

ASSEMBLY, No. 2218

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED FEBRUARY 7, 2022

Sponsored by:
Assemblyman LOUIS D. GREENWALD
District 6 (Burlington and Camden)

SYNOPSIS

Authorizes school district that moves its annual school election to November to submit separate proposals for additional spending for budget year and subsequent budget year.

CURRENT VERSION OF TEXT

As introduced.



A2218 GREENWALD

2

1 AN ACT concerning the submission of separate proposals for
2 additional school district spending and amending P.L.1996,
3 c.138, P.L.2007, c.62, and P.L.2011, c.202.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 5 of P.L.1996, c.138 (C.18A:7F-5) is amended to
9 read as follows:

10 5. As used in this section, "cost of living" means the CPI as
11 defined in section 3 of P.L.2007, c.260 (C.18A:7F-45).

12 a. Within 30 days following the approval of the Educational
13 Adequacy Report, the commissioner shall notify each district of the
14 base per pupil amount, the per pupil amounts for full-day preschool,
15 the weights for grade level, county vocational school districts, at-
16 risk pupils, bilingual pupils, and combination pupils, the cost
17 coefficients for security aid and for transportation aid, the State
18 average classification rate and the excess cost for general special
19 education services pupils, the State average classification rate and
20 the excess cost for speech-only pupils, and the geographic cost
21 adjustment for each of the school years to which the report is
22 applicable.

23 Annually, within two days following the transmittal of the State
24 budget message to the Legislature by the Governor pursuant to
25 section 11 of P.L.1944, c.112 (C.52:27B-20), the commissioner
26 shall notify each district of the maximum amount of aid payable to
27 the district in the succeeding school year pursuant to the provisions
28 of P.L.2007, c.260 (C.18A:7F-43 et al.), and shall notify each
29 district of the district's adequacy budget for the succeeding school
30 year.

31 For the 2008-2009 school year and thereafter, unless otherwise
32 specified within P.L.2007, c.260 (C.18A:7F-43 et al.), aid amounts
33 payable for the budget year shall be based on budget year pupil
34 counts, which shall be projected by the commissioner using data
35 from prior years. Adjustments for the actual pupil counts of the
36 budget year shall be made to State aid amounts payable during the
37 school year succeeding the budget year. Additional amounts
38 payable shall be reflected as revenue and an account receivable for
39 the budget year.

40 Notwithstanding any other provision of this act to the contrary,
41 each district's State aid payable for the 2008-2009 school year, with
42 the exception of aid for school facilities projects, shall be based on
43 simulations employing the various formulas and State aid amounts
44 contained in P.L.2007, c.260 (C.18A:7F-43 et al.). The
45 commissioner shall prepare a report dated December 12, 2007

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 reflecting the State aid amounts payable by category for each
2 district and shall submit the report to the Legislature prior to the
3 adoption of P.L.2007, c.260 (C.18A:7F-43 et al.). Except as
4 otherwise provided pursuant to this subsection and paragraph (3) of
5 subsection d. of section 5 of P.L.2007, c.260 (C.18A:7F-47), the
6 amounts contained in the commissioner's report shall be the final
7 amounts payable and shall not be subsequently adjusted other than
8 to reflect the phase-in of the required general fund local levy
9 pursuant to paragraph (4) of subsection b. of section 16 of
10 P.L.2007, c.260 (C.18A:7F-58) and to reflect school choice aid to
11 which a district may be entitled pursuant to section 20 of that act.
12 The projected pupil counts and equalized valuations used for the
13 calculation of State aid shall also be used for the calculation of
14 adequacy budget, local share, and required local share. For 2008-
15 2009, extraordinary special education State aid shall be included as
16 a projected amount in the commissioner's report dated December
17 12, 2007 pending the final approval of applications for the aid. If
18 the actual award of extraordinary special education State aid is
19 greater than the projected amount, the district shall receive the
20 increase in the aid payable in the subsequent school year pursuant
21 to the provisions of subsection c. of section 13 of P.L.2007, c.260
22 (C.18A:7F-55). If the actual award of extraordinary special
23 education State aid is less than the projected amount, other State aid
24 categories shall be adjusted accordingly so that the district shall not
25 receive less State aid than as provided in accordance with the
26 provisions of sections 5 and 16 of P.L.2007, c.260 (C.18A:7F-47
27 and C.18A:7F-58).

28 In the event that the commissioner determines, following the
29 enactment of P.L.2007, c.260 (C.18A:7F-43 et al.) but prior to the
30 issuance of State aid notices for the 2008-2009 school year, that a
31 significant district-specific change in data warrants an increase in
32 State aid for that district, the commissioner may adjust the State aid
33 amount provided for the district in the December 12, 2007 report to
34 reflect the increase.

35 b. Each district shall have a required local share. For districts
36 that receive educational adequacy aid pursuant to subsection b. of
37 section 16 of P.L.2007, c.260 (C.18A:7F-58), the required local
38 share shall be calculated in accordance with the provisions of that
39 subsection.

40 For all other districts, the required local share shall equal the
41 lesser of the local share calculated at the district's adequacy budget
42 pursuant to section 9 of P.L.2007, c.260 (C.18A:7F-51), or the
43 district's budgeted local share for the prebudget year.

44 In order to meet this requirement, each district shall raise a
45 general fund tax levy which equals its required local share.

46 No municipal governing body or bodies or board of school
47 estimate, as appropriate, shall certify a general fund tax levy which
48 does not meet the required local share provisions of this section.

1 c. Annually, on or before March 4, or on or before March 20 in
2 the case of a school district with an annual school election in
3 November, each district board of education shall adopt, and submit
4 to the commissioner for approval, together with such supporting
5 documentation as the commissioner may prescribe, a budget that
6 provides for a thorough and efficient education. Notwithstanding
7 the provisions of this subsection to the contrary, the commissioner
8 may adjust the date for the submission of district budgets if the
9 commissioner determines that the availability of preliminary aid
10 numbers for the subsequent school year warrants such adjustment.

11 Notwithstanding any provision of this section to the contrary, for
12 the 2005-2006 school year each district board of education shall
13 submit a proposed budget in which the advertised per pupil
14 administrative costs do not exceed the lower of the following:

15 (1) the district's advertised per pupil administrative costs for the
16 2004-2005 school year inflated by the cost of living or 2.5 percent,
17 whichever is greater; or

18 (2) the per pupil administrative cost limits for the district's
19 region as determined by the commissioner based on audited
20 expenditures for the 2003-2004 school year.

21 The executive county superintendent of schools may disapprove
22 the school district's 2005-2006 proposed budget if he determines
23 that the district has not implemented all potential efficiencies in the
24 administrative operations of the district. The executive county
25 superintendent shall work with each school district in the county
26 during the 2004-2005 school year to identify administrative
27 inefficiencies in the operations of the district that might cause the
28 superintendent to reject the district's proposed 2005-2006 school
29 year budget.

30 For the 2006-2007 school year and each school year thereafter,
31 each district board of education shall submit a proposed budget in
32 which the advertised per pupil administrative costs do not exceed
33 the lower of the following:

34 (1) the district's prior year per pupil administrative costs; except
35 that the district may submit a request to the commissioner for
36 approval to exceed the district's prior year per pupil administrative
37 costs due to increases in enrollment, administrative positions
38 necessary as a result of mandated programs, administrative
39 vacancies, nondiscretionary fixed costs, and such other items as
40 defined in accordance with regulations adopted pursuant to section
41 7 of P.L.2004, c.73. In the event that the commissioner approves a
42 district's request to exceed its prior year per pupil administrative
43 costs, the increase authorized by the commissioner shall not exceed
44 the cost of living or 2.5 percent, whichever is greater; or

45 (2) the prior year per pupil administrative cost limits for the
46 district's region inflated by the cost of living or 2.5 percent,
47 whichever is greater.

- 1 d. (1) A district's general fund tax levy shall not exceed the
2 district's adjusted tax levy as calculated pursuant to sections 3 and 4
3 of P.L.2007, c.62 (C.18A:7F-38 and 18A:7F-39).
- 4 (2) (Deleted by amendment, P.L.2007, c.260).
- 5 (3) (Deleted by amendment, P.L.2007, c.260).
- 6 (4) Any debt service payment made by a school district during
7 the budget year shall not be included in the calculation of the
8 district's adjusted tax levy.
- 9 (5) (Deleted by amendment, P.L.2007, c.260).
- 10 (6) (Deleted by amendment, P.L.2007, c.260).
- 11 (7) (Deleted by amendment, P.L.2004, c.73).
- 12 (8) (Deleted by amendment, P.L.2010, c.44)
- 13 (9) Any district may submit at the annual school budget
14 election, in accordance with subsection c. of section 4 of P.L.2007,
15 c.62 (C.18A:7F-39), a separate proposal or proposals for additional
16 funds, including interpretive statements, specifically identifying the
17 program purposes for which the proposed funds shall be used, to the
18 voters, who may, by voter approval, authorize the raising of an
19 additional general fund tax levy for such purposes. In the case of a
20 district with a board of school estimate, one proposal for the
21 additional spending shall be submitted to the board of school
22 estimate. Any proposal or proposals submitted to the voters or the
23 board of school estimate shall not: include any programs and
24 services that were included in the district's prebudget year net
25 budget unless the proposal is approved by the commissioner upon
26 submission by the district of sufficient reason for an exemption to
27 this requirement; or include any new programs and services
28 necessary for students to achieve the thoroughness standards
29 established pursuant to subsection a. of section 4 of P.L.2007, c.260
30 (C.18A:7F-46).
- 31 In the case of a school district in which the annual school
32 election has been moved to November pursuant to subsection a. of
33 section 1 of P.L.2011, c.202 (C.19:60-1.1), the school district may
34 submit a separate proposal for additional funds for the budget year
35 or a separate proposal for additional funds for the subsequent
36 budget year, or separate proposals for additional funds for each of
37 those budget years. In the event that a school district submits a
38 separate proposal for additional funds for the subsequent budget
39 year and the separate proposal is approved, the school district shall
40 not add to its adjusted tax levy for the subsequent budget year any
41 amount authorized pursuant to subsection e. of section 4 of
42 P.L.2007, c.62 (C.18A:7F-39).
- 43 The executive county superintendent of schools may prohibit the
44 submission of a separate proposal or proposals to the voters or
45 board of school estimate if he determines that the district has not
46 implemented all potential efficiencies in the administrative
47 operations of the district, which efficiencies would eliminate the
48 need for the raising of an additional general fund tax levy.

1 (10) Notwithstanding any provision of law to the contrary, if a
2 district proposes a budget with a general fund tax levy and
3 equalization aid which exceed the adequacy budget, the following
4 statement shall be published in the legal notice of public hearing on
5 the budget pursuant to N.J.S.18A:22-28, posted at the public
6 hearing held on the budget pursuant to N.J.S.18A:22-29, and
7 printed on the sample ballot required pursuant to section 10 of
8 P.L.1995, c.278 (C.19:60-10):

9 "Your school district has proposed programs and services in
10 addition to the core curriculum content standards adopted by the
11 State Board of Education. Information on this budget and the
12 programs and services it provides is available from your local
13 school district."

14 (11) Any reduction that may be required to be made to programs
15 and services included in a district's prebudget year net budget in
16 order for the district to limit the growth in its budget between the
17 prebudget and budget years by its tax levy growth limitation as
18 calculated pursuant to sections 3 and 4 of P.L.2007, c.62
19 (C.18A:7F-38 and 18A:7F-39), shall only include reductions to
20 excessive administration or programs and services that are
21 inefficient or ineffective.

22 e. (1) Any general fund tax levy rejected by the voters for a
23 proposed budget that includes a general fund tax levy and
24 equalization aid in excess of the adequacy budget shall be submitted
25 to the governing body of each of the municipalities included within
26 the district for determination of the amount that should be expended
27 notwithstanding voter rejection. In the case of a district having a
28 board of school estimate, other than a Type II district with a board
29 of school estimate in which the annual election is in November, the
30 general fund tax levy shall be submitted to the board for
31 determination of the amount that should be expended. If the
32 governing body or bodies or board of school estimate, as
33 appropriate, reduce the district's proposed budget, the district may
34 appeal any of the reductions to the commissioner on the grounds
35 that the reductions will negatively impact on the stability of the
36 district given the need for long term planning and budgeting. In
37 considering the appeal, the commissioner shall consider enrollment
38 increases or decreases within the district; the history of voter
39 approval or rejection of district budgets; the impact on the local
40 levy; and whether the reductions will impact on the ability of the
41 district to fulfill its contractual obligations. A district may not
42 appeal any reductions on the grounds that the amount is necessary
43 for a thorough and efficient education.

44 (2) Any general fund tax levy rejected by the voters for a
45 proposed budget that includes a general fund tax levy and
46 equalization aid at or below the adequacy budget shall be submitted
47 to the governing body of each of the municipalities included within
48 the district for determination of the amount that should be expended

1 notwithstanding voter rejection. In the case of a district having a
2 board of school estimate, other than a Type II district with a board
3 of school estimate in which the annual election is in November, the
4 general fund tax levy shall be submitted to the board for
5 determination. Any reductions may be appealed to the
6 commissioner on the grounds that the amount is necessary for a
7 thorough and efficient education or that the reductions will
8 negatively impact on the stability of the district given the need for
9 long term planning and budgeting. In considering the appeal, the
10 commissioner shall also consider the factors outlined in paragraph
11 (1) of this subsection.

12 In addition, the municipal governing body or board of school
13 estimate shall be required to demonstrate clearly to the
14 commissioner that the proposed budget reductions shall not
15 adversely affect the ability of the school district to provide a
16 thorough and efficient education or the stability of the district given
17 the need for long term planning and budgeting.

18 (3) In lieu of any budget reduction appeal provided for pursuant
19 to paragraphs (1) and (2) of this subsection, the State board may
20 establish pursuant to the "Administrative Procedure Act," P.L.1968,
21 c.410 (C.52:14B-1 et seq.), an expedited budget review process
22 based on a district's application to the commissioner for an order to
23 restore a budget reduction.

24 (4) When the voters, municipal governing body or bodies, board
25 of education in the case of a school district in which the annual
26 school election has been moved to November pursuant to subsection
27 a. of section 1 of P.L.2011, c.202 (C.19:60-1.1), or the board of
28 school estimate authorize the general fund tax levy, the district shall
29 submit the resulting budget to the commissioner within 15 days of
30 the authorization.

31 f. (Deleted by amendment, P.L.2007, c.260).

32 g. (Deleted by amendment, P.L.2007, c.260).

33 (cf: P.L.2013, c.280, s.1)

34

35 2. Section 41 of P.L.2011, c.202 (C.18A:7F-5.4) is amended to
36 read as follows:

37 41. A board of education of a school district in which the annual
38 school election has been moved to November pursuant to subsection
39 a. of section 1 of P.L.2011, c.202 (C.19:60-1.1) and which has
40 determined to submit a proposal or proposals for additional funds
41 for that budget year to the voters at the annual school election
42 pursuant to paragraph (9) of subsection d. of section 5 of P.L.1996,
43 c.138 (C.18A:7F-5), shall adopt and submit to the commissioner for
44 approval pursuant to subsection c. of section 5 of P.L.1996, c.138
45 (C.18A:7F-5), a temporary budget for the school year pending the
46 approval or disapproval of the proposal or proposals for additional
47 funds for that budget year by the voters. The temporary budget shall
48 be calculated pursuant to the provisions of [paragraph (1) of

1 subsection d. of section 5 of P.L.1996, c.138 (C.18A:7F-5) or]
2 P.L.2007, c.62 (C.18A:7F-37 et al.)**], as appropriate**.
3 (cf: P.L.2011, c.202, s.41)

4

5 3. Section 42 of P.L.2011, c.202 (C.18A:7F-5.5) is amended to
6 read as follows:

7 42. In the case of a school district in which the annual school
8 election has been moved to November pursuant to subsection a. of
9 section 1 of P.L.2011, c.202 (C.19:60-1.1), if the voters authorize
10 the proposal or proposals for additional funds for that budget year
11 pursuant to paragraph (9) of subsection d. of section 5 of P.L.1996,
12 c.138 (C.18A:7F-5), the district shall submit the resulting final
13 budget to the commissioner within 15 days of the action of the
14 voters. If the voters fail to authorize the proposal or proposals for
15 additional funds for that budget year, the temporary budget shall be
16 the final budget for the district for that school year.

17 (cf: P.L.2011, c.202, s.42)

18

19 4. Section 43 of P.L.2011, c.202 (C.18A:7F-5.6) is amended to
20 read as follows:

21 43. In the case of a school district in which the annual school
22 election has been moved to November pursuant to subsection a. of
23 section 1 of P.L.2011, c.202 (C.19:60-1.1), if the voters approve a
24 proposal or proposals for additional funds for that budget year
25 pursuant to paragraph (9) of subsection d. of section 5 of P.L.1996,
26 c.138 (C.18A:7F-5), the secretary of the board of education shall re-
27 certify to the county board of taxation the sum or sums to be raised
28 by special district tax for the school year. The amount re-certified
29 shall be included in the taxes assessed, levied and collected in the
30 municipality or municipalities comprising the district.

31 (cf: P.L.2011, c.202, s.43)

32

33 5. Section 2 of P.L.2007, c.62 (C.18A:7F-37) is amended to
34 read as follows:

35 2. For the purposes of sections 2 through 4 and sections 6 and 7
36 of P.L.2007, c.62 (C.18A:7F-37 through **[C.18A:7F-42]** C.18A:7F-
37 39 and C.18A:7F-41 and C.18A:7F-42):

38 "Adjusted tax levy" means the amount raised by property
39 taxation for the purposes of the school district, excluding any debt
40 service payment.

41 "Commissioner" means the Commissioner of Education.

42 **["New Jersey Quality Single Accountability Continuum" or**
43 **"NJQSAC" means the monitoring and evaluation process of school**
44 **districts pursuant to section 10 of P.L.1975, c.212 (C.18A:7A-10).]**

45 "Prebudget year adjusted tax levy" means the amount raised by
46 property taxation in the prebudget year for the purposes of the
47 school district, excluding any debt service payment, less any

1 amounts raised after approval of a **【waiver by the commissioner or】**
2 separate question by the voters or board of school estimate **【in】** for
3 the prebudget year unless such approval explicitly allows the
4 approved increases to be permanent.

5 "School district" means any local or regional school district
6 established pursuant to chapter 8 or chapter 13 of Title 18A of the
7 New Jersey Statutes.

8 **【**"Unrestricted State aid" means, for the 2007-2008 school year,
9 State aid that is included in a school district's State aid notice and
10 allocated pursuant to P.L.1996, c.138 (C.18A:7F-1 et al.) or any
11 other law for appropriation in a school district's general fund plus
12 early childhood program aid allocated pursuant to section 16 of
13 P.L.1996, c.138 (C.18A:7F-16) or any other law and demonstrably
14 effective program aid and instructional supplement aid allocated
15 pursuant to section 18 of P.L.1996, c.138 (C.18A:7F-18) or any
16 other law; and for the 2008-2009 through 2011-2012 school years,
17 State aid that is included in a school district's State aid notice and
18 allocated pursuant to P.L.2007, c.260 (C.18A:7F-43 et al.) or any
19 other law for appropriation in a school district's general fund plus
20 preschool education aid allocated pursuant to section 12 of
21 P.L.2007, c.260 (C.18A:7F-54) or any other law.**】**

22 "Weighted resident enrollment" means weighted resident
23 enrollment as calculated pursuant to section 8 of P.L.2007, c.260
24 (C.18A:7F-50) and as projected by the commissioner.
25 (cf: P.L.2007, c.260, s.36)

26

27 6. Section 4 of P.L.2007, c.62 (C.18A:7F-39) is amended to
28 read as follows:

29 4. a. (Deleted by amendment, P.L.2010, c.44)

30 b. (Deleted by amendment, P.L.2010, c.44)

31 c. A school district may submit to the voters at the annual
32 school election, or on such other date as is set by regulation of the
33 commissioner, a proposal or proposals to increase the adjusted tax
34 levy by more than the allowable amount authorized pursuant to
35 section 3 of P.L.2007, c.62 (C.18A:7F-38). The proposal or
36 proposals to increase the adjusted tax levy shall be approved if a
37 majority of people voting shall vote in the affirmative. In the case
38 of a school district with a board of school estimate, the additional
39 adjusted tax levy shall be authorized only if a quorum is present for
40 the vote and a majority of those board members who are present
41 vote in the affirmative to authorize the additional adjusted tax levy.

42 In the case of a school district in which the annual school
43 election has been moved to November pursuant to subsection a. of
44 section 1 of P.L.2011, c.202 (C.19:60-1.1), the school district may
45 submit a separate proposal for additional funds for the budget year
46 or a separate proposal for additional funds for the subsequent
47 budget year, or separate proposals for additional funds for each of
48 those budget years. In the event that a school district submits a

1 separate proposal for additional funds for the subsequent budget
2 year and the separate proposal is approved, the school district shall
3 not add to its adjusted tax levy for the subsequent budget year any
4 amount authorized pursuant to subsection e. of this section.

5 (1) A proposal or proposals submitted to the voters or the board
6 of school estimate to increase the tax levy pursuant to this
7 subsection shall not include any programs or services necessary for
8 students to achieve the core curriculum content standards.

9 (2) All proposals to increase the tax levy submitted pursuant to
10 this subsection shall include interpretive statements specifically
11 identifying the program purposes for which the proposed funds
12 shall be used and a clear statement on whether approval will affect
13 only the current year or result in a permanent increase in the levy.
14 The proposals shall be submitted and approved pursuant to sections
15 5 and 6 of P.L.1996, c.138 (C.18A:7F-5 and 18A:7F-6).

16 d. (Deleted by amendment, P.L.2010, c.44)

17 e. A school district that has not been granted approval to
18 exceed the cap pursuant to subsection c. of this section, may add to
19 its adjusted tax levy in any one of the next three succeeding budget
20 years, the amount of the difference between the maximum
21 allowable amount to be raised by taxation for the current school
22 budget year and the actual amount to be raised by taxation for the
23 current school budget year.

24 (cf: P.L.2011, c.202, s.3)

25

26 7. This act shall take effect immediately and shall first be
27 applicable to the 2019-2020 school year.

28

29

30

STATEMENT

31

32 Under current law, a school district may submit to the voters at
33 the annual school election a separate question or proposal for
34 permission to raise additional funds for the budget year beyond the
35 district's authorized tax levy cap in order to support a particular
36 program or purpose. This bill provides that in the case of a school
37 district that has moved its annual school election to November, the
38 district may submit a separate proposal for additional funds for the
39 budget year, or a separate proposal for additional funds for the
40 subsequent budget year, or separate proposals for additional funds
41 for each of those budget years. The bill stipulates, however, that in
42 the case of a district that submits a separate question for additional
43 funds for the subsequent budget year and the separate question is
44 approved, the school district may not increase its tax levy for that
45 subsequent budget year by the amount of any "banked" tax levy that
46 the district may have at its disposal under the cap banking
47 provisions of the law.

A2218 GREENWALD

1 In light of the fact that a school district that has moved its annual
2 school election to November is already well into the school year by
3 the time a separate question for that budget year is approved by the
4 voters, which makes budget planning difficult, this bill will provide
5 such districts with flexible options to increase their ability to do
6 sound budget planning. The bill addresses situations similar to the
7 one faced by a school district that submitted a separate question to
8 the voters to ask for their approval to raise additional tax levy to
9 expand the district's half-day kindergarten program to a full-day
10 program. When the voters approved the question, it was the
11 district's intention to expand the kindergarten program in the next
12 school year and to begin raising the additional tax levy in that next
13 year. However, under current law the tax levy would begin to be
14 collected in the school year in which it received voter approval and
15 the collection could not be delayed until the next school year.
16 Under this bill, the collection of the taxes could be delayed.