

[First Reprint]

## ASSEMBLY, No. 2784

# STATE OF NEW JERSEY

## 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

**Sponsored by:**

**Assemblyman LOUIS D. GREENWALD**

**District 6 (Burlington and Camden)**

**Assemblyman ROBERT J. KARABINCHAK**

**District 18 (Middlesex)**

**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 reported by the Assembly State and Local Government Committee on February 1, 2024, with amendments.



(Sponsorship Updated As Of: 1/29/2024)

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

**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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly ASL committee amendments adopted February 1, 2024.

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

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

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

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

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

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

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

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

18 (1) the district's advertised per pupil administrative costs for the  
19 2004-2005 school year inflated by the cost of living or 2.5 percent,  
20 whichever is greater; or

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

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

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

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

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

4 d. (1) A district's general fund tax levy shall not exceed the  
5 district's adjusted tax levy as calculated pursuant to sections 3 and 4  
6 of P.L.2007, c.62 (C.18A:7F-38 and 18A:7F-39).

7 (2) (Deleted by amendment, P.L.2007, c.260).

8 (3) (Deleted by amendment, P.L.2007, c.260).

9 (4) Any debt service payment made by a school district during  
10 the budget year shall not be included in the calculation of the  
11 district's adjusted tax levy.

12 (5) (Deleted by amendment, P.L.2007, c.260).

13 (6) (Deleted by amendment, P.L.2007, c.260).

14 (7) (Deleted by amendment, P.L.2004, c.73).

15 (8) (Deleted by amendment, P.L.2010, c.44)

16 (9) Any district may submit at the annual school budget  
17 election, in accordance with subsection c. of section 4 of P.L.2007,  
18 c.62 (C.18A:7F-39), a separate proposal or proposals for additional  
19 funds, including interpretive statements, specifically identifying the  
20 program purposes for which the proposed funds shall be used, to the  
21 voters, who may, by voter approval, authorize the raising of an  
22 additional general fund tax levy for such purposes. In the case of a  
23 district with a board of school estimate, one proposal for the  
24 additional spending shall be submitted to the board of school  
25 estimate. Any proposal or proposals submitted to the voters or the  
26 board of school estimate shall not: include any programs and  
27 services that were included in the district's prebudget year net  
28 budget unless the proposal is approved by the commissioner upon  
29 submission by the district of sufficient reason for an exemption to  
30 this requirement; or include any new programs and services  
31 necessary for students to achieve the thoroughness standards  
32 established pursuant to subsection a. of section 4 of P.L.2007, c.260  
33 (C.18A:7F-46).

34 In the case of a school district in which the annual school  
35 election has been moved to November pursuant to subsection a. of  
36 section 1 of P.L.2011, c.202 (C.19:60-1.1), the school district may  
37 submit a separate proposal for additional funds for the budget year  
38 or a separate proposal for additional funds for the subsequent  
39 budget year, or separate proposals for additional funds for each of  
40 those budget years. In the event that a school district submits a  
41 separate proposal for additional funds for the subsequent budget  
42 year and the separate proposal is approved, the school district shall  
43 not add to its adjusted tax levy for the subsequent budget year any  
44 amount authorized pursuant to subsection e. of section 4 of  
45 P.L.2007, c.62 (C.18A:7F-39).

46 The executive county superintendent of schools may prohibit the  
47 submission of a separate proposal or proposals to the voters or  
48 board of school estimate if he determines that the district has not

1 implemented all potential efficiencies in the administrative  
2 operations of the district, which efficiencies would eliminate the  
3 need for the raising of an additional general fund tax levy.

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

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

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

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

47 (2) Any general fund tax levy rejected by the voters for a  
48 proposed budget that includes a general fund tax levy and

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

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

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

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

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

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

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

37

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

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

1 approval or disapproval of the proposal or proposals for additional  
2 funds for that budget year by the voters. The temporary budget shall  
3 be calculated pursuant to the provisions of **【**paragraph (1) of  
4 subsection d. of section 5 of P.L.1996, c.138 (C.18A:7F-5) or**】**  
5 P.L.2007, c.62 (C.18A:7F-37 et al.)**【**, as appropriate**】**.  
6 (cf: P.L.2011, c.202, s.41)  
7

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

10 42. In the case of a school district in which the annual school  
11 election has been moved to November pursuant to subsection a. of  
12 section 1 of P.L.2011, c.202 (C.19:60-1.1), if the voters authorize  
13 the proposal or proposals for additional funds for that budget year  
14 pursuant to paragraph (9) of subsection d. of section 5 of P.L.1996,  
15 c.138 (C.18A:7F-5), the district shall submit the resulting final  
16 budget to the commissioner within 15 days of the action of the  
17 voters. If the voters fail to authorize the proposal or proposals for  
18 additional funds for that budget year, the temporary budget shall be  
19 the final budget for the district for that school year.  
20 (cf: P.L.2011, c.202, s.42)  
21

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

24 43. In the case of a school district in which the annual school  
25 election has been moved to November pursuant to subsection a. of  
26 section 1 of P.L.2011, c.202 (C.19:60-1.1), if the voters approve a  
27 proposal or proposals for additional funds for that budget year  
28 pursuant to paragraph (9) of subsection d. of section 5 of P.L.1996,  
29 c.138 (C.18A:7F-5), the secretary of the board of education shall re-  
30 certify to the county board of taxation the sum or sums to be raised  
31 by special district tax for the school year. The amount re-certified  
32 shall be included in the taxes assessed, levied and collected in the  
33 municipality or municipalities comprising the district.  
34 (cf: P.L.2011, c.202, s.43)  
35

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

38 2. For the purposes of sections 2 through 4 and sections 6 and 7  
39 of P.L.2007, c.62 (C.18A:7F-37 through **【**C.18A:7F-42**】** C.18A:7F-  
40 39 and C.18A:7F-41 and C.18A:7F-42):

41 "Adjusted tax levy" means the amount raised by property  
42 taxation for the purposes of the school district, excluding any debt  
43 service payment.

44 "Commissioner" means the Commissioner of Education.

45 **【**"New Jersey Quality Single Accountability Continuum" or  
46 "NJQSAC" means the monitoring and evaluation process of school  
47 districts pursuant to section 10 of P.L.1975, c.212 (C.18A:7A-10).**】**



1 "Prebudget year adjusted tax levy" means the amount raised by  
2 property taxation in the prebudget year for the purposes of the  
3 school district, excluding any debt service payment, less any  
4 amounts raised after approval of a [waiver by the commissioner or]  
5 separate question by the voters or board of school estimate [in] for  
6 the prebudget year unless such approval explicitly allows the  
7 approved increases to be permanent.

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

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

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

29  
30 6. Section 4 of P.L.2007, c.62 (C.18A:7F-39) is amended to  
31 read as follows:

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

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

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

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

1 or a separate proposal for additional funds for the subsequent  
2 budget year, or separate proposals for additional funds for each of  
3 those budget years. In the event that a school district submits a  
4 separate proposal for additional funds for the subsequent budget  
5 year and the separate proposal is approved, the school district shall  
6 not add to its adjusted tax levy for the subsequent budget year any  
7 amount authorized pursuant to subsection e. of this section.

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

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

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

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

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

28  
29 7. This act shall take effect immediately and shall first be  
30 applicable to the <sup>1</sup>2019-2020 ~~2024-2025~~<sup>1</sup> school year.