

18A:58-7 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA: 18A:58-7 et al

(Regional school districts--financial incentives)

LAWS OF: 1988

CHAPTER: 141

Bill No: S575

Sponsor(s): Brown

Date Introduced: Pre-filed

Committee: Assembly: Appropriations

Senate: Education; Revenue, Finance & Appropriations

Amended during passage: No

Date of Passage: Assembly: September 29, 1988

Senate: May 23, 1988

Date of Approval: October 27, 1988

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: Yes

Senate: Yes 1-28-88 & 3-21-88

Fiscal Note: No

Veto Message: No

Message on signing: No

Following were printed:

Reports: No

Hearings: No

P.L. 1988, CHAPTER 141, approved October 27, 1988
1988 Senate No. 575

1 AN ACT providing financial incentives for the formation of
certain regional school districts, amending N.J.S. 18A:58-7,
3 P.L. 1975, c. 212 and P.L. 1987, c. 266.

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

7 1. N.J.S. 18A:58-7 is amended to read as follows:

18A:58-7. Each district shall also be paid 90% of the cost to
9 the district of transportation of pupils to a school when the
necessity for such transportation and the cost and method
11 thereof have been approved by the county superintendent of the
county in which the district paying the cost of such
13 transportation is situate; except that in the case of a regional
school district formed after [January 1, 1987] November 24,
15 1986 the payment shall be calculated on the current basis of the
approved amount of transportation expense during the two years
17 following the year of regionalization of the school district,
subject to the provisions of section 4 of P.L. 1987 c. 266 (C.
19 18A:7A-27.1). Such aid shall be paid for elementary pupils who
live beyond 2 miles from their school of attendance and
21 secondary pupils who live beyond 2 1/2 miles from their school
of attendance.

23 (cf: P.L. 1987, c. 266, s. 1)

25 2. Section 18 of P.L. 1975, c. 212 (C. 18A:7A-18) is amended
to read as follows:

18. Equalization support for current expenses of all school
27 districts shall be paid in accordance with the calculations
contained in subsections a. or b. whichever results in a greater
29 amount of aid:

31 a. Divide the district equalized valuation per pupil by the
guaranteed valuation per pupil and subtract the quotient from
1.0000 to obtain the district's State support ratio.

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 Multiply the district's State support ratio by the smaller of
2 (1) the net current expense budget for the prebudget year or (2)
3 the product of the resident enrollment and the State support
4 limit.

5 b. Divide the district's equalized valuation per pupil by the
6 minimum aid guaranteed valuation per pupil, subtract the
7 quotient from 1.0000 and multiply the remainder by 10% to
8 obtain the district's minimum aid State support ratio.

9 Multiply the district's minimum aid State support ratio by the
10 product of the resident enrollment and the State support limit.

11 An all purpose regional school district formed after [January
12 1, 1987] November 24, 1986 shall be entitled to 110% of the
13 amount of equalization aid calculated pursuant to subsection a.
14 or b. of this section for a period of five years following the year
15 of regionalization of the school district, subject to the
16 provisions of section 4 of P.L. 1987, c. 266 (C. 18A:7A-27.1).

17 (cf: P.L. 1987, c. 266, s. 2)

18 3. Section 19 of P.L. 1975, c. 212 (C. 18A:7A-19) is amended
19 to read as follows:

20 19. State support for debt service and budgeted capital outlay
21 shall equal the total of the net debt service and budgeted
22 capital outlay budgets for the prebudget year multiplied by the
23 district's current expense State support ratio obtained in
24 section 18 of this act. If the product is less than zero, no
25 support shall be paid. Budgeted capital outlay used for the
26 calculation of State support shall be the smaller of (1) the
27 budgeted capital outlay for the prebudget year, or (2) 1 1/2% of
28 the sum of the current expense and budgeted capital outlay for
29 the prebudget year.

30 Any all purpose regional school district formed after [January
31 1, 1987] November 24, 1986 whose equalized valuation per pupil
32 exceeds the State guaranteed valuation per pupil shall receive
33 debt service and capital outlay aid in the same percentage as
34 current expense aid calculated pursuant to P.L. 1975, c. 212 (C.
35 18A:7A-1 et seq.) for a period of 10 years following the
36 regionalization of the school district, subject to the provisions
37 of section 4 of P.L. 1987 c. 266 (C. 18A:7A-27.1).

(cf: P.L. 1987, c. 266, s. 3)

1 4. In addition to all other State aid, the first five districts
2 that [receive required approval to] form a regional school
3 district after [January 1, 1987] November 24, 1986 shall be
4 entitled to receive additional State aid as provided in N.J.S.
5 18A:58-7 and sections 18 and 19 of P.L. 1975, c. 212 (C.
6 18A:7A-18 and 18A:7A-19) as amended by this 1987 amendatory
7 and supplementary act.

8 5. This act shall take effect immediately and shall be
9 retroactive to November 24, 1986.

11

STATEMENT

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14 This bill provides financial incentives to the first five regional
15 school districts formed after November 24, 1986.

16 P.L. 1987, c. 266 provided such incentives to the first five
17 districts to be formed after January 1, 1987. This bill amends
18 the provisions of that law insofar as it changes the date of
19 reference for determining the five eligible districts from
20 January 1, 1987 to November 24, 1986.

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EDUCATION

Education - Finance and State Aid

25

26 Provides financial incentives to encourage certain school
27 districts to regionalize.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 575

STATE OF NEW JERSEY

DATED: SEPTEMBER 22, 1988

The Assembly Appropriations Committee favorably reports Senate Bill No. 575.

Senate Bill No. 575 changes the date for eligibility of financial incentives for the first five school districts which receive approval to regionalize after January 1, 1987 pursuant to P.L.1987, c.266, to the first five school districts to regionalize after November 24, 1986.

The incentives provided are as follows: current year funding for transportation aid, for two years; additional equalization aid equal to 10% of the amount otherwise payable, for five years; and debt service and capital outlay aid for minimum aid districts which would otherwise receive none, for ten years.

Senate Bill No. 575 is identical to Assembly Bill No. 2428.

FISCAL IMPACT

No school districts have regionalized since January 1, 1987. However, under the provisions of the bill, one regional school district would qualify. The Department of Education estimates that the Chatham regional school district would be eligible for an additional \$330,700 for school year 1988-89, as follows: \$175,000 in transportation aid, \$91,700 in equalization aid, and \$64,000 in debt service aid. Current data indicate that the district would be eligible for \$660,000 in additional debt service aid over the next nine years. Estimates for the next four years of equalization aid and one year of transportation aid are not available.

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 575

STATE OF NEW JERSEY

DATED: JANUARY 28, 1988

The Senate Education Committee favorably reports this bill without committee amendments.

On September 11, 1987, Senate Bill No. 288 2nd OCR was signed into law as P.L. 1987, c. 266. This statute provides a financial incentive to the first five regional school districts formed after January 1, 1987. The incentives are in the form of current year funding for transportation aid, and additional equalization aid and debt service and capital outlay aid in an amount equal to 10% of the district's State aid entitlement.

Senate Bill No. 288 was prefiled for the 1986-87 legislative session, and provided that the financial incentive would apply to regional districts formed after January 1, 1986. That date was subsequently changed so that the incentives apply to districts which regionalize after January 1, 1987. This bill would change P.L. 1987, c. 266 so that it will apply to the first five regional school districts formed after November 24, 1986.

This bill was pre-filed for introduction in the 1988 session pending technical review. As reported the bill includes the changes required by technical review which has been performed.

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

SENATE, No. 575

STATE OF NEW JERSEY

DATED: MARCH 21, 1988

The Senate Revenue, Finance and Appropriations Committee reported Senate Bill 575 favorably.

Senate Bill 575 alters the provisions of P.L. 1987, c. 266 so that the first five regional school districts formed after November 24, 1986 shall be eligible for financial incentives, instead of those formed after January 1, 1987.

The provisions of P.L. 1987, c. 266 provide financial incentives to the first five school districts to regionalize after January 1, 1987. The incentives are in the form of current year funding for transportation and additional equalization aid, and debt service and capital outlay aid in an amount equal to 10% of the district's State aid entitlement. This bill would alter the date after which the first five districts to regionalize would be eligible to November 24, 1986.

FISCAL IMPACT

No school districts have regionalized since January 1, 1987. However, under the provisions of the bill, one regionalized school district would qualify. The department estimates that the regional Chatham school district would be eligible for an additional \$330,000 for school year 1988-89 and an additional \$660,000 in debt service assistance over the next ten years.