

SENATE, No. 3403

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 6, 2024

Sponsored by:

Senator CARMEN F. AMATO, JR.

District 9 (Ocean)

Senator OWEN HENRY

District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Provides supplemental appropriation to ensure certain school districts receive additional amounts of special education categorical, security categorical, and transportation aids.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/26/2024)

1 AN ACT concerning State school aid to certain school districts.

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

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6 1. a. Notwithstanding the provisions of P.L.2007, c.260
7 (C.18A:7F-43 et al.), P.L.2018, c.67 (C.18A:7F-67 et al.), or of any
8 other law, rule, or regulation to the contrary, there are appropriated
9 from the Property Tax Relief Fund such amounts as are necessary to
10 ensure that the amounts of each special education categorical aid,
11 security categorical aid, and transportation aid provided to a school
12 district in the 2024-2025 school year are equal to the amounts that
13 are calculated for the 2024-2025 school year in accordance with
14 sections 13, 14, and 15 of P.L.2007, c.260 (C.18A:7F-55,
15 C.18A:7F-56, and C.18A:7F-57); provided, however, that a school
16 district shall only be eligible to receive additional aid pursuant to
17 this section if the district:

18 (1) experienced a reduction in State school aid pursuant to the
19 provisions of P.L.2018, c.67 (C.18A:7F-67 et al.) in both the 2023-
20 2024 school year and the 2024-2025 school year; and

21 (2) is spending below adequacy in the 2024-2025 school year
22 pursuant to section 1 of P.L.2018, c.67 (C.18A:7F-70).

23 b. A school district eligible for additional aid pursuant to
24 subsection a. of this section shall only receive this aid if the
25 amounts of special education categorical aid, security categorical
26 aid, or transportation aid, as calculated pursuant to P.L.2018, c.67
27 (C.18A:7F-67 et al.) for the 2024-2025 school year, are less than
28 the amounts calculated in accordance with sections 13, 14, and 15
29 of P.L.2007, c.260 (C.18A:7F-55, C.18A:7F-56, and C.18A:7F-57).

30 c. Aid provided pursuant to this section shall be in addition to
31 the amount of State school aid calculated for the 2024-2025 school
32 year pursuant to P.L.2018, c.67 (C.18A:7F-67 et al.) and any
33 amounts allocated to a school district pursuant to P.L.2024, c.13.

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35 2. This act shall take effect immediately.

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STATEMENT

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40 This bill provides additional aid to certain school districts that
41 have allocations of special education categorical aid, security
42 categorical aid, or transportation aid that are less than those
43 provided under the "School Funding Reform Act of 2008." To be
44 eligible for the aid provided by the bill, a school district is required
45 to have experienced a State school formula aid reduction in the
46 2023-2024 and 2024-2025 school years and be spending below
47 adequacy. Under current law, a school district is spending below
48 adequacy if its prior year spending (defined as the sum of

1 equalization aid, special education categorical aid, security
2 categorical aid, and the local general fund tax levy) is less than its
3 projected adequacy spending for the budget year (defined as the
4 sum of the adequacy budget, special education categorical aid, and
5 security categorical aid).

6 P.L.2018, c.67 (commonly referred to as “S2”) was enacted to
7 realign the amount of State aid provided to school districts with
8 current needs and to move toward fully implementing the School
9 Funding Reform Act of 2008 as originally enacted. In doing so, S2
10 established a schedule for the reallocation of State aid from school
11 districts deemed “overfunded” under that law to those deemed
12 “underfunded.” This schedule primarily applies to State school aid
13 allocated from the 2019-2020 school year through the 2024-2025
14 school year. In realigning State aid over this time period, however,
15 S2 resulted in many school districts receiving allocations of
16 individual aid categories that are less than those calculated under
17 the School Funding Reform Act of 2008.

18 This bill would provide additional aid in the 2024-2025 school
19 year to ensure that eligible school districts receive the amount of
20 special education categorical aid, security categorical aid, or
21 transportation aid as calculated under the School Funding Reform
22 Act of 2008.

23 It is the sponsor’s intent to provide reasonable, temporary
24 assistance to allow certain school districts spending below adequacy
25 to avoid catastrophic budget cuts due to the loss of State aid for the
26 2024-2025 school year. The sponsor believes a permanent solution
27 to State school aid inequities, and the resulting harm to students’
28 education, is necessary but not within reach in time for the next
29 school year.

30 The adequacy budget is determined by law to be the amount
31 necessary to ensure a constitutionally required thorough and
32 efficient education, and this bill applies to school districts that are
33 otherwise spending below the sum of that amount and the district’s
34 amount of categorical aids for special education and security. The
35 sponsor therefore believes this bill is necessary to avoid detrimental
36 effects on students’ educational quality that could result in
37 depriving students of their constitutional rights.

38 Twice in the past two years, the Legislature has implicitly
39 recognized the inadequacy of the existing State school aid system
40 by passing legislation to provide some form of relief to school
41 districts facing massive State aid reductions. This legislation
42 includes P.L.2024, c.13, which appropriates \$44.7 million to
43 establish a Stabilized School Budget Aid Grant Program to restore
44 45 percent of State school aid reductions and permits certain school
45 districts to exceed the tax levy growth limitation in the 2024-2025
46 school year. The Legislature also enacted P.L.2023, c.32, which

S3403 AMATO, HENRY

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1 provided additional State school aid to certain school districts and
2 appropriated \$103.0 million. That law restored two-thirds of the
3 proposed State aid reductions to school districts. The sponsor
4 believes this bill is consistent with the intentions of these
5 enactments.