

P.L. 2025, CHAPTER 234, *approved January 12, 2026*
Assembly, No. 2784 (*Third Reprint*)

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.

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:

¹Assembly ASL committee amendments adopted February 1, 2024.

²Assembly floor amendments adopted March 18, 2024.

³Senate floor amendments adopted December 18, 2025.

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

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

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

46 For all other districts, the required local share shall equal the
47 lesser of the local share calculated at the district's adequacy budget

1 pursuant to section 9 of P.L.2007, c.260 (C.18A:7F-51), or the
2 district's budgeted local share for the prebudget year.

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

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

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

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

22 (1) the district's advertised per pupil administrative costs for the
23 2004-2005 school year inflated by the cost of living or 2.5 percent,
24 whichever is greater; or

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

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

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

41 (1) the district's prior year per pupil administrative costs; except
42 that the district may submit a request to the commissioner for
43 approval to exceed the district's prior year per pupil administrative
44 costs due to increases in enrollment, administrative positions
45 necessary as a result of mandated programs, administrative
46 vacancies, nondiscretionary fixed costs, and such other items as
47 defined in accordance with regulations adopted pursuant to section
48 7 of P.L.2004, c.73. In the event that the commissioner approves a

- 1 district's request to exceed its prior year per pupil administrative
2 costs, the increase authorized by the commissioner shall not exceed
3 the cost of living or 2.5 percent, whichever is greater; or
4 (2) the prior year per pupil administrative cost limits for the
5 district's region inflated by the cost of living or 2.5 percent,
6 whichever is greater.
- 7 d. (1) A district's general fund tax levy shall not exceed the
8 district's adjusted tax levy as calculated pursuant to sections 3 and 4
9 of P.L.2007, c.62 (C.18A:7F-38 and 18A:7F-39).
- 10 (2) (Deleted by amendment, P.L.2007, c.260).
- 11 (3) (Deleted by amendment, P.L.2007, c.260).
- 12 (4) Any debt service payment made by a school district during
13 the budget year shall not be included in the calculation of the
14 district's adjusted tax levy.
- 15 (5) (Deleted by amendment, P.L.2007, c.260).
- 16 (6) (Deleted by amendment, P.L.2007, c.260).
- 17 (7) (Deleted by amendment, P.L.2004, c.73).
- 18 (8) (Deleted by amendment, P.L.2010, c.44)
- 19 (9) Any district may submit at the annual school budget
20 election, in accordance with subsection c. of section 4 of P.L.2007,
21 c.62 (C.18A:7F-39), a separate proposal or proposals for additional
22 funds, including interpretive statements, specifically identifying the
23 program purposes for which the proposed funds shall be used, to the
24 voters, who may, by voter approval, authorize the raising of an
25 additional general fund tax levy for such purposes. In the case of a
26 district with a board of school estimate, one proposal for the
27 additional spending shall be submitted to the board of school
28 estimate. Any proposal or proposals submitted to the voters or the
29 board of school estimate shall not: include any programs and
30 services that were included in the district's prebudget year net
31 budget unless the proposal is approved by the commissioner upon
32 submission by the district of sufficient reason for an exemption to
33 this requirement; or include any new programs and services
34 necessary for students to achieve the thoroughness standards
35 established pursuant to subsection a. of section 4 of P.L.2007, c.260
36 (C.18A:7F-46).
- 37 In the case of a school district in which the annual school
38 election has been moved to November pursuant to subsection a. of
39 section 1 of P.L.2011, c.202 (C.19:60-1.1), the school district may
40 submit a separate proposal for additional funds for the budget year
41 or a separate proposal for additional funds for the subsequent
42 budget year, or separate proposals for additional funds for each of
43 those budget years. In the event that a school district submits a
44 separate proposal for additional funds for the subsequent budget
45 year and the separate proposal is approved, the school district shall
46 not add to its adjusted tax levy for the subsequent budget year any
47 amount authorized pursuant to subsection e. of section 4 of
48 P.L.2007, c.62 (C.18A:7F-39).

1 The executive county superintendent of schools may prohibit the
2 submission of a separate proposal or proposals to the voters or
3 board of school estimate if he determines that the district has not
4 implemented all potential efficiencies in the administrative
5 operations of the district, which efficiencies would eliminate the
6 need for the raising of an additional general fund tax levy.

7 (10) Notwithstanding any provision of law to the contrary, if a
8 district proposes a budget with a general fund tax levy and
9 equalization aid which exceed the adequacy budget, the following
10 statement shall be published in the legal notice of public hearing on
11 the budget pursuant to N.J.S.18A:22-28, ²and² posted at the public
12 hearing held on the budget pursuant to N.J.S.18A:22-29 ²], and
13 printed on the sample ballot required pursuant to section 10 of
14 P.L.1995, c.278 (C.19:60-10)]²:

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

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

28 e. (1) ²][Any general fund tax levy rejected by the voters for a
29 proposed budget that includes a general fund tax levy and
30 equalization aid in excess of the adequacy budget shall be submitted
31 to the governing body of each of the municipalities included within
32 the district for determination of the amount that should be expended
33 notwithstanding voter rejection. In the case of a district having a
34 board of school estimate, other than a Type II district with a board
35 of school estimate in which the annual election is in November, the
36 general fund tax levy shall be submitted to the board for
37 determination of the amount that should be expended. If the
38 governing body or bodies or board of school estimate, as
39 appropriate, reduce the district's proposed budget, the district may
40 appeal any of the reductions to the commissioner on the grounds
41 that the reductions will negatively impact on the stability of the
42 district given the need for long term planning and budgeting. In
43 considering the appeal, the commissioner shall consider enrollment
44 increases or decreases within the district; the history of voter
45 approval or rejection of district budgets; the impact on the local
46 levy; and whether the reductions will impact on the ability of the
47 district to fulfill its contractual obligations. A district may not

1 appeal any reductions on the grounds that the amount is necessary
2 for a thorough and efficient education.

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

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

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

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

38 In the case of a district having a board of school estimate, other
39 than a Type II district with a board of school estimate, which has a
40 proposed budget that includes a general fund tax levy and
41 equalization aid in excess of the adequacy budget, the general fund
42 tax levy shall be submitted to the board for determination of the
43 amount that should be expended. If the board of school estimate
44 reduces the district's proposed budget, the district may appeal any
45 of the reductions to the commissioner on the grounds that the
46 reductions will negatively impact on the stability of the district
47 given the need for long term planning and budgeting. In
48 considering the appeal, the commissioner shall consider enrollment

1 increases or decreases within the district; the impact on the local
2 levy; and whether the reductions will impact on the ability of the
3 district to fulfill its contractual obligations. A district may not
4 appeal any reductions on the grounds that the amount is necessary
5 for a thorough and efficient education.

6 (2) In the case of a district having a board of school estimate,
7 other than a Type II district with a board of school estimate, which
8 has a proposed budget that includes a general fund tax levy and
9 equalization aid at or below the adequacy budget, the general fund
10 tax levy shall be submitted to the board for determination. Any
11 reductions may be appealed to the commissioner on the grounds
12 that the amount is necessary for a thorough and efficient education
13 or that the reductions will negatively impact on the stability of the
14 district given the need for long term planning and budgeting. In
15 considering the appeal, the commissioner shall also consider the
16 factors outlined in paragraph (1) of this subsection.

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

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

28 (4) When the board of education or the board of school estimate
29 authorize the general fund tax levy, the district shall submit the
30 resulting budget to the commissioner within 15 days of the
31 authorization.²

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

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

34 (cf: P.L.2023, c.289, s.1)

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

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

1 be calculated pursuant to the provisions of **【**paragraph (1) of
2 subsection d. of section 5 of P.L.1996, c.138 (C.18A:7F-5) or**】**
3 P.L.2007, c.62 (C.18A:7F-37 et al.)**【**, as appropriate**】**.
4 (cf: P.L.2011, c.202, s.41)
5

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

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

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

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

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

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

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

42 "Commissioner" means the Commissioner of Education.

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

46 "Prebudget year adjusted tax levy" means the amount raised by
47 property taxation in the prebudget year for the purposes of the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26
27 7. This act shall take effect immediately and shall first be
28 applicable to the ¹**【2019-2020】** ³**【2024-2025¹ school year】** first full
29 school year following the date of enactment³.

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32
33
34 Authorizes school district that moves its annual school election
35 to November to submit separate proposals for additional spending
36 for budget year and subsequent budget year.