

New Jersey Private Schools for Students with Disabilities Face Many Financial Challenges

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NEW JERSEY PRIVATE SCHOOLS FOR STUDENTS with Disabilities (Private Schools) care for children who live with physical, mental and emotional disorders. The children who attend these schools do so because they are unable to attend public schools in their respective districts and receive a mainstream education. Private Schools focus on aiding children with a particular type of disability, and they educate and provide services for children from various surrounding school districts. Like most organizations, Private Schools face financial challenges in our current economy such as controlling costs, attracting and retaining qualified personnel and maintaining an adequate facility.

Background—A child must undergo a comprehensive evaluation to determine his or her abilities before enrolling in school. If a child is diagnosed with a disability, special education services consults with the child's parents and provides them with the names of the Private Schools that are best equipped to help their child if their school district is unable to do so. After visiting recommended Private Schools, a child's parents, in conjunction with special education services, choose the Private School for their child. An individualized education program (IEP) is then designed to meet the child's unique educational needs.

Special education services will send the Private School a notification of placement for the child. An annual contract is executed between the Private School and the sending school district. The tuition for the Private School is paid by the Board of Education of the district where the child resides. Private Schools have a school year of 180 days from September through June, and also offer extended enrollment for 30 additional days between July and August. The annual contract states whether the child will attend the Private School for 180 or 210 days.

The cost of educating a child with disabilities is much greater than the cost of educating a child without special needs. Private Schools charge a tuition rate which is

Economic concerns such as controlling costs, attracting and retaining qualified personnel and maintaining an adequate facility are common to New Jersey schools caring for disabled children.

based upon a tentative budget for the school year. The rate is approved by the State of New Jersey Department of Education. At the end of each school year, a comprehensive annual audit is performed to certify the tuition rate and determine if the Private School overcharged or undercharged the sending school districts.

Overcharges must be reimbursed to the school districts by June 30th of the subsequent school year. At the Private School's discretion, undercharges may be subsequently billed to the school districts. Special rules apply for a Private School to bill in excess of 10 percent. School districts have up to two years to pay the Private School any balance billings. Private Schools must also maintain an average daily enrollment of 24 students to maintain their status as an approved Private School.

Financial Challenges—As with any business, controlling costs is a major challenge for Private Schools. Costs have a major impact on the Private School's operations and its cash flows. Although the cost of a Private School is paid by its students' Boards of Education, the New Jersey State Department of Education has prescribed requirements for determining which costs are permitted to be included in the Private School's certified tuition rate.

Certain costs by their nature are automatically excluded, while other costs may be excluded due to limitations. Excluded costs are dollars that the Private School must fund through other means and sources. Many towns and municipalities throughout New Jersey are experiencing problems in balancing their budgets. One of the largest costs in these budgets is education. The tuition rate for Private Schools varies and can be very expensive. Controlling costs is also essential for Private Schools to remain competitive with their tuition rates in an effort to maintain the number of their students.

Hiring and retaining qualified personnel is another major challenge for Private Schools. Working with children with disabilities has its own set of unique challenges and requires highly trained personnel who are emotionally, physically and psychologically suited for

helping children who are struggling with disabilities. Additionally, public school systems can offer higher salaries and better benefits. As such, the professionals needed by these schools, in particular therapists, can be difficult to find and retain.

Facility space can be challenging for some Private Schools, too. Private Schools have smaller classroom sizes than other schools. Children in Private Schools need more attention and sometimes require a one-on-one aide. As some schools continue to grow, they are faced with the challenge of providing adequate classroom space for their students.

Potential Solutions—As a way to overcome these challenges, Private Schools can engage in fundraising activities such as a gala or golf outing, solicit contributions from the general public, solicit grants from private foundations and government agencies for facility expansion and improvements, establish energy cost control



Schools that care for disabled children can leverage their worthy mission and engage in fundraising activities such as a gala or a golf outing.

and scheduled maintenance programs, ask for large quantity discounts from vendors and avoid or delay in replacing terminated employees.

Private Schools can also review their employee benefit policies. Reducing the carryover number of unused vacation and sick days can help control future costs. Offering flexible spending accounts and Roth 401(k) plans, flex-time and telecommuting options and mandating that employees take vacation time can help improve morale in an effort to retain employees. ■

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