

S3081 (SCS)

INTRODUCED BILL: (Includes sponsor(s) statement)	Yes	
REPRINT(S)	Yes	SBS 5/9/24 SCS
TECHNICAL REVIEW:	No	
COMMITTEE STATEMENT:		
ASSEMBLY:	No	
SENATE:	Yes	Budget & Appropriations

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No	
LEGISLATIVE FISCAL ESTIMATE:	Yes	05/16/2024
VETO MESSAGE:	No	
GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes	

FOLLOWING WERE PRINTED:

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REPORTS:	No
HEARINGS:	No
NEWSPAPER ARTICLES:	Yes

Matthew Fazelpoor, 'New laws offers relief for some school aid cuts in NJ', *NJBIZ* (online), 15 May 2024

CL/MM

§1
T & E and
Note to
C.18A:7F-68
§2
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Note to
C.18A:7F-38
and
C.18A:7F-39
§3
Approp. and
Note to
C.18A:7F-68
§4
Note to
C.18A:7F-68

P.L. 2024, CHAPTER 13, *approved May 14, 2024*
Assembly Committee Substitute (*First Reprint*) for
Assembly, No. 4161

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[1. a. As used in this section:

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

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

13 “Commissioner” means the Commissioner of Education.

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

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

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

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

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:

¹Senate SBA committee amendments adopted May 9, 2024.

1 b. There is established in the Department of Education a
2 Stabilized School Budget Aid Grant Program. The purpose of the
3 program shall be to provide aid grants to eligible school districts
4 equal to two-thirds of the amount of the school districts' State
5 school aid reductions, as calculated pursuant to section 3 of
6 P.L.2018, c.67 (C.18A:7F-67) and proposed in the State aid notices
7 for the 2024-2025 school year distributed to school districts in
8 March 2024. The Commissioner of Education shall provide an aid
9 grant to an eligible school district, upon verification that the school
10 district is subject to a State school aid reduction in the 2024-2025
11 school year. In addition, the commissioner shall ensure that a
12 school district receiving an aid grant does not reduce the total
13 number of school district employees compared to the total number
14 of school district employees in the prebudget year, except that a
15 school district may reduce the total number of school district
16 employees if the commissioner approves the reduction in the
17 district's resulting final budget submitted pursuant to subsection d.
18 of this section. The commissioner may approve a reduction in a
19 district's total number of school district employees if the reduction
20 is being made due to an anticipated decline in enrollment in the
21 2024-2025 school year compared to the prebudget year.

22 c. (1) Notwithstanding the provisions of section 3 and section 4
23 of P.L.2007, c.62 (C.18A:7F-38 and C.18A:7F-39) or any other law
24 or regulation to the contrary, for the 2024-2025 school year, the
25 commissioner shall authorize an eligible school district to adopt a
26 budget that includes increases in the adjusted tax levy that exceed
27 the tax levy growth limitation set forth in section 3 of P.L.2007,
28 c.62 (C.18A:7F-38) without submitting to the voters or the board of
29 school estimate, as applicable, the proposal or proposals that are
30 required pursuant to section 4 of P.L.2007, c.62 (C.18A:7F-39).
31 The maximum allowable increase to the adjusted tax levy pursuant
32 to this paragraph shall be equal to one-third of the amount of the
33 school district's State school aid reduction, as calculated pursuant
34 to section 3 of P.L.2018, c.67 (C.18A:7F-67) and as proposed in the
35 State aid notice for the 2024-2025 school year distributed to school
36 districts in March 2024; provided, however, that an eligible school
37 district shall not increase its adjusted tax levy by more than 9.9
38 percent of the prebudget year adjusted tax levy. The district may
39 request additional increases to its adjusted tax levy that are
40 authorized pursuant to section 2 of this act.

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

46 d. An eligible school district that receives an aid grant pursuant
47 to this section and is authorized to increase its adjusted tax levy
48 pursuant to paragraph (1) of subsection c. of this section shall

1 submit a resulting final budget to the commissioner within a
2 timeframe, and in a manner and form, to be determined by the
3 commissioner. In the event that the school district has already
4 certified its adjusted tax levy prior to receiving authorization to
5 increase its adjusted tax levy, the secretary of the board of
6 education shall re-certify to the county board of taxation the sum or
7 sums to be raised for the school year. The amount re-certified shall
8 be included in the taxes assessed, levied, and collected in the
9 municipality or municipalities comprising the district. **1**

10
11 ¹1. a. As used in this section:

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

14 “Commissioner” means the Commissioner of Education.

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

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

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

24 b. There is established in the Department of Education a
25 Stabilized School Budget Aid Grant Program. The purpose of the
26 program shall be to provide aid grants to an eligible school district
27 equal to 45 percent of the amount of the school district’s State
28 school aid reduction, as calculated pursuant to section 4 of
29 P.L.2018, c.67 (C.18A:7F-68) and proposed in the State aid notices
30 for the 2024-2025 school year distributed to school districts in
31 February 2024. The Commissioner of Education shall provide an
32 aid grant to an eligible school district, upon verification that the
33 school district is subject to a State school aid reduction in the 2024-
34 2025 school year.¹

35
36 ¹2. a. As used in this section:

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

40 “Commissioner” means the Commissioner of Education.

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

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

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

1 b. Notwithstanding the provisions of section 3 and section 4 of
2 P.L.2007, c.62 (C.18A:7F-38 and C.18A:7F-39) or any other law or
3 regulation to the contrary, for the 2024-2025 school year, the
4 Commissioner of Education shall authorize a school district, which
5 experienced a net reduction in State school aid during the 2020-
6 2021 through 2024-2025 school years, to adopt a budget that
7 includes increases in its adjusted tax levy that exceed the tax levy
8 growth limitation set forth in section 3 of P.L.2007, c.62
9 (C.18A:7F-38) without submitting to the voters or the board of
10 school estimate, as applicable, the proposal or proposals that are
11 required pursuant to section 4 of P.L.2007, c.62 (C.18A:7F-39).
12 The commissioner shall approve increases requested pursuant to
13 this section, upon verification that the school district experienced a
14 net reduction in State school aid during the 2020-2021 through
15 2024-2025 school years and that the increase is within the limits
16 established pursuant to subsection c. of this section.

17 c. (1) In the case of a school district that receives an aid grant
18 under the Stabilized School Budget Aid Grant Program established
19 pursuant to section 1 of this act, the increases requested pursuant to
20 this section shall be no more than the amount of the school
21 district's net reduction in State school aid during the 2020-2021
22 through 2023-2024 school years. The increases requested pursuant
23 to this section shall be in addition to any increases requested by the
24 school district pursuant to paragraph (1) of subsection c. of section
25 1 of this act; provided, however, that the school district shall not
26 increase its adjusted tax levy by more than 9.9 percent of the
27 prebudget year adjusted tax levy.

28 (2) In the case of a school district that does not receive an aid
29 grant under the Stabilized School Budget Aid Grant Program
30 established pursuant to section 1 of this act, the requested increases
31 shall be no more than the amount of the school district's net
32 reduction in State school aid during the 2020-2021 through 2024-
33 2025 school years; provided, however, that the school district shall
34 not increase its adjusted tax levy by more than 9.9 percent of the
35 prebudget year adjusted tax levy.

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

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

1 levied, and collected in the municipality or municipalities
2 comprising the district.】¹

3

4 ¹2. a. As used in this section:

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

8 “Commissioner” means the Commissioner of Education.

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

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

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

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

34 c. An increase to the adjusted tax levy permitted pursuant to this
35 section shall be no more than the amount of the difference between
36 the amount of State school aid allocated to a school district in the
37 2020-2021 school year and the amount of State school aid allocated
38 to the district in the 2024-2025 school year pursuant to the
39 provisions of P.L.2018, c.67 (C.18A:7F-67 et al.); provided,
40 however, that the school district shall not increase its adjusted tax
41 levy by more than 9.9 percent of the prebudget year adjusted tax
42 levy.

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

1 e. A school district that is approved for increases in its adjusted
2 tax levy pursuant to this section shall submit a resulting final budget
3 to the commissioner within a timeframe, and in a manner and form,
4 to be determined by the commissioner. In the event that the school
5 district has already certified its adjusted tax levy prior to approval,
6 the secretary of the board of education shall re-certify to the county
7 board of taxation the sum or sums to be raised for the school year.
8 The amount re-certified shall be included in the taxes assessed,
9 levied, and collected in the municipality or municipalities
10 comprising the district.¹

11
12 3. There is appropriated from the Property Tax Relief Fund to the
13 Department of Education the sum of ¹~~[\$71,437,562]~~ \$44,698,846¹ to
14 effectuate the provisions of section 1 of this act.

15
16 4. ¹~~【This】~~ Section 1 and section 2 of this¹ act shall take effect
17 immediately¹. Section 3 of this act shall take effect on July 1, 2024,
18 and the amounts appropriated in section 3 of this act, for the purposes
19 of effectuating the provisions of section 1 of this act, shall be
20 distributed in the 2024-2025 school year¹.

21
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23
24
25 Establishes Stabilized School Budget Aid Grant Program to
26 restore certain portions of State school aid reductions; permits
27 certain school districts to exceed tax levy growth limitation in 2024-
28 2025 school year; appropriates \$44.7 million.

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.

ASSEMBLY, No. 4161

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED APRIL 4, 2024

Sponsored by:

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblywoman MITCHELLE DRULIS

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

Co-Sponsored by:

**Assemblywomen Bagolie, Reynolds-Jackson, Assemblymen Simonsen,
Conaway and Sauickie**

SYNOPSIS

Establishes Stabilized School Budget Aid Grant Program to restore certain portions of State school aid reductions for certain school districts; appropriates \$71.4 million.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 4/11/2024)

A4161 FREIMAN, DRULIS

2

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. (1) 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 eligible school districts of
23 up to two-thirds of the amount of the school districts’ State school
24 aid reductions, as proposed in the State aid notices for the 2024-
25 2025 school year distributed to school districts in March 2024.

26 (2) As a condition of the receipt of an aid grant pursuant to this
27 section, an eligible school district shall:

28 (a) fully exhaust all tax authority that is available to the school
29 district pursuant to section 3 of P.L.2007, c.62 (C.18A:7F-38),
30 thereby implementing, to the maximum extent, all allowable
31 adjustments to the tax levy;

32 (b) fully exhaust the total amount of the school district’s unused
33 tax authority determined pursuant to subsection e. of section 4 of
34 P.L.2007, c.62 (C.18A:7F-39); and

35 (c) not reduce the total number of school district employees
36 compared to the total number of school district employees in the
37 prebudget year, except that a school district may reduce the total
38 number of school district employees if the commissioner approves
39 the reduction in the district’s proposed budget submitted pursuant to
40 subsection d. of this section. The commissioner may approve a
41 reduction in a district’s total number of school district employees if
42 the reduction is being made due to an anticipated decline in
43 enrollment in the 2024-2025 school year compared to the prebudget
44 year.

45 (3) An otherwise eligible school district shall not be eligible for
46 an aid grant in the event that the district’s full exhaustion of tax
47 authority pursuant to paragraph (2) of this subsection results in the

1 raising of additional funds that are greater than the amount of the
2 school district's State school aid reduction.

3 c. Notwithstanding the provisions of sections 3 and 4 of
4 P.L.2007, c.62 (C.18A:7F-38 and C.18A:7F-39) or of any other
5 law, rule, or regulation to the contrary, an eligible school district
6 that is awarded an aid grant pursuant to this section may request
7 increases to its general fund tax levy of up to one-third of the
8 amount of the districts' State school aid reductions, as proposed in
9 the State aid notice for the 2024-2025 school year distributed to
10 school districts in March 2024, in the event that there is a difference
11 that remains after the school district's receipt of aid pursuant to this
12 section; provided, however, that no school district receiving aid
13 pursuant to this section shall raise a general fund tax levy that is
14 greater than 9.9 percent of the prebudget year adjusted tax levy,
15 unless the full exhaustion of tax authority pursuant to section 3 of
16 P.L.2007, c.62 (C.18A:7F-38) and subsection e. of section 4 of
17 P.L.2007, c.62 (C.18A:7F-39) is otherwise greater than 9.9 percent
18 of the prebudget year adjusted tax levy. Notwithstanding the
19 provisions of section 3 and section 4 of P.L.2007, c.62 (C.18A:7F-
20 38 and C.18A:7F-39) or any other law or regulation to the contrary,
21 a request to increase the general fund tax levy pursuant to this
22 subsection may be approved without submitting to the voters or the
23 board of school estimate, as applicable, the proposal or proposals
24 that are required pursuant to section 4 of P.L.2007, c.62 (C.18A:7F-
25 39). A request to increase the general fund tax levy pursuant to this
26 subsection shall be included in the application submitted by the
27 school district pursuant to subsection d. of this section.

28 d. A school district seeking an aid grant shall submit an
29 application to the commissioner, in a manner and form to be
30 determined by the commissioner. The application shall, at a
31 minimum, include:

32 (1) a written plan explaining how the district will allocate the
33 aid grant and how the district will fund operations in future school
34 years in which the district does not receive the aid grant;

35 (2) a request to increase the general fund tax levy pursuant to
36 subsection c. of this section, if applicable and if sought by the
37 school district;

38 (3) the eligible school district's proposed budget, including the
39 district's proposed general fund tax levy, all tax levy adjustment
40 amounts, any increases sought by the district pursuant to subsection
41 c. of this section, and the proposed general fund tax levy's
42 percentage increase relative to the prebudget year adjusted tax levy;

43 (4) the percentage difference between the prebudget year
44 adjusted tax levy and the adjusted tax levy of the year prior to the
45 prebudget year;

46 (5) the estimated impact on the average homeowner if all tax
47 levy adjustments, including any increases sought by a district
48 pursuant to subsection c. of this section, are approved;

1 (6) a description of how the eligible school district will use the
2 funds raised through its proposed general fund tax levy, including
3 any increases sought by a district pursuant to subsection c. of this
4 section, with a particular focus on areas of instruction and support
5 services; and

6 (7) a school board resolution approving the request to apply for
7 aid pursuant to this section.

8 e. Aid grants awarded under the program to an eligible school
9 district meeting the applicable conditions enumerated in subsection
10 b. and subsection c. of this section shall be allocated to eligible
11 school districts in a manner to be determined by the commissioner.

12 f. An eligible school district that receives an aid grant pursuant
13 to this section shall submit a resulting final budget to the
14 commissioner within a timeframe, and in a manner and form, to be
15 determined by the commissioner. In the event that the school
16 district has already certified its general fund tax levy prior to its
17 receipt of an aid grant, the secretary of the board of education shall
18 re-certify to the county board of taxation the sum or sums to be
19 raised for the school year. The amount re-certified shall be
20 included in the taxes assessed, levied, and collected in the
21 municipality or municipalities comprising the district.

22
23 2. There is appropriated from the Property Tax Relief Fund to
24 the Department of Education the sum of \$71,437,562 to effectuate
25 the provisions of section 1 of this act.

26
27 3. This act shall take effect immediately.

28
29

30 STATEMENT

31

32 This bill establishes in the Department of Education a Stabilized
33 School Budget Aid Grant Program. The purpose of the program is
34 to provide aid grants to eligible school districts of up to two-thirds
35 of the amount of the districts' State school aid reductions for the
36 2024-2025 school year. A school district would be eligible to apply
37 for an aid grant under the program if the district is subject to a State
38 school aid reduction in the 2024-2025 school year.

39 In order to receive an aid grant under the program, an eligible
40 district is required to apply to the commissioner and meet certain
41 conditions related to raising its local tax levy. As a condition of the
42 receipt of an aid grant, an eligible district is to fully exhaust: 1) all
43 tax authority that is available to the school district pursuant to
44 current law that establishes a two percent tax levy growth limitation
45 and certain allowable adjustments above the two percent cap; and 2)
46 the total amount of the district's "banked cap." Under current law,
47 a school district may add to its adjusted tax levy in any one of the
48 next three succeeding budget years, the amount of the difference

1 between the maximum allowable amount to be raised by taxation
2 for the current school budget year and the actual amount to be
3 raised by taxation for the current school budget year. In addition,
4 an eligible district receiving aid under the bill is to not reduce the
5 total number of school district employees compared to the prior
6 school year, unless the commissioner approves reductions that are
7 being made due to an anticipated decline in enrollment in the 2024-
8 2025 school year compared to the prior year.

9 Under the bill, an otherwise eligible school district is not eligible
10 for an aid grant in the event that the district's full exhaustion of
11 current law tax authority results in the raising of additional funds
12 that are greater than the amount of the school district's State school
13 aid reduction.

14 The bill appropriates \$71.4 million to fund the Stabilized School
15 Budget Aid Grant Program.

16 An eligible school district that is awarded an aid grant may
17 implement increases to its general fund tax levy up to one-third of
18 the amount of the districts' State school aid reductions, in the event
19 that there is a difference that remains after the district's receipt of
20 aid under the bill. The bill provides, however, that no school
21 district receiving an aid grant under the bill can raise a general fund
22 tax levy that is greater than 9.9 percent of the prebudget year
23 adjusted tax levy, unless the full exhaustion of tax authority
24 required under the bill is otherwise greater than 9.9 percent of the
25 prior year tax levy.

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 4161

STATE OF NEW JERSEY
221st LEGISLATURE

ADOPTED APRIL 11, 2024

Sponsored by:

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblywoman MITCHELLE DRULIS

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

Assemblywoman ANDREA KATZ

District 8 (Atlantic and Burlington)

Co-Sponsored by:

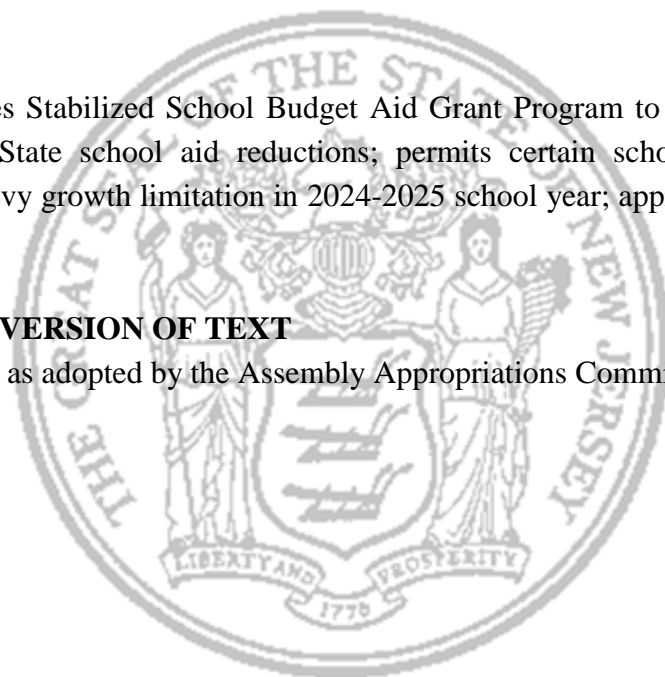
**Assemblywomen Bagolie, Reynolds-Jackson, Assemblymen Simonsen,
Conaway, Sauickie, Karabinchak, Atkins, Assemblywomen Murphy and
Speight**

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 \$71.4 million.

CURRENT VERSION OF TEXT

Substitute as adopted by the Assembly Appropriations Committee.



(Sponsorship Updated As Of: 4/15/2024)

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

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

13 “Commissioner” means the Commissioner of Education.

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

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

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

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

25 b. There is established in the Department of Education a
26 Stabilized School Budget Aid Grant Program. The purpose of the
27 program shall be to provide aid grants to eligible school districts
28 equal to two-thirds of the amount of the school districts’ State
29 school aid reductions, as calculated pursuant to section 3 of
30 P.L.2018, c.67 (C.18A:7F-67) and proposed in the State aid notices
31 for the 2024-2025 school year distributed to school districts in
32 March 2024. The Commissioner of Education shall provide an aid
33 grant to an eligible school district, upon verification that the school
34 district is subject to a State school aid reduction in the 2024-2025
35 school year. In addition, the commissioner shall ensure that a
36 school district receiving an aid grant does not reduce the total
37 number of school district employees compared to the total number
38 of school district employees in the prebudget year, except that a
39 school district may reduce the total number of school district
40 employees if the commissioner approves the reduction in the
41 district’s resulting final budget submitted pursuant to subsection d.
42 of this section. The commissioner may approve a reduction in a
43 district’s total number of school district employees if the reduction
44 is being made due to an anticipated decline in enrollment in the
45 2024-2025 school year compared to the prebudget year.

46 c. (1) Notwithstanding the provisions of section 3 and section 4
47 of P.L.2007, c.62 (C.18A:7F-38 and C.18A:7F-39) or any other law
48 or regulation to the contrary, for the 2024-2025 school year, the

1 commissioner shall authorize an eligible school district to adopt a
2 budget that includes increases in the adjusted tax levy that exceed
3 the tax levy growth limitation set forth in section 3 of P.L.2007,
4 c.62 (C.18A:7F-38) without submitting to the voters or the board of
5 school estimate, as applicable, the proposal or proposals that are
6 required pursuant to section 4 of P.L.2007, c.62 (C.18A:7F-39).
7 The maximum allowable increase to the adjusted tax levy pursuant
8 to this paragraph shall be equal to one-third of the amount of the
9 school district's State school aid reduction, as calculated pursuant
10 to section 3 of P.L.2018, c.67 (C.18A:7F-67) and as proposed in the
11 State aid notice for the 2024-2025 school year distributed to school
12 districts in March 2024; provided, however, that an eligible school
13 district shall not increase its adjusted tax levy by more than 9.9
14 percent of the prebudget year adjusted tax levy. The district may
15 request additional increases to its adjusted tax levy that are
16 authorized pursuant to section 2 of this act.

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

22 d. An eligible school district that receives an aid grant pursuant
23 to this section and is authorized to increase its adjusted tax levy
24 pursuant to paragraph (1) of subsection c. of this section shall
25 submit a resulting final budget to the commissioner within a
26 timeframe, and in a manner and form, to be determined by the
27 commissioner. In the event that the school district has already
28 certified its adjusted tax levy prior to receiving authorization to
29 increase its adjusted tax levy, the secretary of the board of
30 education shall re-certify to the county board of taxation the sum or
31 sums to be raised for the school year. The amount re-certified shall
32 be included in the taxes assessed, levied, and collected in the
33 municipality or municipalities comprising the district.

34

35 2. a. As used in this section:

36 "Adjusted tax levy" means the amount raised by property
37 taxation for the purposes of the school district, excluding any debt
38 service payment.

39 "Commissioner" means the Commissioner of Education.

40 "Prebudget year" means the school fiscal year preceding the year
41 in which the school budget is implemented.

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

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

47 b. Notwithstanding the provisions of section 3 and section 4 of
48 P.L.2007, c.62 (C.18A:7F-38 and C.18A:7F-39) or any other law or

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

15 c. (1) In the case of a school district that receives an aid grant
16 under the Stabilized School Budget Aid Grant Program established
17 pursuant to section 1 of this act, the increases requested pursuant to
18 this section shall be no more than the amount of the school
19 district's net reduction in State school aid during the 2020-2021
20 through 2023-2024 school years. The increases requested pursuant
21 to this section shall be in addition to any increases requested by the
22 school district pursuant to paragraph (1) of subsection c. of section
23 1 of this act; provided, however, that the school district shall not
24 increase its adjusted tax levy by more than 9.9 percent of the
25 prebudget year adjusted tax levy.

26 (2) In the case of a school district that does not receive an aid
27 grant under the Stabilized School Budget Aid Grant Program
28 established pursuant to section 1 of this act, the requested increases
29 shall be no more than the amount of the school district's net
30 reduction in State school aid during the 2020-2021 through 2024-
31 2025 school years; provided, however, that the school district shall
32 not increase its adjusted tax levy by more than 9.9 percent of the
33 prebudget year adjusted tax levy.

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

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

ACS for **A4161** FREIMAN, DRULIS

5

1 3. There is appropriated from the Property Tax Relief Fund to
2 the Department of Education the sum of \$71,437,562 to effectuate
3 the provisions of section 1 of this act.

4

5 4. This act shall take effect immediately.

[First Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 4161

STATE OF NEW JERSEY
221st LEGISLATURE

ADOPTED APRIL 11, 2024

Sponsored by:

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblywoman MITCHELLE DRULIS

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

Assemblywoman ANDREA KATZ

District 8 (Atlantic and Burlington)

Senator ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Senator VIN GOPAL

District 11 (Monmouth)

Co-Sponsored by:

Assemblywomen Bagolie, Reynolds-Jackson, Assemblymen Simonsen, Conaway, Sauickie, Karabinchak, Atkins, Assemblywomen Murphy, Speight, Assemblyman Calabrese, 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

As reported by the Senate Budget and Appropriations Committee on May 9, 2024, with amendments.

(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[1. a. As used in this section:

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

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

13 “Commissioner” means the Commissioner of Education.

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

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

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

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

25 b. There is established in the Department of Education a
26 Stabilized School Budget Aid Grant Program. The purpose of the
27 program shall be to provide aid grants to eligible school districts
28 equal to two-thirds of the amount of the school districts’ State
29 school aid reductions, as calculated pursuant to section 3 of
30 P.L.2018, c.67 (C.18A:7F-67) and proposed in the State aid notices
31 for the 2024-2025 school year distributed to school districts in
32 March 2024. The Commissioner of Education shall provide an aid
33 grant to an eligible school district, upon verification that the school
34 district is subject to a State school aid reduction in the 2024-2025
35 school year. In addition, the commissioner shall ensure that a
36 school district receiving an aid grant does not reduce the total
37 number of school district employees compared to the total number
38 of school district employees in the prebudget year, except that a
39 school district may reduce the total number of school district
40 employees if the commissioner approves the reduction in the
41 district’s resulting final budget submitted pursuant to subsection d.
42 of this section. The commissioner may approve a reduction in a
43 district’s total number of school district employees if the reduction
44 is being made due to an anticipated decline in enrollment in the
45 2024-2025 school year compared to the prebudget 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:

¹Senate SBA committee amendments adopted May 9, 2024.

1 c. (1) Notwithstanding the provisions of section 3 and section 4
2 of P.L.2007, c.62 (C.18A:7F-38 and C.18A:7F-39) or any other law
3 or regulation to the contrary, for the 2024-2025 school year, the
4 commissioner shall authorize an eligible school district to adopt a
5 budget that includes increases in the adjusted tax levy that exceed
6 the tax levy growth limitation set forth in section 3 of P.L.2007,
7 c.62 (C.18A:7F-38) without submitting to the voters or the board of
8 school estimate, as applicable, the proposal or proposals that are
9 required pursuant to section 4 of P.L.2007, c.62 (C.18A:7F-39).
10 The maximum allowable increase to the adjusted tax levy pursuant
11 to this paragraph shall be equal to one-third of the amount of the
12 school district's State school aid reduction, as calculated pursuant
13 to section 3 of P.L.2018, c.67 (C.18A:7F-67) and as proposed in the
14 State aid notice for the 2024-2025 school year distributed to school
15 districts in March 2024; provided, however, that an eligible school
16 district shall not increase its adjusted tax levy by more than 9.9
17 percent of the prebudget year adjusted tax levy. The district may
18 request additional increases to its adjusted tax levy that are
19 authorized pursuant to section 2 of this act.

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

25 d. An eligible school district that receives an aid grant pursuant
26 to this section and is authorized to increase its adjusted tax levy
27 pursuant to paragraph (1) of subsection c. of this section shall
28 submit a resulting final budget to the commissioner within a
29 timeframe, and in a manner and form, to be determined by the
30 commissioner. In the event that the school district has already
31 certified its adjusted tax levy prior to receiving authorization to
32 increase its adjusted tax levy, the secretary of the board of
33 education shall re-certify to the county board of taxation the sum or
34 sums to be raised for the school year. The amount re-certified shall
35 be included in the taxes assessed, levied, and collected in the
36 municipality or municipalities comprising the district. **】¹**

37

38 ¹1. a. As used in this section:

39 "Aid grant" means a Stabilized School Budget Aid grant
40 awarded to an eligible school district under the program.

41 "Commissioner" means the Commissioner of Education.

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

47 "Prebudget year" means the school fiscal year preceding the year
48 in which the school budget is implemented.

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

3 b. There is established in the Department of Education a
4 Stabilized School Budget Aid Grant Program. The purpose of the
5 program shall be to provide aid grants to an eligible school district
6 equal to 45 percent of the amount of the school district’s State
7 school aid reduction, as calculated pursuant to section 4 of
8 P.L.2018, c.67 (C.18A:7F-68) and proposed in the State aid notices
9 for the 2024-2025 school year distributed to school districts in
10 February 2024. The Commissioner of Education shall provide an
11 aid grant to an eligible school district, upon verification that the
12 school district is subject to a State school aid reduction in the 2024-
13 2025 school year.¹

14
15 ¹[2. a. As used in this section:

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

19 “Commissioner” means the Commissioner of Education.

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

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

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

27 b. Notwithstanding the provisions of section 3 and section 4 of
28 P.L.2007, c.62 (C.18A:7F-38 and C.18A:7F-39) or any other law or
29 regulation to the contrary, for the 2024-2025 school year, the
30 Commissioner of Education shall authorize a school district, which
31 experienced a net reduction in State school aid during the 2020-
32 2021 through 2024-2025 school years, to adopt a budget that
33 includes increases in its adjusted tax levy that exceed the tax levy
34 growth limitation set forth in section 3 of P.L.2007, c.62
35 (C.18A:7F-38) without submitting to the voters or the board of
36 school estimate, as applicable, the proposal or proposals that are
37 required pursuant to section 4 of P.L.2007, c.62 (C.18A:7F-39).
38 The commissioner shall approve increases requested pursuant to
39 this section, upon verification that the school district experienced a
40 net reduction in State school aid during the 2020-2021 through
41 2024-2025 school years and that the increase is within the limits
42 established pursuant to subsection c. of this section.

43 c. (1) In the case of a school district that receives an aid grant
44 under the Stabilized School Budget Aid Grant Program established
45 pursuant to section 1 of this act, the increases requested pursuant to
46 this section shall be no more than the amount of the school
47 district’s net reduction in State school aid during the 2020-2021
48 through 2023-2024 school years. The increases requested pursuant

1 to this section shall be in addition to any increases requested by the
2 school district pursuant to paragraph (1) of subsection c. of section
3 1 of this act; provided, however, that the school district shall not
4 increase its adjusted tax levy by more than 9.9 percent of the
5 prebudget year adjusted tax levy.

6 (2) In the case of a school district that does not receive an aid
7 grant under the Stabilized School Budget Aid Grant Program
8 established pursuant to section 1 of this act, the requested increases
9 shall be no more than the amount of the school district's net
10 reduction in State school aid during the 2020-2021 through 2024-
11 2025 school years; provided, however, that the school district shall
12 not increase its adjusted tax levy by more than 9.9 percent of the
13 prebudget year adjusted tax levy.

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

19 e. A school district that is approved for increases in its tax levy
20 pursuant to this section shall submit a resulting final budget to the
21 commissioner within a timeframe, and in a manner and form, to be
22 determined by the commissioner. In the event that the school
23 district has already certified its adjusted tax levy prior to approval,
24 the secretary of the board of education shall re-certify to the county
25 board of taxation the sum or sums to be raised for the school year.
26 The amount re-certified shall be included in the taxes assessed,
27 levied, and collected in the municipality or municipalities
28 comprising the district.】¹

29

30 ¹2. a. As used in this section:

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

34 “Commissioner” means the Commissioner of Education.

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

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

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

42 b. Notwithstanding the provisions of section 3 and section 4 of
43 P.L.2007, c.62 (C.18A:7F-38 and C.18A:7F-39) or any other law or
44 regulation to the contrary, for the 2024-2025 school year, the
45 Commissioner of Education shall authorize a school district, which
46 experienced a reduction in State school aid in the 2024-2025 school
47 year compared to the 2020-2021 school year pursuant to the
48 provisions of P.L.2018, c.67 (C.18A:7F-67 et al.), to adopt a budget

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

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

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

26 e. A school district that is approved for increases in its adjusted
27 tax levy pursuant to this section shall submit a resulting final budget
28 to the commissioner within a timeframe, and in a manner and form,
29 to be determined by the commissioner. In the event that the school
30 district has already certified its adjusted tax levy prior to approval,
31 the secretary of the board of education shall re-certify to the county
32 board of taxation the sum or sums to be raised for the school year.
33 The amount re-certified shall be included in the taxes assessed,
34 levied, and collected in the municipality or municipalities
35 comprising the district.¹

36
37 3. There is appropriated from the Property Tax Relief Fund to the
38 Department of Education the sum of ¹[\$71,437,562] \$44,698,846¹ to
39 effectuate the provisions of section 1 of this act.

40
41 4. ¹【This】 Section 1 and section 2 of this¹ act shall take effect
42 immediately¹. Section 3 of this act shall take effect on July 1, 2024,
43 and the amounts appropriated in section 3 of this act, for the purposes
44 of effectuating the provisions of section 1 of this act, shall be
45 distributed in the 2024-2025 school year¹.

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4161

STATE OF NEW JERSEY

DATED: APRIL 5, 2024

The Assembly Education committee reports favorably Assembly Bill No. 4161.

This bill establishes in the Department of Education a Stabilized School Budget Aid Grant Program. The purpose of the program is to provide aid grants to eligible school districts of up to two-thirds of the amount of the districts' State school aid reductions for the 2024-2025 school year. A school district would be eligible to apply for an aid grant under the program if the district is subject to a State school aid reduction in the 2024-2025 school year.

In order to receive an aid grant under the program, an eligible district is required to apply to the commissioner and meet certain conditions related to raising its local tax levy. As a condition of the receipt of an aid grant, an eligible district is to fully exhaust: 1) all tax authority that is available to the school district pursuant to current law that establishes a two percent tax levy growth limitation and certain allowable adjustments above the two percent cap; and 2) the total amount of the district's "banked cap." Under current law, a school district may add to its adjusted tax levy in any one of the next three succeeding budget years, the amount of the difference between the maximum allowable amount to be raised by taxation for the current school budget year and the actual amount to be raised by taxation for the current school budget year. In addition, an eligible district receiving aid under the bill is to not reduce the total number of school district employees compared to the prior school year, unless the commissioner approves reductions that are being made due to an anticipated decline in enrollment in the 2024-2025 school year compared to the prior year.

Under the bill, an otherwise eligible school district is not eligible for an aid grant in the event that the district's full exhaustion of current law tax authority results in the raising of additional funds that are greater than the amount of the school district's State school aid reduction.

The bill appropriates \$71.4 million to fund the Stabilized School Budget Aid Grant Program.

An eligible school district that is awarded an aid grant may implement increases to its general fund tax levy up to one-third of the amount of the districts' State school aid reductions, in the event that there is a difference that remains after the district's receipt of aid under the bill. The bill provides, however, that no school district receiving an aid grant under the bill can raise a general fund tax levy that is greater

than 9.9 percent of the prebudget year adjusted tax levy, unless the full exhaustion of tax authority required under the bill is otherwise greater than 9.9 percent of the prior year tax levy.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 4161

STATE OF NEW JERSEY

DATED: APRIL 11, 2024

The Assembly Appropriations Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 4161.

This committee substitute establishes in the Department of Education a Stabilized School Budget Aid Grant Program. The purpose of the program is to provide aid grants to eligible school districts equal to two-thirds of the amount of the districts' State school aid reductions for the 2024-2025 school year. A school district would be eligible to apply for an aid grant under the program if the district is subject to a State school aid reduction in the 2024-2025 school year. In order to receive an aid grant, a school district is required to ensure that it does not reduce the total number of school district employees compared to the total number of school district employees in the prior year. However, a school district may reduce the total number of school district employees if the Commissioner of Education approves the reduction. The commissioner may approve a reduction in a district's total number of school district employees if the reduction is being made due to an anticipated decline in enrollment in the 2024-2025 school year.

The committee substitute appropriates \$71.4 million to fund the Stabilized School Budget Aid Grant Program.

Under the program, a school district may apply to the Commissioner of Education to increase its adjusted tax levy, beyond the increases allowed under current law, up to one-third of the amount of the school district's State school aid reduction in the 2024-2025 school year. The increase, however, is to be no more than 9.9 percent of the prior year tax levy.

The committee substitute also permits school districts, which experienced net reductions in State school aid during the 2020-2021 through 2024-2025 school years, to adopt budgets that include increases in their adjusted tax levies beyond the increases that are permitted under current law. In the case of a school district that receives an aid grant under the Stabilized School Budget Aid Grant Program, the increases are to be no more than the amount of the school district's net reduction in State school aid during the 2020-2021 through 2023-2024 school years. This allowable increase is to be in addition to the district's ability to increase its adjusted tax levy up to

one-third of the amount of the school district's State school aid reduction in the 2024-2025 school year, as provided under the Stabilized School Budget Aid Grant Program. The overall adjusted tax levy increase for these school districts, however, is not to exceed 9.9 percent compared to the prior year's levy.

The committee substitute further permits a school district, which does not receive an aid grant but experienced net losses in State school aid during the 2020-2021 through 2024-2025 school years, to increase its adjusted tax levy by no more than the amount of the school district's net reduction in State school aid during that timeframe. The overall adjusted tax levy increase for these school districts, however, is not to exceed 9.9 percent compared to the prior year's levy.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, No. 4161**

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 9, 2024

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 4161 ACS, with committee amendments.

As amended, this bill establishes in the Department of Education a Stabilized School Budget Aid Grant Program. The purpose of the program is to provide aid grants to eligible school districts equal to 45 percent of the amount of the school districts' State school aid reductions, as calculated under current law for the 2024-2025 school year. The amended bill appropriates \$44.7 million to fund the program.

The amended bill also permits school districts, which experienced reductions in State school aid in the 2024-2025 school year compared to the 2020-2021 school year, to request certain increases in their adjusted property tax levies above the amounts permitted under current law, without the approval of the voters of the school district or the board of school estimate, as applicable. The maximum amount of the adjusted tax levy increase under the amended bill is 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. However, the amended bill prohibits a school district from increasing its adjusted tax levy by more than 9.9 percent of the prior year's tax levy. The ability to increase the adjusted tax levy pursuant to the provisions of the amended bill would not apply to SDA districts.

As amended and reported by the committee, Assembly Bill No. 4161 (ACS) is identical to the committee substitute for Senate Bill No. 3081, which was also reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- provide that the amount of an aid grant distributed to an eligible school district under the Stabilized School Budget Aid Grant Program is equal to 45 percent, as opposed to two-thirds, of the school district's proposed State school aid reduction amount for the 2024-2025 school year;

- adjust the bill's appropriation amount to \$44,698,846, to reflect that eligible school districts would receive aid grants equal to 45 percent of the proposed State school aid reductions;
- remove the prohibition on an eligible school district from reducing its number of school district employees as well as other provisions of the bill that provided the Commissioner of Education the ability to approve an eligible school district's reduction in the total number of school district employees due to an anticipated decline in enrollment;
- remove provisions of the bill permitting an eligible school district to, without the approval of the voters of the district or the board of school estimate as applicable, increase its adjusted tax levy by: 1) up to one-third of the amount of the district's proposed State school aid reduction; and 2) the amount of the school district's net reduction in State school aid during the 2020-2021 through 2023-2024 school years;
- provide that any school district, which experiences a reduction in State school aid during the 2024-2025 school year compared to the 2020-2021 school year, may increase its adjusted tax levy by no more than the lesser of the amount of the school district's reduction or 9.9 percent of the prebudget year adjusted tax levy; and
- modify the bill's effective date to specify that aid grants provided under the bill are to be provided in the 2024-2025 school year.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 4161
STATE OF NEW JERSEY
221st LEGISLATURE

DATED: APRIL 18, 2024

SUMMARY

- 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 \$71.4 million.
- Type of Impact:** Expenditure increase from the Property Tax Relief Fund. Local school district revenue increase.
- Agencies Affected:** Department of Education. Local school districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>2024-2025 School Year</u>
State Expenditure Increase	\$71.4 million
Local Revenue from Increased Property Tax Levies	Up to \$261.8 million

- The Office of Legislative Services (OLS) concludes that this bill will result in a State expenditure increase of \$71.4 million. This increase stems from the appropriation provided under the bill, which is equal to two-thirds of the total amount of State school aid reductions calculated under current law for the 2024-2025 school year.
- The OLS also estimates that, under the bill, a total of 226 school districts may increase their tax levies up to \$261.8 million in the 2024-2025 school year. The OLS notes that the bill does not require school districts to implement any of the authorized tax levy increases laid out in the bill; therefore, the estimated amount of school district tax levy increases is a maximum.

BILL DESCRIPTION

Section 1: Stabilized School Budget Aid Grant Program

Section 1 of this bill establishes in the Department of Education a Stabilized School Budget Aid Grant Program. The purpose of the program is to provide aid grants to eligible school districts

equal to two-thirds of the amount of the districts' State school aid reductions for the 2024-2025 school year. A school district would be eligible to apply for an aid grant under the program if the district is subject to a State school aid reduction in the 2024-2025 school year. The bill appropriates \$71.4 million to fund the program.

Under the program, a school district receiving a grant may apply to the Commissioner of Education to increase its adjusted tax levy, beyond the increases allowed under current law. The maximum increase is up to one-third of the amount of the school district's State school aid reduction for the 2024-2025 school year. The increase, however, could not exceed 9.9 percent of the district's prebudget year tax levy. An SDA district, also known as a former Abbott district, may receive a grant under the Stabilized School Budget Aid Grant Program; however an SDA district is not provided additional taxing authority under the bill.

Section 2: Increases to Adjusted Tax Levy for Prior Year Net Reductions

Section 2 of the bill permits school districts, which experienced net reductions in State school aid during the 2020-2021 through 2024-2025 school years, to adopt budgets that include increases in their adjusted tax levies, beyond the increases that are permitted under current law. In the case of a school district that receives an aid grant under the Stabilized School Budget Aid Grant Program, the increases are to be no more than the amount of the school district's net reduction in State school aid during the 2020-2021 through 2023-2024 school years. This allowable increase is to be in addition to the district's ability to increase its adjusted tax levy up to one-third of the amount of the school district's State school aid reduction in the 2024-2025 school year, as provided under the program. The total adjusted tax levy increase for these school districts, however, is not to exceed 9.9 percent of the prior year's levy.

Section 2 of the bill additionally permits a school district which does not receive an aid grant but experienced net losses in State school aid during the 2020-2021 through 2024-2025 school years to increase its adjusted tax levy by no more than the amount of the school district's net reduction in State school aid during that timeframe. The adjusted tax levy increase for these school districts, however, is not to exceed 9.9 percent compared to the prior year's levy.

The table on the next page of this fiscal estimate summarizes school districts' eligibility under both sections of the bill.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill will result in a State expenditure increase of \$71.4 million. This increase stems from the appropriation provided under the bill, which is equal to two-thirds of the total amount of State school aid reductions calculated under current law for the 2024-2025 school year. According to State school aid data provided by the Department of Education, the total Statewide reduction in State aid for the 2024-2025 school year is expected to be approximately \$107.2 million. The OLS estimates that 152 school districts will receive aid grants under the bill.

The table below summarizes school districts' eligibility under both sections of the bill:

Description	Stabilized School Budget Aid Grant Program Eligibility	Adjusted Tax Levy Increases for Prior Year Net Reductions Eligibility	Maximum Tax Levy Increase
School district experiencing a reduction in State school aid in the 2024-2025 school year but has not experienced a net reduction in aid from the 2020-2021 through 2024-2025 school years.	Yes	No	Allowable increase of up to one-third of the State school aid reduction in the 2024-2025 school year; limited to 9.9 percent of prior year tax levy.
School district experiencing a reduction in State school aid in the 2024-2025 school year and has experienced a net reduction in aid from the 2020-2021 through 2024-2025 school years.	Yes	Yes	Allowable increase of up to the sum of: 1) one-third of the State school aid reduction in the 2024-2025 school year; and 2) the school district's net reduction in State school aid during the 2020-2021 through 2023-2024 school years; limited to 9.9 percent of prior year tax levy.
School district not experiencing a reduction in State school aid in the 2024-2025 school year but has experienced a net reduction in aid from the 2020-2021 through 2024-2025 school years.	No	Yes	Allowable increase of up to the amount of the school district's net reduction in State school aid during the 2020-2021 through 2024-2025 school years; limited to 9.9 percent of the prebudget year adjusted tax levy.
SDA district experiencing State school aid reduction in the 2024-2025 school year, regardless of whether or not the district experienced a net reduction in State school aid from the 2020-2021 through 2024-2025 school years.	Yes (grant only)	No	No additional taxing authority provided for SDA districts.

The OLS also estimates that, under the bill, a total of 226 school districts may increase their tax levies up to \$261.8 million in the 2024-2025 school year. The table on the following page provides a further breakout of the eligible school districts and the estimated maximum tax levies. The OLS notes that the bill does not require any of the authorized tax levy increases laid out in the bill; therefore, the estimated amount of school district tax levy increases is a maximum.

Description	Estimated Number of Affected School Districts	Estimated Amount of Maximum Tax Levy Increases
School district experiencing a reduction in State school aid in the 2024-2025 school year but has not experienced a net reduction in aid from the 2020-2021 through 2024-2025 school years.	51	\$11.0 million
School district experiencing a reduction in State school aid in the 2024-2025 school year and has experienced a net reduction in aid from the 2020-2021 through 2024-2025 school years.	98	\$155.7 million
School district not experiencing a reduction in State school aid in the 2024-2025 school year but has experienced a net reduction in aid from the 2020-2021 through 2024-2025 school years.	77	\$95.0 million

Section: Education

*Analysts: Abigail Chambers
Associate Fiscal Analyst*

*Christopher Myles
Senior Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR

ASSEMBLY, No. 4161

STATE OF NEW JERSEY
221st LEGISLATURE

DATED: MAY 16, 2024

SUMMARY

- 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.
- Type of Impact:** State expenditure increase from the Property Tax Relief Fund. Local school district revenue increase.
- Agencies Affected:** Department of Education. Local school districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>2024-2025 School Year</u>
State Expenditure Increase	Up to \$48.2 million
Local Revenue from Increased Property Tax Levies	Up to \$221.4 million

- The Office of Legislative Services (OLS) concludes that this bill may cost the State up to \$48.2 million to provide aid grants equal to 45 percent of proposed State school aid reductions in the 2024-2025 school year. Information contained in the State aid notices for the 2024-2025 school year distributed by the Department of Education in February 2024 indicate total Statewide reductions of \$107.2 million.
- The OLS also estimates that, pursuant to the bill, a total of 159 school districts may request increases to their tax levies. The OLS estimates that if all 159 districts received approval for the maximum levy increase permitted by the bill, local school districts may realize a revenue increase of up to \$221.4 million in the 2024-2025 school year. The OLS notes that the bill does not require school districts to implement the tax levy increases authorized by the bill; therefore, the estimated amount of school district tax levy increases is a maximum.

BILL DESCRIPTION

This bill establishes in the Department of Education a Stabilized School Budget Aid Grant Program. The purpose of the program is to provide aid grants to eligible school districts equal to 45 percent of the amount of the school districts' State school aid reductions, as calculated under current law for the 2024-2025 school year. The bill appropriates \$44.7 million to fund the program.

The bill also permits school districts, which experienced reductions in State school aid in the 2024-2025 school year compared to the 2020-2021 school year, to request certain increases in their adjusted property tax levies above the amounts permitted under current law. The maximum amount of the adjusted tax levy increase pursuant to the bill is 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. However, the bill prohibits a school district from increasing its adjusted tax levy by more than 9.9 percent of the prior year's tax levy. The authorization to increase the adjusted tax levy pursuant to the provisions of the bill would not apply to SDA districts.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill may cost the State up to \$48.2 million to provide aid grants equal to 45 percent of proposed State school aid reductions in the 2024-2025 school year. Information contained in the State aid notices for the 2024-2025 school year, which were distributed by the Department of Education in February 2024, indicate total Statewide reductions of \$107.2 million. The OLS estimates that 152 school districts will be eligible for aid grants pursuant to the bill.

The OLS also estimates that, pursuant to the bill, a total of 159 school districts may request increases to their tax levies. The OLS estimates that if all 159 districts received approval for the maximum levy increase permitted by the bill, local school districts may realize a revenue increase of up to \$221.4 million in the 2024-2025 school year. The OLS notes that the bill does not require school districts to implement the tax levy increases authorized by the bill; therefore, the estimated amount of school district tax levy increases is a maximum.

Section: Education

*Analyst: Abigail Chambers
Associate Fiscal Analyst*

*Christopher Myles
Senior Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE, No. 3081

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED APRIL 8, 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 and Cryan

SYNOPSIS

Establishes Stabilized School Budget Aid Grant Program to restore certain portions of State school aid reductions for certain school districts; appropriates \$71.4 million.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/9/2024)

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. (1) 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 eligible school districts of
23 up to two-thirds of the amount of the school districts’ State school
24 aid reductions, as proposed in the State aid notices for the 2024-
25 2025 school year distributed to school districts in March 2024.

26 (2) As a condition of the receipt of an aid grant pursuant to this
27 section, an eligible school district shall:

28 (a) fully exhaust all tax authority that is available to the school
29 district pursuant to section 3 of P.L.2007, c.62 (C.18A:7F-38),
30 thereby implementing, to the maximum extent, all allowable
31 adjustments to the tax levy;

32 (b) fully exhaust the total amount of the school district’s unused
33 tax authority determined pursuant to subsection e. of section 4 of
34 P.L.2007, c.62 (C.18A:7F-39); and

35 (c) not reduce the total number of school district employees
36 compared to the total number of school district employees in the
37 prebudget year, except that a school district may reduce the total
38 number of school district employees if the commissioner approves
39 the reduction in the district’s proposed budget submitted pursuant to
40 subsection d. of this section. The commissioner may approve a
41 reduction in a district’s total number of school district employees if
42 the reduction is being made due to an anticipated decline in
43 enrollment in the 2024-2025 school year compared to the prebudget
44 year.

45 (3) An otherwise eligible school district shall not be eligible for
46 an aid grant in the event that the district’s full exhaustion of tax
47 authority pursuant to paragraph (2) of this subsection results in the

1 raising of additional funds that are greater than the amount of the
2 school district's State school aid reduction.

3 c. Notwithstanding the provisions of sections 3 and 4 of
4 P.L.2007, c.62 (C.18A:7F-38 and C.18A:7F-39) or of any other
5 law, rule, or regulation to the contrary, an eligible school district
6 that is awarded an aid grant pursuant to this section may request
7 increases to its general fund tax levy of up to one-third of the
8 amount of the districts' State school aid reductions, as proposed in
9 the State aid notice for the 2024-2025 school year distributed to
10 school districts in March 2024, in the event that there is a difference
11 that remains after the school district's receipt of aid pursuant to this
12 section; provided, however, that no school district receiving aid
13 pursuant to this section shall raise a general fund tax levy that is
14 greater than 9.9 percent of the prebudget year adjusted tax levy,
15 unless the full exhaustion of tax authority pursuant to section 3 of
16 P.L.2007, c.62 (C.18A:7F-38) and subsection e. of section 4 of
17 P.L.2007, c.62 (C.18A:7F-39) is otherwise greater than 9.9 percent
18 of the prebudget year adjusted tax levy. Notwithstanding the
19 provisions of section 3 and section 4 of P.L.2007, c.62 (C.18A:7F-
20 38 and C.18A:7F-39) or any other law or regulation to the contrary,
21 a request to increase the general fund tax levy pursuant to this
22 subsection may be approved without submitting to the voters or the
23 board of school estimate, as applicable, the proposal or proposals
24 that are required pursuant to section 4 of P.L.2007, c.62 (C.18A:7F-
25 39). A request to increase the general fund tax levy pursuant to this
26 subsection shall be included in the application submitted by the
27 school district pursuant to subsection d. of this section.

28 d. A school district seeking an aid grant shall submit an
29 application to the commissioner, in a manner and form to be
30 determined by the commissioner. The application shall, at a
31 minimum, include:

32 (1) a written plan explaining how the district will allocate the
33 aid grant and how the district will fund operations in future school
34 years in which the district does not receive the aid grant;

35 (2) a request to increase the general fund tax levy pursuant to
36 subsection c. of this section, if applicable and if sought by the
37 school district;

38 (3) the eligible school district's proposed budget, including the
39 district's proposed general fund tax levy, all tax levy adjustment
40 amounts, any increases sought by the district pursuant to subsection
41 c. of this section, and the proposed general fund tax levy's
42 percentage increase relative to the prebudget year adjusted tax levy;

43 (4) the percentage difference between the prebudget year
44 adjusted tax levy and the adjusted tax levy of the year prior to the
45 prebudget year;

46 (5) the estimated impact on the average homeowner if all tax
47 levy adjustments, including any increases sought by a district
48 pursuant to subsection c. of this section, are approved;

1 (6) a description of how the eligible school district will use the
2 funds raised through its proposed general fund tax levy, including
3 any increases sought by a district pursuant to subsection c. of this
4 section, with a particular focus on areas of instruction and support
5 services; and

6 (7) a school board resolution approving the request to apply for
7 aid pursuant to this section.

8 e. Aid grants awarded under the program to an eligible school
9 district meeting the applicable conditions enumerated in subsection
10 b. and subsection c. of this section shall be allocated to eligible
11 school districts in a manner to be determined by the commissioner.

12 f. An eligible school district that receives an aid grant pursuant
13 to this section shall submit a resulting final budget to the
14 commissioner within a timeframe, and in a manner and form, to be
15 determined by the commissioner. In the event that the school
16 district has already certified its general fund tax levy prior to its
17 receipt of an aid grant, the secretary of the board of education shall
18 re-certify to the county board of taxation the sum or sums to be
19 raised for the school year. The amount re-certified shall be
20 included in the taxes assessed, levied, and collected in the
21 municipality or municipalities comprising the district.

22
23 2. There is appropriated from the Property Tax Relief Fund to
24 the Department of Education the sum of \$71,437,562 to effectuate
25 the provisions of section 1 of this act.

26
27 3. This act shall take effect immediately.

28
29
30 STATEMENT

31
32 This bill establishes in the Department of Education a Stabilized
33 School Budget Aid Grant Program. The purpose of the program is
34 to provide aid grants to eligible school districts of up to two-thirds
35 of the amount of the districts' State school aid reductions for the
36 2024-2025 school year. A school district would be eligible to apply
37 for an aid grant under the program if the district is subject to a State
38 school aid reduction in the 2024-2025 school year.

39 In order to receive an aid grant under the program, an eligible
40 district is required to apply to the commissioner and meet certain
41 conditions related to raising its local tax levy. As a condition of the
42 receipt of an aid grant, an eligible district is to fully exhaust: 1) all
43 tax authority that is available to the school district pursuant to
44 current law that establishes a two percent tax levy growth limitation
45 and certain allowable adjustments above the two percent cap; and 2)
46 the total amount of the district's "banked cap." Under current law,
47 a school district may add to its adjusted tax levy in any one of the
48 next three succeeding budget years, the amount of the difference

S3081 ZWICKER, GOPAL

1 between the maximum allowable amount to be raised by taxation
2 for the current school budget year and the actual amount to be
3 raised by taxation for the current school budget year. In addition,
4 an eligible district receiving aid under the bill is to not reduce the
5 total number of school district employees compared to the prior
6 school year, unless the commissioner approves reductions that are
7 being made due to an anticipated decline in enrollment in the 2024-
8 2025 school year compared to the prior year.

9 Under the bill, an otherwise eligible school district is not eligible
10 for an aid grant in the event that the district's full exhaustion of
11 current law tax authority results in the raising of additional funds
12 that are greater than the amount of the school district's State school
13 aid reduction.

14 The bill appropriates \$71.4 million to fund the Stabilized School
15 Budget Aid Grant Program.

16 An eligible school district that is awarded an aid grant may
17 implement increases to its general fund tax levy up to one-third of
18 the amount of the districts' State school aid reductions, in the event
19 that there is a difference that remains after the district's receipt of
20 aid under the bill. The bill provides, however, that no school
21 district receiving an aid grant under the bill can raise a general fund
22 tax levy that is greater than 9.9 percent of the prebudget year
23 adjusted tax levy, unless the full exhaustion of tax authority
24 required under the bill is otherwise greater than 9.9 percent of the
25 prior year tax levy.

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.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR SENATE, No. 3081

STATE OF NEW JERSEY

DATED: MAY 9, 2024

The Senate Budget and Appropriations Committee reports favorably a Senate Committee Substitute for Senate Bill No. 3081.

This Senate committee substitute establishes in the Department of Education a Stabilized School Budget Aid Grant Program. The purpose of the program is to provide aid grants to eligible school districts equal to 45 percent of the amount of the school districts' State school aid reductions, as calculated under current law for the 2024-2025 school year. The substitute appropriates \$44.7 million to fund the program.

The committee substitute also permits school districts, which experienced reductions in State school aid in the 2024-2025 school year compared to the 2020-2021 school year, to request certain increases in their adjusted property tax levies above the amounts permitted under current law, without the approval of the voters of the school district or the board of school estimate, as applicable. The maximum amount of the adjusted tax levy increase under the substitute is 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. However, the substitute prohibits a school district from increasing its adjusted tax levy by more than 9.9 percent of the prior year's tax levy. The ability to increase the adjusted tax levy pursuant to the provisions of the substitute would not apply to SDA districts.

As reported by the committee, the committee substitute for Senate Bill No. 3081 is identical to Assembly Bill No. 4161 (ACS), which was also amended and reported by the committee on this date.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

LEGISLATIVE FISCAL ESTIMATE
SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 3081
STATE OF NEW JERSEY
221st LEGISLATURE

DATED: MAY 16, 2024

SUMMARY

- 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.
- Type of Impact:** State expenditure increase from the Property Tax Relief Fund. Local school district revenue increase.
- Agencies Affected:** Department of Education. Local school districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>2024-2025 School Year</u>
State Expenditure Increase	Up to \$48.2 million
Local Revenue from Increased Property Tax Levies	Up to \$221.4 million

- The Office of Legislative Services (OLS) concludes that this bill may cost the State up to \$48.2 million to provide aid grants equal to 45 percent of proposed State school aid reductions in the 2024-2025 school year. Information contained in the State aid notices for the 2024-2025 school year distributed by the Department of Education in February 2024 indicate total Statewide reductions of \$107.2 million.
- The OLS also estimates that, pursuant to the bill, a total of 159 school districts may request increases to their tax levies. The OLS estimates that if all 159 districts received approval for the maximum levy increase permitted by the bill, local school districts may realize a revenue increase of up to \$221.4 million in the 2024-2025 school year. The OLS notes that the bill does not require school districts to implement the tax levy increases authorized by the bill; therefore, the estimated amount of school district tax levy increases is a maximum.

BILL DESCRIPTION

This bill establishes in the Department of Education a Stabilized School Budget Aid Grant Program. The purpose of the program is to provide aid grants to eligible school districts equal to 45 percent of the amount of the school districts' State school aid reductions, as calculated under current law for the 2024-2025 school year. The bill appropriates \$44.7 million to fund the program.

The bill also permits school districts, which experienced reductions in State school aid in the 2024-2025 school year compared to the 2020-2021 school year, to request certain increases in their adjusted property tax levies above the amounts permitted under current law. The maximum amount of the adjusted tax levy increase pursuant to the bill is 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. However, the bill prohibits a school district from increasing its adjusted tax levy by more than 9.9 percent of the prior year's tax levy. The authorization to increase the adjusted tax levy pursuant to the provisions of the bill would not apply to SDA districts.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill may cost the State up to \$48.2 million to provide aid grants equal to 45 percent of proposed State school aid reductions in the 2024-2025 school year. Information contained in the State aid notices for the 2024-2025 school year, which were distributed by the Department of Education in February 2024, indicate total Statewide reductions of \$107.2 million. The OLS estimates that 152 school districts will be eligible for aid grants pursuant to the bill.

The OLS also estimates that, pursuant to the bill, a total of 159 school districts may request increases to their tax levies. The OLS estimates that if all 159 districts received approval for the maximum levy increase permitted by the bill, local school districts may realize a revenue increase of up to \$221.4 million in the 2024-2025 school year. The OLS notes that the bill does not require school districts to implement the tax levy increases authorized by the bill; therefore, the estimated amount of school district tax levy increases is a maximum.

Section: Education

*Analyst: Abigail Chambers
Associate Fiscal Analyst*

*Christopher Myles
Senior Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

Governor Murphy Signs Legislation Providing Support to School Districts Seeing Reductions in School Funding Aid

05/14/2024

TRENTON – Governor Phil Murphy today signed two bills offering flexibility and relief to school districts across New Jersey as they work to finalize their 2024-2025 school budgets. The first bill ([A4161](#)) aims to increase funding for school districts experiencing reductions in aid under S2, easing the impact of the final year of its seven-year phase-in as school districts adjust to funding levels calculated under the School Funding Reform Act.

By signing the legislation, the Governor establishes a Stabilized School Budget Aid Grant Program in the Department of Education to provide grants equal to 45 percent of a school district's State school aid reduction for the 2024-2025 school year. The bill appropriates \$44.7 million to support the program. In addition to providing supplementary state aid, the legislation allows certain districts experiencing reductions in state aid to request increases in their adjusted property tax levies above the two percent cap established under current law.

"From the onset of my Administration, we have strived to ensure every child in New Jersey receives the top-notch education that has become synonymous with our state's public education system. Through seven budget cycles, we have never wavered on our commitment to our school communities – and that rings true today," **said Governor Murphy**. "With this legislation, we are giving local school districts critical support during trying times, as difficult financial realities muddy the already complex process of adopting a balanced budget. I am pleased to provide relief to school districts facing reductions in aid and, as we look ahead, I anticipate working alongside Commissioner Dehmer to ensure our tax dollars are being used responsibly to uplift all of our students."

"The combination of additional state aid and school district tax levy growth cap flexibility achieved by this legislation strikes a key balance: easing the transition to full funding amounts while further empowering school districts to sustain education and support programs beyond S2's phase-in schedule," **said Kevin Dehmer, Acting Commissioner of Education**. "For our part, the Department is committed to working with districts on finalizing their budget plans for next school year; for their part, this legislation provides districts additional revenue sources to further help transition to sustainable spending plans that meet the needs of all students. I commend the Governor and the Legislature for their commitment to this impactful legislation."

"This law will help local school districts experiencing funding gaps bring more stability to their finances," **said Senate President Nick Scutari**. "It provides the resources and the means needed by them to support a quality education. We have some of the best public schools in the country and we are committed to working with all of them to maintain that standard of excellence for the benefit of educators, students and their local communities."

"We have increased state aid to record levels for our best-in-the-nation public schools," **said Assembly Speaker Craig J. Coughlin**. "This legislation will provide more flexibility for local districts to plan for the future while we maintain our commitment to full funding for education. It will also offer immediate support to mitigate job losses and cuts to programs due to fluctuations in the funding formula."

"This supplemental funding ensures a more solid footing for our students to thrive, and eases the property tax burden on our seniors and residents," **said Assembly Majority Leader Louis D. Greenwald**. "New Jersey's national ranking for its education is a testament to our unwavering commitment to our students. We will continue to staunchly advocate for our communities and schools to maintain the standard of excellence that has distinguished us as a leader in providing quality education."

"I fully support the state's school funding formula, but I recognize that there are a few anomalies that impact a number of districts in New Jersey," **said Senator Paul Sarlo, Chairman of the Senate Budget and Appropriations Committee**. "This law is a remedy that will help them address their immediate funding needs. It's beneficial for the school systems and local taxpayers."

Sponsors of A4161 include Senators Andrew Zwicker and Vin Gopal and Assembly members Roy Freiman, Michelle Drulis, Pamela Lampitt and Andrea Katz.

"Over 140 districts are experiencing drastic state aid reductions that would require them to make rash cuts to student programs and jobs," **said Senator Andrew Zwicker**. "Our public schools are the best in the nation. We cannot let them fall into disarray by asking districts to scale back spending year after year. This program is a stopgap that will provide relief to districts for the upcoming school year as we continue to work to find a stable long-term school funding solution."

"The partial restoration of aid to eligible schools will provide districts some cushion as we continue our transition under the school funding reform act known as S-2," **said Senator Vin Gopal, Chairman of the Senate Education Committee**. "We have heard testimony from teachers, students, and parents of these cuts' devastating impact on their districts for months. This move will give additional support and sustain our standard of delivering high-quality public education."

"We know that even in the midst of unprecedented school aid and investment in education, many districts are losing state aid," **said Assemblyman Roy Freiman**. "This bill recognizes the need to act swiftly, as some school districts are already working on budgetary decisions. Delays in our response could result in devastating staff cuts being implemented that could otherwise be avoided."

"This legislation represents a comprehensive approach to ensuring districts have the funding they need to make smart decisions on the local level," **said Assemblywoman Michelle Drulis**. "We must continue to invest in the future of New Jersey families, particularly in the education of our children, ensuring school districts can plan future budgets without compromising the quality of education they deliver."

"This measure will give tools to districts that are struggling with funding, helping them to retain critical teachers and staff," **said Assemblywoman Pamela R. Lampitt, Chair of the Assembly Education Committee**. "With this signing, these districts will have a better capacity to address challenges at the local level and to make the best decisions for their communities."

"By investing in our schools we are investing in our future, giving each child access to quality education that will provide a solid foundation for their life ahead," **said Assemblywoman Andrea Katz**. "With this bill, we can assist school districts and retain skilled educators and staff, ensuring they possess the necessary resources and support to deliver top-tier education while saving property taxpayers money."

The second bill ([A4059](#)) authorizes the Commissioner of Education to permit certain school districts experiencing a reduction in state aid to submit budgets no later than five days following the enactment of the FY2025 appropriations act.

Sponsors of A4059 include Senator James Beach and Assembly members Pamela Lampitt, Sterley Stanley and Andrea Katz.

"Several districts are facing double-digit percentage state funding cuts compared to last year, and we have a responsibility to give them time to adjust," **said Senator James Beach**. "As the Legislature seeks to identify additional aid for these districts through the annual budget process, it is only fair that we provide additional time for them to submit their budgets, so they can be finalized with complete information."

"When it comes to our children, it is essential that we continue to provide our schools with all of the tools necessary in order to sustain the excellence that has become the hallmark of what it means to be educated here in the State of New Jersey," **said Assemblyman Sterley Stanley**. "This legislation will finally give school districts the flexibility they need in order to ensure that they receive support for every student enrolled on the first day of school, not just enrollment projections from the year before."

"On behalf of the New Jersey Principals and Supervisors Association, I would like to thank Governor Murphy and the many legislators who sponsored and supported S3081/A4161 and S3002/A4059 for recognizing that the impact of the final year of implementing the school funding formula could be completely devastating for some districts, choosing to take steps to support the needs of many schools and students. This allows districts time to plan their final budgets and will help many keep teachers in the classroom, maintain reasonable class sizes, and preserve valuable programming that would otherwise have been lost," **said Karen A. Bingert, Executive Director of the NJ Principals and Supervisors Association**.

"New Jersey continues to show its commitment to a quality education system for all students through its financial investments. Gov. Murphy's signature on S3081/A4161, which appropriates \$44.7 million to restore 45 percent of state aid to school districts facing cuts under the school funding formula for the 2024-25 academic year, is the latest example. This administration not only talks about how education is the key to success but backs up their words through action and funding. AFT New Jersey thanks Gov. Murphy and the Legislature for continuing to advocate for our children, our members and the communities they serve and live in," **said AFT New Jersey President Donna M. Chiera**.

"We appreciate Governor Murphy's support for maintaining programs and services in school districts," **said Richard Bozza, Executive Director of the NJ Association of School Administrators**.

"The NJ Association of School Business Officials is happy that the legislative package S3081/A4161 and S3002/A4059 allowing districts to revise their budgets to reflect the additional funding for fiscal year 2024-25 has been signed by Governor Murphy. This additional funding and the flexibility permitted will help districts to address staffing issues and other problems created by current funding shortfalls. We look forward to continue working with the administration to find more permanent solutions to providing the necessary resources for our public schools," **said Susan Young, Executive Director of the NJ Association of School Business Officials**.

"Save Our Schools NJ thanks the Legislature, particularly Sen. Zwicker for his tireless efforts to bring funding to school districts facing deep cuts by sponsoring S3081. We also thank Governor Murphy for recognizing the urgency of

need by signing this bill so quickly. All students in New Jersey deserve to attend schools that are well-resourced. This bill is a step in the right direction," **said Julie Larrea Borst, Executive Director of Save Our Schools NJ Community Organizing.**

"The New Jersey School Boards Association thanks Governor Murphy, Senate President Scutari, Speaker Coughlin and the Legislature for approving this essential measure, which provides school districts across the state with tools and resources to maintain critical staff, programs and services. The school aid restorations and property tax cap flexibility provided under A-4161/S-3081 will help these districts provide their students with the high-quality education they deserve. We would particularly like to extend our gratitude to the lead sponsors – Senators Zwicker and Gopal, Assemblyman Freiman, and Assemblywomen Drulis, Lampitt and Katz – for their leadership on this issue and their steadfast commitment to the state's public school students. While this relief is certainly welcome, we recognize that even more work lies ahead, and we must remain laser focused on the matter of how we fund our schools. We look forward to continuing to collaborate with the Murphy administration and the Legislature as they continue to evaluate the school funding formula to make necessary adjustments to guarantee ALL of New Jersey's students receive a thorough and efficient education," **said Timothy Purnell, Executive Director of the New Jersey School Boards Association.**

"We are grateful that the Legislature and Gov. Murphy came together to provide this critically needed funding to districts across New Jersey," **said NJEA President Sean M. Spiller.** "While it will not replace all of the funds lost in every district, it will go a long way toward preventing the threatened staffing and program cuts that would have hurt so many children across New Jersey. We still have work to do to ensure all schools have reliable and adequate funding every year, so that we don't need extraordinary measures like this each budget season. We look forward to working with Gov. Murphy, legislative leaders and other education stakeholders to find those solutions and alleviate the need for emergency action like this in the future."

In his signing statement for A4161, the Governor directs the Commissioner of Education to conduct a comprehensive review assessing the responsible utilization of the additional funding by school districts. Click [here](#) to view the signing statement for A4161.

A signing statement on A4059 clarifies that state aid notices were distributed to school districts in February 2024, rather than March 2024. Click [here](#) to view the signing statement for A4059.