

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 3081

STATE OF NEW JERSEY
221st LEGISLATURE

ADOPTED MAY 9, 2024

Sponsored by:

Senator ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Senator VIN GOPAL

District 11 (Monmouth)

Co-Sponsored by:

Senators Diegnan, McKnight, Amato, Cryan and Turner

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 \$44.7 million.

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate Budget and Appropriations Committee.



(Sponsorship Updated As Of: 5/13/2024)

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

10 “Commissioner” means the Commissioner of Education.

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

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

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

20 b. There is established in the Department of Education a
21 Stabilized School Budget Aid Grant Program. The purpose of the
22 program shall be to provide aid grants to an eligible school district
23 equal to 45 percent of the amount of the school district’s State
24 school aid reduction, as calculated pursuant to section 4 of
25 P.L.2018, c.67 (C.18A:7F-68) and proposed in the State aid notices
26 for the 2024-2025 school year distributed to school districts in
27 February 2024. The Commissioner of Education shall provide an
28 aid grant to an eligible school district, upon verification that the
29 school district is subject to a State school aid reduction in the 2024-
30 2025 school year.

31

32 2. a. As used in this section:

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

36 “Commissioner” means the Commissioner of Education.

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

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

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

44 b. Notwithstanding the provisions of section 3 and section 4 of
45 P.L.2007, c.62 (C.18A:7F-38 and C.18A:7F-39) or any other law or
46 regulation to the contrary, for the 2024-2025 school year, the
47 Commissioner of Education shall authorize a school district, which
48 experienced a reduction in State school aid in the 2024-2025 school

1 year compared to the 2020-2021 school year pursuant to the
2 provisions of P.L.2018, c.67 (C.18A:7F-67 et al.), to adopt a budget
3 that includes increases in its adjusted tax levy that exceed the tax
4 levy growth limitation set forth in section 3 of P.L.2007, c.62
5 (C.18A:7F-38) without submitting to the voters or the board of
6 school estimate, as applicable, the proposal or proposals that are
7 required pursuant to section 4 of P.L.2007, c.62 (C.18A:7F-39).
8 The commissioner shall approve increases requested pursuant to
9 this section, upon verification that the school district experienced a
10 reduction in State school aid in the 2024-2025 school year
11 compared to the 2020-2021 school year and that the increase is
12 within the limits established pursuant to subsection c. of this
13 section.

14 c. An increase to the adjusted tax levy permitted pursuant to this
15 section shall be no more than the amount of the difference between
16 the amount of State school aid allocated to a school district in the
17 2020-2021 school year and the amount of State school aid allocated
18 to the district in the 2024-2025 school year pursuant to the
19 provisions of P.L.2018, c.67 (C.18A:7F-67 et al.); provided,
20 however, that the school district shall not increase its adjusted tax
21 levy by more than 9.9 percent of the prebudget year adjusted tax
22 levy.

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

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

38
39 3. There is appropriated from the Property Tax Relief Fund to
40 the Department of Education the sum of \$44,698,846 to effectuate
41 the provisions of section 1 of this act.

42
43 4. Section 1 and section 2 of this act shall take effect
44 immediately. Section 3 of this act shall take effect on July 1, 2024,
45 and the amounts appropriated in section 3 of this act, for the
46 purposes of effectuating the provisions of section 1 of this act, shall
47 be distributed in the 2024-2025 school year.