



STATE OF NEW JERSEY DEPARTMENT OF EDUCATION

A Memo from the New Jersey Department of Education

Date: January 21, 2026
To: Local Educational Agency Leads
Route To: School Business Administrators, Directors of Special Education, SEMI Coordinators
From: Thomas McMahon, Director of Fiscal Policy and Planning
Division of Finance and Business Services
Kathleen Ehling, Assistant Commissioner
Division of Educational Services
Deadline: See timelines below

School-Based Health Services (SBHS) Special Education Medicaid Initiative (SEMI) Fiscal Year 2027 Reimbursement Revenue Projections

The New Jersey Department of Education (NJDOE) is providing information regarding the Special Education Medicaid Initiative (SEMI) [NJ School-Based Health Services (NJ SBHS)] program, pertinent to the FY2027 budget submission. Specifically, this memo addresses SEMI (NJ SBHS) budget requirements, alternate reimbursement revenue projection requirements, waiver requirements, action plan requirements for districts that did not maximize SEMI (NJ SBHS) participation in FY2025, and SEMI (NJ SBHS) timelines.

Background

In accordance with N.J.S.A. 18A:55-3, school districts are required to maximize their participation in the SEMI (NJ SBHS) program and the [Fiscal Accountability Regulations](#) at N.J.A.C. 6A:23A-5.3 contain the requisite SEMI (NJ SBHS) programmatic guidelines and standards. In the coming days, the NJDOE County Offices will provide districts with their individual FY2027 SEMI (NJ SBHS) reimbursement revenue projection and their final SEMI (NJ SBHS) reimbursement revenue achieved for FY2025. This information will help districts monitor their progress, assist in the FY2027 budget submission, and aid in determining if alternate reimbursement revenue projections or waivers should be considered. Please review [Attachment A](#) for a sample of how this information is displayed and an explanation of how SEMI (NJ SBHS) reimbursement revenue projections are calculated for New Jersey school districts. Please note the updated calculation for the FY2027 projections, which leverages the cost-based interim rates implemented in FY2026. All alternate reimbursement revenue projections, waiver requests, and action plans must be submitted to the NJDOE's Executive County Superintendent for review and approval in accordance with the timelines below.

SEMI (NJ SBHS) Budget Requirements

In preparing its annual budget submission to the Executive County Superintendent, each district shall recognize as reimbursement revenue no less than 90 percent of their SEMI (NJ SBHS) reimbursement revenue projection provided by the NJDOE. This amount will be entered on line 540, unless the district has received a waiver or submitted an alternate SEMI (NJ SBHS) reimbursement

revenue projection that was approved in the “SEMI support doc” by the Executive County Superintendent. See [Attachment B](#) for considerations regarding waivers and alternate reimbursement revenue projections.

SEMI (NJ SBHS) Timelines

The SEMI (NJ SBHS) alternate reimbursement revenue projection and the SEMI (NJ SBHS) waiver request must be submitted to the Executive County Superintendent **no later than 45 days prior to the submission of the district’s proposed budget**, pursuant to N.J.S.A. 18A:7F-5(c) and N.J.S.A. 18A:7F-39. A district may seek approval to use its own projection of SEMI (NJ SBHS) reimbursement revenue upon demonstration that the assumptions it used in calculating that projection are more accurate than the projection provided.

A district may only submit a waiver request if it is projected to have 40 or fewer Medicaid-eligible special education students for the 2026-2027 school year. The Executive County Superintendent will render a decision within 20 days of receipt of the waiver request. SEMI (NJ SBHS) action plans, if required, must be submitted to the Executive County Superintendent as part of the district’s proposed budget submission.

Note that the due dates for submitting SEMI (NJ SBHS) alternate reimbursement revenue projections, SEMI waivers, and SEMI (NJ SBHS) action plans may be revised to conform with the state aid notification date that follows the Governor’s State Budget Message, pursuant to N.J.S.A. 18A:7F-5(c). Please refer to the [Election Calendar](#) for the due dates of the proposed budget. More information on SEMI (NJ SBHS) can be found on the New Jersey Department of the Treasury [NJ School-Based Health Services website](#).

Contact Information

For questions or assistance, please contact your County Special Education Specialist or:

- Shifra Jenkins, NJDOE, (609) 376-3523, semi@doe.nj.gov
- Steven Pasternak, NJDOE, (609) 376-9060, semi@doe.nj.gov
- The NJ SBHS Team at Public Consulting Group (PCG), (609) 275-0250, extension 2, njsemi@pcgus.com

c: Members, State Board of Education
NJDOE Staff
Statewide Parent Advocacy Network
Garden State Coalition of Schools
NJ LEE Group