

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 4161

STATE OF NEW JERSEY
221st LEGISLATURE

ADOPTED APRIL 11, 2024

Sponsored by:

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblywoman MITCHELLE DRULIS

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

Assemblywoman ANDREA KATZ

District 8 (Atlantic and Burlington)

Co-Sponsored by:

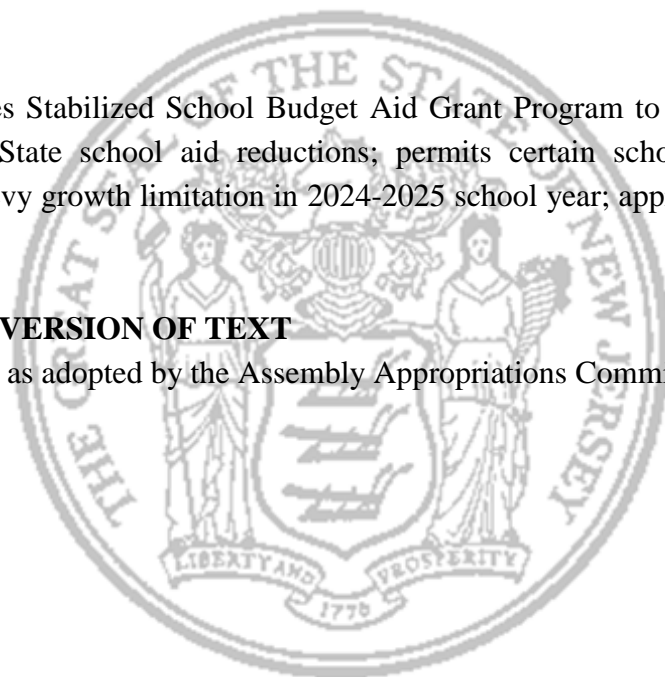
**Assemblywomen Bagolie, Reynolds-Jackson, Assemblymen Simonsen,
Conaway, Sauickie, Karabinchak, Atkins, Assemblywomen Murphy and
Speight**

SYNOPSIS

Establishes Stabilized School Budget Aid Grant Program to restore certain portions of State school aid reductions; permits certain school districts to exceed tax levy growth limitation in 2024-2025 school year; appropriates \$71.4 million.

CURRENT VERSION OF TEXT

Substitute as adopted by the Assembly Appropriations Committee.



(Sponsorship Updated As Of: 4/15/2024)

1 **AN ACT** concerning school district finances and making an
2 appropriation.

3

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

6

7 1. a. As used in this section:

8 “Adjusted tax levy” means the amount raised by property
9 taxation for the purposes of the school district, excluding any debt
10 service payment.

11 “Aid grant” means a Stabilized School Budget Aid grant
12 awarded to an eligible school district under the program.

13 “Commissioner” means the Commissioner of Education.

14 “Eligible school district” means a school district for which the
15 State aid differential, as defined in section 3 of P.L.2018, c.67
16 (C.18A:7F-67), is positive in the 2024-2025 school year and that is
17 subject to a State school aid reduction in the 2024-2025 school year
18 pursuant to the provisions of P.L.2018, c.67 (C.18A:7F-67 et al.).

19 “Prebudget year” means the school fiscal year preceding the year
20 in which the school budget is implemented.

21 “Program” means the Stabilized School Budget Aid Grant
22 Program established pursuant to this section.

23 “SDA district” means an SDA district as defined in section 3 of
24 P.L.2000, c.72 (C.18A:7G-3).

25 b. There is established in the Department of Education a
26 Stabilized School Budget Aid Grant Program. The purpose of the
27 program shall be to provide aid grants to eligible school districts
28 equal to two-thirds of the amount of the school districts’ State
29 school aid reductions, as calculated pursuant to section 3 of
30 P.L.2018, c.67 (C.18A:7F-67) and proposed in the State aid notices
31 for the 2024-2025 school year distributed to school districts in
32 March 2024. The Commissioner of Education shall provide an aid
33 grant to an eligible school district, upon verification that the school
34 district is subject to a State school aid reduction in the 2024-2025
35 school year. In addition, the commissioner shall ensure that a
36 school district receiving an aid grant does not reduce the total
37 number of school district employees compared to the total number
38 of school district employees in the prebudget year, except that a
39 school district may reduce the total number of school district
40 employees if the commissioner approves the reduction in the
41 district’s resulting final budget submitted pursuant to subsection d.
42 of this section. The commissioner may approve a reduction in a
43 district’s total number of school district employees if the reduction
44 is being made due to an anticipated decline in enrollment in the
45 2024-2025 school year compared to the prebudget year.

46 c. (1) Notwithstanding the provisions of section 3 and section 4
47 of P.L.2007, c.62 (C.18A:7F-38 and C.18A:7F-39) or any other law
48 or regulation to the contrary, for the 2024-2025 school year, the

1 commissioner shall authorize an eligible school district to adopt a
2 budget that includes increases in the adjusted tax levy that exceed
3 the tax levy growth limitation set forth in section 3 of P.L.2007,
4 c.62 (C.18A:7F-38) without submitting to the voters or the board of
5 school estimate, as applicable, the proposal or proposals that are
6 required pursuant to section 4 of P.L.2007, c.62 (C.18A:7F-39).
7 The maximum allowable increase to the adjusted tax levy pursuant
8 to this paragraph shall be equal to one-third of the amount of the
9 school district's State school aid reduction, as calculated pursuant
10 to section 3 of P.L.2018, c.67 (C.18A:7F-67) and as proposed in the
11 State aid notice for the 2024-2025 school year distributed to school
12 districts in March 2024; provided, however, that an eligible school
13 district shall not increase its adjusted tax levy by more than 9.9
14 percent of the prebudget year adjusted tax levy. The district may
15 request additional increases to its adjusted tax levy that are
16 authorized pursuant to section 2 of this act.

17 (2) The ability to request increases to the adjusted tax levy
18 pursuant to this section shall not apply to an SDA district. This
19 section shall not be construed as prohibiting an SDA district from
20 increasing its adjusted tax levy pursuant to section 3 and section 4
21 of P.L.2007, c.62 (C.18A:7F-38 and C.18A:7F-39).

22 d. An eligible school district that receives an aid grant pursuant
23 to this section and is authorized to increase its adjusted tax levy
24 pursuant to paragraph (1) of subsection c. of this section shall
25 submit a resulting final budget to the commissioner within a
26 timeframe, and in a manner and form, to be determined by the
27 commissioner. In the event that the school district has already
28 certified its adjusted tax levy prior to receiving authorization to
29 increase its adjusted tax levy, the secretary of the board of
30 education shall re-certify to the county board of taxation the sum or
31 sums to be raised for the school year. The amount re-certified shall
32 be included in the taxes assessed, levied, and collected in the
33 municipality or municipalities comprising the district.

34

35 2. a. As used in this section:

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

39 "Commissioner" means the Commissioner of Education.

40 "Prebudget year" means the school fiscal year preceding the year
41 in which the school budget is implemented.

42 "Prebudget year adjusted tax levy" means the amount raised by
43 property taxation in the prebudget year for the purposes of the
44 school district, excluding any debt service payment.

45 "SDA district" means an SDA district as defined in section 3 of
46 P.L.2000, c.72 (C.18A:7G-3).

47 b. Notwithstanding the provisions of section 3 and section 4 of
48 P.L.2007, c.62 (C.18A:7F-38 and C.18A:7F-39) or any other law or

1 regulation to the contrary, for the 2024-2025 school year, the
2 Commissioner of Education shall authorize a school district, which
3 experienced a net reduction in State school aid during the 2020-
4 2021 through 2024-2025 school years, to adopt a budget that
5 includes increases in its adjusted tax levy that exceed the tax levy
6 growth limitation set forth in section 3 of P.L.2007, c.62
7 (C.18A:7F-38) without submitting to the voters or the board of
8 school estimate, as applicable, the proposal or proposals that are
9 required pursuant to section 4 of P.L.2007, c.62 (C.18A:7F-39).
10 The commissioner shall approve increases requested pursuant to
11 this section, upon verification that the school district experienced a
12 net reduction in State school aid during the 2020-2021 through
13 2024-2025 school years and that the increase is within the limits
14 established pursuant to subsection c. of this section.

15 c. (1) In the case of a school district that receives an aid grant
16 under the Stabilized School Budget Aid Grant Program established
17 pursuant to section 1 of this act, the increases requested pursuant to
18 this section shall be no more than the amount of the school
19 district's net reduction in State school aid during the 2020-2021
20 through 2023-2024 school years. The increases requested pursuant
21 to this section shall be in addition to any increases requested by the
22 school district pursuant to paragraph (1) of subsection c. of section
23 1 of this act; provided, however, that the school district shall not
24 increase its adjusted tax levy by more than 9.9 percent of the
25 prebudget year adjusted tax levy.

26 (2) In the case of a school district that does not receive an aid
27 grant under the Stabilized School Budget Aid Grant Program
28 established pursuant to section 1 of this act, the requested increases
29 shall be no more than the amount of the school district's net
30 reduction in State school aid during the 2020-2021 through 2024-
31 2025 school years; provided, however, that the school district shall
32 not increase its adjusted tax levy by more than 9.9 percent of the
33 prebudget year adjusted tax levy.

34 d. The ability to request increases to the adjusted tax levy
35 pursuant to this section shall not apply to an SDA district. This
36 section shall not be construed as prohibiting an SDA district from
37 increasing its adjusted tax levy pursuant to section 3 and section 4
38 of P.L.2007, c.62 (C.18A:7F-38 and C.18A:7F-39).

39 e. A school district that is approved for increases in its tax levy
40 pursuant to this section shall submit a resulting final budget to the
41 commissioner within a timeframe, and in a manner and form, to be
42 determined by the commissioner. In the event that the school
43 district has already certified its adjusted tax levy prior to approval,
44 the secretary of the board of education shall re-certify to the county
45 board of taxation the sum or sums to be raised for the school year.
46 The amount re-certified shall be included in the taxes assessed,
47 levied, and collected in the municipality or municipalities
48 comprising the district.

ACS for **A4161** FREIMAN, DRULIS

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1 3. There is appropriated from the Property Tax Relief Fund to
2 the Department of Education the sum of \$71,437,562 to effectuate
3 the provisions of section 1 of this act.

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5 4. This act shall take effect immediately.