

SENATE, No. 2837

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED FEBRUARY 27, 2024

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex and Hudson)

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblywoman SHANIQUE SPEIGHT

District 29 (Essex and Hudson)

Co-Sponsored by:

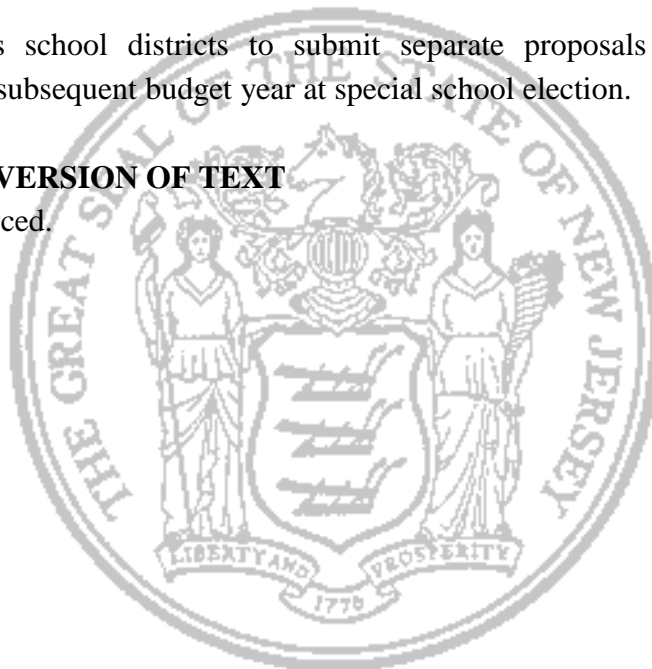
**Assemblywomen Hall, Bagolie, Assemblyman Karabinchak,
Assemblywoman Sumter and Assemblyman Freiman**

SYNOPSIS

Authorizes school districts to submit separate proposals for additional spending for subsequent budget year at special school election.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/28/2024)

1 AN ACT concerning separate proposals for additional school district
2 spending and amending P.L.1996, c.138 and P.L.2007, c.62.

3

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

6

7 1. Section 5 of P.L.1996, c.138 (C.18A:7F-5) is amended to read
8 as follows:

9 5. As used in this section, "cost of living" means the CPI as
10 defined in section 3 of P.L.2007, c.260 (C.18A:7F-45).

11 a. Within 30 days following the approval of the Educational
12 Adequacy Report, the commissioner shall notify each district of the
13 base per pupil amount, the per pupil amounts for full-day preschool,
14 the weights for grade level, county vocational school districts, at-
15 risk pupils, bilingual pupils, and combination pupils, the cost
16 coefficients for security aid and for transportation aid, the State
17 average classification rate and the excess cost for general special
18 education services pupils, the State average classification rate and
19 the excess cost for speech-only pupils, and the geographic cost
20 adjustment for each of the school years to which the report is
21 applicable.

22 Annually, within two days following the transmittal of the State
23 budget message to the Legislature by the Governor pursuant to
24 section 11 of P.L.1944, c.112 (C.52:27B-20), the commissioner
25 shall notify each district of the maximum amount of aid payable to
26 the district in the succeeding school year pursuant to the provisions
27 of P.L.2007, c.260 (C.18A:7F-43 et al.), and shall notify each
28 district of the district's adequacy budget for the succeeding school
29 year.

30 For the 2008-2009 school year and thereafter, unless otherwise
31 specified within P.L.2007, c.260 (C.18A:7F-43 et al.), aid amounts
32 payable for the budget year shall be based on budget year pupil
33 counts, which shall be projected by the commissioner using data
34 from prior years. Adjustments for the actual pupil counts of the
35 budget year shall be made to State aid amounts payable during the
36 school year succeeding the budget year. Additional amounts
37 payable shall be reflected as revenue and an account receivable for
38 the budget year.

39 Notwithstanding any other provision of this act to the contrary,
40 each district's State aid payable for the 2008-2009 school year, with
41 the exception of aid for school facilities projects, shall be based on
42 simulations employing the various formulas and State aid amounts
43 contained in P.L.2007, c.260 (C.18A:7F-43 et al.). The
44 commissioner shall prepare a report dated December 12, 2007
45 reflecting the State aid amounts payable by category for each

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

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

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

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

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

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

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

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

15 (1) the district's advertised per pupil administrative costs for the
16 2004-2005 school year inflated by the cost of living or 2.5 percent,
17 whichever is greater; or

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

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

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

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

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

- 1 d. (1) A district's general fund tax levy shall not exceed the
2 district's adjusted tax levy as calculated pursuant to sections 3 and 4
3 of P.L.2007, c.62 (C.18A:7F-38 and 18A:7F-39).
- 4 (2) (Deleted by amendment, P.L.2007, c.260).
- 5 (3) (Deleted by amendment, P.L.2007, c.260).
- 6 (4) Any debt service payment made by a school district during
7 the budget year shall not be included in the calculation of the
8 district's adjusted tax levy.
- 9 (5) (Deleted by amendment, P.L.2007, c.260).
- 10 (6) (Deleted by amendment, P.L.2007, c.260).
- 11 (7) (Deleted by amendment, P.L.2004, c.73).
- 12 (8) (Deleted by amendment, P.L.2010, c.44)
- 13 (9) Any district may submit at the annual school budget
14 election, in accordance with subsection c. of section 4 of P.L.2007,
15 c.62 (C.18A:7F-39), a separate proposal or proposals for additional
16 funds, including interpretive statements, specifically identifying the
17 program purposes for which the proposed funds shall be used, to the
18 voters, who may, by voter approval, authorize the raising of an
19 additional general fund tax levy for such purposes. In the case of a
20 district with a board of school estimate, one proposal for the
21 additional spending shall be submitted to the board of school
22 estimate. Any proposal or proposals submitted to the voters or the
23 board of school estimate shall not: include any programs and
24 services that were included in the district's prebudget year net
25 budget unless the proposal is approved by the commissioner upon
26 submission by the district of sufficient reason for an exemption to
27 this requirement; or include any new programs and services
28 necessary for students to achieve the thoroughness standards
29 established pursuant to subsection a. of section 4 of P.L.2007, c.260
30 (C.18A:7F-46).
- 31 A district without a board of school estimate may also submit to
32 the voters at a special election authorized pursuant to section 2 of
33 P.L.1995, c.278 (C.19:60-2), a separate proposal or proposals for
34 additional funds for the subsequent budget year, including
35 interpretive statements, specifically identifying the program
36 purposes for which the proposed funds shall be used. A proposal
37 submitted at a special election shall comply with the requirements
38 of this paragraph and section 4 of P.L.2007, c.62 (C.18A:7F-39). A
39 separate proposal or proposals for additional funds may only be
40 submitted on a date of a special election once during a school year.
41 Nothing in this paragraph shall be construed to prohibit the
42 submission to the voters of a question or questions for the approval
43 of a capital project or projects on the same special election date as
44 the submission of a separate proposal or proposals for additional
45 funds.
- 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, and posted at the public
9 hearing held on the budget pursuant to N.J.S.18A:22-29:

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

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

23 e. (1) In the case of a district having a board of school estimate,
24 other than a Type II district with a board of school estimate, which
25 has a proposed budget that includes a general fund tax levy and
26 equalization aid in excess of the adequacy budget, the general fund
27 tax levy shall be submitted to the board for determination of the
28 amount that should be expended. If the board of school estimate
29 reduces the district's proposed budget, the district may appeal any
30 of the reductions to the commissioner on the grounds that the
31 reductions will negatively impact on the stability of the district
32 given the need for long term planning and budgeting. In
33 considering the appeal, the commissioner shall consider enrollment
34 increases or decreases within the district; the impact on the local
35 levy; and whether the reductions will impact on the ability of the
36 district to fulfill its contractual obligations. A district may not
37 appeal any reductions on the grounds that the amount is necessary
38 for a thorough and efficient education.

39 (2) In the case of a district having a board of school estimate,
40 other than a Type II district with a board of school estimate, which
41 has a proposed budget that includes a general fund tax levy and
42 equalization aid at or below the adequacy budget, the general fund
43 tax levy shall be submitted to the board for determination. Any
44 reductions may be appealed to the commissioner on the grounds
45 that the amount is necessary for a thorough and efficient education
46 or that the reductions will negatively impact on the stability of the
47 district given the need for long term planning and budgeting. In

1 considering the appeal, the commissioner shall also consider the
2 factors outlined in paragraph (1) of this subsection.

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

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

14 (4) When the board of education or the board of school estimate
15 authorize the general fund tax levy, the district shall submit the
16 resulting budget to the commissioner within 15 days of the
17 authorization.

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

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

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

21

22 2. Section 4 of P.L.2007, c.62 (C.18A:7F-39) is amended to read
23 as follows:

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

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

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

37 A school district without a board of school estimate may submit
38 to the voters at a special school election authorized pursuant to
39 section 2 of P.L.1995, c.278 (C.19:60-2), a proposal or proposals to
40 increase the adjusted tax levy for the subsequent school budget year
41 by more than the allowable amount authorized pursuant to section 3
42 of P.L.2007, c.62 (C.18A:7F-38). A proposal submitted at a special
43 election shall comply with the requirements of this subsection and
44 of paragraph (9) of subsection d. of section 5 of P.L.1996, c.138
45 (C.18A:7F-5). A proposal or proposals for additional funds may
46 only be submitted on a date of a special election once during a
47 school year. Nothing in this subsection shall be construed to
48 prohibit the submission to the voters of a question or questions for

1 the approval of a capital project or projects on the same special
2 election date as the submission of a separate proposal or proposals
3 for additional funds.

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

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

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

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

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

24

25 3. This act shall take effect immediately.

26

27

28

STATEMENT

29

30 This bill authorizes school districts without a board of school
31 estimate to submit to the voters of the district at a special school
32 election a separate proposal or proposals for permission to raise
33 additional funds for the subsequent school budget year beyond the
34 district's authorized tax levy for that year.

35 Under current law, a school district may submit to the voters at
36 the annual school election, a separate question or proposal for
37 permission to raise additional funds for the budget year beyond the
38 district's authorized tax levy. This bill would allow districts to
39 submit proposals to voters at a special school election to raise such
40 additional funds for the subsequent school budget year. Special
41 school elections may occur in January, March, September, and
42 December. A separate proposal or proposals may only be submitted
43 on a date of a special election once during a school year. Nothing
44 in the bill is to be construed to prohibit the submission to the voters
45 of a question for the approval of capital projects on the same special
46 election date as the submission of a separate proposal for additional
47 funds.