

ASSEMBLY, No. 4086

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MARCH 18, 2024

Sponsored by:

Assemblywoman TENNILLE R. MCCOY

District 14 (Mercer and Middlesex)

Assemblyman WAYNE P. DEANGELO

District 14 (Mercer and Middlesex)

Assemblyman WILLIAM B. SAMPSON, IV

District 31 (Hudson)

Co-Sponsored by:

Assemblywoman Hall

SYNOPSIS

Provides additional State school aid to school districts experiencing enrollment increases due to conversion of age-restricted housing developments to non-restricted developments.

CURRENT VERSION OF TEXT

As introduced.



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

1 AN ACT providing additional State school aid to certain school
2 districts and amending and supplementing P.L.2007, c.260.

3

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

6

7 1. Section 3 of P.L.2007, c.260 (C.18A:7F-45) is amended to
8 read as follows:

9 3. As used in this act and P.L.1996, c.138, unless the context
10 clearly requires a different meaning:

11 "At-risk pupils" means those resident pupils from households
12 with a household income at or below the most recent federal
13 poverty guidelines available on October 15 of the prebudget year
14 multiplied by 1.85;

15 "Base per pupil amount" means the cost per elementary pupil of
16 delivering the core curriculum content standards and extracurricular
17 and cocurricular activities necessary for a thorough and efficient
18 education;

19 "Bilingual education pupil" means a resident pupil enrolled in a
20 program of bilingual education or in an English as a second
21 language program approved by the State Board of Education;

22 "Budgeted local share" means the district's local tax levy
23 contained in the budget certified for taxation purposes;

24 "Capital outlay" means capital outlay as defined in GAAP;

25 "Combination pupil" means a resident pupil who is both an at-
26 risk pupil and a bilingual education pupil;

27 "Commissioner" means the Commissioner of Education;

28 "Concentration of at-risk pupils" shall be based on prebudget
29 year pupil data and means, for a school district or a county
30 vocational school district, the number of at-risk pupils among those
31 counted in resident enrollment, divided by resident enrollment;

32 "County special services school district" means any entity
33 established pursuant to article 8 of chapter 46 of Title 18A of the
34 New Jersey Statutes;

35 "County vocational school district" means any entity established
36 pursuant to article 3 of chapter 54 of Title 18A of the New Jersey
37 Statutes;

38 "CPI" means the increase, expressed as a decimal, in the average
39 annualized consumer price index for the New York City and
40 Philadelphia areas in the fiscal year preceding the prebudget year
41 relative to the previous fiscal year as reported by the United States
42 Department of Labor;

43 "Debt service" means payments of principal and interest upon
44 school bonds and other obligations issued to finance the purchase or
45 construction of school facilities, additions to school facilities, or the

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 reconstruction, remodeling, alteration, modernization, renovation or
2 repair of school facilities, including furnishings, equipment,
3 architect fees, and the costs of issuance of such obligations and
4 shall include payments of principal and interest upon bonds
5 heretofore issued to fund or refund such obligations, and upon
6 municipal bonds and other obligations which the commissioner
7 approves as having been issued for such purposes;

8 "District income" means the aggregate income of the residents of
9 the taxing district or taxing districts, based upon data provided by
10 the Division of Taxation in the New Jersey Department of the
11 Treasury and contained on the New Jersey State Income Tax forms
12 for the calendar year ending two years prior to the prebudget year.
13 The commissioner may supplement data contained on the State
14 Income Tax forms with data available from other State or federal
15 agencies in order to better correlate the data to that collected on the
16 federal census. With respect to regional districts and their
17 constituent districts, however, the district income as described
18 above shall be allocated among the regional and constituent districts
19 in proportion to the number of pupils resident in each of them;

20 "Equalized valuation" means the equalized valuation of the
21 taxing district or taxing districts, as certified by the Director of the
22 Division of Taxation on October 1, or subsequently revised by the
23 tax court by January 15, of the prebudget year. With respect to
24 regional districts and their constituent districts, however, the
25 equalized valuations as described above shall be allocated among
26 the regional and constituent districts in proportion to the number of
27 pupils resident in each of them. In the event that the equalized table
28 certified by the director shall be revised by the tax court after
29 January 15 of the prebudget year, the revised valuations shall be
30 used in the recomputation of aid for an individual school district
31 filing an appeal, but shall have no effect upon the calculation of the
32 property value rate, Statewide average equalized school tax rate, or
33 Statewide equalized total tax rate;

34 "Full-day preschool" means a preschool day consisting of a six-
35 hour comprehensive educational program in accordance with the
36 district's kindergarten through grade 12 school calendar;

37 "GAAP" means the generally accepted accounting principles
38 established by the Governmental Accounting Standards Board as
39 prescribed by the State board pursuant to N.J.S.18A:4-14;

40 "General special education services pupil" means a pupil
41 receiving specific services pursuant to chapter 46 of Title 18A of
42 the New Jersey Statutes;

43 "Geographic cost adjustment" means an adjustment that reflects
44 county differences in the cost of providing educational services that
45 are outside the control of the district;

46 "Household income" means income as defined in 7 CFR ss.245.2
47 and 245.6 or any subsequent superseding federal law or regulation;

1 "Net budget" means the sum of the district's general fund tax
2 levy, State aid received pursuant to the provisions of this act other
3 than preschool education aid, miscellaneous revenue estimated
4 pursuant to GAAP, and designated general fund balance;

5 "Prebudget year" means the school fiscal year preceding the year
6 in which the school budget is implemented;

7 "Nonpreschool ECPA" means the amount of early childhood
8 program aid, excluding prior year carry-forward amounts, included
9 in a district's 2007-2008 school year budget certified for taxes that
10 was allocated to grades K through 3;

11 "Report" means the Educational Adequacy Report issued by the
12 commissioner pursuant to section 4 of this act;

13 "Resident enrollment" means the number of pupils other than
14 preschool pupils, post-graduate pupils, **[and]** post-secondary
15 vocational pupils, and pupils for whom converted development
16 assistance aid is provided pursuant to section 2 of P.L. , c. (C.)
17 (pending before the Legislature as this bill) who, on the last school
18 day prior to October 16 of the current school year, are residents of
19 the district and are enrolled in: (1) the public schools of the district,
20 excluding evening schools, (2) another school district, other than a
21 county vocational school district in the same county on a full-time
22 basis, or a State college demonstration school or private school to
23 which the district of residence pays tuition, or (3) a State facility in
24 which they are placed by the district; or are residents of the district
25 and are: (1) receiving home instruction, or (2) in a shared-time
26 vocational program and are regularly attending a school in the
27 district and a county vocational school district. In addition, resident
28 enrollment shall include the number of pupils who, on the last
29 school day prior to October 16 of the prebudget year, are residents
30 of the district and in a State facility in which they were placed by
31 the State. Pupils in a shared-time vocational program shall be
32 counted on an equated full-time basis in accordance with
33 procedures to be established by the commissioner. Resident
34 enrollment shall include regardless of nonresidence, the enrolled
35 children of teaching staff members of the school district or county
36 vocational school district who are permitted, by contract or local
37 district policy, to enroll their children in the educational program of
38 the school district or county vocational school district without
39 payment of tuition. Disabled children between three and five years
40 of age and receiving programs and services pursuant to
41 N.J.S.18A:46-6 shall be included in the resident enrollment of the
42 district;

43 "School district" means any local or regional school district
44 established pursuant to chapter 8 or chapter 13 of Title 18A of the
45 New Jersey Statutes;

46 "State facility" means a State developmental center, a State
47 Division of Youth and Family Services' residential center, a State
48 residential mental health center, a Department of Children and

1 Families Regional Day School, a State training school/secure care
2 facility, a State juvenile community program, a juvenile detention
3 center or a boot camp under the supervisory authority of the
4 Juvenile Justice Commission pursuant to P.L.1995, c.284
5 (C.52:17B-169 et seq.), or an institution operated by or under
6 contract with the Department of Corrections, Children and Families
7 or Human Services, or the Juvenile Justice Commission;

8 "Statewide equalized school tax rate" means the amount
9 calculated by dividing the general fund tax levy for all school
10 districts, which excludes county vocational school districts and
11 county special services school districts as defined pursuant to this
12 section, in the State for the prebudget year by the equalized
13 valuations certified in the year prior to the prebudget year of all
14 taxing districts in the State except taxing districts for which there
15 are not school tax levies;

16 "Tax levy growth limitation" means the permitted annual
17 increase in the adjusted tax levy for a school district as calculated
18 pursuant to sections 3 and 4 of P.L.2007, c.62 (C.18A:7F-38 and
19 18A:7F-39).

20 (cf: P.L.2010, c.44, s.6)

21

22 2. (New section) a. As used in this section, "converted
23 development" means a proposed age-restricted housing
24 development located in the school district that will be marketed
25 instead with no age restrictions pursuant to P.L.2009, c.82
26 (C.45:22A-46.3 et seq.).

27 b. Each school district in which a converted development is
28 located shall receive converted development assistance aid.
29 Converted development assistance aid for a school district shall be
30 calculated as follows:

31
$$CDAA = (PENRBUD - ENRBASE) \times COSTPP$$

32 where

33 PENRBUD is the school district's projected resident enrollment
34 for the budget year;

35 ENRBASE is the school district's actual resident enrollment in
36 the last full school year prior to the occupancy of any dwelling unit
37 in a converted development; and

38 COSTPP is the lesser of the actual cost per pupil as determined
39 under rules prescribed by the commissioner and approved by the
40 State board, or the tuition rate adopted by the school district's board
41 of education for the budget year.

42 c. In calculating converted development assistance aid pursuant
43 to subsection b. of this section, the difference between PENRBUD
44 and ENRBASE shall not exceed the actual number of students who
45 reside in a converted development and are enrolled in a public
46 school operated by the school district or a charter school, or placed
47 by the school district in another public school or private school for
48 students with disabilities.

1 d. A school district shall not be entitled to receive any
2 additional State aid for a student who resides in a converted
3 development, other than extraordinary special education costs aid
4 awarded pursuant to subsection b. of section 13 of P.L.2007, c.260
5 (C.18A:7F-55) and transportation aid awarded pursuant to section
6 15 of P.L.2007, c.260 (C.18A:7F-57), for costs incurred that are
7 greater than COSTPP.

8

9 3. This act shall take effect immediately and shall first be
10 applicable to the first full school year beginning after the date of
11 enactment.

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STATEMENT

15

16 P.L.2009, c.82 (C.45:22A-46.3 et seq.) established a procedure
17 by which an age-restricted housing development previously
18 approved for construction by a municipal or regional planning
19 board, zoning board of adjustment, or joint land use board may
20 convert to a development that would be marketed with no age
21 restrictions. The law requires that the approving board approve an
22 application for such a conversion if the developer satisfied certain
23 requirements, and if the approving board determines that the
24 conversion can be granted without substantial detriment to the
25 public good and not substantially impair the intent and purpose of
26 the zone plan and zoning ordinance.

27 The conversion of an age-restricted development to a non-
28 restricted development has the potential to increase the number of
29 students enrolled in a district's public schools. This bill provides
30 converted development assistance aid to a school district in which
31 such a conversion has occurred. Specifically, the school district
32 would receive an amount equal to the lesser of: 1) its actual cost per
33 pupil, or 2) the per pupil tuition rate adopted by the school district's
34 board of education for the school year, multiplied by the increase in
35 its resident enrollment between the last school year prior to a
36 dwelling unit within a converted development being occupied and
37 the budget year. However, the change in enrollment used to
38 determine the aid may not exceed the total number of students who
39 reside in a converted development.