ASSEMBLY, No. 942

STATE OF NEW JERSEY

221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:
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SYNOPSIS

Requires five-year average of equalized property valuation be used in calculation of local share under State school funding formula.

CURRENT VERSION OF TEXT

As reported by the Assembly Education Committee with technical review.

(Sponsorship Updated As Of: 4/11/2024)

AN ACT concerning State school aid and amending P.L.2007, c.260 (C.18A:7F-43 et al.).

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

1. Section 10 of P.L.2007, c.260 (C.18A:7F-52) is amended to read as follows:

10. Each school district and county vocational school district shall receive equalization aid predicated on a local share determined by district property wealth and district income.

a. Each district's local share shall be calculated as follows:

LSHARE = (EQVAL x PVR x 50%) + (INC x INR x 50%)

where

EQVAL is the average of the district's **[**prebudget year**]** equalized valuation amounts for the preceding five school years;

PVR is the Statewide property value rate determined pursuant to subsection c. of this section;

INC is the district's income; and

INR is the Statewide income rate determined pursuant to subsection c. of this section.

b. The local share for each county vocational school district shall be calculated as follows:

LSHARE = (COLSHARE/COAB) x AB

where

COLSHARE is the sum of the local shares for all school districts in the county calculated pursuant to subsection a. of this section;

COAB is the sum of the adequacy budgets for all school districts in the county calculated pursuant to section 9 of **[**this act**]** P.L.2007, c.260 (C.18A:7F-51); and

AB is the county vocational school district's adequacy budget calculated pursuant to section 9 of **[**this act**]** P.L.2007, c.260 (C.18A:7F-51).

c. For the 2008-2009 school year, the property value rate shall be set at 0.0092690802 and the income value rate shall be set at 0.04546684. For subsequent school years the values for the property value rate and the income value rate shall be annually determined by the commissioner as follows:

the property value rate shall be determined such that equalization aid equals the Statewide available equalization aid for all districts determined according to **[**this act**]** P.L.2007, c.260 (C.18A:7F-43 et al.) had each school district's local share equaled the product of the property value rate and the district's five-year average equalized valuation and each county vocational school district's local share equaled the product of the county vocational school district's

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.

adequacy budget and the average local share, expressed as a percent, of the school districts located in the county; and

the income rate shall be determined such that equalization aid equals the Statewide available equalization aid for all districts determined according to **[**this act**]** P.L.2007, c.260 (C.18A:7F-43 et al.) had each school district's local share equaled the product of the income rate and the district's income and each county vocational school district's local share equaled the product of the county vocational school district's adequacy budget and the average local share, expressed as a percent, of the school districts located in the county.

In the event that these rates, when used in accordance with the provisions of this section and assuming that each district's general fund levy is equal to its local share, do not result in equalization aid for all districts equal to the Statewide available equalization aid, the commissioner shall adjust these rates appropriately, giving equal weight to each.

(cf: P.L.2007, c.260, s.10)

2. This act shall take effect immediately and shall first affect State school aid calculations for the 2024-2025 school year.