



State of New Jersey

DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

DEPARTMENT OF EDUCATION
08/23/2011

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CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

CHRISTOPHER D. CERF
Acting Commissioner

September 22, 2011

The Honorable Arne Duncan
U.S. Secretary of Education
Lyndon Baines Johnson (LBJ)
Department of Education Building
400 Maryland Avenue, SW
Washington, DC 20202

Dear Secretary Duncan:

Thank you for your consideration and approval of New Jersey's State Fiscal Year 2010 maintenance of effort (MOE) waiver request. As you know, the fiscal crisis in our state was not confined to SFY 2010. While we were able to close the gap considerably towards meeting the state-level MOE requirement for SFY 2011, we were unable to reach the SFY 2009 level. Therefore, we must request a waiver of the IDEA, Part B state-level MOE requirement to reduce our SFY 2011 appropriated support calculation by \$13,272,335 or 1.1 percent below the FY 2009 level (see Special Education MOE table below).

Special Education MOE	2009	2010 (Original Appropriation)	2010 (Adjusted Appropriation- June 24, 2010)	2011 Appropriation	2012 Appropriation
Special Education Categorical Aid	\$718,131,000	\$730,144,000	\$692,844,000	\$620,883,000	\$711,228,000
Extraordinary Special Education Costs	\$52,000,000	\$140,095,000	\$140,095,000	\$154,982,000	\$162,731,000
Estimated portion of Equalization Aid used for Special Education	\$431,235,182	\$357,558,179	\$342,755,267	\$412,228,847	\$442,257,986
Katzenbach School for the Deaf	\$3,590,000	\$3,590,000	\$3,590,000	\$3,590,000	\$3,590,000
Total	\$1,204,956,182	\$1,231,387,179	\$1,179,284,267	\$1,191,683,847	\$1,319,806,986
Difference from FY 2009		\$26,430,997	(\$25,671,915)	(\$13,272,335)	\$114,850,804
% Difference		2.2%	-2.1%	-1.1%	9.5%

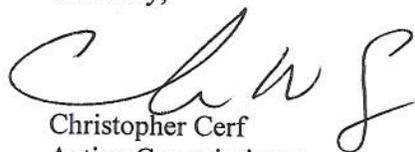
The effects of a structural budget deficit, the national recession and a significant loss in revenue continued into SFY 2011 and have left the state with difficult choices. Between December 2006 and December 2010, New Jersey lost 225,800 private sector jobs, or 6.6 percent of the workforce. Unemployment reached its highest level in 33 years, while the housing market collapsed and state revenue declined precipitously. New Jersey was especially hard hit by the national recession, but it is beginning to show signs of recovery.

Please also consider the following:

- The state of New Jersey and its school districts remain committed to ensuring that all students with disabilities have available to them a free, appropriate public education.
- This request is almost half the \$25.7 million request that was approved for SFY 2010.
- The appropriation for SFY 2012 will bring the amount of state financial support for special education and related services for children with disabilities back above the SFY 2009 level by more than 9 percent or \$114 million.
- The percentage change from SFY 2009 to SFY 2011 in the state's appropriations for special education and related services was -1.1 percent vs. an -11.7 percent reduction in total appropriations other than special education. (Please see the table above for reference).
- The state did not use the Education Jobs Fund Program dollars in the calculation of the IDEA, Part B State-level MOE requirement.

Thank you for your assistance in this matter. We look forward to your favorable review of our waiver request. If you have any questions, please do not hesitate to contact Barbara Gantwerk, assistant commissioner of the Division of Programs and Operations, at 609-292-9899.

Sincerely,



Christopher Cerf
Acting Commissioner

CC/BG/ml:moe sped ed waiver fy11

c: Andrew Smarick
David Hespe
Barbara Gantwerk
Senior Staff
Peggy McDonald
David Joye
Pat Gray