



TALKING POINTS

February 2017

Private School Fiscal Code Plain Language Summary Proposed Changes to NJAC 6A:23A-18

BACKGROUND

The New Jersey Department of Education (NJDOE) regulates private special education schools like the one your son or daughter attends. These regulations affect everything from services and staff, to facility and finance.

The NJDOE has recently proposed more than 80 pages of new accounting rules that will devastate private schools, and make it very hard for them to operate. Some schools may be forced to close.

The rules affect areas such as pension, healthcare, travel, hiring and staff training, tuition-setting, debt, and audits, to name a few. These rules will DIRECTLY affect services to children.

WHAT YOU SHOULD KNOW:

1) Private schools serve more than 11,000 of the state's most complex students, and those with the greatest needs. Students require quality, experienced, and well-trained staff. Yet, the NJDOE has proposed:

- **A freeze on the maximum salaries for teachers, administrators, and school leaders until 2024**, making it hard for private schools to attract and retain experienced, specialized staff.
- **Salary caps for speech therapists, PTs, OTs, and behavior specialists (BCBAs)**. The caps make it hard for private schools to recruit, hire, and keep qualified staff needed to fulfill student IEPs. Experienced staff are leaving to work in hospitals and private clinics where they can earn much more, or leaving for public schools where health and retirement benefits are better.
- **Low caps on the amount schools can spend on teacher training and staff development**, making it difficult for schools to provide their staff with the specialized training needed to serve students with the most complex disabilities.

- **Putting training costs and conference registration fees in the category of “travel,”** with very low limits on “travel costs,” making it even more difficult to get specialized training.
- 2) Private schools might sell a building in order to relocate, upgrade, or expand their program. Because real estate might increase in value over time, the sale of property can result in a “gain” that the school can use to purchase or build a new school. Yet, the NJDOE has proposed:**
- Non-profit private schools that sell a building to buy another can **only keep and use gains that are under a 15% “working capital” cap. The rest must be returned to public schools** in the form of reduced tuition, leaving the non-profit private schools with less money to purchase a replacement building.
 - **Funds raised for capital projects through private fundraising would have to be sent to public school districts,** not kept by the non-profit school, as donors intended.
- 3) Private schools often use food as part of a schoolwide or individual motivational system. Some schools use specialty foods as part of instruction for students with feeding tubes and swallowing difficulties. Many schools hire staff to provide meals during school hours. Yet, the NJDOE has proposed:**
- Severely **limiting the costs of food services and viewing all food costs through the inflexible lens of public school nutrition programs.** This means that food used as part of instruction – to teach swallowing and help students tolerate new textures and tastes, as well as food that is part of a behavior plan - cannot be part of the tuition charged to school districts.
- 4) Private schools are an essential part of the special education continuum and part of the federal definition of the provision of services under IDEA. Yet, the NJDOE has proposed a volume of rules that would strangle private school operations, including:**
- Severely **limiting costs associated with waiver of health insurance** coverage.
 - Severely **limiting costs associated with depreciation** of leasehold improvements.
 - Severely **limiting costs of retiree benefits.**
 - Requiring **submission of an “annual disclosure statement” with extensive information,** some of which is provided in other required submissions, and some of which is well beyond that which is needed.

ABOUT PRIVATE SPECIAL EDUCATION SCHOOLS IN NEW JERSEY

- Private schools serve more than 11,000 children ages 3-21 who have complex and severe disabilities including autism, aspergers, cerebral palsy, epilepsy, learning disabilities, bipolar disorder, depression and anxiety, medical and chromosomal conditions, and more.
- Federal and state laws require that all students with disabilities receive an appropriate special education at no cost to parents.
- Public school districts place students with disabilities in private schools when the in-district programs cannot meet a child's needs.
- Public schools pay tuition; rates are set annually by the NJDOE.
- Private schools are heavily regulated by the NJDOE.
- Many private schools in New Jersey are tax-exempt charitable organizations established for the benefit of the students they serve; others are family-owned and operated businesses.

Questions? Need more information?

Call ASAH 609-890-1400

www.asah.org

If private schools are forced to close, the state's most vulnerable and educationally complex students will have no appropriate options. Where will they go?