

CHAPTER 13

AN ACT concerning school district finances and making an appropriation.

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

1. a. As used in this section:

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

“Commissioner” means the Commissioner of Education.

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

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

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

b. There is established in the Department of Education a Stabilized School Budget Aid Grant Program. The purpose of the program shall be to provide aid grants to an eligible school district equal to 45 percent of the amount of the school district’s State school aid reduction, as calculated pursuant to section 4 of P.L.2018, c.67 (C.18A:7F-68) and proposed in the State aid notices for the 2024-2025 school year distributed to school districts in February 2024. The Commissioner of Education shall provide an aid grant to an eligible school district upon verification that the school district is subject to a State school aid reduction in the 2024-2025 school year.

2. a. As used in this section:

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

“Commissioner” means the Commissioner of Education.

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

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

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

b. Notwithstanding the provisions of section 3 and section 4 of P.L.2007, c.62 (C.18A:7F-38 and C.18A:7F-39) or any other law or regulation to the contrary, for the 2024-2025 school year, the Commissioner of Education shall authorize a school district, which experienced a reduction in State school aid in the 2024-2025 school year compared to the 2020-2021 school year pursuant to the provisions of P.L.2018, c.67 (C.18A:7F-67 et al.), to adopt a budget that includes increases in its adjusted tax levy that exceed the tax levy growth limitation set forth in section 3 of P.L.2007, c.62 (C.18A:7F-38) without submitting to the voters or the board of school estimate, as applicable, the proposal or proposals that are required pursuant to section 4 of P.L.2007, c.62 (C.18A:7F-39). The commissioner shall approve increases requested pursuant to this section upon verification that the school district experienced a reduction in State school aid in the 2024-2025 school year compared to the 2020-2021 school year and that the increase is within the limits established pursuant to subsection c. of this section.

c. An increase to the adjusted tax levy permitted pursuant to this section shall be no more than the amount of the difference between the amount of State school aid allocated to a school

district in the 2020-2021 school year and the amount of State school aid allocated to the district in the 2024-2025 school year pursuant to the provisions of P.L.2018, c.67 (C.18A:7F-67 et al.), provided, however, that the school district shall not increase its adjusted tax levy by more than 9.9 percent of the prebudget year adjusted tax levy.

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

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

3. There is appropriated from the Property Tax Relief Fund to the Department of Education the sum of \$44,698,846 to effectuate the provisions of section 1 of this act.

4. Section 1 and section 2 of this act shall take effect immediately. Section 3 of this act shall take effect on July 1, 2024, and the amounts appropriated in section 3 of this act, for the purposes of effectuating the provisions of section 1 of this act, shall be distributed in the 2024-2025 school year.

Approved May 14, 2024.