



<b>TECHNICAL REVIEW:</b>	No	
<b>COMMITTEE STATEMENT:</b>	<b>ASSEMBLY:</b> Yes	Education Appropriations
	<b>SENATE:</b> No	

(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](http://www.njleg.state.nj.us))

<b>FLOOR AMENDMENT STATEMENT:</b>	No
<b>LEGISLATIVE FISCAL ESTIMATE:</b>	Yes
<b>VETO MESSAGE:</b>	No
<b>GOVERNOR'S PRESS RELEASE ON SIGNING:</b>	Yes

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<b>REPORTS:</b>	No
<b>HEARINGS:</b>	No
<b>NEWSPAPER ARTICLES:</b>	No

CL/MM

P.L. 2024, CHAPTER 60, *approved September 4, 2024*

Senate, No. 2837

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

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

6  
7 1. Section 5 of P.L.1996, c.138 (C.18A:7F-5) is amended to read  
8 as follows:

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

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

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

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

39 Notwithstanding any other provision of this act to the contrary,  
40 each district's State aid payable for the 2008-2009 school year, with  
41 the exception of aid for school facilities projects, shall be based on  
42 simulations employing the various formulas and State aid amounts

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is  
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

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

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

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

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

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

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

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

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

18 (1) the district's advertised per pupil administrative costs for the  
19 2004-2005 school year inflated by the cost of living or 2.5 percent,  
20 whichever is greater; or

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

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

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

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

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

4 d. (1) A district's general fund tax levy shall not exceed the  
5 district's adjusted tax levy as calculated pursuant to sections 3 and 4  
6 of P.L.2007, c.62 (C.18A:7F-38 and 18A:7F-39).

7 (2) (Deleted by amendment, P.L.2007, c.260).

8 (3) (Deleted by amendment, P.L.2007, c.260).

9 (4) Any debt service payment made by a school district during  
10 the budget year shall not be included in the calculation of the  
11 district's adjusted tax levy.

12 (5) (Deleted by amendment, P.L.2007, c.260).

13 (6) (Deleted by amendment, P.L.2007, c.260).

14 (7) (Deleted by amendment, P.L.2004, c.73).

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

16 (9) Any district may submit at the annual school budget  
17 election, in accordance with subsection c. of section 4 of P.L.2007,  
18 c.62 (C.18A:7F-39), a separate proposal or proposals for additional  
19 funds, including interpretive statements, specifically identifying the  
20 program purposes for which the proposed funds shall be used, to the  
21 voters, who may, by voter approval, authorize the raising of an  
22 additional general fund tax levy for such purposes. In the case of a  
23 district with a board of school estimate, one proposal for the  
24 additional spending shall be submitted to the board of school  
25 estimate. Any proposal or proposals submitted to the voters or the  
26 board of school estimate shall not: include any programs and  
27 services that were included in the district's prebudget year net  
28 budget unless the proposal is approved by the commissioner upon  
29 submission by the district of sufficient reason for an exemption to  
30 this requirement; or include any new programs and services  
31 necessary for students to achieve the thoroughness standards  
32 established pursuant to subsection a. of section 4 of P.L.2007, c.260  
33 (C.18A:7F-46).

34 A district without a board of school estimate may also submit to  
35 the voters at a special election authorized pursuant to section 2 of  
36 P.L.1995, c.278 (C.19:60-2), a separate proposal or proposals for  
37 additional funds for the subsequent budget year, including  
38 interpretive statements, specifically identifying the program  
39 purposes for which the proposed funds shall be used. A proposal  
40 submitted at a special election shall comply with the requirements  
41 of this paragraph and section 4 of P.L.2007, c.62 (C.18A:7F-39). A  
42 separate proposal or proposals for additional funds may only be  
43 submitted on a date of a special election once during a school year.  
44 Nothing in this paragraph shall be construed to prohibit the  
45 submission to the voters of a question or questions for the approval  
46 of a capital project or projects on the same special election date as  
47 the submission of a separate proposal or proposals for additional  
48 funds.

1 The executive county superintendent of schools may prohibit the  
2 submission of a separate proposal or proposals to the voters or  
3 board of school estimate if he determines that the district has not  
4 implemented all potential efficiencies in the administrative  
5 operations of the district, which efficiencies would eliminate the  
6 need for the raising of an additional general fund tax levy.

7 (10) Notwithstanding any provision of law to the contrary, if a  
8 district proposes a budget with a general fund tax levy and  
9 equalization aid which exceed the adequacy budget, the following  
10 statement shall be published in the legal notice of public hearing on  
11 the budget pursuant to N.J.S.18A:22-28, and posted at the public  
12 hearing held on the budget pursuant to N.J.S.18A:22-29:

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

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

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

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

1 or that the reductions will negatively impact on the stability of the  
2 district given the need for long term planning and budgeting. In  
3 considering the appeal, the commissioner shall also consider the  
4 factors outlined in paragraph (1) of this subsection.

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

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

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

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

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

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

23

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

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

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

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

39 A school district without a board of school estimate may submit  
40 to the voters at a special school election authorized pursuant to  
41 section 2 of P.L.1995, c.278 (C.19:60-2), a proposal or proposals to  
42 increase the adjusted tax levy for the subsequent school budget year  
43 by more than the allowable amount authorized pursuant to section 3  
44 of P.L.2007, c.62 (C.18A:7F-38). A proposal submitted at a special  
45 election shall comply with the requirements of this subsection and  
46 of paragraph (9) of subsection d. of section 5 of P.L.1996, c.138  
47 (C.18A:7F-5). A proposal or proposals for additional funds may  
48 only be submitted on a date of a special election once during a

1 school year. Nothing in this subsection shall be construed to  
2 prohibit the submission to the voters of a question or questions for  
3 the approval of a capital project or projects on the same special  
4 election date as the submission of a separate proposal or proposals  
5 for additional funds.

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

10 (2) All proposals to increase the tax levy submitted pursuant to  
11 this subsection shall include interpretive statements specifically  
12 identifying the program purposes for which the proposed funds  
13 shall be used and a clear statement on whether approval will affect  
14 only the current year, or result in a permanent increase in the levy.  
15 The proposals shall be submitted and approved pursuant to sections  
16 5 and 6 of P.L.1996, c.138 (C.18A:7F-5 and 18A:7F-6).

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

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

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

26  
27 3. This act shall take effect immediately.

## 28 29 30 STATEMENT

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

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

**S2837**

8

1 election date as the submission of a separate proposal for additional  
2 funds.

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7 \_\_\_\_\_  
8 Authorizes school districts to submit separate proposals for  
9 additional spending for subsequent budget year at special school  
election.

## CHAPTER 60

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

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

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

C.18A:7F-5 Notification of districts of aid payable; budget submissions.

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

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

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

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

Notwithstanding any other provision of this act to the contrary, each district's State aid payable for the 2008-2009 school year, with the exception of aid for school facilities projects, shall be based on simulations employing the various formulas and State aid amounts contained in P.L.2007, c.260 (C.18A:7F-43 et al.). The commissioner shall prepare a report dated December 12, 2007 reflecting the State aid amounts payable by category for each district and shall submit the report to the Legislature prior to the adoption of P.L.2007, c.260 (C.18A:7F-43 et al.). Except as otherwise provided pursuant to this subsection and paragraph (3) of subsection d. of section 5 of P.L.2007, c.260 (C.18A:7F-47), the amounts contained in the commissioner's report shall be the final amounts payable and shall not be subsequently adjusted other than to reflect the phase-in of the required general fund local levy pursuant to paragraph (4) of subsection b. of section 16 of P.L.2007, c.260 (C.18A:7F-58) and to reflect school choice aid to which a district may be entitled pursuant to section 20 of that act. The projected pupil counts and equalized valuations used for the calculation of State aid shall also be used for the calculation of adequacy budget, local share, and required local share. For 2008-2009, extraordinary special education State aid shall be included as a projected amount in the commissioner's report dated December 12, 2007 pending the final approval of applications for the aid. If the actual award of extraordinary special education State aid is greater than the projected amount, the district shall receive the increase in the aid payable in the subsequent school year pursuant to the provisions of subsection c. of section 13 of P.L.2007, c.260

(C.18A:7F-55). If the actual award of extraordinary special education State aid is less than the projected amount, other State aid categories shall be adjusted accordingly so that the district shall not receive less State aid than as provided in accordance with the provisions of sections 5 and 16 of P.L.2007, c.260 (C.18A:7F-47 and C.18A:7F-58).

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

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

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

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

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

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

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

- (1) the district's advertised per pupil administrative costs for the 2004-2005 school year inflated by the cost of living or 2.5 percent, whichever is greater; or
- (2) the per pupil administrative cost limits for the district's region as determined by the commissioner based on audited expenditures for the 2003-2004 school year.

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

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

- (1) the district's prior year per pupil administrative costs; except that the district may submit a request to the commissioner for approval to exceed the district's prior year per pupil administrative costs due to increases in enrollment, administrative positions necessary as a result of mandated programs, administrative vacancies, nondiscretionary fixed costs, and such other items as defined in accordance with regulations adopted pursuant to section 7 of P.L.2004, c.73. In the event that the commissioner approves a district's request to exceed its

prior year per pupil administrative costs, the increase authorized by the commissioner shall not exceed the cost of living or 2.5 percent, whichever is greater; or

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

d. (1) A district's general fund tax levy shall not exceed the district's adjusted tax levy as calculated pursuant to sections 3 and 4 of P.L.2007, c.62 (C.18A:7F-38 and 18A:7F-39).

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

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

(4) Any debt service payment made by a school district during the budget year shall not be included in the calculation of the district's adjusted tax levy.

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

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

(7) (Deleted by amendment, P.L.2004, c.73).

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

(9) Any district may submit at the annual school budget election, in accordance with subsection c. of section 4 of P.L.2007, c.62 (C.18A:7F-39), a separate proposal or proposals for additional funds, including interpretive statements, specifically identifying the program purposes for which the proposed funds shall be used, to the voters, who may, by voter approval, authorize the raising of an additional general fund tax levy for such purposes. In the case of a district with a board of school estimate, one proposal for the additional spending shall be submitted to the board of school estimate. Any proposal or proposals submitted to the voters or the board of school estimate shall not: include any programs and services that were included in the district's prebudget year net budget unless the proposal is approved by the commissioner upon submission by the district of sufficient reason for an exemption to this requirement; or include any new programs and services necessary for students to achieve the thoroughness standards established pursuant to subsection a. of section 4 of P.L.2007, c.260 (C.18A:7F-46).

A district without a board of school estimate may also submit to the voters at a special election authorized pursuant to section 2 of P.L.1995, c.278 (C.19:60-2), a separate proposal or proposals for additional funds for the subsequent budget year, including interpretive statements, specifically identifying the program purposes for which the proposed funds shall be used. A proposal submitted at a special election shall comply with the requirements of this paragraph and section 4 of P.L.2007, c.62 (C.18A:7F-39). A separate proposal or proposals for additional funds may only be submitted on a date of a special election once during a school year. Nothing in this paragraph shall be construed to prohibit the submission to the voters of a question or questions for the approval of a capital project or projects on the same special election date as the submission of a separate proposal or proposals for additional funds.

The executive county superintendent of schools may prohibit the submission of a separate proposal or proposals to the voters or board of school estimate if he determines that the district has not implemented all potential efficiencies in the administrative operations of the district, which efficiencies would eliminate the need for the raising of an additional general fund tax levy.

(10) Notwithstanding any provision of law to the contrary, if a district proposes a budget with a general fund tax levy and equalization aid which exceed the adequacy budget, the following statement shall be published in the legal notice of public hearing on the budget pursuant to N.J.S.18A:22-28, and posted at the public hearing held on the budget pursuant to N.J.S.18A:22-29:

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

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

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

(2) In the case of a district having a board of school estimate, other than a Type II district with a board of school estimate, which has a proposed budget that includes a general fund tax levy and equalization aid at or below the adequacy budget, the general fund tax levy shall be submitted to the board for determination. Any reductions may be appealed to the commissioner on the grounds that the amount is necessary for a thorough and efficient education or that the reductions will negatively impact on the stability of the district given the need for long term planning and budgeting. In considering the appeal, the commissioner shall also consider the factors outlined in paragraph (1) of this subsection.

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

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

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

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

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

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

C.18A:7F-39 Proposal submission required to increase adjusted tax levy, certain circumstances.

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

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

c. A school district may submit to the voters at the annual school election, or on such other date as is set by regulation of the commissioner, a proposal or proposals to increase the adjusted tax levy by more than the allowable amount authorized pursuant to section 3 of

P.L.2007, c.62 (C.18A:7F-38). The proposal or proposals to increase the adjusted tax levy shall be approved if a majority of people voting shall vote in the affirmative. In the case of a school district with a board of school estimate, the additional adjusted tax levy shall be authorized only if a quorum is present for the vote and a majority of those board members who are present vote in the affirmative to authorize the additional adjusted tax levy.

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

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

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

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

e. A school district that has not been granted approval to exceed the cap pursuant to subsection c. of this section, 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.

3. This act shall take effect immediately.

Approved September 4, 2024.

**SENATE, No. 2837**

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**STATE OF NEW JERSEY**

**221st LEGISLATURE**

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INTRODUCED FEBRUARY 27, 2024

**Sponsored by:**

**Senator PAUL A. SARLO**

**District 36 (Bergen and Passaic)**

**Senator M. TERESA RUIZ**

**District 29 (Essex and Hudson)**

**Assemblywoman ELIANA PINTOR MARIN**

**District 29 (Essex and Hudson)**

**Assemblyman LOUIS D. GREENWALD**

**District 6 (Burlington and Camden)**

**Assemblywoman SHANIQUE SPEIGHT**

**District 29 (Essex and Hudson)**

**Co-Sponsored by:**

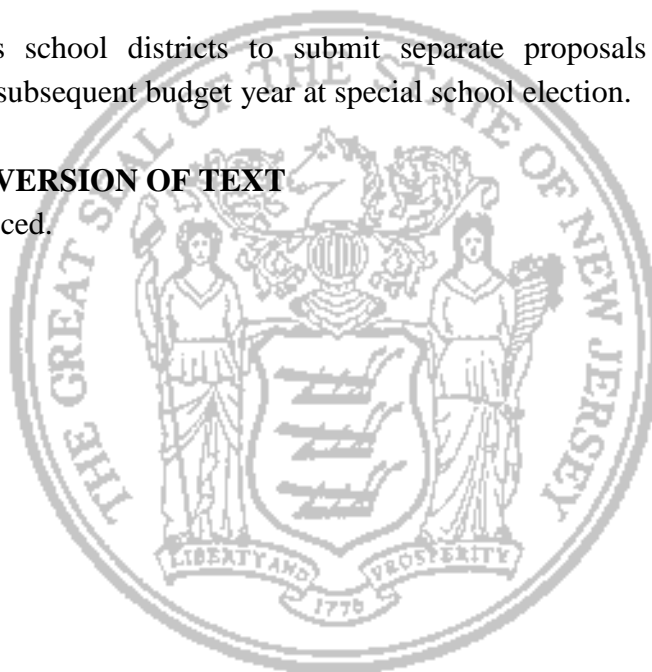
**Assemblywomen Hall, Bagolie, Assemblyman Karabinchak,  
Assemblywoman Sumter and Assemblyman Freiman**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

As introduced.



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

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

3

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

6

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

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

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

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

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

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

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is  
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 implemented all potential efficiencies in the administrative  
2 operations of the district, which efficiencies would eliminate the  
3 need for the raising of an additional general fund tax levy.

4 (10) Notwithstanding any provision of law to the contrary, if a  
5 district proposes a budget with a general fund tax levy and  
6 equalization aid which exceed the adequacy budget, the following  
7 statement shall be published in the legal notice of public hearing on  
8 the budget pursuant to N.J.S.18A:22-28, and posted at the public  
9 hearing held on the budget pursuant to N.J.S.18A:22-29:

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

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

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

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

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

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

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

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

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

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

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

21

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

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

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

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

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

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

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

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

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

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

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

24

25 3. This act shall take effect immediately.

26

27

28

#### STATEMENT

29

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

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

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

**SENATE, No. 2837**

**STATE OF NEW JERSEY**

DATED: JUNE 6, 2024

The Assembly Education committee reports favorably Senate Bill No. 2837.

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

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

As reported by the committee, Senate Bill No. 2837 is identical to Assembly Bill No. 4084, which was also reported by the committee on this date.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 2837

# STATE OF NEW JERSEY

DATED: JUNE 24, 2024

The Assembly Appropriations Committee reports favorably Senate Bill No. 2837.

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

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

As reported by the committee, Senate Bill No. 2837 is identical to Assembly Bill No. 4084, which was also reported by the committee on this date.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that this bill could result in a marginal expenditure increase to certain school districts without boards of school estimate. The expenditure increase would only be borne by districts that choose to submit to the voters of the district at a special school election a separate proposal or proposals for permission to raise additional funds for the subsequent school budget year beyond the district's authorized tax levy for that year.

The expenditure increase would be in connection with additional school district spending to reimburse certain local government entities for their upfront costs to conduct a special school election. These reimbursements would represent revenue increases for these local entities.

School districts that receive voter approval to raise additional funds for the subsequent school budget year beyond their authorized

tax levy will experience an indeterminate revenue increase for that year.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 2837

# STATE OF NEW JERSEY

DATED: MARCH 11, 2024

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2837.

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

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

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that this bill could result in a marginal expenditure increase to certain school districts without boards of school estimate. The expenditure increase would only be borne by districts that choose to submit to the voters of the district at a special school election a separate proposal or proposals for permission to raise additional funds for the subsequent school budget year beyond the district's authorized tax levy for that year.

The expenditure increase would be in connection with additional school district spending to reimburse certain local government entities for their upfront costs to conduct a special school election. These reimbursements would represent revenue increases for these local entities.

School districts that receive voter approval to raise additional funds for the subsequent school budget year beyond their authorized tax levy will experience an indeterminate revenue increase for that year.

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 2837**  
**STATE OF NEW JERSEY**  
**221st LEGISLATURE**

DATED: MARCH 13, 2024

**SUMMARY**

- Synopsis:** Authorizes school districts to submit separate proposal for additional spending for subsequent budget year at special school election.
- Type of Impact:** Potential annual expenditure increases for certain school districts, potential annual expenditure and revenue increases to local government entities.
- Agencies Affected:** School districts, local governments.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Annual</u></b>
<b>Potential School District Expenditure Increase</b>	Indeterminate
<b>Potential School District Revenue Increase</b>	Indeterminate
<b>Potential Local Expenditure Increase</b>	Indeterminate
<b>Potential Local Revenue Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) concludes that this bill could result in a marginal expenditure increase to certain school districts without boards of school estimate. The expenditure increase would only be borne by districts that choose to submit to the voters of the district at a special school election a separate proposal or proposals for permission to raise additional funds for the subsequent school budget year beyond the district’s authorized tax levy for that year.
- The expenditure increase would be in connection with additional school district spending to reimburse certain local government entities for their upfront costs to conduct a special school election. These reimbursements would represent revenue increases for these local entities.
- School districts that receive voter approval to raise additional funds for the subsequent school budget year beyond their authorized tax levy will experience an indeterminate revenue increase for that year.



## **BILL DESCRIPTION**

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

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

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS concludes that this bill could result in a marginal expenditure increase to school districts without boards of school estimate that choose to submit to the voters of the district at a special school election a separate proposal or proposals for permission to raise additional funds for the subsequent school budget year beyond the district's authorized tax levy for that year. The expenditure increase would be in connection with additional school district spending to reimburse certain local government entities for their upfront costs to conduct a special school election, which would increase revenues for these local entities. Under current law, all costs for any school election held at a time other than the time of the general election are to be paid by the board of education of the school district to the county board of elections, county superintendent of elections, county clerk, and municipal clerk that conduct the elections.

In a given year, a relatively small number of school districts submit proposals to their voters to raise additional funds for the budget year beyond the district's authorized tax levy. Information from the New Jersey School Boards Association indicates that only 14 school districts in 2023 submitted proposals to exceed their authorized tax levy. All of these questions were submitted to voters at the annual school election in November. Given the relatively small number of districts submitting questions to exceed the tax levy cap under current law, the OLS assumes that a similarly small number of school districts would conduct special school elections to exceed their authorized tax levy in the subsequent budget year. While this bill may cause some school districts to conduct a special school election on a day when they otherwise would not have had an election, the OLS expects this bill to have only a marginal fiscal impact on a Statewide basis.

*Section: Education*

*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.).

**ASSEMBLY, No. 4084**

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**STATE OF NEW JERSEY**

**221st LEGISLATURE**

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INTRODUCED MARCH 18, 2024

**Sponsored by:**

**Assemblywoman ELIANA PINTOR MARIN**

**District 29 (Essex and Hudson)**

**Assemblyman LOUIS D. GREENWALD**

**District 6 (Burlington and Camden)**

**Assemblywoman SHANIQUE SPEIGHT**

**District 29 (Essex and Hudson)**

**Co-Sponsored by:**

**Assemblywomen Hall, Bagolie, Assemblyman Karabinchak,**

**Assemblywoman Sumter and Assemblyman Freiman**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

As introduced.



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

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

3

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

6

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

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

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

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

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

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

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is  
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 implemented all potential efficiencies in the administrative  
2 operations of the district, which efficiencies would eliminate the  
3 need for the raising of an additional general fund tax levy.

4 (10) Notwithstanding any provision of law to the contrary, if a  
5 district proposes a budget with a general fund tax levy and  
6 equalization aid which exceed the adequacy budget, the following  
7 statement shall be published in the legal notice of public hearing on  
8 the budget pursuant to N.J.S.18A:22-28, and posted at the public  
9 hearing held on the budget pursuant to N.J.S.18A:22-29:

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

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

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

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

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

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

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

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

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

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

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

21

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

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

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

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

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

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

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

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

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

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

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

24

25 3. This act shall take effect immediately.

26

27

28

#### STATEMENT

29

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

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

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 4084**

**STATE OF NEW JERSEY**

DATED: JUNE 6, 2024

The Assembly Education committee reports favorably Assembly Bill No. 4084.

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

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

As reported by the committee, Assembly Bill No. 4084 is identical to Senate Bill No. 2837, which was also reported by the committee on this date.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 4084

# STATE OF NEW JERSEY

DATED: JUNE 24, 2024

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4084.

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

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As reported by the committee, Assembly Bill No. 4084 is identical to Senate Bill No. 2837, which was also reported by the committee on this date.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that this bill could result in a marginal expenditure increase to certain school districts without boards of school estimate. The expenditure increase would only be borne by districts that choose to submit to the voters of the district at a special school election a separate proposal or proposals for permission to raise additional funds for the subsequent school budget year beyond the district's authorized tax levy for that year.

The expenditure increase would be in connection with additional school district spending to reimburse certain local government entities for their upfront costs to conduct a special school election. These reimbursements would represent revenue increases for these local entities.

School districts that receive voter approval to raise additional funds for the subsequent school budget year beyond their authorized

tax levy will experience an indeterminate revenue increase for that year.

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 4084**  
**STATE OF NEW JERSEY**  
**221st LEGISLATURE**

DATED: JUNE 24, 2024

**SUMMARY**

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

**Type of Impact:** Potential annual expenditure and revenue increases for certain school districts, potential annual expenditure and revenue increases to local government entities.

**Agencies Affected:** School districts, local governments.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Annual</u></b>
<b>Potential School District Expenditure Increase</b>	Indeterminate
<b>Potential School District Revenue Increase</b>	Indeterminate
<b>Potential Local Expenditure Increase</b>	Indeterminate
<b>Potential Local Revenue Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) concludes that this bill could result in a marginal expenditure increase to certain school districts without boards of school estimate. The expenditure increase would only be borne by districts that choose to submit to the voters of the district at a special school election a separate proposal or proposals for permission to raise additional funds for the subsequent school budget year beyond the district’s authorized tax levy for that year.
- The expenditure increase would be in connection with additional school district spending to reimburse certain local government entities for their upfront costs to conduct a special school election. These reimbursements would represent revenue increases for these local entities.
- School districts that receive voter approval to raise additional funds for the subsequent school budget year beyond their authorized tax levy will experience an indeterminate revenue increase for that year.



## **BILL DESCRIPTION**

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

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

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS concludes that this bill could result in a marginal expenditure increase to school districts without boards of school estimate that choose to submit to the voters of the district at a special school election a separate proposal or proposals for permission to raise additional funds for the subsequent school budget year beyond the district's authorized tax levy for that year. The expenditure increase would be in connection with additional school district spending to reimburse certain local government entities for their upfront costs to conduct a special school election, which would increase revenues for these local entities. Under current law, all costs for any school election held at a time other than the time of the general election are to be paid by the board of education of the school district to the county board of elections, county superintendent of elections, county clerk, and municipal clerk that conduct the elections.

In a given year, a relatively small number of school districts submit proposals to their voters to raise additional funds for the budget year beyond the district's authorized tax levy. Information from the New Jersey School Boards Association indicates that only 14 school districts in 2023 submitted proposals to exceed their authorized tax levy. All of these questions were submitted to voters at the annual school election in November. Given the relatively small number of districts submitting questions to exceed the tax levy cap under current law, the OLS assumes that a similarly small number of school districts would conduct special school elections to exceed their authorized tax levy in the subsequent budget year. While this bill may cause some school districts to conduct a special school election on a day when they otherwise would not have had an election, the OLS expects this bill to have only a marginal fiscal impact on a Statewide basis.

*Section: Education*

*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 Takes Action on Legislation

09/4/2024

**TRENTON** – Today, Governor Murphy signed the following bill into law:

**S-2837/A-4084 (Sarlo, Ruiz/Pintor Marin, Greenwald, Speight)** - Authorizes school districts to submit separate proposals for additional spending for subsequent budget year at special school election.