals, and assists in the implementation of mandated statewide testing programs as they relate to the limited English speaking population.

The Office also assists local school districts in the development and implementation of plans to correct racial imbalance to comply with State and federal regulations, in preventing community unrest as a constituent of desegregation, in recruiting minority staff personnel, and in eliminating discriminatory policies and practices within the Department or school systems as required by law and State policy.

06. Disadvantaged Youth. Federal and State funds are provided to school districts to address the needs of educationally disadvantaged pupils who are vulnerable to school failure as a consequence of community conditions of poverty. The Comprehensive Educational Improvement and Financing Act of 1996 established specific State aid programs for this purpose.

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Demonstrably Effective Program Aid (DEPA) is generated by schools with a 20% or greater concentration of students from low-income families, with a larger amount generated by schools with a 40% or greater concentration of low-income students. DEPA is provided to districts to fund a constellation of instruction, governance, health and social services programs in the generating schools. Schools in the Abbott districts are also permitted to expend these funds for implementation of whole school reform. Aid is provided on a per-enrolled pupil basis in the qualifying school. Instructional Supplement Aid is provided to districts with a concentration of low-income pupils equal to or greater than 5% but less than 20% on a per-low-income pupil basis, for the purpose of providing supplemental services.

07. **Special Education.** The Comprehensive Educational Improvement and Financing Act of 1996 established a four-tier system for funding the additional costs incurred by districts in providing individualized educational programs to special education pupils in public and private school settings, and to non-classified pupils in certain State facilities. Pupils are aided in their district of residence. Pupils classified solely for speech correction services are considered in the T&E amount and aided through general formula aid and thus do not generate special education aid. Tier I aid is paid for students receiving related services such as occupational therapy, physical therapy, speech and counseling. A classified pupil may generate aid for up to four services covered

by Tier I aid, and classified pupils generating aid under other tiers are eligible for Tier I aid as well. Tier II pupils are pupils resident in the district not receiving Tier IV intensive services meeting the criteria for specific learning disability or perceptually impaired, traumatic brain injury or neurologically impaired, cognitive impairment, mild or educable mentally retarded and preschool disabled and all classified pupils receiving services pursuant to Chapter 46 of Title 18A in shared time county vocational programs in a county vocational school which does not have a full child study team. Tier III pupils are pupils resident in the district not receiving Tier IV intensive services meeting the criteria for cognitive impairment - moderate or trainable mentally retarded, orthopedically impaired, auditorily impaired, communication impaired, emotionally disturbed, multiply disabled, other health impaired or chronically ill, and visually impaired. Tier IV pupils are pupils resident in the district meeting the classification definitions for autistic and cognitive impairment - severe or day training eligible and other pupils who receive one or more of the following nine services that must be specified in the pupil's individualized education program: Individual Instruction, Pupil:Teacher-Aide Ratio of 3:1 or Less, High Level Assistive Technology, Extended School Year, Intensive Related Services, Interpreter Services, Personal Aide, Residential Placement for Educational Purposes and Individual Nursing Services.

EVALUATION DATA

	Actual FY 2000	Actual FY 2001	Revised FY 2002	Budget Estimate FY 2003
PROGRAM DATA				
General Formula Aid				
Resident enrollment	1,327,643	1,357,160	1,391,439	1,424,391
Support Per Pupil (per local budgets, including core curriculum standards aid, debt service transportation, all categorical aid, and pension/Social Security contribution)	\$10,833	\$11,909	\$12,420	\$12,790
Local	\$6,013	\$6,424	\$6,693	\$6,984
State	\$4,594	\$5,138	\$5,373	\$5,401
Federal	\$226	\$347	\$354	\$405
Percent Support Per Pupil				
Local	55.5%	54.0%	53.8%	54.6%
State	42.4%	43.1%	43.3%	42.2%
Federal	2.1%	2.9%	2.9%	3.2%
Enrollment as of Oct. 15 (pre-budget year)				
All districts, total:	1,298,927	1,327,643	1,357,160	1,391,439
Kindergarten/Pre-school	101,128	111,883	117,030	126,180
Elementary school (grades 1-5)	474,711	477,562	475,428	474,159
Middle school (grades 6-8)	248,042	255,995	265,255	273,743
High school (grades 9-12)	282,322	288,836	295,514	304,626
Evening school, Post graduate	11,946	11,784	12,257	12,405
Special education	162,375	163,079	172,113	180,082
County vocational	18,403	18,504	19,563	20,244
Non-Public School Aid				
Textbook aid-- pupils enrolled	200,668	201,977	205,900	209,899
Auxiliary services-- students served	39,066	39,889	39,535	39,535
Handicapped services-- students served	30,662	31,187	30,729	30,982
Nursing aid-- pupils enrolled	200,777	204,219	205,608	207,006

EDUCATION

	Actual FY 2000	Actual FY 2001	Revised FY 2002	Budget Estimate FY 2003
Adult and Continuing Education				
Adult Literacy Education				
Total adults enrolled	40,250	45,000	45,250	45,500
High School Equivalency				
Adults enrolled	14,064	15,000	15,500	15,500
Adults earning state diplomas	8,090	7,500	8,500	8,500
Schools for Foreign-born				
Number of programs	46	46	46	46
Aliens enrolled	3,300	3,300	3,400	3,500
Bilingual Education and Equity Issues				
Limited English speaking students served	51,613	52,890	54,831	56,657
Programs for Disadvantaged Youths				
Federal Title I				
Migrant children served	1,423	3,488	3,488	3,488
Disadvantaged children served	238,976	240,000	240,000	240,000
Students eligible for free lunch/free milk:				
All districts	312,493	292,832	288,644	293,324
Abbott districts	185,760	176,920	176,154	179,439
Special Education				
Enrollments:				
Local districts	151,494	157,854	166,535	174,401
Regional day schools	1,190	1,194	1,179	1,197
County vocational special education	5,604	5,586	5,578	5,682
State Facilities Education:				
Number of students in facilities	4,150	3,759	3,471	3,692
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	7	6	6	8
Federal	75	87	96	112
Total Positions	82	93	102	120
Filled Positions by Program Class				
Adult and Continuing Education	11	11	12	21
Bilingual Education and Equity Issues	9	7	8	9
Programs for Disadvantaged Youths	4	8	6	8
Special Education	58	67	76	82
Total Positions	82	93	102	120

Notes

Actual payroll counts are reported for fiscal years 2000 and 2001 as of December and revised fiscal year 2002 as of September. The Budget Estimate for fiscal year 2003 reflects the number of positions funded.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2001					Year Ending June 30, 2003				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available Expended	2002 Prog. Class.	2002 Adjusted Approp.	Requested	Recom- mended		
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
367	---	---	367	367	04	390	390	390	
357	---	---	357	357					
					05	391	314	314	
171	---	---	171	171	07	184	184	184	
895	---	---	895	895		965 (a)	888	888	
					Total Direct State Services				

EDUCATION

Year Ending June 30, 2001					Year Ending June 30, 2003			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Total Expended	2002 Prog. Class.	2002 Adjusted Approp.	Requested	Recommended
DIRECT STATE SERVICES								
Distribution by Fund and Object								
Personal Services:								
543	---	---	543	543		620	543	543
543	---	---	543	543		620	543	543
21	---	-6	15	15		21	21	21
69	---	6	75	75		62	62	62
1	---	---	1	1		1	1	1
261	---	---	261	261		261	261	261
STATE AID								
Distribution by Fund and Program								
4,148,940	28,760	-129	4,177,571	4,173,280	01	4,559,449	4,742,199	4,742,199
929	650	---	1,579	929		1,665,868	890,866	890,866
4,148,011	28,110	-129	4,175,992	4,172,351				
						2,893,581	3,851,333	3,851,333
94,068	---	-797	93,271	86,543	02	97,043	92,899	92,899
115,435	---	-865	114,570	108,256	03	110,075	112,953	112,953
5,413	---	---	5,413	5,363		1,712	130	130
110,022	---	-865	109,157	102,893		108,363	112,823	112,823
						2,448	2,448	2,448
2,448	---	---	2,448	2,418	04			
59,250	---	---	59,250	59,250	05	65,578	65,578	65,578
						65,578	65,578	65,578
59,250	---	---	59,250	59,250				
192,906	---	---	192,906	192,906	06	199,512	199,512	199,512
192,906	---	---	192,906	192,906		199,512	199,512	199,512
770,350	---	67	770,417	770,417	07	911,420	911,420	911,420
770,350	---	67	770,417	770,417		911,420	911,420	911,420
						5,945,525	6,127,009	6,127,009
5,383,397	28,760	-1,724	5,410,433	5,393,070		1,767,071	986,343	986,343
102,858	650	-797	102,711	95,253		4,178,454	5,140,666	5,140,666
5,280,539	28,110	-927	5,307,722	5,297,817				
Distribution by Fund and Object								
State Aid:								
---	650	---	650	---	01	---	---	---
						1,665,868	890,866	890,866
---	---	---	---	---	01	1,414,450	2,189,452	2,189,452
2,942,900	---	-62	2,942,838	2,942,595	01	429,056	512,656	512,656
322,543	28,109	13,458	374,338	370,941	01	251,768	251,768	251,768
10,228 ^S	---	---	209,621	209,621	01	330,630	330,630	330,630
209,621	---	---	209,621	209,621	01	9,957	9,957	9,957
313,226	---	---	313,226	313,226	01	15,621	15,621	15,621
10,008	---	---	10,008	10,008	01	111,626	111,626	111,626
17,552	---	---	17,552	17,552				
135,705	---	---	135,705	135,705				

EDUCATION

Year Ending June 30, 2001					Year Ending June 30, 2003				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2002 Adjusted Approp.	Requested	Recommended	
STATE AID									
500	---	-67	433	433					
					County Special Services Tuition Stabilization (PTRF)	01	250	---	---
4,500	---	---	4,500	4,500	Large Efficient District Aid (PTRF)	01	5,250	5,250	5,250
929 ^S	---	---	929	929	Aid for Districts with High Senior Citizen Populations	01	---	---	---
921	---	---	921	921	Aid for Districts with High Senior Citizen Populations (PTRF)	01	1,231	1,231	1,231
5,070	---	---	5,070	5,070	Stabilization Aid 2 (PTRF)	01	2,491	2,491	2,491
---	---	---	---	---	Stabilization Aid 3 (PTRF)	01	11,402	11,402	11,402
17,612	---	---	17,612	17,612	Regionalization Incentive Aid (PTRF)	01	18,295	18,295	18,295
156,969					Additional Abbott v. Burke State Aid (PTRF) (b) (c)	01	348,674	305,674	305,674
34,171 ^S	1	-13,458	177,683	177,682	Abbott Preschool Expansion Aid (PTRF)	01	---	142,400	142,400
---	---	---	---	---	Aid for Enrollment Adjustments (PTRF)	01	16,456	16,456	16,456
34,558	---	---	34,558	34,558	Nonpublic Textbook Aid	02	11,413	11,413	11,413
11,036	---	28	11,064	11,049	Nonpublic Handicapped Aid	02	27,163	27,163	27,163
26,433	---	---	26,433	23,582	Nonpublic Auxiliary Services Aid	02	32,736	32,736	32,736
32,047	---	-950	31,097	27,338	Nonpublic Auxiliary/Handicapped Transportation Aid	02	3,578	3,578	3,578
3,431	---	72	3,503	3,431	Nonpublic Nursing Services Aid	02	13,891	13,891	13,891
13,121	---	33	13,154	13,135	Nonpublic Technology Initiative	02	8,237	4,118	4,118
8,000	---	20	8,020	8,008	St. Bartholomew Interparochial School	02	25	---	---
---	---	---	---	---	Emergency Fund	03	100	100	100
100	---	---	100	50	Educational Information and Resource Center	03	450	---	---
400	---	---	400	400	Payments for Institutionalized Children - Unknown District of Residence (PTRF)	03	13,610	13,610	13,610
13,778	---	---	13,778	13,529	Belvidere School District - Tuition Anomaly Aid	03	300	---	---
---	---	---	---	---	Hasbrouck Heights Board of Education - Athletic Fields	03	75	---	---
---	---	---	---	---	Cape May County Special Services School District - Mark Himebaugh Book Fund	03	25	---	---
---	---	---	---	---	Milford School District - Boiler Replacement	03	44	---	---
---	---	---	---	---	The Wonder of Minerals Program	03	35	---	---
---	---	---	---	---	Academy Charter High School, South Belmar - Gymnasium Improvement	03	38	---	---
---	---	---	---	---	The Bayshore Consortium	03	90	---	---
---	---	---	---	---	Community Relations Committee of the United Jewish Federation of Metrowest	03	30 ^S	30	30
56,820	---	---	56,820	56,820	Distance Learning Network Aid (PTRF)	03	59,162	59,162	59,162
100	---	---	100	100	Character Education	03	---	---	---
4,650	---	---	4,650	4,635	Character Education (PTRF)	03	4,750	4,750	4,750

EDUCATION

Year Ending June 30, 2001					Year Ending June 30, 2003				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2002 Adjusted Approp.	Requested	Recommended	
STATE AID									
2,000									
6,000 ^S	---	-865	7,135	1,135	03	2,000	6,460	6,460	
26,654	---	---	26,654	26,654	03	28,721	28,721	28,721	
120	---	---	120	120	03	120	120	120	
75	---	---	75	75	03	75	---	---	
300	---	---	300	300	03	200	---	---	
118	---	---	118	118	03	---	---	---	
200	---	---	200	200	03	---	---	---	
150	---	---	150	150	03	---	---	---	
30	---	---	30	30	03	---	---	---	
90	---	---	90	90	03	---	---	---	
200	---	---	200	200	03	---	---	---	
150	---	---	150	150	03	---	---	---	
150	---	---	150	150	03	---	---	---	
200	---	---	200	200	03	---	---	---	
150	---	---	150	150	03	---	---	---	
200	---	---	200	200	03	---	---	---	
3,150 ^S	---	---	3,150	3,150	03	250	---	---	
211	---	---	211	181	03	---	---	---	
1,213	---	---	1,213	1,213	04	211	211	211	
1,024	---	---	1,024	1,024	04	1,213	1,213	1,213	
59,250	---	---	59,250	59,250	04	1,024	1,024	1,024	
192,906	---	---	192,906	192,906	05	65,578	65,578	65,578	
760,350	---	---	760,350	760,350	06	199,512	199,512	199,512	
10,000	---	67	10,067	10,067	07	896,420	896,420	896,420	
					07	15,000	15,000	15,000	
LESS:									
(68,073)	(---	(---	(68,073)	(68,073)	01	(73,576)	(73,576)	(73,576)	
5,384,292	28,760	-1,724	5,411,328	5,393,965		5,946,490	6,127,897	6,127,897	

OTHER RELATED APPROPRIATIONS

Federal Funds

8,802	90	---	8,892	8,207	03	8,900	8,900	8,900
11,403					04	15,712	15,712	15,712
761 ^S	1,795	11	13,970	11,269	05	6,030	12,669	12,669
6,198	167	-5	6,360	5,878				

OTHER RELATED APPROPRIATIONS

198,874	4,860	---	203,734	182,568	Programs for Disadvantaged Youths	06	226,353	286,242	286,242
<u>177,835</u>	<u>30,732</u>	<u>-221</u>	<u>208,346</u>	<u>173,797</u>	Special Education	07	<u>214,167</u>	<u>250,120</u>	<u>250,120</u>
<u>403,873</u>	<u>37,644</u>	<u>-215</u>	<u>441,302</u>	<u>381,719</u>	Total Federal Funds		<u>471,162</u>	<u>573,643</u>	<u>573,643</u>
					All Other Funds				
---	99	---	99	---	Adult and Continuing Education	04	---	---	---
---	<u>99</u>	---	<u>99</u>	---	Total All Other Funds		<u>---</u>	<u>---</u>	<u>---</u>
<u>5,788,165</u>	<u>66,503</u>	<u>-1,939</u>	<u>5,852,729</u>	<u>5,775,684</u>	GRAND TOTAL ALL FUNDS		<u>6,417,652</u>	<u>6,701,540</u>	<u>6,701,540</u>

Notes

- (a) The fiscal year 2002 appropriation has been adjusted for the allocation of salary program and has been reduced to reflect the transfer of funds to the Interdepartmental Salary and Other Benefits accounts.
- (b) The recommended fiscal 2003 appropriation for Additional Abbott v. Burke State Aid will be adjusted downwards or upwards by the Commissioner, as necessary, to fulfill the responsibilities of the Commissioner under the Abbott order.
- (c) The fiscal 2002 adjusted appropriation for Additional Abbott v. Burke State Aid has been adjusted for the transfer of \$100,000,000 from the School Construction and Renovation Fund in the Department of Treasury in accordance with the fiscal 2002 Appropriations Act.

Language Recommendations -- State Aid - General Fund

Of the amount hereinabove for Core Curriculum Standards Aid, an amount equal to the total earnings of investments of the School Fund shall first be charged to such Fund.

Receipts from nonpublic schools handicapped and auxiliary recoveries are appropriated for the payment of additional aid in accordance with section 17 of P.L.1997, c.192 (C.18A:46A-14) and section 14 of P.L.1997, c.193 (C.18A:46-19.8).

Notwithstanding the provisions of section 14 of P.L.1977, c.193 (C.18A:46-19.8) for the purpose of computing Nonpublic Handicapped Aid for pupils requiring the following services, the per pupil amounts shall be: \$1,185.64 for an initial evaluation or reevaluation for examination and classification; \$355.50 for an annual review for examination and classification; \$901.06 for speech correction; and \$785.81 for supplementary instruction services.

Notwithstanding the provisions of section 9 of P.L. 1977, c.192 (C.18A:46A-9), the per pupil amount for compensatory education for the 2002-2003 school year for the purposes of computing Nonpublic Auxiliary Services Aid shall equal \$739.60.

Notwithstanding the provisions of section 9 of P.L. 1991, c.226 (C.18A:40-31), the amount appropriated hereinabove for Nonpublic Nursing Services Aid shall be made available to local school districts based upon the number of pupils enrolled in each nonpublic school on the last day prior to October 16, 2001.

Nonpublic Technology Initiative aid shall be paid to school districts and allocated for nonpublic school pupils at the rate of \$20 per pupil in a manner that is consistent with the provisions of the federal and State constitutions.

Of the amount hereinabove in the High School Equivalency and the Adult Literacy accounts, such sums as are necessary may be transferred to an applicant State department.

Language Recommendations -- State Aid - Property Tax Relief Fund

The Commissioner of Education shall not authorize the disbursement of funds to any "Abbott district" until the commissioner is satisfied that all educational expenditures in the district will be spent effectively and efficiently in order to enable those students to achieve the core curriculum content standards. The commissioner shall be authorized to take any necessary action to fulfill this responsibility. The commissioner may deduct from the State aid of any "Abbott district" the expenses required to manage, control and supervise the implementation of that State aid. In order to expeditiously fulfill the responsibilities of the commissioner under the Abbott order, determinations by the commissioner hereunder shall be considered to be final agency action and appeal of that action shall be directly to the Appellate Division of the Superior Court. The unexpended balance as of June 30, 2002, in the Abbott v. Burke Parity Remedy account is appropriated for the same purpose and with the same conditions as are applied to the fiscal year 2003 appropriation for this purpose.

Notwithstanding any other law to the contrary, State aid for each "Abbott district" whose per pupil regular education expenditure for 2002-2003 under P. L. 1996, c.138 is below the estimated per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2002-2003 shall be increased. The amount of increase shall be appropriated as Abbott v. Burke Parity Remedy aid and shall be determined as follows: funds shall be allocated in the amount of the difference between each "Abbott district's" per pupil regular education expenditure for 2002-2003 and the actual per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2001-2002 indexed by the actual percentage increase in the per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2001-2002 over the per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2000-2001. In calculating the per pupil regular education expenditure of each "Abbott district" for 2002-2003, regular education expenditure shall equal the sum of the general fund tax levy for 2001-2002, Core Curriculum Standards Aid, Supplemental Core Curriculum Standards Aid and all forms of stabilization aid pursuant to section 10 of P. L. 1996, c.138 (C.18A:7F-10); enrollments shall initially be those resident enrollments for preschool through grade 12 contained on the Application for State School Aid for 2002-2003 indexed by the district's enrollment growth rate used to determine the estimated enrollments of October 2002; enrollments shall be calculated at their full-time equivalent and reduced by preschool and one half of full-day kindergarten enrollments.

EDUCATION

State aid shall be adjusted upon receipt of resident enrollment for the "Abbott districts" as of October 15, 2002 as reflected on the Application for State School Aid for 2003-2004. State aid shall also be adjusted based on the actual per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2002-2003. In calculating the actual per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2002-2003, regular education expenditure shall equal the sum of the general fund tax levy for 2002-2003, Core Curriculum Standards Aid, Supplemental Core Curriculum Standards Aid and all forms of stabilization aid pursuant to section 10 of P. L. 1996, c.138 (C.18A: 7F-10); enrollments shall be the resident enrollment for preschool through grade twelve as of October 15, 2002 as reflected on the Application for State School Aid for 2003-2004; enrollments shall be calculated at their full-time equivalent and reduced by preschool and one half of full-day kindergarten enrollments in districts receiving Early Childhood Program Aid.

Notwithstanding any other law to the contrary, as a condition of receiving Abbott v. Burke Parity Remedy aid, an "Abbott district" shall raise a general fund tax levy which shall be no less than the general fund tax levy of the prior year.

The amount appropriated hereinabove for Additional Abbott v. Burke State Aid will provide additional resources to "Abbott districts" and will be distributed by district in an amount that shall not exceed the Additional Abbott v. Burke State Aid authorized and expended by each district in 2001-2002. Before the Commissioner of Education establishes the final district award, he shall first review the budgets and any other financial statements, including the annual audit filed pursuant to N.J.S. 18A:23-1, of each Abbott district that has requested Additional Abbott v. Burke State Aid. Any district that fails to submit the required documentation or fails to submit their annual audit by November 15, 2002 may have their State aid withheld upon the commissioner's request to the Director of the Division of Budget and Accounting. In establishing the final award amount, the commissioner shall consider all of the district's available resources and any appropriate reallocations, including, but not limited to, a reallocation of the district's undesignated general fund balances in excess of two percent.

The amount appropriated hereinabove as Abbott Preschool Expansion Aid is for the purpose of funding the increase in the approved budgeted costs from 2001-2002 to 2002-2003 for the projected expansion of preschool programs in "Abbott districts." Payments of Abbott Preschool Expansion Aid shall be based on documented expansion of the preschool program. Upon the Commissioner of Education's request "Abbott districts" will be required to provide such supporting documentation as deemed necessary to verify that the actual expansion in the preschool program has occurred in the 2002-2003 fiscal year. Such documentation may include enrollment and attendance data that may be subject to an audit. Appropriate adjustments to a district's Abbott Preschool Expansion Aid amount may be made by the commissioner based on actual need.

Notwithstanding any other law to the contrary, the amount of State aid made available to the Department of Human Services pursuant to "The State Facilities Education Act of 1979," P.L. 1979, c.207 (C.18A:7B-1 et seq.), to defray the costs of educating eligible children in approved private schools under contract with the Department of Human Services shall not exceed the actual costs of the education of those children in such private schools.

Notwithstanding any other law to the contrary, Special Education Aid for pupils classified as eligible for day training shall be paid directly to the resident school district; provided however, that for pupils under contract for service in a regional day school operated by or under contract with the Department of Human Services, tuition shall be withheld and paid to the Department of Human Services.

Notwithstanding the provisions of section 3 of P.L.1971, c.271, (C.18A:46-31), a portion of the district tuition amounts payable to a county special services school district operating an extended school year program may be transferred to the county special services school district prior to the first of September in the event the board shall file a written request with the Commissioner of Education stating the needs for the funds. The commissioner shall review the board's request and determine whether to grant the request after an assessment of whether the district needs to spend the funds prior to September and after considering the availability of district surplus. The Commissioner of Education shall transfer the payment for the portion of the tuition payable for which need has been demonstrated.

The amount hereinabove for the New Jersey Character Education Partnership Initiative shall be made available to school districts according to a formula to be administered by the Commissioner of Education which will assure that each district that elects to participate shall receive funding for at least one school. Of the amount appropriated hereinabove, up to \$100,000 may be used to fund the costs of operating this program, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for Teacher Quality Mentoring shall be paid to districts at the rates of \$1,000 for new alternate route teachers and \$550 for new traditional route teachers.

30. EDUCATIONAL, CULTURAL AND INTELLECTUAL DEVELOPMENT

32. OPERATION AND SUPPORT OF EDUCATIONAL INSTITUTIONS

OBJECTIVES

PROGRAM CLASSIFICATIONS

1. To provide preschool, elementary, middle and comprehensive high school programs for deaf and multiply disabled students whose primary disability is deafness.
2. To provide regional facilities for the education of disabled students.
3. To implement the Katzenbach Center on Deafness to provide services to deaf and hard of hearing persons of all ages in order to enhance their quality of life and to assist them in maximizing their potential.

12. **Marie H. Katzenbach School for the Deaf.** The Marie H. Katzenbach School for the Deaf provides educational and vocational services to deaf and multiply disabled deaf children from birth through twelfth grade. Residential services will be provided to nearly 40 percent of the school's 217 students on a five-day-a-week basis. Special programs to broaden the population served by the school include pre-school age deaf, adult deaf, emotionally disturbed and deaf-blind students. The school's operating costs are supported by State appropriation and tuition.

EDUCATION

Year Ending June 30, 2001					Year Ending June 30, 2003			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2002 Adjusted Approp.	Requested	Recommended
---	799	---	799	530				
---	799	---	799	530				
3,093	9,107	---	12,200	11,576				
---	(9,044)	---	(9,044)	(8,656)				
3,093	63	---	3,156	2,920				
DIRECT STATE SERVICES								
					13	745	1,057	1,057
						745	1,057	1,057
						10,864 (a)	11,226	11,226
						(7,903)	(8,327)	(8,327)
						2,961	2,899	2,899
Distribution by Fund and Object								
Personal Services:								
1,410	449 7,433 R	---	9,292	9,110		8,670	8,836	8,836
---	206 R	---	206	116		160	106	106
1,410	8,088	---	9,498	9,226		8,830	8,942	8,942
740	79 211 R	---	1,030	1,010		1,004	1,079	1,079
210	82	---	292	288		335	338	338
463	20 276 R	---	759	750		457	540	540
40	---	---	40	40				
230	74 277 R	---	581	262	12	40	40	40
---	(9,044)	---	(9,044)	(8,656)		198	287	287
						(7,903)	(8,327)	(8,327)
CAPITAL CONSTRUCTION								
Distribution by Fund and Program								
1,946	368	-25	2,289	358	12	1,380	400	400
1,946	368	-25	2,289	358		1,380	400	400
Distribution by Fund and Object								
Marie H. Katzenbach School for the Deaf								
---	45	---	45	---	12	75	---	---
---	76	---	76	17	12	135	---	---
---	---	---	---	---	12	245	---	---
---	5	---	5	5	12	---	---	---
---	3	---	3	---	12	---	---	---
---	79	---	79	24	12	400	200	200
---	39	---	39	---	12	---	---	---
---	49	---	49	14	12	---	200	200
186	---	---	186	21	12	125	---	---
560	---	---	560	4	12	---	---	---
1,200	---	-25	1,175	234	12	---	---	---
---	72	---	72	39	12	400	---	---
5,039	431	-25	5,445	3,278		4,341	3,299	3,299

EDUCATION

Year Ending June 30, 2001					Year Ending June 30, 2003				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2002 Adjusted Approp.	Requested	Recommended	
OTHER RELATED APPROPRIATIONS									
---	9,044	---	9,044	8,656	Total All Other Funds		7,903	8,327	8,327
					Federal Funds				
950	85	-13	1,022	432	Marie H. Katzenbach School for the Deaf	12	1,002	1,002	1,002
950	85	-13	1,022	432	Total Federal Funds		1,002	1,002	1,002
5,989	9,560	-38	15,511	12,366	GRAND TOTAL ALL FUNDS		13,246	12,628	12,628

Notes

(a) The fiscal year 2002 appropriation has been reduced to reflect the transfer of funds to the Interdepartmental Salary and Other Benefits accounts.

Language Recommendations -- Direct State Services - General Fund

Notwithstanding the provisions of N.J.S.A. 18A:61-1 and N.J.S.A. 18A:46-13, or any other statute, for the 2002-2003 academic year, local boards of education shall reimburse the Marie H. Katzenbach School for the Deaf at an annual rate and payment schedule adopted by the Commissioner of Education and the Director of the Division of Budget and Accounting.

Any income from the rental of vacant space at the Marie H. Katzenbach School for the Deaf is appropriated for the operation and maintenance cost of the facility and for capital costs at the school, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2002, in the receipt account of the Marie H. Katzenbach School for the Deaf is appropriated for expenses of operating the school.

The unexpended balance as of June 30, 2002, in the receipt account of the Positive Learning Understanding Support (PLUS) program is appropriated for the expenses of operating the Marie H. Katzenbach School for the Deaf.

**30. EDUCATIONAL, CULTURAL AND INTELLECTUAL DEVELOPMENT
33. SUPPLEMENTAL EDUCATION AND TRAINING PROGRAMS**

OBJECTIVES

1. To support the State's workforce readiness system by providing quality programs responsive to the needs of both workers and employers, expanding occupational education programs that appropriately prepare individuals for work in all types of occupations.
2. To provide quality career orientation programs to New Jersey students, assisting them in clarifying career goals, exploring career possibilities, developing employable skills, and obtaining other skills necessary to function in a technological society.
3. To facilitate the planning, implementation and expansion of transition programs, activities or services, which may include occupationally-related remedial education, English as a second language, general intellectual skills, pre-employment and work maturity skills, "life skills," and awareness of community resources, that assist students in overcoming barriers to employment.

eligible for these monies under the Carl D. Perkins Vocational and Applied Technology Education Act, the State must match this federal grant award on a dollar for dollar basis (P.L. 101-392, S.502).

In order for the State to qualify to receive federal grant monies under the Perkins Act, New Jersey is required to provide a maintenance of effort equal to, or greater than, the amount of effort in the prior fiscal year. Failure to provide such maintenance of effort disqualifies a state from receipt of Perkins monies.

These combined funds allow the State to maintain, in cooperation with business, industry and labor, quality vocational education programs, by providing consultation, technical assistance, and regulatory services to public and private educational agencies.

The Department also develops new and innovative vocational and career development programs; provides in-service training for vocational teachers; conducts program evaluations; develops occupational competencies; provides administrative services for the entire Vocational division; maintains liaison with agencies and personnel on the local, State, and federal levels; and develops the annual revisions of the State Plan for Vocational Education. These activities maximize educational opportunities and minimize costly duplication of effort.

PROGRAM CLASSIFICATIONS

20. **General Vocational Education.** To assist the State in attaining the objectives stated above in assuring a well-trained quality workforce, the federal government provides funds to conduct State occupational program administrative activities. To be

EDUCATION

General vocational education is paid (N.J.S.A. 18A:58-34 et. seq.) to local school districts according to the following criteria: (a) the State may grant up to 100% of approved expenditures for new and innovative projects, and (b) expenditures for the improvement of vocational programs conducted under Public Law 101-392, subject to Federal mandates requiring that special

populations be given full opportunity to participate in vocational programs.

County Vocational Aid. Categorical aid is paid to county vocational school districts on a per pupil basis for all pupils enrolled in the district.

EVALUATION DATA

	Actual FY 2000	Actual FY 2001	Revised FY 2002	Budget Estimate FY 2003
PROGRAM DATA				
General Vocational Education				
Secondary Vocational Education				
Enrollments	145,929	149,869	153,616	157,456
Graduates or completions	42,173	43,312	44,395	45,505
Grade 11-12 occupational program enrollments	60,545	66,097	67,749	69,443
Adult and Continuing Education				
Apprenticeship Programs				
Enrollments	6,890	8,486	8,698	8,916
Completions	880	781	801	821
Other adult vocational education program enrollments	19,905	19,180	20,813	21,333

PERSONNEL DATA

Position Data

Filled Positions by Funding Source

State Supported	8	8	7	8
Federal	20	20	24	28
Total Positions	28	28	31	36

Filled Positions by Program Class

General Vocational Education	28	28	31	36
Total Positions	28	28	31	36

Notes

Actual payroll counts are reported for fiscal years 2000 and 2001 as of December and Revised fiscal year 2002 as of September. The Budget Estimate for fiscal year 2003 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2001					Year Ending June 30, 2003			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Total Expended	2002 Prog. Class.	2002 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
475	1	-1	475	475	20	529	529	529
475	1	-1	475	475		529 (a)	529	529
Distribution by Fund and Object								
Personal Services:								
418	---	---	418	418		478	478	478
418	---	---	418	418		478	478	478
26	---	-20	6	6		26	26	26
31	---	20	51	51		25	25	25
---	1	-1	---	---		---	---	---

EDUCATION

Year Ending June 30, 2001					Year Ending June 30, 2003				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	2002 Prog. Class.	Adjusted Approp.	Requested	Recommended	
3,000	---	---	3,000	---					
3,000	---	---	3,000	---					
					GRANTS-IN-AID				
					Distribution by Fund and Program				
					General Vocational Education	20	3,000	---	---
					Total Grants-in-Aid				
					3,000				
					Distribution by Fund and Object				
					Grants:				
					Apprenticeship Training Program				
					20	3,000	---	---	
					STATE AID				
					Distribution by Fund and Program				
40,733	---	---	40,733	40,733	General Vocational Education	20	44,408	44,408	44,408
767	---	---	767	767	<i>(From General Fund)</i>				
39,966	---	---	39,966	39,966	<i>(From Property Tax Relief Fund)</i>				
					Total State Aid				
					44,408				
					44,408				
					44,408				
					Distribution by Fund and Object				
					State Aid:				
					Vocational Education				
					20	---	5,460	5,460	
					Vocational Education (PTRF)				
					20	5,460	---	---	
					County Vocational Program Aid (PTRF)				
					20	38,948	38,948	38,948	
					Grand Total State Appropriation				
					47,937				
					44,937				
					44,937				
					OTHER RELATED APPROPRIATIONS				
					Federal Funds				
30,151	7,454	154	37,759	27,316	General Vocational Education	20	23,501	23,501	23,501
					Total Federal Funds				
					23,501				
					All Other Funds				
					General Vocational Education				
					20	2,752	2,752	2,752	
					Total All Other Funds				
					2,752				
					GRAND TOTAL ALL FUNDS				
					74,190				
					71,190				
					71,190				

Notes

(a) The fiscal year 2002 appropriation has been adjusted for the allocation of salary program and has been reduced to reflect the transfer of funds to the Interdepartmental Salary and Other Benefits accounts.

30. EDUCATIONAL, CULTURAL AND INTELLECTUAL DEVELOPMENT

34. EDUCATIONAL SUPPORT SERVICES

OBJECTIVES

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> 1. To provide statewide coordination for the effective and efficient use of technology to enhance instruction for student achievement of the Core Curriculum Content Standards. 2. To ensure that all schools and districts meet State standards for a thorough and efficient system of education, pursuant to the Comprehensive Educational Improvement and Financing Act of 1996 and other laws and regulations. | <ol style="list-style-type: none"> 3. To provide educational improvement and technical assistance to local school districts in the areas of needs assessment, planning, dissemination, diffusion, development, evaluation, and staff in-service training. 4. To provide curriculum leadership for local school districts in various instructional areas. 5. To establish curriculum frameworks, which can guide the districts' instructional decisions for schools and teachers in designing programs to meet the content standards in all subject areas. |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

EDUCATION

6. To create comprehensive assessments which will measure students' progress toward achieving the new content standards.
7. To provide specialized instruction in the arts, statewide, for talented high school students.
8. To design and implement mandated professional development for teachers to enable them to accomplish these new educational initiatives in schools across the state.
9. To approve college teacher training programs and issue educational certificates upon verification of eligibility.
10. To provide oversight and guide implementation of the Charter School Program Act of 1995.
11. To ensure that young children are ready to learn the Core Curriculum Content Standards in all districts receiving Early Childhood Program Aid, including districts that have contracted services from Department of Human Services-licensed child care providers.
12. To provide technical and financial assistance for transportation of public and non-public students at minimum expense to the State and local school districts.
13. To ensure provision of suitable educational facilities in local school districts through inspections and financial assistance.
14. To assist the schools in understanding the comprehensive and challenging K-12 curriculum content areas and workplace readiness standards and communicate the depth and scope of the standards and frameworks.
15. To maximize resources to support the Department's mission and priorities; to assure accountability for use of the Department's grant resources.
16. To provide program resources, technical assistance and demonstration projects supporting school efforts to reduce student violence and disruption, so that school environments are safe, disciplined, and conducive to learning.

PROGRAM CLASSIFICATIONS

29. **Educational Technology.** Directs a number of projects to accelerate infusion of technology and infrastructure for statewide connectivity so that all students will have access to resources needed to achieve the Core Curriculum Content Standards. Coordinates planning and collaborative efforts with state agencies, the 21 county coordinating councils for technology, the Abbott District Consortium for Technology, state and national professional organizations, higher education institutions, business/ industry, libraries and projects including the Educational Technology Training Centers and Tech Corps NJ on major educational technology initiatives.
30. **Academic Programs and Standards.** Coordinates the standards-based reform initiatives, oversees the revision of the standards, develops general curriculum frameworks and identifies and promotes research-based programs to assist school improvement efforts in such areas as mathematics, language arts literacy (to include reading, writing, listening, viewing and speaking), science, the arts, social studies, world languages, gifted education, comprehensive health/physical education, and the cross-content workplace readiness standards. Provides support of programmatic initiatives such as No Child Left Behind, the Statewide Systemic Initiative to Reform Mathematics, Science and Technology aligned to the Core Curriculum Content Standards and k-12 Eisenhower (IKE) program.

To ensure greater equity in the quality of instruction across the state, curriculum frameworks have been developed in eight areas, including the arts, health/physical education, language arts literacy, mathematics, science, social studies, world languages, and cross-content workplace readiness standards. To assist all students to achieve the high expectations of the standards, it is necessary for teachers to maintain currency in their fields. All teachers are required to complete 100 hours of state-approved continuing education every five years beginning September 2000.

The statewide assessment program includes testing in language arts literacy and mathematics at the elementary, middle and high school levels. Science assessments will be phased in. All assessments are based on the Core Curriculum Content Standards in the academic areas being assessed.

The New Jersey School of the Arts (N.J.S.A. 18A:61A-1 et seq.) provides advanced, pre-professional training for secondary level students in creative writing, dance, drama, music, television production, theatre, and the visual arts. Courses are offered in local secondary schools, and at State and community college locations. These classes supplement and provide instruction to fulfill the Core Curriculum Content Standards in the visual and performing arts. Also included in NJSA programs are specialized workshops and career day events in the arts, and exhibitions of student art.

The office also administers the Governor's Literacy Initiative, geared at ensuring that all children read at grade level by the end of the third grade.

31. **Grants Management and Development.** The office establishes and maintains systems to acquire, manage and distribute approximately \$500 million in State and federal grant funds to school districts, colleges, community-based organizations and other eligible grant recipient agencies in a manner that supports the department's Strategic Plan. The grant management systems are designed to ensure efficiency, accountability and integrity in the management of the department's subgrant funds. The office provides assistance to program units in the development of long-range plans, request for proposals, guidelines and applications. Specifically, this office coordinates the department's long-range planning process for each funding source appropriation; the Long Range Planning and Grants Management Committees; application receipt, evaluation/ review, and notifications; award management, contract modification, and carryover approvals; and audit controls including central file maintenance and public records. This office also facilitates the department's efforts to identify and obtain new resources and to coordinate or consolidate existing resources to support educational priorities.
32. **Professional Development and Licensure.** Assures that educational personnel meet minimum professional qualifications (N.J.S.A. 18A:6-38 et seq.) by setting standards for approval of teacher education programs; providing professional assistance to establish, evaluate and approve college programs which lead to licensure; providing technical assistance to county and district offices; coordinating the employment and training of professional educators; determining licensure eligibility for in-State and out-of-State applicants; issuing professional certificates, and evaluating existing certificates. Modest fees are charged.

33. **Services to Local Districts.** Consists of the following regulatory functions: the tasks of educational planning and evaluation/accreditation (required by N.J.S.A. 18A:7A-1 et seq.); accelerated intervention of Level II districts, including an external team review and report and review and approval of corrective action plans and quarterly progress reports, review and approval of school district budgets for all districts receiving early childhood and demonstrably effective program aid, audits and spending growth limitation increases; supervision of school and special elections; review and approval of private schools for the handicapped; and oversight of transportation, teacher certification and reporting procedures. These functions are performed by the Department's county and regional offices, which also maintain liaison between the local school districts and the Department.

The program also assists all Abbott districts and other low-performing districts receiving aid for early childhood, demonstrably effective programs and additional state aid in developing, implementing and evaluating their school level/operational plans; reviews and recommends approval or modifications to these plans; verifies that the plans are being implemented as approved; provides oversight and assistance via the school review and improvement teams in collaboration with other department staff and/or outside experts; assists in building capacity for the development of comprehensive strategic plans; provides oversight and support to schools in the Abbott districts in the implementation of Whole School Reform and other directives of the New Jersey Supreme Court decision.

34. **Office of School Choice.** This office is responsible for the implementation and oversight of the Charter School Program Act of 1995, which allows for the creation of new types of public schools to provide parents and students with a variety of educational options. Charter schools are designed to stimulate reform in the traditional public school system and serve as one of the State's strategies to bring about significant improvements in student achievement. In addition, the office administers the Inter-district Public School Choice Program.

35. **Division of Early Childhood Education.** The Division of Early Childhood Education is responsible for the oversight of early childhood education statewide. The division is responsible for the development, administration and implementation of early childhood education and coordination with other Whole School Reform initiatives. The division coordinates policy, program development, and evaluation for early childhood education in accordance with the State's mandate. The division will develop an annual plan to assure accountability and implementation of early childhood programs in the Abbott and Non-Abbott school districts. The division provides technical support and oversight to school districts; reviews literature; collaborates with other state departments, state and national experts on early childhood education; organizes and facilitates the delivery or professional development, and develops evaluation data to track the progress and implementation of early childhood education programs.

36. **Pupil Transportation.** Monitors, analyzes and evaluates local districts' transportation systems and records in order to increase the safety, cost-effectiveness and accountability of transportation operations. Develops safety education programs and provides

technical assistance to local boards of education to promote safety and to efficiently administer transportation services. Administers the reimbursement program for the purchase and installation of school bus crossing control arms by local boards of education and school bus contractors. The Department trains county and local district personnel to administer transportation services according to statute and code. Pupil Transportation Aid is provided to local school districts for students who are required to be transported according to N.J.S.A. 18A:39-1 et seq. and N.J.S.A. 18A:46-23 as amended, based on the efficient costs of transporting pupils. The efficient costs are based on per-pupil allocations for pupils with and without special transportation requirements, and adjusted for the average distance pupils reside from school, and an incentive factor.

38. **Facilities Planning and School Building Aid.** Approves architectural review, master plans, and site acquisitions; evaluates facilities for educational adequacy, health and safety; and periodically surveys public school buildings. Reviews and approves long-range facilities plans, as well as applications for school facilities projects. Project review includes the determination of consistency with the district's long-range plan and compliance with facilities efficiency standards and area allowances per FTE student derived from those standards. Based on that review, the preliminary eligible costs for State financing will be calculated. School Building Aid provides State support for debt service based on the provisions of the Educational Facilities Construction and Financing Act of 2000.

39. **Teachers' Pension and Annuity Assistance.** The State provides the employer's share to the Fund (N.J.S.A. 18A:66-33) in amounts actuarially determined by using experience of the preceding year as certified to the Governor by the Fund's Board of Trustees. All public school teachers are required to contribute to the Fund, except for optional participation of certain persons based on age, veteran's status or teacher status prior to specified dates. Janitorial employees of local boards of education also are covered.

40. **Health, Safety, and Community Services.** Provides statewide leadership to assist school districts in promoting positive student development and behavior. Specifically, the Department develops and implements policy and programs in the following areas: early childhood education, violence prevention, substance abuse prevention and education, comprehensive health education, suicide prevention, school health services, HIV/AIDS education, family life education, bilingual education, character education, equal education opportunities, adult literacy, and basic skills.

Holocaust and Genocide Education was mandated by the State Legislature in 1994. The New Jersey Commission on Holocaust Education has as its central mission the study, development, recommendation and dissemination of curricular materials to local school districts on a wide range of genocides, with the goal of eradicating ethnic and racial intolerance, and fostering tolerance for cultural diversity. The Commission coordinates activities to assist districts to implement the mandate, including the dissemination of instructional materials, the provision of staff training, and the establishment of Holocaust Education demonstration sites.

EDUCATION

EVALUATION DATA

	Actual FY 2000	Actual FY 2001	Revised FY 2002	Budget Estimate FY 2003
PROGRAM DATA				
Grants Management and Development				
Number of discretionary contracts awarded	367	523	500	500
Number of entitlement contracts awarded	4,839	4,893	4,732	4,750
Professional Development and Licensure				
Evaluations (Non-issuance)	13,686	7,787	8,000	8,000
Certificates awarded	12,346	15,044	16,000	16,000
Academic credentials issued	113	377	300	300
County substitute certificate applications	14,605	16,527	17,000	17,000
Certificates of eligibility issued	9,041	11,192	12,000	12,000
Training contracts	6,340	7,461	8,000	8,000
Induction evaluations	6,340	7,461	8,000	8,000
Service to Local Districts				
Needs Identified				
Districts monitored	45	80	83	60
School Level objectives approved	4,500	4,500	4,500	4,500
Level II and Level III monitoring of school districts ..	10	10	9	10
Assistance Rendered				
Districts certified	30	40	34	40
Districts conditionally certified for one year	34	40	35	40
District objectives achieved	4,300	4,300	4,300	4,300
Curriculum Assistance				
Staff time on compliance assistance	25%	25%	25%	25%
Staff time on regulatory functions	35%	35%	25%	25%
Staff time on curriculum assistance	20%	20%	25%	25%
Staff time on program improvement assistance	20%	20%	25%	25%
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	227	270	317	326
Federal	81	78	73	92
All Other	---	---	1	1
Total Positions	308	348	391	419
Filled Positions by Program Class				
Educational Technology	10	10	10	10
Academic Programs and Standards	47	55	61	66
Grants Management and Development	24	24	22	23
Professional Development and Licensure	29	31	28	38
Services to Local Districts	156	150	159	166
School Choice	9	10	17	15
Early Childhood	5	9	8	9
Pupil Transportation	7	7	7	7
Facilities Planning and School Building Aid	4	21	40	45
Health, Safety and Community Services	17	31	39	40
Total Positions	308	348	391	419

Notes

Actual payroll counts are reported for fiscal years 2000 and 2001 as of December and Revised fiscal year 2002 as of September. The Budget Estimate for fiscal year 2003 reflects the number of positions funded.

EDUCATION

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2001					Year Ending June 30, 2003				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available Expended		Prog. Class.	2002 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
294	---	---	294	294	Educational Technology	29	302	302	302
20,290	1,038	742	22,070	18,129	Academic Programs and Standards	30	20,997	19,672	19,672
240	---	---	240	240	Grants Management and Development	31	383	327	327
1,715	1,529	---	3,244	2,182	Professional Development and Licensure	32	1,939	1,939	1,939
7,334	8	-186	7,156	7,156	Service to Local Districts	33	8,007	7,795	7,795
834	---	310	1,144	1,144	Office of School Choice	34	1,003	999	999
364	---	---	364	364	Early Childhood Education	35	403	403	403
400	2	-12	390	390	Pupil Transportation	36	491	490	490
3,852	395	---	4,247	3,938	Facilities Planning and School Building Aid	38	2,770	3,965	3,965
1,613	6	-8	1,611	1,601	Health, Safety, and Community Services	40	1,859	1,445	1,445
36,936	2,978	846	40,760	35,438	Total Direct State Services		38,154^(a)	37,337	37,337
Distribution by Fund and Object									
Personal Services:									
13,544	792 992 ^R	---	15,328	14,243	Salaries and Wages		15,499	14,960	14,960
13,544	1,784	---	15,328	14,243	Total Personal Services		15,499	14,960	14,960
344	32	-33	343	341	Materials and Supplies		353	353	353
734	83	1,105	1,922	1,763	Services Other Than Personal		674	674	674
61	12	-15	58	46	Maintenance and Fixed Charges		47	47	47
Special Purpose:									
95	---	---	95	95	Improved Basic Skills/Special Review Assessment	30	95	55	55
16,688	1,031	---	17,719	13,948	Statewide Assessment Program	30	16,688	16,688	16,688
100	---	100	200	183	Core Curriculum Standards	30	100	65	65
200	---	---	200	200	Professional Development - Training Centers	30	200	200	200
500	---	---	500	499	Virtual Academy	30	1,000	100	100
242	---	---	242	240	Continuing Education	30	242	152	152
290	---	-100	190	190	NJ School of the Arts	30	290	238	238
---	---	---	---	---	Educational Facilities				
150	---	---	150	150	Construction- Field Services	33	265	265	265
3,544 ^S	---	---	3,544	3,293	Charter School Innovation Network	34	150	150	150
200	5	---	205	198	Educational Facilities Construction and Financing	38	1,951	3,146	3,146
---	---	---	---	---	Advisory Council on Holocaust Education	40	244	244	244
---	---	---	---	---	Commission on Italian American Heritage Cultural and Educational Programs	40	250 ^S	---	---
244	31	-211	64	49	Additions, Improvements and Equipment		106	---	---

EDUCATION

Year Ending June 30, 2001					Year Ending June 30, 2003				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2002 Adjusted Approp.	Requested	Recommended	
STATE AID									
Distribution by Fund and Object									
State Aid:									
3,000	---	---	3,000	1,009	School Choice (PTRF)	34	1,945	3,755	3,755
6,000	29	---	6,029	5,020	Charter School Aid (PTRF)	34	6,000	14,500	14,500
6,000	---	---	6,000	4,699	Charter Schools - Council on Local Mandates Decision Offset Aid (PTRF)	34	5,600	5,600	5,600
301,538	---	239	301,777	301,777	Transportation Aid (PTRF)	36	303,187	303,187	303,187
200	---	-200	---	---	School Bus Crossing Arms	36	---	---	---
800	---	---	800	27	School Bus Crossing Arms (PTRF)	36	600	400	400
6,473	---	---	6,473	6,458	School Building Aid Debt Service (PTRF)	38	5,484	4,532	4,532
---	---	---	---	---	School Building Aid (b)	38	140,873	137,858	137,858
154,305	---	---	154,305	154,305	School Building Aid (PTRF)	38	---	---	---
244 ^S	---	621	155,170	154,933	Teachers' Pension and Annuity Fund	39	---	275,800	275,800
174,562	---	---	174,562	174,562	Teachers' Pension and Annuity Fund (PTRF)	39	244,464	---	---
---	---	---	---	---	Social Security Tax	39	---	576,550	576,550
521,300	---	-200	521,100	510,280	Social Security Tax (PTRF)	39	552,578	---	---
---	---	---	---	---	Minimum Pension for Pre-1955 Retirees	39	2	1	1
2	---	---	2	2	Minimum Pension for Pre-1955 Retirees (PTRF)	39	---	---	---
---	---	---	---	---	Additional Health Benefits	39	36,027	48,348	48,348
27,056	---	---	27,056	27,056	Additional Health Benefits (PTRF)	39	---	---	---
3,600 ^S	---	200	30,856	30,827	Debt Service on Pension Obligation Bonds	39	72,665	76,899	76,899
---	---	---	---	---	Debt Service on Pension Obligation Bonds (PTRF)	39	---	---	---
69,545	---	---	69,545	69,545	Whole School Reform -- Incentive Grants (PTRF)	40	---	---	---
12,000	---	---	12,000	11,053	Grand Total State Appropriation	40	1,414,905	1,498,318	1,498,318
1,327,534	3,007	1,506	1,332,047	1,309,166					

OTHER RELATED APPROPRIATIONS

Federal Funds									
10,455	2,768	---	13,223	9,530	Educational Technology	29	28,996	28,996	28,996
44,024	7,418	-192	51,250	26,561	Academic Programs and Standards	30	22,078	84,690	84,690
32,306	318	347	32,971	30,712	Grants Management and Development	31	39,302	2,221	2,221
40	---	---	40	---	Professional Development and Licensure	32	---	---	---
9,619	---	---	---	---	Service to Local Districts	33	9,933	9,933	9,933
41 ^S	402	-1,714	8,348	4,647	Office of School Choice	34	232	232	232
217	131	---	348	260	Facilities Planning and School Building Aid	38	23,445	---	---
---	---	---	---	---	Health, Safety, and Community Services	40	13,828	---	---
12,188	1,533	173	13,894	10,207					
108,890	12,570	-1,386	120,074	81,917	Total Federal Funds	139,314	138,400	138,400	138,400
All Other Funds									
---	45 ^R	---	45	15	Educational Technology	29	173	125	125
---	5	---	---	---	Academic Programs and Standards	30	90	90	90
---	33 ^R	---	38	4					

EDUCATION

Orig. & (S) Supplemental	Year Ending June 30, 2001					Year Ending June 30, 2003		Requested	Recommended
	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	2002 Prog. Class.	2002 Adjusted Approp.			
OTHER RELATED APPROPRIATIONS									
---	921	---	2,410	1,069	Professional Development and Licensure	32	456	546	546
---	1,489 ^R	---	2	2	Service to Local Districts	33	---	---	---
---	2	---	---	---	Facilities Planning and School Building Aid	38	241	241	241
---	---	---	---	---	Health, Safety, and Community Services	40	---	---	---
---	1	---	34	27	Total All Other Funds		960	1,002	1,002
---	33 ^R	---	2,529	1,117	GRAND TOTAL ALL FUNDS		1,555,179	1,637,720	1,637,720
---	2,529	---	1,454,650	1,392,200					
1,436,424	18,106	120							

Notes

- (a) The fiscal year 2002 appropriation has been adjusted for the allocation of salary program and has been reduced to reflect the transfer of funds to the Interdepartmental Salary and Other Benefits accounts.
- (b) Amounts required for the payment of retroactive debt service in accordance with N.J.S.A. 18A:7G-9, in fiscal years 2002 and 2003 are reflected in the appropriation for the School Construction and Renovation Fund in State Aid in the Department of Treasury.

Language Recommendations -- Direct State Services - General Fund

Receipts from the NJ School of the Arts and the unexpended balance of such receipts as of June 30, 2002, are appropriated for the cost of operation.

Receipts from the State Board of Examiners' fees in excess of those anticipated and the unexpended program balances of such receipts as of June 30, 2002, are appropriated for the operation of the Professional Development and Licensure programs.

The unexpended balance as of June 30, 2002, in the inspection of school construction account and receipts in excess of the amount anticipated, are appropriated for the operation of the school construction inspection program.

Language Recommendations -- Grants-In-Aid - General Fund

The amount appropriated hereinabove for the Governor's School is payable to the six Governor's Schools: The College of New Jersey - Governor's School of the Arts, The Richard Stockton College of New Jersey - Governor's School on the Environment, Monmouth University - Governor's School on Public Issues, Drew University - Governor's School in the Sciences, Ramapo College of New Jersey - Governor's School on International Issues, and Rutgers, The State University - Governor's School of Engineering/ Technology.

The amount appropriated hereinabove for the Teacher Recruitment program shall be expended for the second-year incentives for teachers deemed eligible for this program in fiscal 2002 in accordance with provisions established by the Department of Education, and who continue to teach preschool in a district defined as an Abbott district under section 3 of P.L. 1996, c. 138 (C.18A:7F-3), or for a community provider under contract with an Abbott district to provide preschool programs to 3 and 4 year old children. Incentives will be provided to eligible teachers to have a portion of their outstanding student loan indebtedness cancelled and/or to receive tuition reimbursement for graduate studies at any of New Jersey's four-year colleges and universities. The total value of the incentives for High Achiever recipients is up to \$3,333 and up to \$2,167 for Regular Incentive recipients. In order to maintain eligibility in the program, the school districts in which the teachers are working or in which they are employed by a community provider under contract with the district must maintain a participation agreement with the department and the district must provide, in a manner specified by the department, information regarding the teachers qualified for incentives working in said district and certifications of completion of a full year of teaching service. Incentives may only be paid upon satisfactory completion of a full year of teaching service and will be contingent upon the teacher's completion of all applicable professional development requirements and other conditions of employment, such as satisfactory evaluations by supervisors and submission of documentation as may be required by the department.

Language Recommendations -- State Aid - General Fund

Each district entitled to School Building Aid for school bond and lease purchase agreement payments for interest and principal payable during the 2002-2003 school year pursuant to section 10 of P.L. 2000, c.72 (C.18A: 7G-10) shall have its debt service adjusted for corrections to the 2000-2001 principal and interest amounts.

In addition to the amounts hereinabove for Social Security Tax, there are appropriated such sums as are required for payment of Social Security Tax on behalf of members of the Teachers' Pension and Annuity Fund.

Notwithstanding the provisions of section 9 of P.L. 2000, c.72 (C.18A:7G-9), for the purpose of calculating a district's State debt service aid, "DAP x 1.15" shall not be less than 40%. Notwithstanding the provisions of section 10 of P.L.2000, c.72, for the purposes of calculating Aid, CCSAID will be equal to the district's core curriculum standards aid calculated pursuant to section 15 of P.L.1996, c.138 (C.18A:7F-15) for fiscal 2002 and TEBUD shall be equal to the district's T&E budget calculated pursuant to subsection d. of section 13 of P.L.1996, c.138 (C.18A-7F-13) for fiscal 2002.

Language Recommendations -- State Aid - Property Tax Relief Fund

Notwithstanding the provisions of P.L. 1999, c. 413, for purposes of the calculation of 2002-2003 choice aid, the projected enrollment of choice students shall be the total of the actual choice students reported in the October 15, 2001 Application for State School Aid and the new choice students as reported on the Notice of Intent to Enroll forms for the 2002-2003 School Year.

Notwithstanding the provisions of section 2 of P.L. 1999, c.385 amounts appropriated hereinabove for Charter School aid shall be used to distribute aid to any charter school which operates a full-day kindergarten program located in an "Abbott district" in accordance with the formula contained in section 1 of P.L. 1999, c. 385, except that "KPP" which is defined therein as the amount paid by the district to the charter school for each kindergarten pupil pursuant to section 12 of P.L. 1995, c.426 (C.18A:36A-12), shall be the sum of the amount paid by the district and the State to the charter school for each kindergarten pupil; and to distribute aid to charter schools pursuant to the provisions of subsection d. of section 12 of P.L. 1995, c.426 (C.18A:36A-12). Notwithstanding the provisions of P.L. 2000, c.142 (C.18A:36A-12) and any other provision to the contrary, the program budget per pupil shall be the same as the 2001-2002 program budget per pupil and if necessary the State shall pay on behalf of a resident district an amount not to exceed the difference between the district's 2002-2003 total actual charter school payment and the estimated appropriations used in completing the school district's 2001-2002 budget as stated in the 2001-2002 Potential Charter School Aid notification letter.

Notwithstanding the provisions of section 2 of P.L. 2002, c.437 (C.18A:39-1a) and any other law or provision to the contrary the maximum amount of nonpublic school transportation costs per pupil provided for in N.J.S.A. 18A:39-1 shall equal \$710.

Notwithstanding the provisions of section 1 of P.L. 2001, c.65 (C.18A:39-11.1) districts will not be reimbursed for administrative fees paid to Cooperative Transportation Service Agencies.

**30. EDUCATIONAL, CULTURAL AND INTELLECTUAL DEVELOPMENT
35. EDUCATION ADMINISTRATION AND MANAGEMENT**

OBJECTIVES

1. To plan, execute, monitor and evaluate the management of the administrative, programmatic and fiscal affairs of the Department consistent with State Board rules and State and Federal regulations.
2. To provide assistance to local school districts in the administration of their financial and accounting procedures.
3. To maintain the Department's budgetary, human resource and support services.
4. To compute and distribute State aid; to provide payment of Federal aid and to advise districts on borrowing funds.
5. To provide local school district personnel with assistance in their budgeting, accounting, fiscal, and recordkeeping activities; and to collect, edit, review and compile statistical information for the Commissioner's Annual Report.
6. To provide Departmental level executive and management leadership in implementing laws affecting the educational system of the State.
7. To support the State Board of Education in its function of establishing goals and policies as well as resolving conflicts in the educational system.
8. To improve fiscal and management practices of local school districts and the Department.

PROGRAM CLASSIFICATIONS

42. **School Finance.** Responsible for the calculation and distribution of Education State Aid in accordance with the applicable statutes; provides leadership in the development of uniform school district accounting and administrative practices; provides support for research and consulting services for start-up requirements needed for reorganization under N.J.S.A. 18A:7A-1 et seq., including an analysis of school business practices, dissemination of modern budgeting materials, and further design of reporting requirements.

43. **Compliance and Auditing.** Provides the auditing capability to examine how money is used in local school districts; monitors Department fiscal activities and investigates complaints of irregularities or improprieties in the Department, school districts, and other entities receiving educational funding. Performs background checks of applicants for positions with local school districts.

99. **Administration and Support Services.** Provides Department-wide general administrative support services including printing, mail, personnel, administrative services, payroll, budget and accounting, and information processing.

Additional responsibilities include providing support for the State Board of Education, monitoring programs and public funds designed to benefit pupils in nonpublic schools, and assisting the Commissioner in developing policy positions on legislative initiatives.

Commissioner's Office--The Commissioner is appointed by the Governor to serve as the official agent of the State Board of Education and chief executive and administrative officer of the Department (N.J.S.A. 18A:4-22 and N.J.S.A. 18A:4-35) and is responsible for assisting the Board, implementing the Board's policy and laws affecting education, and deciding controversies and disputes presented to the Department.

The School Ethics Commission (N.J.S.A. 18A:12-21 et seq.) is responsible for collecting, retaining, and reviewing financial and personal/relative disclosure statements from all local school board members and administrators as set forth by the School Ethics Act, and to render decisions on alleged violations of that Act.

The State Board of Education (N.J.S.A. 18A:4-3 et seq.), consisting of 13 members appointed by the Governor with the consent of the Senate, sets policy for the Department and hears appeals from the Commissioner's decisions on controversies and disputes. Numerous citizen's councils are formally established to provide advice to the Department in specific areas of responsibility.

EDUCATION

EVALUATION DATA

	Actual FY 2000	Actual FY 2001	Revised FY 2002	Budget Estimate FY 2003
PROGRAM DATA				
Compliance and Auditing				
Conduct compliance and fiscal reviews of school districts	5	1	6	6
Conduct audits of applications for State school aid	18	51	55	55
Monitor private schools for the handicapped	24	---	15	24
Conduct compliance and fiscal audits of schools for the handicapped	---	---	---	2
Conduct audits of Title I funds	12	8	26	30
Conduct grant audits	26	40	47	47
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	46	59	70	70
Male Minority %	5.1	6.8	6.9	6.9
Female Minority	143	162	185	185
Female Minority %	15.9	18.6	18.2	18.2
Total Minority	189	221	255	255
Total Minority %	21.0	25.3	25.0	25.0
Position Data				
Filled Positions by Funding Source				
State Supported	161	166	186	193
Federal	45	46	44	50
Total Positions	206	212	230	243
Filled Positions by Program Class				
School Finance	33	40	47	61
Compliance and Auditing	27	17	25	22
Administration and Support Services	146	155	158	160
Total Positions	206	212	230	243

Notes

Actual payroll counts are reported for fiscal years 2000 and 2001 as of December and Revised fiscal year 2002 as of September. The Budget Estimate for fiscal year 2003 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2001					Year Ending June 30, 2003			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Total Expended	Prog. Class.	2002 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
3,496	170	305	3,971	3,807	42	3,724	3,413	3,413
1,651	2	-3	1,650	1,649	43	1,935	1,386	1,386
8,765	17	924	9,706	9,639	99	9,352	9,231	9,231
13,912	189	1,226	15,327	15,095	15,011 (a)		14,030	14,030
Distribution by Fund and Object								
Personal Services:								
10,241								
372 S	10	964	11,587	11,572		11,214	11,696	11,696
						400 S		
10,613	10	964	11,587	11,572	11,614		11,696	11,696
310	---	-16	294	294	300		300	300
1,108								
5 S	2	339	1,454	1,454	1,160		1,105	1,105

EDUCATION

Orig. & (S) Supplemental	Year Ending June 30, 2001				2002 Prog. Class.	2002 Adjusted Approp.	Year Ending June 30, 2003	
	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended			Requested	Recommended
OTHER RELATED APPROPRIATIONS								
All Other Funds								
---	21 3,082 ^R	---	3,103	2,984	43	3,000	3,000	3,000
---	177 20 ^R	---	197	177	99	---	---	---
---	<u>3,300</u>	---	<u>3,300</u>	<u>3,161</u>	<u>3,000</u>		<u>3,000</u>	<u>3,000</u>
<u>20,814</u>	<u>6,859</u>	<u>1,619</u>	<u>29,292</u>	<u>24,179</u>	<u>23,844</u>		<u>21,405</u>	<u>21,405</u>
					GRAND TOTAL ALL FUNDS			

Notes

(a) The fiscal year 2002 appropriation has been adjusted for the allocation of salary program and has been reduced to reflect the transfer of funds to the Interdepartmental Salary and Other Benefits accounts.

Language Recommendations -- Direct State Services - General Fund

Receipts derived from fees for school district personnel background checks and unexpended balances as of June 30, 2002 of such receipts are appropriated for the cost of operation.

In addition to the amount appropriated, such sums as may be necessary for the Department of Education to conduct comprehensive compliance investigations are appropriated, subject to the recommendation of the Commissioner of Education and the approval of the Director of the Division of Budget and Accounting.

Additional sums as may be necessary for the Department of Education in preparation for implementation of P.L. 1987, c.399 (C.18A:7A-34 et seq.) are appropriated, subject to the recommendation of the Commissioner of Education and the approval of the Director of the Division of Budget and Accounting and the Joint Budget Oversight Committee or its successor.

Additional sums as may be necessary for the Department of Education for the cost of the internal audit function in a State-operated school district pursuant to section 8 of P.L. 1987, c.399 (C.18A:7A-41) are appropriated, subject to the recommendation of the Commissioner of Education and the approval of the Director of the Division of Budget and Accounting.

DEPARTMENT OF EDUCATION

Language Recommendations -- Direct State Services - General Fund

Language Recommendations -- Grants-In-Aid - General Fund

Language Recommendations -- State Aid - General Fund

Of the amount appropriated hereinabove from the General Fund for the Department of Education, such sums as the Director of the Division of Budget and Accounting shall determine from the schedule included in the Governor's Budget first shall be charged to the State Lottery Fund.

Language Recommendations -- State Aid - General Fund

The unexpended balances as of June 30, 2002 in the State Aid accounts, not to exceed \$650,000, are appropriated to the State Aid Supplemental Funding account.

Language Recommendations -- State Aid - General Fund

Language Recommendations -- State Aid - Property Tax Relief Fund

In the event that sufficient funds are not appropriated to fully fund any State Aid item, the Commissioner of Education shall apportion such appropriation among the districts in proportion to the State Aid each district would have been apportioned had the full amount of State Aid been appropriated.

Notwithstanding any law to the contrary, should appropriations in the Property Tax Relief Fund exceed available revenues, the Director of the Division of Budget and Accounting is authorized to transfer General Fund revenues into the Property Tax Relief Fund, providing unrestricted balances are available from the General Fund, as determined by the Director of the Division of Budget and Accounting.

Notwithstanding any other law or regulation to the contrary, each district shall receive no less of a total State aid amount payable for the 2002-2003 school year than the sum of the district's total State aid amount payable for the 2001-2002 school year for the following aid categories: Core Curriculum Standards Aid, Supplemental Core Curriculum Standards Aid, Early Childhood Program Aid, Instructional Supplement Aid, Demonstrably Effective Program Aid, Rewards and Recognition, Stabilization Aid, Stabilization Aid 2, Stabilization Aid 3, Large Efficient District Aid, Aid for Districts with High Senior Citizen Populations, Regionalization Incentive Aid, Distance Learning Network Aid, Adult and Postsecondary Education Grants, Bilingual Education Aid, Special Education Aid, County Vocational Program Aid, Transportation Aid, and Aid for Enrollment Adjustments.

The Director of the Division of Budget and Accounting may transfer from one State Aid appropriations account for the Department of Education in the General Fund to another appropriations account in the same department in the Property Tax Relief Fund such funds as are necessary to effect the intent of the provisions of the appropriations act governing the allocation of State Aid to local school districts and to effect the intent of legislation enacted subsequent to the enactment of the appropriations act, provided that sufficient funds are available in the appropriations for that department.

Language Recommendations -- State Aid - Property Tax Relief Fund

The Director of the Division of Budget and Accounting may transfer from one appropriations account for the Department of Education in the Property Tax Relief Fund to another account in the same department and fund such funds as are necessary to effect the intent of the provisions of the appropriations act governing the allocation of State Aid to local school districts, provided that sufficient funds are available in the appropriations for that department.