

18A:7D-3

LEGISLATIVE HISTORY CHECKLIST
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(Education-state
aid--temporary
revision in
method of
calculation)

LAWS OF: 1991

CHAPTER: 62

Bill No: S3230

Sponsor(s): Lynch

Date Introduced: January 14, 1991

Committee: Assembly: -----

Senate: Education

Amended during passage: No Senate floor substitute

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Following statements are attached if available:

Sponsor statement: Yes

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Fiscal Note: No

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(over)

SENATE FLOOR SUBSTITUTE FOR
SENATE, No. 3230

STATE OF NEW JERSEY

ADOPTED MARCH 4, 1991

Sponsored by Senator LYNCH

1 AN ACT concerning State aid for public schools and revising
2 parts of the statutory law.

3

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

6 1. Section 3 of P.L.1990, c.52 (C.18A:7D-3) is amended to read
7 as follows:

8 3. For the purposes of this act, unless the context clearly
9 requires a different meaning:

10 "Adjusted resident enrollment" means the number of pupils
11 who, on the last school day prior to October 16 of the prebudget
12 year, are residents of the district and are enrolled in: (1) the
13 public schools of the district, except as a post-graduate or
14 evening school pupil; or (2) another school district to which the
15 district of residence pays tuition [; (3) a county vocational school
16 district; or (4) a county special services school district] other
17 than a county vocational school district in the same county or
18 county special services school district; provided that a district
19 shall count pupils in a shared-time vocational program who are
20 regularly attending both the schools of the district and of a
21 county vocational school district on a equated full time basis in
22 accordance with procedures to be established by the
23 commissioner. For purposes of this section, resident enrollment
24 shall include, beginning in the 1992-93 school year and
25 thereafter, regardless of nonresidence, the enrolled children of
26 teaching staff members of the school district who are permitted,
27 by contract or local district policy, to enroll their children in the
28 educational program of the school district without payment of
29 tuition.

30 "Bilingual education pupil" means a pupil enrolled in a program
31 of bilingual education approved by the State board.

32 "County vocational school, special education services pupil"
33 means a pupil who is attending a county vocational school and
34 who is receiving specific services pursuant to chapter 46 of Title
35 18A of the New Jersey Statutes in special class programs when
36 the pupil is enrolled in a special class register.

37 "CPI" means the average annual increase, expressed as a
38 decimal, in the consumer price index for all urban consumers in

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 the New York City and Philadelphia areas during the three fiscal
2 years preceding the prebudget year as reported by the United
3 States Department of Labor.

4 "Current expense" means all expenses of the school district, as
5 enumerated in N.J.S.18A:22-8, other than those required for
6 interest and debt redemption charges and any budgeted capital
7 outlay.

8 "Debt service" means and includes payments of principal and
9 interest upon school bonds and other obligations issued to finance
10 the acquisition of school sites and the acquisition, construction or
11 reconstruction of school buildings, including furnishings,
12 equipment and the costs of issuance of such obligations and shall
13 include payments of principal and interest upon bonds heretofore
14 issued to fund or refund such obligations, and upon municipal
15 bonds and other obligations which the commissioner approves as
16 having been issued for such purposes. Debt service pursuant to
17 the provisions of P.L.1978, c.74 (C.18A:58-33.22 et seq.),
18 P.L.1971, c.10 (C.18A:58-33.6 et seq.) and P.L.1968, c.177
19 (C.18A:58-33.2 et seq.) is excluded.

20 "District income" means the aggregate income of the residents
21 of the taxing district or taxing districts, based upon data provided
22 by the Bureau of the Census in the United States Department of
23 Commerce for the most recent year prior to the budget year.

24 With respect to regional districts and their constituent
25 districts, however, the district income as described above shall be
26 allocated among the regional and constituent districts in
27 proportion to the number of pupils in each of them. For the
28 1991-92 school year, regional and constituent pupils shall include
29 pupils attending the schools of a county vocational school or a
30 county special services school district. Part-time post secondary
31 vocational pupils are to be excluded from this calculation.

32 "Equalized valuation" means the equalized valuation of the
33 taxing district or taxing districts as certified by the Director of
34 the Division of Taxation on October 1 of the prebudget year.

35 With respect to regional districts and their constituent
36 districts, however, the equalized valuations as described above
37 shall be allocated among the regional and constituent districts in
38 proportion to the number of pupils in each of them. For the
39 1991-92 school year, regional and constituent pupils shall include
40 pupils attending the schools of a county vocational school or a
41 county special services school district. Part-time post secondary
42 vocational pupils are to be excluded from this calculation. With
43 respect to certain operating school districts, other than school
44 districts that received funds through a municipal budget in 1989
45 as determined pursuant to column 1 (c) of Section C of the
46 Abstract of Ratables, that are composed of one or more taxing
47 districts, where 20% or more of the land area of the taxing
48 district is situated within the development district subject to an
49 intermunicipal tax sharing agreement pursuant to P.L.1968,

1 c.404 (C.13:17-1 et seq.), the equalized valuation shall equal the
2 product of .70 and the amount of equalized valuation certified by
3 the director.

4 "Evening school pupils" means the equated full-time resident
5 enrollment of pupils enrolled in a public evening school
6 established pursuant to N.J.S.18A:48-1.

7 "Local levy budget" means the sum of the foundation aid and
8 transition aid received by a school district and the district's local
9 levies for current expense and capital outlay.

10 "Maximum Statewide foundation aid" shall be determined
11 annually by subtracting the total State aid payable pursuant to
12 sections 14, 16, 80 and 81 of [this amendatory and supplementary
13 act] P.L.1990, c.52 (C.18A:7D-16, 18, 20 and 21) and sections 26,
14 29, 30 and 31 of P.L. , c. (C.)(now pending before the
15 Legislature as this bill) from the maximum State school aid, by
16 subtracting the funds appropriated pursuant to section 38 of
17 P.L. ,c. ((C.)(now pending before the Legislature as this
18 bill), and by adding any additional State aid which results from
19 the provisions of section 27 of P.L. c. (C.)(now pending
20 before the Legislature as this bill).

21 "Maximum State school aid" shall be determined for the
22 1992-93 school year and annually thereafter by [multiplying the
23 total State school aid calculated pursuant to sections 4, 14, 16, 80
24 and 81 of this amendatory and supplementary act] adding 80% of
25 the increase in the State school aid inflator and the maximum
26 State school aid for the prebudget year [and the sum of 1.01 and
27 the PCI.

28 The calculation of maximum State school aid shall assume that
29 each district receives the maximum aid to which it is entitled].
30 However, beginning in the 1993-94 school year, the Governor may
31 increase the maximum State school aid to an amount not to
32 exceed the value of the State school aid inflator.

33 The State school aid inflator shall be determined for the
34 1992-93 school year and annually thereafter by multiplying the
35 value of the school aid inflator for the prebudget year by the sum
36 of 1.01 and the PCI. For the 1991-92 school year, the value of
37 the school aid inflator is \$4,250,000,000.

38 "Net budget" means the sum of the foundation aid received by
39 a school district and the State aid received pursuant to sections
40 14, 16, 25, 80, and 81 of P.L.1990, c.52 (C18A:7D-16, 18, 33, 20,
41 and 21) and sections 26 and 31 of P.L. , c. (C.)(now
42 pending before the Legislature as this bill) and the district's local
43 levies for current expense and capital outlay. For a county
44 special services school district, the net budget shall also include
45 tuition received by the district to provide services pursuant to
46 chapter 46 of Title 18A of the New Jersey Statutes.

47 "Net debt service" means the balance after deducting all
48 revenues from the school debt service budget of the school
49 district and the school debt service amount included in the

1 municipal budget, except the amounts to be raised by local
2 taxation and State aid.

3 "Postgraduate pupils" means pupils who have graduated from
4 high school and are enrolled in a secondary school for additional
5 high school level courses.

6 "Prebudget year" means the school year preceding the year in
7 which the school budget will be implemented.

8 "Pupils eligible for free meals or free milk" means those
9 children who have been determined to be eligible to receive a
10 free meal or free milk under the National School Lunch Act, 42
11 U.S.C. §1751 et seq., and the Child Nutrition Act of 1966, 42
12 U.S.C. §1771 et seq., as of October 15 of the prebudget year.

13 "PCI" means the average annual percentage increase,
14 expressed as a decimal, in State per capita personal income over
15 the four fiscal years ending on June 30 prior to the prebudget
16 year. The per capita personal income for each of the four years
17 shall be the average of the per capita personal income for the
18 four quarters in each fiscal year utilizing the quarterly data for
19 State personal income and State population as published by the
20 United States Department of Commerce.

21 "Resident enrollment" means the number of pupils who, on the
22 last school day prior to October 16 of the prebudget year, are
23 residents of the district and are enrolled in: (1) the public schools
24 of the district, including evening schools; (2) another school
25 district, other than a county vocational school district in the
26 same county or county special services school district on a
27 full-time basis, State college demonstration school or private
28 school to which the district of residence pays tuition; (3) a State
29 facility; (4) [a county vocational school district; (5) a county
30 special services school district; or (6)] are receiving home
31 instruction; or (5) are in a shared-time vocational program and
32 are regularly attending a school in the district and a county
33 vocational school district. Pupils in a shared time vocational
34 program shall be counted on an equated full-time basis in
35 accordance with procedures to be established by the
36 commissioner. For purposes of this section, resident enrollment
37 shall include, beginning in the 1992-93 school year and
38 thereafter, regardless of nonresidence, the enrolled children of
39 teaching staff members of the school district who are permitted,
40 by contract or local district policy, to enroll their children in the
41 educational program of the school district without payment of
42 tuition.

43 Handicapped children between three and five years of age and
44 receiving programs and services pursuant to N.J.S.18A:46-6 shall
45 be included in the resident enrollment of the district.

46 "School district" means any local or regional school district
47 established pursuant to chapter 8 or chapter 13 of Title 18A of
48 the New Jersey Statutes and any county special services or
49 county vocational school districts established pursuant to chapter

1 46 or chapter 54 of Title 18A of the New Jersey Statutes.

2 "Special education services pupil" means a pupil receiving
3 specific services pursuant to chapter 46 of Title 18A of the New
4 Jersey Statutes in special class programs when the pupil is
5 enrolled in a special class register.

6 "Special needs district" means any school district, other than a
7 school district in which the equalized valuation per pupil is more
8 than twice the average Statewide equalized valuation per pupil,
9 which, as of June 5, 1990: a. was classified by the Department of
10 Education as an urban school district and was included in the
11 department's district factor group A or B; or b. in which the
12 quotient produced by dividing the number of pupils eligible for
13 AFDC by the resident enrollment, less the number of preschool,
14 evening school and post-graduate pupils, is greater than or equal
15 to 0.15 and the number of pupils eligible for AFDC is greater
16 than 1,000. For this calculation, pupils eligible for AFDC means
17 those children aged 5-17 and resident in the district who are
18 members of families which are eligible for "Aid to Families with
19 Dependent Children" pursuant to P.L.1959, c.86 (C.44:10-1 et
20 seq.), as of September 30 of the prebudget year.

21 "State facility" means a State residential facility for the
22 retarded; a day training center which is operated by or under
23 contract with the State and in which all the children have been
24 placed by the State, including a private school approved by the
25 Department of Education which is operated under contract with
26 the Bureau of Special Residential Services in the Division of
27 Developmental Disabilities in the Department of Human Services;
28 a State residential youth center; a State training school or
29 correctional facility; a State child treatment center or
30 psychiatric hospital.

31 "Statewide average equalized school tax rate" means the
32 amount calculated by dividing the sum of the current expense and
33 capital outlay tax levies for all school districts, other than county
34 vocational school and county special services school districts, in
35 the State for the pre-budget year by the equalized valuations of
36 all taxing districts in the State except taxing districts for which
37 there are no school tax levies.

38 "Statewide equalized valuation" means the equalized valuation
39 of all taxing districts in the State as certified by the Director of
40 the Division of Taxation on October 1 of the prebudget year. In
41 the event that the equalized table certified by the Director of
42 the Division of Taxation shall be revised by the tax court after
43 December 15 of the prebudget year, the revised valuations shall
44 be used in the recomputation of aid for an individual school
45 district filing an appeal, but shall have no effect upon the
46 calculation of the property value multiplier.

47 "Total Statewide income" means the sum of the district
48 incomes of all taxing districts in the State.

49 ["Total Statewide local fair share" means the total Statewide

1 local foundation budget minus the maximum Statewide foundation
2 aid.

3 "Total Statewide local foundation budget" means the sum of
4 the foundation budgets of all districts in the State, assuming that
5 each district's local levy, as defined in section 5 of this
6 amendatory and supplementary act, equals its local fair share or
7 the largest amount permitted pursuant to the provisions of
8 section 23 of this amendatory and supplementary act.]

9 (cf: P.L.1990, c.52, s.3.)

10 2. Section 4 of P.L.1990, c.52 (C.18A:7D-4) is amended to read
11 as follows:

12 4. a. Each district's foundation aid for current expense and
13 capital outlay purposes shall be determined as follows:

$$14 \quad [A = B - L - S$$

15 where

16 A is the foundation aid;

17 B is the foundation budget, determined pursuant to section 5 of
18 this amendatory and supplementary act;

19 L is the local levy, which equals the lesser of the district's
20 local fair share or the sum of the district's budget year levies for
21 current expense and capital outlay;]

$$22 \quad \underline{A = MB - FS - S}$$

23 where

24 A is the foundation aid;

25 MB is the maximum foundation budget determined pursuant to
26 section 6 of P.L.1990, c.52 (C.18A:7D-6);

27 FS is the district's local fair share determined pursuant to
28 section 7 of P.L.1990, c.52 (C.18A:7D-7);

29 S is the excess surplus, equal to any beginning general fund free
30 balance for the prebudget year which exceeds [15%] 7.5% of the
31 district's [foundation] net budget for the prebudget year, after
32 deducting from the balance any federal funds provided to a
33 district pursuant to Pub.L.81-874, 20 U.S.C. §236 et seq.
34 However, for any district that has an approved surplus reduction
35 plan in accordance with the provisions of subsection d. of section
36 23 of P.L.1990, c.52 (C.18A:7D-29), excess surplus shall be any
37 amount that exceeds the amount specified in the plan.

38 b. Each district's foundation aid for current expense and
39 capital outlay shall be expended to provide a thorough and
40 efficient system of education and may be used for preschool
41 programs, full day kindergarten, school libraries, school security
42 and other educational purposes and functions.

43 (cf: P.L.1990, c.52, s.4.)

44 3. Section 6 of P.L.1990, c.52 (C.18A:7D-6) is amended to read
45 as follows:

46 6. [The] Beginning with the 1993-94 school year, the district's
47 maximum foundation budget shall be calculated in accordance
48 with the following formula:

$$49 \quad MB = (F \times U) + C \text{ where}$$

1 MB is the maximum foundation budget;
 2 F is the State foundation amount as defined pursuant to
 3 subsection b. of this section;
 4 U is the number of foundation aid units for pupils in the
 5 district's resident enrollment as calculated pursuant to
 6 subsection a. of this section; and
 7 C is the facilities component, which shall be determined by
 8 multiplying the district's adjusted resident enrollment by the
 9 facilities aid amount, as defined in subsection b. of this section.
 10 a. For pupils in the district's resident enrollment, the number
 11 of foundation aid units shall be determined by adding the products
 12 obtained by multiplying the pupils in each grade category or
 13 program category by the appropriate foundation weight. For
 14 pupils in the resident enrollment of special needs districts and for
 15 pupils in the resident enrollment of other districts for whom the
 16 district of residence pays tuition to a special needs district, the
 17 appropriate foundation weight for each grade category shall be
 18 multiplied by the special needs weight, which shall equal 1.05.
 19 Pupils counted in a program category shall not also be counted in
 20 a grade category.

Grade Category	Foundation Weight
23 Full Day Kindergarten or preschool...	1.00
24 Half Day Kindergarten or preschool...	0.50
25 Grades 1-5.....	1.00
26 Grades 6-8.....	1.10
27 Grades 9-12.....	1.33
28	
29 Program Category	
30	
31 Special education services pupil.....	1.00
32 Evening school.....	0.50
33 Post-graduate.....	0.50
34 County vocational school.....	[1.59] <u>1.33</u>
35 <u>Post secondary vocational education..</u>	<u>1.33</u>
36	

37 b. As used in this section:
 38 The State foundation amount for the 1991-92 school year shall
 39 equal [~~\$6,835.00~~] \$6,640.00, and thereafter shall equal the
 40 product of the State foundation amount for the prebudget year
 41 and the sum of 1.0 and the PCI.
 42 The facilities aid amount for the 1991-1992 school year shall
 43 equal [~~\$110.00~~] \$107.00, and thereafter shall equal the product of
 44 the facilities aid amount for the prebudget year and the sum of
 45 1.0 and the PCI.
 46 c. For the purposes of calculating foundation aid units
 47 pursuant to this section, pupils in ungraded classes shall be
 48 assigned to the most appropriate grade category in accordance
 49 with procedures to be established by the commissioner.

1 d. The county vocational school program categories shall be
 2 applicable to [full and part-time] full-time post secondary pupils
 3 attending [county vocational schools, provided that the weight for
 4 part-time pupils may be adjusted in accordance with procedures
 5 to be established by the commissioner] approved post secondary
 6 vocational education programs operated by county vocational
 7 schools. Post-secondary vocational education programs shall be
 8 operated by county vocational schools in accordance with rules
 9 prescribed by the commissioner and approved by the State board.

10 e. For the 1991-92 and 1992-93 school years, each district's
 11 maximum foundation budget shall be reduced by the amount of
 12 the anticipated pension and social security aid payable to the
 13 school district for the budget year pursuant to section 29 and 30
 14 of P.L. , c. (C.)(now pending before the Legislature
 15 as this bill). For this purpose the aid payable to receiving
 16 districts on behalf of sending districts shall be reallocated to the
 17 sending districts of residence on a per pupil basis. For this
 18 purpose aid payable pursuant to section 30 of P.L. , c.
 19 (C.)(now pending before the Legislature as this bill) shall
 20 be estimated for each district.

21 (cf: P.L.1990, c.52, s.6.)

22 4. Section 7 of P.L.1990, c.52 (C.18A:7D-7) is amended to read
 23 as follows:

24 7. [Each] For districts other than county vocational school
 25 districts or county special services school districts, each school
 26 district's local fair share shall be calculated as follows:

27 $FS = ((V \times VM) + (I \times IM))/2$ where

28 FS is the local fair share; however, for special needs school
 29 districts, if FS is greater than the product of V and SV, then FS
 30 shall equal the product of V and SV;

31 V is the district's total equalized valuation;

32 VM is the property value multiplier, as determined pursuant to
 33 section 8 of [this amendatory and supplementary act] P.L.1990,
 34 c.52 (C.18A:7D-8);

35 I is the district's adjusted income, as determined pursuant to
 36 section 9 of [this amendatory and supplementary act] P.L.1990.
 37 c.52 (C.18A:7D-9); [and]

38 IM is the income multiplier, as determined pursuant to section
 39 8 of [this amendatory and supplementary act] P.L.1990, c.52
 40 (C.18A:7D-8); and

41 SV is the product of the statewide average equalized school tax
 42 rate for the prebudget year and 1.1765 for the 1992-93 school
 43 year, 1.1234 for the 1993-94 school year, 1.0883 for the 1994-95
 44 school year, 1.0441 for the 1995-96 school year and 1 thereafter.

45 The local fair share for each county vocational or county
 46 special services school district shall be calculated by dividing the
 47 sum of the local fair shares of all other districts in the county by
 48 the sum of the maximum foundation budgets of all the districts in
 49 the county. The quotient shall be then multiplied by the county

1 vocational or county special services school district's maximum
2 foundation budget as determined pursuant to section 6 of
3 P.L.1990, c.52 (C.18A:7D-6) to obtain its local fair share.
4 (cf: P.L.1990, c.52, s.7.)

5 5. Section 8 of P.L.1990, c.52 (C.18A:7D-8) is amended to read
6 as follows:

7 8. The values for the property value multiplier and the income
8 multiplier shall be annually determined by the commissioner as
9 follows:

10 The property value multiplier shall be determined such that
11 foundation aid equals the maximum Statewide foundation aid had
12 foundation aid for all districts been determined according to
13 sections 4 [through] , 6, 7 and 23 of [this amendatory and
14 supplementary act] P.L.1990, c.52 (C.18A:7D-4, 6, 7 and 29), had
15 each school district's local fair share equalled the product of the
16 property value multiplier and the district's equalized valuation;
17 and had each district's [local levy] current expense and capital
18 outlay levies equalled its local fair share [or the largest amount
19 permitted pursuant to section 23 of this amendatory and
20 supplementary act].

21 The income multiplier shall be determined such that foundation
22 aid equals the maximum Statewide foundation aid had foundation
23 aid for all districts been determined according to sections 4
24 [through] , 6, 7 and 23 of [this amendatory and supplementary act]
25 P.L.1990, c.52 (C.18A:7D-4, 6, 7, and 29), had each school
26 district's local fair share equalled the product of the income
27 multiplier and the district's adjusted income, as determined
28 pursuant to section 9 of [this amendatory and supplementary act;]
29 P.L.1990, c.52 (C.18A:7D-9), and had each district's [local levy]
30 current expense and capital outlay levies equalled its local fair
31 share [or the largest amount permitted pursuant to section 23 of
32 this amendatory and supplementary act].

33 In the event that these multipliers, when used in accordance
34 with the provisions of sections 4 [through], 6, 7 and 23 of [this
35 amendatory and supplementary act] P.L.1990, c.52 (C.18A:7D-4,
36 6, 7 and 29) and assuming that each district's [local levy equals]
37 current expense and capital outlay levies are equal to its local
38 fair share [or the largest amount permitted pursuant to section 23
39 of this amendatory and supplementary act], do not result in
40 foundation aid for all districts equal to the maximum Statewide
41 foundation aid, the commissioner shall adjust the above
42 multipliers appropriately giving equal weight to each.
43 (cf: P.L.1990, c.52, s.8.)

44 6. Section 9 of P.L.1990, c.52 (C.18A:7D-9) is amended to read
45 as follows:

46 9. Each district's adjusted income shall equal the district
47 income, unless the district meets the conditions in subsection a.

48 a. If for any school district:

49 $RV < 0.5$ and $RI/RV > 1.5$; then the district's adjusted income

1 shall equal the greater of:
2 (1) $P - (\$15,000 \times E)$; or
3 (2) $1.5 \times RV \times SI \times E$ where
4 P [means] is the district income;
5 SI [means] is the State average income per pupil, calculated by
6 dividing total Statewide income by the Statewide resident
7 enrollment;
8 RV [means] is the ratio of district equalized valuation per pupil
9 to the State average equalized valuation per pupil, calculated by
10 dividing the district's equalized valuation per pupil by the
11 Statewide equalized valuation per pupil;
12 RI [means] is the ratio of district income per pupil to the
13 Statewide average income per pupil, calculated by dividing the
14 district's income per pupil by the State average income per pupil;
15 and
16 E [means] is resident enrollment.
17 b. As used in this section:
18 "District income per pupil" equals the district income divided
19 by the resident enrollment;
20 "Equalized valuation per pupil" equals the district's equalized
21 valuation divided by the resident enrollment;
22 "State average equalized valuation per pupil" equals the
23 Statewide equalized valuation divided by the resident enrollment
24 of all school districts in the State.
25 (cf: P.L.1990, c.52, s.9.)
26 7. Section 11 of P.L.1990, c.52 (C.18A:7D-13) is amended to
27 read as follows:
28 11. On or before April 1, 1992, and on or before April 1 of
29 each subsequent even numbered year, the Governor, after
30 consultation with the [Department] Commissioner of Education,
31 shall recommend to the Legislature any revision in the schedule
32 of foundation weights, including the special needs weight [but
33 excluding] and the weights for county vocational school programs,
34 in section 6 of [this amendatory and supplementary act] P.L.1990,
35 c.52 (C.18A:7D-6) and any revisions in the at-risk weights in
36 section 80 of [this amendatory and supplementary act] P.L.1990,
37 c.52 (C.18A:7D-20) and the bilingual weight in section 81 of [this
38 amendatory and supplementary act] P.L.1990, c.52 (C.18A:7D-21)
39 which is deemed proper, together with appropriate supporting
40 information. The revised weights shall be deemed approved for
41 the fiscal year beginning one year from the subsequent July 1 at
42 the end of 60 calendar days after the date on which they are
43 transmitted to the Senate and General Assembly, or if the
44 Legislature is not in session on the 60th day, then on the next
45 succeeding day on which it shall be meeting in the course of a
46 regular or special session, unless between the date of transmittal
47 and the end of the above period, the Legislature passes a
48 concurrent resolution stating that the Legislature does not favor
49 the revised schedule of weights, in which case the weights then in

1 effect shall continue in effect.

2 (cf: P.L.1990, c.52, s.11.)

3 8. Section 12 of P.L.1990, c.52 (C.18A:7D-14) is amended to
4 read as follows:

5 12. a. The commissioner shall undertake a study of the cost of
6 providing county vocational school programs and shall, based upon
7 the results of that study, propose classifications and [program]
8 weights for these programs for the purposes of section 26 of
9 P.L. c. (C.)(now pending before the Legislature as this bill)
10 based upon the average cost of providing each class of program.
11 The classification system shall include not more than [three] six
12 classes of vocational programs. [The classification and weights
13 shall be such that had they been in effect for the 1991-1992
14 school year the total number of foundation units generated
15 Statewide by the classification and weights would not have
16 exceeded the product of the number of county vocational school
17 students in the State and 1.59.]

18 b. On or before April 1, 1992 the Governor, after consultation
19 with the [Department] Commissioner of Education, shall
20 recommend to the Legislature the weights and classifications for
21 county vocational school programs which are deemed proper,
22 together with appropriate supporting information. The weights
23 and classifications shall be deemed approved for the 1993-94
24 school year at the end of 60 calendar days after the date on
25 which they are transmitted to the Senate and General Assembly,
26 or if the Legislature is not in session on the 60th day, then on the
27 next succeeding day on which it shall be meeting in the course of
28 a regular or special session, unless, between the date of
29 transmittal and the end of the above period, the Legislature
30 passes a concurrent resolution stating that the Legislature does
31 not favor the weights and classifications, in which case the
32 weight [of 1.59] for all vocational programs shall continue in
33 effect.

34 c. On or before April 1, 1994, and on or before April 1 of each
35 subsequent even numbered year, the Governor, after consultation
36 with the [Department of Education] commissioner, shall
37 recommend to the Legislature any revision in the weights or
38 classifications of county vocational school programs for the
39 purposes of section 26 of P.L. c. (C.)(now pending before
40 the Legislature as this bill) which is deemed proper, together with
41 appropriate supporting information. The revised weights or
42 classifications shall be deemed approved for the fiscal year
43 beginning one year from the subsequent July 1 at the end of 60
44 calendar days after the date on which they are transmitted to the
45 Senate and General Assembly, or if the Legislature is not in
46 session on the 60th day, then on the next succeeding day on which
47 it shall be meeting in the course of a regular or special session,
48 unless between the date of transmittal and the end of the above
49 period, the Legislature passes a concurrent resolution stating that

1 the Legislature does not favor the revised weights and
 2 classifications, in which case the weights and classifications then
 3 in effect shall continue in effect.

4 (cf: P.L.1990, c.52, s.12.)

5 9. Section 13 of P.L.1990, c.52 (C.18A:7D-15) is amended to
 6 read as follows:

7 13. a. For the purpose of calculating foundation aid for the
 8 1991-92 school year pursuant to section 4 of [this amendatory and
 9 supplementary act] P.L.1990, c.52 (C.18A:7D-4), excess [free
 10 balances] surplus for all districts shall be \$0.00.

11 b. For the purpose of computing the maximum Statewide
 12 foundation aid for the 1991-92 school year pursuant to section 3
 13 of [this amendatory and supplementary act] P.L.1990, c.52
 14 (C.18A:7D-3), maximum State school aid shall equal
 15 [\$4,250,000,000] \$4,100,000,000.

16 c. For purposes other than for the computation of foundation
 17 aid pursuant to section 4 of P.L.1990, c.52 (C.18A:7D-4), the
 18 State foundation amount for the 1991-92 school year shall equal
 19 \$6,835.00 and for the 1992-93 school year shall equal the product
 20 of \$6,835.00 and the sum of 1.0 and the PCI.

21 (cf: P.L.1990, c.52, s.13.)

22 10. Section 14 of P.L.1990, c.52 (C.18A:7D-16) is amended to
 23 read as follows:

24 14. Each district's special education aid shall be determined
 25 in accordance with the following calculations:

26 a. The number of special education aid units shall be
 27 determined by adding the products obtained by multiplying the
 28 pupils in each category by the appropriate additional cost factors.
 29 The additional cost factors shall be the following:

30 Special Education	Additional Cost Factors
31 Categories	
32 Educable.....	0.60
33 Trainable.....	0.99
34 Orthopedically handicapped.....	1.70
35 Neurologically impaired.....	0.42
36 Perceptually impaired.....	0.12
37 Visually handicapped.....	2.79
38 Auditorily handicapped.....	1.63
39 Communication handicapped.....	0.84
40 Emotionally disturbed.....	1.09
41 Socially maladjusted.....	0.67
42 Chronically ill.....	2.23
43 Multiply handicapped.....	1.05
44 Resource room.....	0.45
45 Autistic.....	1.84
46 <u>Preschool Handicapped, half day.....</u>	<u>0.30</u>
47 <u>Preschool Handicapped, full day.....</u>	<u>0.60</u>
48 County special services school district	1.38
49 Regional Day schools.....	1.38

1	County Vocational School, Special	
2	Education Services.....	0.59
3	Residential facility for the retarded.....	1.72
4	Day training center.....	2.37
5	Residential youth center.....	1.39
6	Training school or correctional facility...	0.56
7	Child treatment center or psychiatric	
8	hospital.....	1.03
9	Supplementary and speech instruction.....	0.18
10		based on the number
11		of pupils actually
12		receiving such
13		instruction in
14		the prior
15		school year

16 b. The number of special education aid units for home
 17 instruction shall be determined by multiplying the number of
 18 hours of instruction actually provided in the prior school year by
 19 0.0025.

20 c. For the purposes of this section, special education aid [for
 21 pupils attending county vocational schools or county special
 22 services school districts shall be credited to districts in which the
 23 pupils reside and paid to the county vocational school pursuant to
 24 the provisions of subsection e. of section 71 of P.L.1990, c.52
 25 (C.18A:54-20.1) or county special services school pursuant to
 26 subsection d. of section 3 of P.L.1971, c.271 (C.18A:46-31).
 27 Special education aid for supplementary, speech and home
 28 instruction for pupils attending county vocational schools or
 29 county special services schools shall be paid to the districts in
 30 which the pupils reside.

31 Special education aid for all other pupils] shall be paid to the
 32 districts in which the pupils reside except in the case of home,
 33 supplementary or speech instruction where aid shall be paid to
 34 the district providing the service. No [school, other than a]
 35 tuition may be charged for such home, supplementary or speech
 36 instruction. For the 1991-92 school year special education aid
 37 for pupils enrolled in resource room programs in county
 38 vocational [school or a] schools or county special services [school
 39 district, may charge tuition] schools and for home, supplementary
 40 or speech instruction [for costs covered by special education aid
 41 as provided in this section] shall be paid to the districts in which
 42 the pupils reside.

43 d. Special education aid shall equal the number of special
 44 education aid units multiplied by the State foundation amount, as
 45 defined pursuant to section 6 of [this amendatory and
 46 supplementary act] P.L.1990, c.52 (C.18A:7D-6).

47 e. For the 1991-92 school year, aid for all pupils in preschool
 48 handicapped classes shall be calculated using the additional cost
 49 factor for half-day programs. Beginning with the 1992-93 school

1 year, both half-day and full-day cost factors shall be utilized.

2 (cf: P.L.1990, c.52, s.14.)

3 11. Section 16 of P.L.1990, c.52 (C.18A:7D-18) is amended to
4 read as follows:

5 16. Each district's State aid for transportation shall equal the
6 sum of A1, A2 and A3 determined as follows:

7 $A1 = R \times C + (R \times D \times W)$

8 $A2 = RS \times CS + (RS \times DS \times WS)$

9 $A3 = (R + RS) \times ((P \times PM) + (E \times EM))$

10 where

11 R is the number of pupils eligible for transportation pursuant to
12 N.J.S.18A:39-1 as of the last school day prior to October 16 of
13 the prebudget year;

14 C is the per pupil constant, which shall equal 502.27 for school
15 districts located in very high cost counties, shall equal 365.10 for
16 school districts located in high cost counties and shall equal
17 254.41 for school districts located in any other county;

18 D is the average distance between the home and school of the
19 pupils eligible for transportation pursuant to N.J.S.18A:39-1;

20 W is the regular transportation mileage weight, which shall
21 equal 21.57 for school districts located in the very high cost
22 counties and high cost counties and shall equal 14.19 for school
23 districts located in any other county;

24 RS is the number of pupils eligible for transportation pursuant
25 to N.J.S.18A:46-23 as of the last school day prior to October 16
26 of the prebudget year;

27 CS is the per pupil constant for N.J.S.18A:46-23
28 transportation, which shall equal 1051.72 for school districts
29 located in very high cost counties, shall equal 914.55 for school
30 districts located in high cost counties and shall equal 803.86 for
31 school districts located in any other county;

32 PM means the population density multiplier, which equals
33 .00541;

34 P means population density, calculated as the district's
35 population according to the most recent data available from the
36 Bureau of the Census divided by the number of square miles in
37 the school district;

38 DS is the average distance between the home and school of the
39 pupils eligible for transportation pursuant to N.J.S.18A:46-23;

40 WS is the mileage weight for N.J.S.18A:46-23 transportation,
41 which shall equal 64.05 for school districts located in very high
42 cost counties and high cost counties and shall equal 56.68 for
43 school districts located in any other county;

44 EM means the district size multiplier, which equals .00762; and

45 E means the resident enrollment of the district.

46 As used in this section a high cost county is a county in which
47 for the 1988-89 school year the average cost per pupil mile for
48 approved transportation, other than for handicapped pupils or
49 pupils whose parent or guardian receives a payment in lieu of

1 transportation pursuant to N.J.S.18A:39-1, exceeded the
2 Statewide average by more than 15%.

3 As used in this section a very high cost county is a county in
4 which for the 1988-89 school year the average cost per pupil mile
5 for approved transportation, other than for handicapped pupils or
6 pupils whose parent or guardian receives a payment in lieu of
7 transportation pursuant to N.J.S.18A:39-1, exceeded the
8 Statewide average by more than 85%.

9 Whenever a pupil receives transportation to and from a remote
10 nonpublic school pursuant to N.J.S.18A:39-1 or whenever
11 the parent or guardian of a pupil receives a payment in lieu of
12 transportation pursuant to N.J.S.18A:39-1, the State aid for
13 transportation received by the district for that pupil shall not
14 exceed \$675 or the amount [of the payment] determined pursuant
15 to section 2 of P.L.1981, c.57 (C.18A:39-1a), whichever is the
16 greater amount.

17 County vocational school districts shall be eligible to receive
18 state aid for purposes of this section beginning with the 1992-93
19 school year.

20 County special services school districts shall be ineligible to
21 receive state aid for purposes of this section.

22 For any school year in which the numerical values in this
23 section have not been altered pursuant to section 17 of [this
24 amendatory and supplementary act] P.L.1990, c.52
25 (C.18A:7D-19), the State aid amount calculated for a district
26 pursuant to this section shall be increased by the product of the
27 amount calculated and the CPI.

28 (cf: P.L.1990, c.52, s.16)

29 12. Section 19 of P.L.1990, c.52 (C.18A:7D-24) is amended to
30 read as follows:

31 19. The amounts payable to each school district pursuant to
32 [this act] P.L.1990, c.52 (C.18A:7D-1 et al.) shall be paid by the
33 State Treasurer upon the certification of the commissioner and
34 warrant of the Director of the Division of Budget and
35 Accounting. Five percent of the appropriation for foundation,
36 special education, transportation, at-risk [and], bilingual, county
37 vocational education program and pension aid shall be paid on the
38 first and fifteenth of each month from September through June.
39 If a local board of education requires funds prior to the first
40 payment, the board shall file a written request with the
41 Commissioner of Education stating the need for the funds. The
42 commissioner shall review each request and forward those for
43 which need has been demonstrated to the appropriate officials for
44 payment.

45 Debt service funds shall be paid as required to meet due dates
46 for payment of principal and interest.

47 Each school district shall file an annual written request for
48 debt service payments to the commissioner 30 days prior to the
49 beginning of the fiscal year for which the appropriation is made.

1 Such request shall include the amount of interest bearing school
2 debt, if any, of the municipality or district then remaining
3 unpaid, together with the rate of interest payable thereon, the
4 date or dates on which the bonds or other evidences of
5 indebtedness were issued, and the date or dates upon which they
6 fall due. In the case of Type I school districts, the board
7 secretary shall secure the schedule of outstanding obligations
8 from the clerk of the municipality.

9 (cf: P.L.1990, c.52, s.19)

10 13. Section 22 of P.L.1990, c.52 (C.18A:7D-27) is amended to
11 read as follows:

12 22. Annually, on or before [January 15] February 1, local
13 boards of education shall submit to the commissioner a copy of
14 their proposed budgets for the next school year. The
15 commissioner shall review each item of appropriation within the
16 current expense and capital outlay budgets and shall determine
17 the adequacy of the budgets with regard to the annual reports
18 submitted pursuant to section 11 of P.L.1975, c.212
19 (C.18A:7A-11) and such other criteria as may be established by
20 the State board.

21 [Whenever a district's proposed budget includes a foundation
22 budget which exceeds the district's foundation budget from the
23 prebudget year by more than 10%, the board shall submit with the
24 budget a plan to improve the quality and range of the district's
25 educational program with the additional funds. The plan shall
26 utilize policies and programs whose educational effectiveness has
27 been demonstrated. Permissible uses of the additional funds shall
28 include the reduction of class size, expansion of the curriculum,
29 expansion of support services, enhancement of inservice training
30 and such other uses as the commissioner may approve.]

31 (cf: P.L.1990, c.52, s.22)

32 14. Section 23 of P.L.1990, c.52 (C.18A:7D-29) is amended to
33 read as follows:

34 23. [For the purpose] a. Except as provided pursuant to
35 subsection b. of this section, for purposes of calculating
36 foundation aid, the maximum foundation budget, as calculated
37 pursuant to section [5 of this amendatory and supplementary act,
38 shall not be greater than 130% of the foundation budget for the
39 prebudget year. Accordingly, the value for the local levy, as used
40 in sections 4 and 5 of this amendatory and supplementary act,
41 shall be limited to an amount that will generate a permissible
42 foundation budget. Nothing in this section shall restrict the local
43 school levies adopted pursuant to chapter 22 of Title 18A of the
44 New Jersey Statutes.] 6 of P.L.1990, c.52 (C.18A:7D-6), and local
45 fair share, as calculated pursuant to section 7 of P.L.1990, c.52
46 (C.18A:7D-7), shall be subject to a foundation aid growth
47 limitation as follows:

1 If for any school district:

2

3 NB > MNB then reduce MB and FS
4 proportionately so that NB = MNB

5

6 where

7

8 MB is the maximum foundation budget as defined in section 6
9 of P.L.1990, c.52 (C.18A:7D-6);

10 FS is the fair share as determined pursuant to section 7 of
11 P.L.1990, c.52 (C.18A:7D-7);

12 NB is the net budget for the budget year had the sum of the
13 district's budget year current expense and capital outlay levies
14 equaled FS; and,

15 MNB is 120% of the net budget for the prebudget year.

16 b. For the 1991-92 and 1992-93 school years MNB means the
17 maximum permissible net budget for the budget year as
18 determined pursuant to section 85 of P.L.1990, c.52
19 (C.18A:7D-28). Beginning with the 1993-94 school year, MNB for
20 special needs school districts shall be adjusted if the special
21 needs district's equity spending cap pursuant to the provisions of
22 subsections c. and d. of section 85 of P.L.1990, c.52
23 (C.18A:7D-28), provides for budget growth greater than 20%.

24 c. For the 1991-92 school year, general fund free balance of
25 less than 10% and greater than 5% of the district's 1990-91 net
26 budget shall be appropriated for the 1991-92 budget year.
27 Beginning March 1, 1991 and for the remainder of the 1990-91
28 school year, general fund free balance may be appropriated;
29 however, such appropriation shall be approved by the
30 commissioner.

31 d. If a district's general fund free balance equals 10% or more
32 of the district's 1990-91 net budget, the district shall file a plan
33 with the commissioner to ensure that the district's general fund
34 free balance shall be no greater than 7.5% in the 1993-94 school
35 year.

36 (cf: P.L.1990, c.52, s.23)

37 15. Section 24 of P.L.1990, c.52 (C.18A:7D-30) is amended to
38 read as follows:

39 24. a. For the purpose of calculating the foundation aid growth
40 limitation in section 23 of [this amendatory and supplementary
41 act] P.L.1990, c.52 (C.18A:7D-29) and the maximum permissible
42 net budget pursuant to the provisions of section 85 of P.L.1990,
43 c.52 (C.18A:7D-28) for the 1991-92 school year, each district's
44 [foundation] net budget for the 1990-91 school year shall equal
45 the balance in the current expense and capital outlay budgets
46 after deducting [(1) State aid for handicapped pupils pursuant to
47 section 20 of P.L.1975, c.212 (C.18A:7A-20), (2) State aid for
48 approved transportation, (3)] all other revenue in the current
49 expense and capital outlay budgets except the amount to be

1 provided by local taxation, equalization support, budgeted capital
 2 outlay support, and State support for bilingual education,
 3 compensatory education [and], local vocational education, State
 4 aid for handicapped pupils pursuant to section 20 of P.L.1975,
 5 c.212 (C.18A:7A-20) and State aid for approved transportation.
 6 Each county special services school district's net budget for the
 7 1990-91 school year shall be established by the commissioner.

8 b. [This amount] For the purpose of calculating the foundation
 9 aid growth limitation in section 23 of P.L.1990, c.52
 10 (C.18A:7D-29) and the maximum permissible net budget and local
 11 levy budget pursuant to the provisions of section 85 of P.L.1990,
 12 c.52 (C.18A:7D-28) for the 1993-94 school year, the maximum
 13 permissible net budget shall be increased to include State support
 14 paid on the district's behalf in the [1990-1991] 1992-93 school
 15 year pursuant to [N.J.S.18A:66-33 and N.J.S.18A:66-66] sections
 16 29 and 30 of P.L. , c. (C.)(now pending before the
 17 Legislature as this bill). [In addition, the commissioner shall
 18 adjust this amount for each district which sent or received pupils
 19 during the 1990-91 school year to reflect the change in the
 20 definition of resident enrollment contained in this amendatory
 21 and supplementary act. All of the expenses of and aid for a
 22 county vocational school district or a county special services
 23 school district shall be reallocated to the districts of residence on
 24 a per pupil basis.] Aid paid [on behalf of] to receiving districts
 25 pursuant to [N.J.S.18A:66-33 and N.J.S.18A:66-66] sections 29
 26 and 30 of P.L. , c. (C.)(now pending before the
 27 Legislature as this bill) on behalf of sending districts shall be
 28 reallocated to the sending districts of residence on a per pupil
 29 basis. Aid payments pursuant to [N.J.S.18A:66-66] section 30 of
 30 P.L. , c. (C.)(now pending before the Legislature as this
 31 bill) shall be estimated for each district.

32 (cf: P.L.1990, c.52, s.24)

33 16. Section 25 of P.L.1990, c.52 (C.18A:7D-33) is amended to
 34 read as follows:

35 25. a. State transition aid for the 1991-92 and 1992-93 school
 36 years shall be calculated in accordance with the following
 37 formula:

$$38 \quad T = F \times (B - A)$$

39 where

40 T [means] is transition aid;

41 F [means] is transition aid factor, which shall equal 1.0 for the
 42 1991-92 school year [,] and 0.75 for the 1992-93 school year [,]
 43 0.50 for the 1993-94 school year, 0.25 for the 1994-95 school
 44 year, and 0.0 thereafter];

45 A [means] is the district State aid amount, which shall equal
 46 the sum of the foundation aid received by a school district and
 47 the State aid received by or paid on behalf of a school district
 48 during the 1991-92 school year pursuant to sections [4,] 14, 16,
 49 [80] and 81 of [this amendatory and supplementary act] P.L.1990,

1 c.52 (C.18A:7D-16, 18 and 21) and sections 26 and 31 of P.L. ,
 2 c. (C.)(now pending before the Legislature as this bill); and

3 B [means] is the base aid amount, which shall equal the product
 4 of 1.065 and the sum of State aid received by or paid on behalf of
 5 a school district during the 1990-1991 school year pursuant to
 6 sections 18, 19, 20 and 24 of P.L.1975, c.212 (C.18A:7A-18,
 7 18A:7A-19, 18A:7A-20, 18A:7A-24), N.J.S.18A:46-23, section 16
 8 of P.L.1971, c.271 (C.18A:46-44), N.J.S.18A:58-6 [,] and
 9 N.J.S.18A:58-7 [, N.J.S.18A:66-33 and N.J.S.18A:66-66], less any
 10 debt service aid received by or on behalf of the district and less
 11 any categorical program support the district received for State
 12 compensatory education pupils pursuant to section 20 of
 13 P.L.1975, c.212 (C.18A:7A-20). [The commissioner shall adjust
 14 this amount for each district which sends or receives pupils to
 15 reflect the change in the definition of resident enrollment
 16 contained in this amendatory and supplementary act. All of the
 17 above aid received by a county vocational school district or a
 18 county special services school district shall be reallocated to the
 19 districts of residence on a per pupil basis. Aid paid on behalf of
 20 receiving districts pursuant to N.J.S.18A:66-33 and
 21 N.J.S.18A:66-66 shall be reallocated to districts of residence on a
 22 per pupil basis. Aid payments pursuant to N.J.S.18A:66-66 shall
 23 be estimated for each district and the commissioner shall adjust
 24 the base aid amount when the amount of actual payments are
 25 known.]

26 b. State transition aid for the 1993-94 and 1994-95 school
 27 years shall be calculated in accordance with the following
 28 formula:

$$29$$

$$30 \quad T = F \times (B - A)$$

$$31$$

32 where

33

34 T is transition aid;

35 F is transition aid factor, which shall equal 0.50 for the
 36 1993-94 school year and 0.25 for the 1994-95 school year;

37 A is the district State aid amount, which shall equal the sum of
 38 the foundation aid received by a school district and the State aid
 39 received by or paid on behalf of a school district during the
 40 1991-92 school year pursuant to sections 14, 16, and 81 of
 41 P.L.1990, c.52 (C.18A:7D-16, 18 and 21) and sections 26 and 31 of
 42 P.L. ,c. (C.)(Now pending before the Legislature as this
 43 bill); and;

44 B is the base aid amount, which shall equal the product of 1.065
 45 and the sum of State aid received by or paid on behalf of a school
 46 district during the 1990-1991 school year pursuant to sections 18,
 47 19, 20 and 24 of P.L.1975, c.212 (C.18A:7A-18, 18A:7A-19,
 48 18A:7A-20, 18A:7A-24), N.J.S.18A:46-23, section 16 of P.L.1971,
 49 c.271 (C.18A:46-44), N.J.S.18A:58-6, N.J.S.18A:58-7,

1 N.J.S.18A:66-33 and N.J.S.18A:66-66, less any debt service aid
2 received by or on behalf of the district and less any categorical
3 program support the district received for State compensatory
4 education pupils pursuant to section 20 of P.L.1975, c.212
5 (C.18A:7A-20). Aid paid to receiving districts pursuant to
6 N.J.S.18A:66-33 and N.J.S.18A:66-66 on behalf of sending
7 districts shall be reallocated to the sending districts of residence
8 on a per pupil basis.

9 [b.] c. If, in any year, the transition aid calculated pursuant to
10 this section for any district is less than zero, the district shall not
11 receive transition aid in that year. Five percent of the
12 appropriation for State transition aid shall be paid on the first
13 and fifteenth of each month from September to June.

14 (cf: P.L.1990, c.52, s.25)

15 17. Section 28 of P.L.1990, c.52 (C.18A:7D-36) is amended to
16 read as follows:

17 28. When State aid [shall have been] is calculated for any year
18 and a part of any district becomes a new school district or a part
19 of another school district, including a county vocational school
20 district or county special services school district established
21 after January 1, 1991, or comes partly under the authority of a
22 regional board of education, the commissioner shall adjust the
23 State aid calculations among the districts affected, or between
24 the district and the county vocational school district, county
25 special services school district or the regional board, as the case
26 may be, on an equitable basis in accordance with the intent of
27 [this amendatory and supplementary act] P.L.1990, c.52
28 (C.18A:7D-1 et al.).

29 Whenever an all-purpose regional district is approved by the
30 voters during any calendar year, the regional district shall
31 become effective on the succeeding July 1 for the purpose of
32 calculating State aid, and the commissioner shall request
33 supplemental appropriations for such additional State aid as may
34 be required.

35 After a regional school district becomes entitled to State aid,
36 it shall continue to be entitled to such aid as calculated for a
37 regional district notwithstanding the subsequent consolidation of
38 the constituent municipalities of the regional school district.

39 (cf: P.L.1990, c.52, s.28)

40 18. Section 80 of P.L.1990, c.52 (C.18A:7D-20) is amended to
41 read as follows:

42 80. Each district's State aid for programs for at-risk pupils
43 shall be calculated as follows:

44 $A = F \times R$ where

45 A is the district's aid for at-risk pupils;

46 F is the State foundation amount as defined pursuant to section
47 6 of this amendatory and supplementary act; and

48 R is the number of pupil units for at-risk pupils as determined
49 as follows:

1 The number of pupil units shall be determined by multiplying
2 the number of pupils eligible for free meals or free milk in each
3 grade category by the appropriate weight.

4 Grade	Weight
5 Grades preschool - 5.....	[0.18] <u>0.151</u>
6 Grades 6-8.....	[0.20] <u>0.168</u>
7 Grades 9-12.....	[0.24] <u>0.202</u>

8
9 For the purpose of determining State aid for programs for
10 at-risk pupils, pupils in ungraded classes shall be assigned to the
11 most appropriate grade category in accordance with procedures
12 to be established by the commissioner and aid for pupils attending
13 half-day programs shall be determined by reducing the
14 appropriate weight by one-half.
15 (cf: P.L.1990, c.52, s.80)

16 19. Section 85 of P.L.1990, c.52 (C.18A:7D-28) is amended to
17 read as follows:

18 85. [a. As used in this section "local levy budget" means the
19 sum of the foundation aid received by a school district and the
20 district's local levy for current expense and capital outlay.

21 b. Whenever a district's local levy budget for the prebudget
22 year exceeds the district's maximum foundation budget, as
23 determined pursuant to section 6 of this amendatory and
24 supplementary act, by more than 50%, the district's local levy
25 budget for the budget year shall not exceed the district's local
26 levy budget for the prebudget year by more than the product of
27 the local levy budget for the prebudget year and the PCI.

28 c. In all other instances, except as provided in subsection d. of
29 this section, the district's local levy budget for the budget year
30 shall not exceed the district's local levy budget for the prebudget
31 year by more than the amount calculated as follows:

32 $LB = PCI \times (4 - (2 \times \frac{PBY}{MB})) \times PBY$ where
33 LB means the maximum increase in the local levy budget;
34 PBY means the local levy budget for the prebudget year;
35 MB means the maximum foundation budget for the budget year
36 as determined pursuant to section 6 of this amendatory and
37 supplementary act; and

38 PCI means the average annual increase in per capita income as
39 defined pursuant to section 3 of this amendatory and
40 supplementary act.

41 d. If, for the 1991-92 school year, a district's local levy
42 budget for the prebudget year does not exceed the district's
43 maximum foundation budget, as determined pursuant to section 6
44 of this amendatory and supplementary act or if, in any school
45 year, the district is classified as a special needs district, the
46 provisions of this section are not applicable to the district.

47 e. The commissioner may approve the request of a local board
48 of education for a greater increase, having adjudged that (1) a
49 reallocation of resources or any other action taken within the

1 permissible level of spending would be insufficient to provide a
2 thorough and efficient education, or (2) an increased enrollment
3 may reasonably be anticipated in the district.]

4 a. "Maximum permissible net budget" means the amount
5 calculated as follows:

$$6 \quad \text{PNB} = \text{PCI} \times \text{PR} \times \text{PBY}$$

7 where

8 PNB is the maximum permissible increase in the net budget for
9 the budget year;

10 PCI is the average annual percentage increase in per capita
11 income as defined in section 3 of P.L.1990, c.52 (C.18A:7D-3);

12 PR is $1.7442 - (.6460 \times \text{BR})$, however PR shall not be greater
13 than 1.1628 or less than .9690;

14 BR is the ratio of the district's local levy budget of the
15 prebudget year to the district's maximum foundation budget for
16 the budget year as determined pursuant to section 6 of P.L.1990,
17 c.52 (C.18A:7D-6); and

18 PBY is the net budget for the prebudget year.

19 b. In determining a district's maximum permissible net budget
20 for the 1991-92 school year, the district's net budget for the
21 1990-91 school year shall be increased by the amount of any
22 current expense or capital outlay surplus which was appropriated
23 in the district's 1990-91 annual school budget.

24 c. Annually through the 1995-96 school year for each special
25 needs district, the commissioner shall calculate an equity
26 spending cap which shall provide for a percentage increase in the
27 district's budget that, if sustained for each year through the
28 1995-96 school year, would result in the per pupil budget of the
29 special needs district equalling the average per pupil budget of
30 the districts included in the Department of Education's district
31 factor groups I and J. The equity spending cap shall also allow for
32 those budget items included in the net budget, but excluded from
33 the local levy budget, to grow annually at the PCI or CPI, as
34 appropriate. To ensure equity, the commissioner shall also adjust
35 the calculation of the equity cap, when necessary, to account for
36 the payment of teacher pension and social security aid.

37 As used in this subsection:

38 CPI is the consumer price index as defined in section 3 of
39 P.L.1990, c.52 (C.18A:7D-3);

40 PCI is the average annual percentage increase in per capita
41 income as defined in section 3 of P.L.1990, c.52 (C.18A:7D-3); and

42 Per pupil budget is the budget divided by the resident
43 enrollment.

44 d. If, for any year, a special needs district's equity spending
45 cap determined by the commissioner pursuant to subsection c. of
46 this section exceeds the maximum permissible increase in the net
47 budget as determined pursuant to subsection a. of this section,
48 the district may increase its net budget in accordance with the
49 equity spending cap.

1 e. A board of education of a school district which: (1) for the
2 two years prior to the prebudget year, has had an annual average
3 increase in the district's resident enrollment which is greater
4 than two percent; or (2) between the prebudget year and the year
5 prior to the prebudget year, has had an increase in the district's
6 local cost for special education pupils which is greater than five
7 percent; or (3) during the 1990-91 school year but prior to April
8 1, 1991, has entered into a lease purchase agreement, may apply
9 to the Commissioner of Education for a waiver of the expenditure
10 limitation established pursuant to this section. A board of
11 education of a school district that sends pupils and pays tuition to
12 a special needs district may apply to the Commissioner of
13 Education for a waiver of the expenditure limitation established
14 pursuant to this section. Any waiver granted by the
15 commissioner pursuant to this subsection shall not be included in
16 the question on excess expenditures which is to be submitted to
17 the voters of the district pursuant to subsection f. of this section.

18 f. Any school district may submit a proposal to raise the
19 amount of tax levy necessary to exceed the maximum permissible
20 net budget permitted by this section to the legal voters of the
21 district for type II school districts without a Board of School
22 Estimate and to the Board of School Estimate for those school
23 districts with a Board of School Estimate as required during the
24 school budget approval process pursuant to chapters 22 and 54 of
25 Title 18A of the New Jersey Statutes and section 13 of P.L.1971,
26 c.271 (C.18A:46-41). The proposal to raise additional tax levy to
27 exceed the maximum permissible net budget shall be in addition
28 to the amounts required to be approved for each school district in
29 accordance with chapters 22 and 54 of Title 18A of the New
30 Jersey Statutes and section 13 of P.L.1971, c.271 (C.18A:46-41).
31 In the event that a school district's proposal to raise the tax levy
32 to exceed the maximum permissible net budget is not approved in
33 accordance with the budget approval process set forth in chapter
34 22 of Title 18A of the New Jersey Statutes for type II districts
35 and for type I districts, chapter 54 of Title 18A of the New
36 Jersey Statutes for county vocational school districts and section
37 13 of P.L.1971, c.271 (C.18A:46-41) for county special services
38 school districts, that disapproval shall be deemed final and shall
39 not be subject to further review or appeal.

40 (cf: P.L. 1990, c.52, s.85)

41 20. Section 86 of P.L.1990, c.52 is amended to read as follows:

42 86. For the purpose of calculating [the] each district's
43 maximum permissible net budget [growth limitation in] pursuant
44 to section 85 of [this amendatory and supplementary act]
45 P.L.1990, c.52 (C.18A:7D-28) for the 1991-92 school year, each
46 district's local levy budget for the 1990-91 school year shall
47 equal the balance in the current expense and capital outlay
48 budgets after deducting (1) State aid for handicapped pupils
49 pursuant to section 20 of P.L.1975, c.212 (C.18A:7A-20),

1 (2) State aid for approved transportation, (3) all other revenue in
2 the current expense and capital outlay budgets except the amount
3 to be provided by local taxation, equalization support, budgeted
4 capital outlay support, and State support for [bilingual education,
5 compensatory education and] local vocational education. [This
6 amount shall be increased to include State support paid on the
7 district's behalf in the 1990-1991 school year pursuant to
8 N.J.S.18A:66-33 and N.J.S.18A:66-66. In addition, the
9 commissioner shall adjust this amount for each district which
10 sent or received pupils during the 1990-91 school year to reflect
11 the change in the definition of resident enrollment contained in
12 this amendatory and supplementary act. All of the expenses of
13 and aid for a county vocational school district or a county special
14 services school district shall be reallocated to the districts of
15 residence on a per pupil basis. Aid paid on behalf of receiving
16 districts pursuant to N.J.S.18A:66-33 and N.J.S.18A:66-66 shall
17 be reallocated to districts of residence on a per pupil basis. Aid
18 payments pursuant to N.J.S.18A:66-66 shall be estimated for
19 each district.] Each county special services school district's net
20 budget for the purposes of calculating the budget growth
21 limitation in section 85 of P.L.1990, c.52 (C.18A:7D-28) for the
22 1991-92 school year shall be established by the commissioner.
23 (cf: P.L.1990, c.52, s.86)

24 21. Section 87 of P.L.1990, c.52 (C.18A:7D-31) is amended to
25 read as follows:

26 87. [a. For the 1991-92 school year, the minimum equalized
27 local school tax rate for current expense and capital outlay in
28 special needs districts shall be calculated as follows:

29 If $TR \geq FR$, then $LL = FR$;

30 If $TR < FR$ and $TR \geq VM$, then $LL = TR$;

31 If $TR < FR$ and $TR < VM$, then $LL = FR$ or VM , whichever is
32 less; where

33 TR is the district's equalized school tax rate for current
34 expense and capital outlay in the prebudget year;

35 FR is the quotient resulting from the division of district's local
36 fair share as determined pursuant to section 7 of this amendatory
37 and supplementary act by the district's equalized valuation for
38 the prebudget year;

39 LL is the district's minimum equalized local school tax rate
40 for current expense and capital outlay; and

41 VM is the property value multiplier as determined pursuant to
42 section 8 of this amendatory and supplementary act.

43 b. For the 1992-93 school year and thereafter, the minimum
44 local school tax rate for current expense and capital outlay in
45 special needs districts shall be determined in accordance with the
46 plan established pursuant to section 89 of this amendatory and
47 supplementary act.

48 c. As used in this section equalized school tax rate means the
49 sum of the district's local levies for current expense and capital

1 outlay for the prebudget year divided by the district's equalized
2 valuation for the year prior to the prebudget year.]

3 For the 1991-92 through the 1994-95 school years, the
4 minimum tax levy for current expense and capital outlay in
5 special needs school districts shall equal the lesser of the
6 district's local fair share as determined pursuant to section 7 of
7 P.L.1990, c.52 (C.18A:7D-7) or the sum of the district's 1990-91
8 levies for current expense and capital outlay. Beginning with the
9 1995-96 school year, the minimum tax levy for current expense
10 and capital outlay shall equal the district's local fair share.

11 (cf: P.L.1990, c.52, s.87)

12 22. Section 3 of P.L.1979, c.294 (C.18A:22-8.2) is amended to
13 read as follows:

14 3. No transfer may be made under this section from
15 appropriations or surplus accounts for:

- 16 a. Interest and debt redemption charges;
- 17 b. Capital reserve account;
- 18 c. Items classified as current expenses except to other items
19 so classified or to capital outlay;
- 20 d. Items classified as capital outlay except to other items so
21 classified or to current expense.

22 (cf: P.L.1990, c.52, s.44)

23 23. Section 3 of P.L.1971, c.271 (C.18A:46-31) is amended to
24 read as follows:

25 3. a. Any school established pursuant to [this act] P.L.1971,
26 c.271 (C.18A:46-29 et seq.) shall accept all eligible pupils within
27 the county, so far as facilities permit. Pupils residing outside the
28 county may be accepted should facilities be available only after
29 provision has been made for all eligible pupils within the county.
30 Any child accepted shall be classified pursuant to chapter 46 of
31 Title 18A of the New Jersey Statutes.

32 b. The board of education of any county special services school
33 district may receive such funds as may be appropriated by the
34 county pursuant to section 13 of P.L.1971, c.271 (C.18A:46-41)
35 and shall be entitled to collect and receive from the sending
36 districts in which the pupils attending the county special services
37 school reside, for the tuition of such pupils, a sum not to exceed
38 the [lesser of:

39 (1) the] actual cost per pupil as determined for each special
40 education category, according to rules prescribed by the
41 commissioner and approved by the State board [; or

42 (2) the foundation amount per pupil plus the appropriate per
43 pupil special education aid]. Whenever funds have been
44 appropriated by the county, the county special services school
45 district may charge a fee in addition to tuition for any pupils who
46 are not residents of the county. The fee shall not exceed the
47 amount of the county's per pupil appropriation to the county
48 special services school district. For each special education
49 category, the tuition shall be at the same rate per pupil for each

1 sending district whether within or without the county. Ten
2 percent of the tuition amount and the nonresident fee amount, if
3 any, shall be paid on the first of each month from September to
4 June to the receiving district by each sending district. The annual
5 aggregate amount of all tuition may be anticipated by the board
6 of education of the county special services school district with
7 respect to the annual budget of the county special services school
8 district. The amounts of all annual payments or tuition to be paid
9 by any such other school district shall be raised in each year in
10 the annual budget of such other school district and paid to the
11 county special services school district.

12 c. The board of education of any county special services school
13 district, with the approval of the board of chosen freeholders of
14 the county, may provide for the establishment, maintenance and
15 operation of dormitory and other boarding care facilities for
16 pupils in conjunction with any one or more of its schools for
17 special services, and the board shall provide for the
18 establishment, maintenance and operation of such health care
19 services and facilities for the pupils as the board shall deem
20 necessary.

21 [d. The State shall deduct from each sending district's
22 foundation aid and special education aid an amount equal to the
23 foundation aid and special education aid payable to the district
24 for each county special services school district pupil, and shall
25 pay that amount to the board of education of the county special
26 services school district on behalf of the sending district. In the
27 event that the amount deducted is less than the tuition due
28 pursuant to subsection b. of this section, the county special
29 services school district shall advise the board of education of the
30 sending district of the total amount due and the balance due after
31 deducting the aid payable by the State pursuant to this
32 subsection. This balance shall be paid by the board of education
33 of the sending district. All payments shall be made pursuant to
34 the schedule established by subsection b. of this section.]

35 (cf: P.L.1990, c.52, s.60)

36 24. Section 71 of P.L.1990, c.52 (C.18A:54-20.1) is amended to
37 read as follows:

38 71. a. The board of education of each school district or
39 regional school district in any county in which there is a county
40 vocational school district shall send to any of the schools of the
41 county vocational school district each pupil who resides in the
42 school district or regional school district and who has applied for
43 admission to and has been accepted for attendance at any of the
44 schools of the county vocational school district. The board of
45 education shall pay tuition for each of these pupils to the county
46 vocational school district pursuant to subsection c. of this
47 section. The provisions of this section shall not apply to the board
48 of education of a school district or regional school district
49 maintaining a vocational school or schools pursuant to article 2 of

1 chapter 54 of Title 18A of the New Jersey Statutes.

2 b. The board of education of a county vocational school
3 district shall receive pupils from districts without the county so
4 far as their facilities may permit.

5 c. The board of education of a county vocational school
6 district shall receive such funds as may be appropriated by the
7 county pursuant to N.J.S.18A:54-29.2 and shall be entitled to
8 collect and receive from the sending districts in which each pupil
9 attending the vocational school resides, for the tuition of that
10 pupil, except for a post-secondary vocational education pupil, a
11 sum not to exceed the [lesser of:

12 (1) the] actual cost per pupil as determined for each
13 vocational program classification, according to rules prescribed
14 by the commissioner and approved by the State board [; or

15 (2) the weighted per pupil foundation amount established for
16 the pupil's vocational program classification, according to the
17 provisions of section 6 of P.L.1990, c.52 (C.18A:7D-6)].
18 Whenever funds have been appropriated by the county, the county
19 vocational school district may charge a fee in addition to tuition
20 for any pupils who are not residents of the county. The fee shall
21 not exceed the amount of the county's per pupil appropriation to
22 the county vocational school district.

23 d. The tuition and nonresident fee, if any, shall be established
24 not later than January 15 in advance of the school year by the
25 board of education. The tuition for each program category shall
26 be at the same rate per pupil for each sending district whether
27 within or without the county, and 10% of the tuition amount and
28 nonresident fee, if any, shall be paid on the first of each month
29 from September to June by or on behalf of the board of education
30 of each sending district.

31 e. [The State shall deduct from each sending district's
32 foundation aid and special education aid an amount equal to the
33 foundation aid and special education aid payable to the district
34 for each county vocational school pupil, and shall pay that
35 amount to the board of education of the county vocational school
36 district on behalf of the sending district. In the event that the
37 amount deducted is less than the tuition due pursuant to
38 subsection c. of this section, the county vocational school district
39 shall advise the board of education of the sending district of the
40 total amount due and the balance due after deducting the aid
41 payable by the State pursuant to this subsection. This balance
42 shall be paid by the board of education of the sending district. All
43 payments shall be made pursuant to the schedule established by
44 subsection d. of this section.] (Deleted by amendment, P.L. ,
45 c. now pending before the Legislature as this bill)
46 (cf: P.L.1990, c.52, s.71)

47 25. Section 73 of P.L.1990, c.52 (C.18A:54-20.2) is amended to
48 read as follows:

49 73. A county vocational school district and a county special

1 services school district shall be eligible to receive State aid for
 2 debt service pursuant to section 18 of P.L.1990, c.52
 3 (C.18A:7D-22). For the purpose of calculating this aid, the
 4 district's maximum foundation budget shall be the sum of the
 5 maximum foundation budgets of all [the] other districts in the
 6 county and the district's local fair share shall be the sum of the
 7 local fair shares of all the districts in the county.

8 (cf: P.L.1990, c.52, s.73)

9 26. (New section) In addition to the funds payable to each
 10 county vocational school district pursuant to sections 4, 14, 25,
 11 73, 80 and 81 of P.L.1990, c.52 and sections 29 and 30 of P.L. ,
 12 c. (C.) (now pending before the Legislature as this bill),
 13 each county vocational school district shall be paid State aid for
 14 county vocational school programs as follows:

15
$$A = F \times V$$

16 where

17 A is the county vocational school district's aid for its
 18 vocational programs;

19 F is the State foundation amount as defined pursuant to section
 20 6 of P.L.1990, c.52 (C.18A:7D-6); and

21 V is the number of pupil units for county vocational school
 22 pupils other than county vocational school special education
 23 services pupils, except that pupils receiving supplementary,
 24 speech and home instruction services shall be eligible for this
 25 aid. The number of pupil units shall be based on the following:

26

Program	Weight
27 Secondary	.26
30	
31 Post-Secondary	.13

32 Aid for pupils attending shared-time secondary programs shall
 33 be determined by reducing the weight by one-half.

34 For the 1991-92 school year, the weight for post-secondary
 35 pupils shall be the same as the secondary weight set forth above.

36 27. (New section) For the 1991-92 school year, in the event
 37 the total State aid determined for a county vocational school
 38 district pursuant to sections 4, 14, 80 and 81 of P.L.1990, c.52
 39 (C.18A:7D-4, 16, 20 and 21) and section 26 of P.L. , c.
 40 (C.) (now pending before the Legislature as this bill),
 41 exceeds 150% of the base aid amount for the district as defined
 42 in section 25 of P.L.1990, c.52 C.18A:7D-33), the total State aid
 43 for the district shall be reduced to 150% of the base aid amount.

44 28. N.J.S.18A:66-33 is amended to read as follows:

45 18A:66-33. Regular interest charges payable, the creation and
 46 maintenance of reserves in the contingent reserve fund and the
 47 maintenance of retirement allowances and other benefits granted
 48 by the board of trustees under the provisions of this article are
 49 hereby made obligations of each employer. Except as provided in

1 N.J.S.18A:66-27, all income, interest, and dividends derived from
2 deposits and investments authorized by this article shall be used
3 for payment of these obligations.

4 Upon the basis of each actuarial determination and appraisal
5 provided for in this article, the board of trustees shall annually
6 certify, on or before [the date of the Governor's annual budget
7 message] December 1st of each year, to the Commissioner of
8 Education, the State Treasurer, and to each employer, including
9 the State, the contributions due on behalf of its employees for
10 the ensuing fiscal year and payable by the employer to the
11 contingent reserve fund. The amounts payable into the
12 contingent reserve fund for each employer, including the State,
13 shall be paid by the State Treasurer, upon the certification of the
14 commissioner and the warrant of the Director of the Division of
15 Budget and Accounting, to the contingent reserve fund not later
16 than July 1 of the ensuing fiscal year. The commissioner shall
17 deduct the amount so certified from any State aid payable to the
18 employer. In the event that no State aid is payable to the
19 employer or in the event that the amount deducted is less than
20 the amount certified as due, the commissioner shall certify the
21 net amount due on behalf of the members to the chief fiscal
22 officer of the employer. Each employer shall pay the net amount
23 due, if any, to the State pursuant to a payment schedule
24 established by the commissioner. The payment schedule shall
25 provide for interest penalties for late payments.

26 (cf: P.L.1990, c.52, s.78)

27 29. (New section) For the 1991-92 and 1992-93 school years
28 each employer, as defined in N.J.S.18A:66-2, shall receive State
29 aid in an amount equal to the contribution due on behalf of its
30 employees for the ensuing fiscal year and payable by the
31 employer to the contingent reserve fund in accordance with
32 N.J.S.18A:66-33.

33 30. (New section) For the 1991-92 and 1992-93 school years,
34 each employer as defined in N.J.S.18A:66-2 shall be reimbursed
35 by the State for the social security contributions for members of
36 the Teachers Pension and Annuity Fund. Such reimbursement
37 shall be limited to contributions upon compensation upon which
38 members contributions to the retirement system are based.

39 31. (New section) For the 1991-92 school year, in counties of
40 the third class which do not have a county vocational school
41 district, in addition to the funds payable pursuant to sections 4,
42 14, 16, 25, 73, 80 and 81 of P.L.1990, c.52 (C.18A:7D-1 et al.) and
43 sections 29 and 30 of P.L. , c. (C.)(now pending before the
44 Legislature as this bill), to a district which was designated as a
45 local area vocational school district pursuant to section 3 of
46 P.L.1975, c.212 (C.18A:7A-3) prior to the 1990-91 school year,
47 each district shall also be paid State aid in an amount equal to
48 the support the district received during the 1990-91 school year
49 for local vocational pupils pursuant to section 20 of P.L.1975,

1 c.212 (C.18A:7A-20).

2 32. (New section) For the 1991-92 and 1992-1993 school year,
3 no district's State aid for programs for at-risk pupils shall be less
4 than the amount of categorical program support the district
5 received in the 1990-91 school year pursuant to section 20 of
6 P.L.1975, c.212 (C.18A:7A-20) for state compensatory education
7 pupils.

8 33. (New section) a. For the 1991-92 and 1992-93 school
9 years, if the Commissioner of Education or the board of
10 education of a special needs school district determines that the
11 special needs school district cannot utilize the full amount of the
12 difference between its State aid entitlement under P.L.1990, c.52
13 (C.18A:7D-1 et al.) for the budget year and its State aid
14 entitlement for the 1990-91 school year under P.L.1975, c.212
15 (C.18A:7A-1 et seq.), the commissioner, or the board of
16 education of the special needs district, with the approval of the
17 commissioner, may place up to 20 percent of that difference in
18 State aid in a special escrow account to be established by the
19 State Treasurer.

20 b. There is established within the General Fund a dedicated
21 account to be known as the "Special Needs Districts Educational
22 Fund." Any interest earned by the account shall accrue to the
23 State and shall be credited to the General Fund. The Treasurer
24 shall deposit into the account any funds which are put into escrow
25 for a special needs school district pursuant to subsection a. of
26 this section. Beginning on October 1, 1991 and annually
27 thereafter, the Treasurer shall advise the commissioner and each
28 special needs school district of the amount of funds being held in
29 escrow for each school district. A special needs school district
30 may, with the approval of the commissioner, withdraw and
31 expend funds from its escrow account at any time upon
32 presentation to the commissioner of a plan for the use of the
33 funds for operating expenses or for the renovation and repair of
34 educational facilities.

35 c. Any funds placed in escrow by a special needs school
36 district and any withdrawal or expenditure of those funds shall
37 not be utilized for the calculation of the district's State aid
38 entitlements in any subsequent year and shall not be used to
39 reduce or offset those entitlements.

40 34. (New section) Notwithstanding any statute, rule or
41 regulation promulgated by the State Board of Education, special
42 needs districts may contract with New Jersey colleges and
43 universities to provide in school, after school and special
44 academic programs and services to assist the districts in
45 providing a thorough and efficient education. The Chancellor of
46 Higher Education shall prepare on or before July 1 of each year a
47 report of programs and services available from New Jersey
48 colleges and universities to assist special needs districts. The
49 report shall be distributed to the commissioner and to the special

1 needs districts.

2 35. (New section) In a county of the third class which did not
3 have a county vocational school district as of September 1, 1990,
4 the board of education of a county vocational school district in
5 such a county is authorized and empowered to undertake and to
6 enter into agreements of any nature whatsoever necessary,
7 desirable, useful or convenient for and with respect to the
8 assumption, operation, or administration by the county
9 vocational school district of any system of vocational education
10 then being maintained in the county, including, but not limited to,
11 the transfer of principals, teachers, employees, pupils or classes,
12 the purchase, grant, transfer or lease to the county vocational
13 school district of any lands, schools buildings, furnishings,
14 equipment, apparatus or supplies constituting part of or used in
15 connection with that system, and the making of or provision for
16 payments, costs or expenses in connection with any of the
17 aforesaid. A copy of any such agreement shall be filed in the
18 office of the commissioner.

19 36. (New section) Each State college operating a college
20 demonstration school or classes for handicapped children shall be
21 paid State aid for one-half of the costs of operating the
22 educational program less the special education aid payable,
23 pursuant to section 14 of P.L.1990, c.52 (C.18A:7D-16), to the
24 district in which the State college demonstration school is
25 located.

26 37. Section 21 of P.L.1990, c.52 (C.18A:7D-26) is amended to
27 read as follows:

28 21. Annually, on or before December 15 the commissioner
29 shall notify each district of the maximum amount of aid payable
30 to the district under the provisions of [this amendatory and
31 supplementary act] P.L.1990, c.52 (C.18A:7D-1 et al.) in the
32 succeeding year and shall notify each district that is subject to
33 the provisions of section 85 of [this amendatory and
34 supplementary act] P.L.1990, c.52 (C.18A:7D-28) of the district's
35 maximum permissible [local levy] net budget for the succeeding
36 year. The actual aid payment to each district shall be
37 determined after the district's budget is adopted.

38 (cf: P.L.1990, c.52, s.21)

39 38. (New section) Annually, there shall be appropriated to the
40 Department of Education an amount equal to .00224 multiplied by
41 the amount of maximum State school aid as defined pursuant to
42 section 3 of P.L.1990, c.52 (C.18A:7D-3) in order to enable the
43 commissioner to meet the State mandate for the monitoring,
44 evaluation, budget review and analysis and the collection of
45 expenditure data for school districts as required pursuant to
46 P.L.1975, c.212 (C.18A:7A-1 et seq.) and sections 1, 5 and 6 of
47 P.L.1991, c.3 (C.18A:7A-14.1, 18A:7A-6.1 and 18A:7A-14.2) in
48 order to ensure that school districts are providing a thorough and
49 efficient education to their students.

1 39. (New section) There is established within the Department
 2 of Education a special account into which the State Treasurer
 3 shall deposit \$25,000,000. The Commissioner of Education shall
 4 utilize the monies in the fund for supplemental State aid to
 5 school districts in order to ensure the continuation of educational
 6 quality during the period of transition to the new State aid
 7 program established pursuant to P.L.1990, c.52 (C.18A:7D-1 et
 8 al.). Any supplemental State aid provided to a school district
 9 from this account shall not be included in the calculation of the
 10 spending limitations established pursuant to section 85 of
 11 P.L.1990, c.52 (C.18A:7D-28).

12 40. The following sections are repealed:

13 P.L.1990, c.52, s.5 (18A:7D-5)

14 P.L.1990, c.52, s.83 (18A:7D-11)

15 P.L.1990, c.52, s.88 (18A:7D-12)

16 41. This act shall take effect immediately.

*Statement to Senate
 floor substitute*

17
 18
 19 STATEMENT
 20

21 This floor substitute makes a number of changes in the Quality
 22 Education Act of 1990. Some of the changes are permanent and
 23 some are designed to modify the law during the period of
 24 transition between current funding and the new system.

25 Among the permanent changes are the elimination of the
 26 necessity for districts to tax at their fair share in order to
 27 receive full State foundation aid; the elimination of the provision
 28 that required school districts to increase their tax levies over a
 29 five year period; and, a modification of the amount of excess
 30 surplus which will be deducted from a district's foundation aid
 31 from 15% to 7.5% and requires districts to develop a surplus
 32 expenditure plan. Also, the substitute provides for direct funding
 33 of county special services school districts and county vocational
 34 school districts, changes the tuition formula for those districts,
 35 and provides for a categorical aid factor for county vocational
 36 schools and debt service aid for county special services school
 37 districts. The substitute also reduces the maximum increase in a
 38 district's budget which will be eligible for aid from 130% over
 39 the prior year to 120%. Further, the substitute changes the "local
 40 fair share" definition for special needs school districts to the
 41 State average equalized school tax rate for current expense and
 42 capital outlay. It also provides that for the 1991-92 through
 43 1994-95 school years, the minimum school tax levy for special
 44 needs districts shall equal the districts fair share or the school
 45 tax levy for the 1990-91 school year.

46 The substitute also establishes a new limitation on the growth
 47 of a district's net budget, which is all State aid under the QEA
 48 (exclusive of pension aid) and local levies. For two years, the
 49 "cap" percentage would range from 7.5% to 9%. The cap for

1 special needs districts will be determined by an equity spending
2 cap which may be in excess of the basic cap. The substitute also
3 provides for voter approval in type II school districts for
4 expenditures in excess of the cap.

5 In addition, the substitute establishes a State school aid
6 inflator the value of which, for the 1991-92 school year is \$4.250
7 billion and which will increase annually by the sum of the PCI and
8 1.01, and provides that maximum State school aid will equal 80%
9 of the inflator. However, beginning in the 1993-94 school year,
10 the Governor may increase maximum State school aid up to the
11 value of the State school aid inflator.

12 For the 1991-92 school year, the substitute reduces maximum
13 State school aid to \$4.1 billion and adjusts the State foundation
14 amount to \$6640 and the facilities factor to \$107.

15 In terms of provisions which are transitional in nature, the
16 substitute provides for the State assumption of Teachers' Pension
17 and Social Security costs for a two year period, and makes those
18 adjustments necessary to accomplish this.

19 The substitute also adjusts the at-risk cost factors, and further
20 provides that for the 1991-92 and 1992-93 school years, no school
21 district will receive less for at-risk pupils than the district
22 received for compensatory education pupils in the current year.

23

24

25 EDUCATION

26

27 Makes a number of permanent and temporary revisions in the
28 QEA.

SENATE, No. 3230

STATE OF NEW JERSEY

INTRODUCED JANUARY 14, 1991

By Senator LYNCH

1 AN ACT providing for the calculation and distribution of State
2 aid for education for the 1991-92 and 1992-93 school years.

3

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

6 1. For the purposes of this act:

7 "Resident Enrollment" shall mean the number of pupils who, on
8 the last school day prior to October 16 of the prebudget year, are
9 residents of the district and are enrolled in: (1) the public schools
10 of the district, including evening schools; (2) another school
11 district, State college demonstration school or private school to
12 which the district of residence pays tuition; (3) a State facility;
13 or (4) are receiving home instruction.

14 Handicapped children between three and five years of age and
15 receiving programs and services pursuant to N.J.S.18A:46-6 shall
16 be included in the resident enrollment of the district.

17 "School District" shall mean any local or regional school
18 district, any county vocational school district and any county
19 special services school district.

20 The Commissioner of Education shall make those adjustments
21 in each school district's maximum foundation budget pursuant to
22 section 6 of P.L.1990, c.52 (C.18A:7D-6), adjusted income
23 pursuant to section 9 of P.L.1990, c.52 (C.18A:7D-9), State aid
24 for transportation, pursuant to section 16 of P.L.1990, c.52
25 (C.18A:7D-18) and transition aid pursuant to section 25 of
26 P.L.1990, c.52 (C.18A:7D-33) which are necessary to implement
27 the definition of "Resident enrollment" and "School district"
28 established by this act.

29 2. For the 1991-92 and 1992-93 school years, in order to be
30 eligible to receive the maximum State foundation aid to which a
31 school district is entitled pursuant to the provisions of section 4
32 of P.L.1990, c.52 (C.18A:7D-4) and the provisions of this act, a
33 school district shall not be required to adopt a school tax levy for
34 current expense and capital outlay greater than the district's
35 school tax levy for current expense and capital outlay in the
36 prebudget year.

37 3. For the 1991-92 and 1992-93 school years, the local school
38 budget of a school district which is not a special needs school
39 district shall not exceed the district's local school budget for the
40 prebudget year by more than 8½ percent. The local school budget
41 of a school district which is a special needs school district shall
42 not exceed the district's local school budget for the prebudget
43 year by more than 13½ percent.

1 For the purposes of this section, "local school budget" means
2 the sum of all State aid received by a school district pursuant to
3 sections 4, 14, 16, 25, 80 and 81 of P.L.1990, c.52 (C.18A:7D-4,
4 16, 18, 33, 20 and 21) and sections 5, 8 and 10 of this act, and the
5 district's local levy for current expense and capital outlay
6 exclusive of debt service.

7 For the purposes of determining the budget limitation for the
8 1991-92 school year as established pursuant to this section, the
9 district's 1990-91 local school budget shall equal the sum of the
10 district's budget for current expense and capital outlay,
11 exclusive of debt service, federal funds, appropriations from free
12 balances and miscellaneous revenue, and inclusive of State aid for
13 handicapped pupils pursuant to section 20 of P.L.1975, c.212
14 (C.18A:7A-20); State aid for approved transportation, State
15 equalization support and budgeted capital outlay support; State
16 support for bilingual education, compensatory education and local
17 vocational education; and, the amount provided for by local
18 taxation.

19 4. a. If a board of education of a type II school district
20 without a board of school estimate adopts a local school budget
21 which is in excess of the local school budget authorized pursuant
22 to section 3 of this act, the board shall submit the question of the
23 authorization of those excess expenditures to the voters of the
24 school district for their approval or disapproval at the annual
25 school election. Voter disapproval of the excess expenditures
26 shall be deemed final, and shall not be subject to the review and
27 appeal process established pursuant to N.J.S.18A:22-37, unless
28 the board can demonstrate that it anticipates an extraordinary
29 increase in enrollment in the district.

30 b. If a board of school estimate of a type II school district with
31 a board of school estimate adopts a local school budget which is
32 in excess of the local school budget authorized pursuant to
33 section 3 of this act, or if the board of education of that district
34 appeals the board of school estimate's determination to the
35 commissioner and the commissioner approves an appropriation in
36 excess of the permitted local school budget, the board of
37 education shall submit the question of the authorization of those
38 excess expenditures to the voters of the school district for their
39 approval or disapproval at the annual school election. Voter
40 disapproval of the excess expenditures shall be deemed final, and
41 shall not be subject to further review and appeal unless the board
42 can demonstrate that it anticipates an extraordinary increase in
43 enrollment in the district.

44 c. If a board of school estimate of a type I school district
45 adopts a local school budget which is in excess of the local school
46 budget authorized pursuant to section 3 of this act, or if the
47 board of education of that district appeals the board of school
48 estimate's determination to the commissioner and the
49 commissioner approves an appropriation in excess of the
50 permitted local school budget, the municipal governing body shall

1 submit the question of the authorization of those excess
2 expenditures to the voters of the school district for their
3 approval or disapproval at a special election which shall be held
4 no later than the date of the annual school election in type II
5 school districts. Voter disapproval of the excess expenditures
6 shall be deemed final, and shall not be subject to further review
7 and appeal unless the board can demonstrate that it anticipates
8 an extraordinary increase in enrollment in the district.

9 5. The board of education of a county special services school
10 district shall be eligible to receive State foundation aid pursuant
11 to section 4 of P.L.1990, c.52 (C.18A:7D-4) as adjusted pursuant
12 to section 3 of this act. This aid shall be calculated as follows:

13
$$FA = MFB \times (CMB - CFS) / CMB$$

14 where

15 FA is the district's foundation aid;

16 MBF is the districts maximum foundation budget as determined
17 pursuant to section 5 of P.L.1990, c.52 (C.18A:7D-5);

18 CMB is the sum of the maximum foundation budgets of all the
19 district's in the county; and,

20 CFS is the sum of the local fair shares of all the districts in the
21 county.

22 6. For the purposes of this act:.

23 a. Any county special services school district shall accept all
24 eligible pupils within the county, so far as facilities permit.
25 Pupils residing outside the county may be accepted should
26 facilities be available only after provision has been made for all
27 eligible pupils within the county. Any child accepted shall be
28 classified pursuant to chapter 46 of Title 18A of the New Jersey
29 Statutes.

30 b. The board of education of any county special services school
31 district and the board of education of any other school district
32 within the county thereof are each hereby authorized and
33 empowered to undertake and to enter into agreements with
34 respect to the attendance at schools of the special services
35 school district, of residents or pupils of these other school
36 district and as to the payments to be made or the rate of tuition
37 to be charged on account of these students. Payments shall be
38 made quarterly to the receiving district by each sending district.
39 The payment or rate of tuition per student shall not exceed 50%
40 of the pro rata annual cost of the operation and maintenance of
41 the county special services school district remaining after
42 deduction from that cost of all amounts of aid received by the
43 county special services school district or the county thereof on
44 account of the district or credited thereto from the State of New
45 Jersey or the United States of America or agencies thereof, but
46 excluding from that cost any amount on account of required
47 payments of interest or principal on bonds or notes of the county
48 issued for the purpose of the district. The annual aggregate
49 amount of all of these payments or tuition may be anticipated by
50 the board of education of the county special services school

1 district and by the board of chosen freeholders of the county with
2 respect to the annual budget of the county special services school
3 district. The amounts of all annual payments or tuition to be paid
4 by any such other school district shall be raised in each year in
5 the annual budget of such other school district and paid to the
6 county special services school district.

7 7. a. Between March 25 and April 8 of the years 1991 and
8 1992, the board of school estimate of a county special services
9 school district shall fix and determine by official action taken at
10 a public meeting of the board the amount of money necessary to
11 be appropriated for the use of the county special services school
12 district for the ensuing school year exclusive of the amount to be
13 received from the State as provided in section 5 of this act.

14 b. The board of school estimate shall, on or before April 8 in
15 each of these years, make two certificates of the amount, signed
16 by at least three of its members, one of which certificate shall be
17 delivered to the board of education of the county special services
18 school district and the other to the board of chosen freeholders of
19 the county.

20 c. The board of chosen freeholders shall, upon receipt of the
21 certificate, appropriate, in the same manner as other
22 appropriations are made by it, the amount so certified, and the
23 amount shall be assessed, levied, and collected in the same
24 manner as moneys appropriated for other purposes in the county
25 are assessed, levied, and collected.

26 8. The board of education of a county vocational school
27 district shall be eligible to receive State foundation aid pursuant
28 to section 4 of P.L. 1990, c.52 (C.18A:7D-4) as adjusted pursuant
29 to section 3 of this act. This aid shall be calculated as follows:

$$30 \quad FA = MFB \times (CMB - CFS)/CMB$$

31 where

32 FA is the district's foundation aid;

33 MBF is the districts maximum foundation budget as determined
34 pursuant to section 5 of P.L.1990, c.52 (C.18A:7D-5);

35 CMB is the sum of the maximum foundation budgets of all the
36 district's in the county; and,

37 CFS is the sum of the local fair shares of all the districts in the
38 county.

39 9. Between March 25 and April 8 of the years 1991 and 1992,
40 the board of school estimate of a county vocational school
41 district shall fix and determine by action taken at a public
42 meeting of the board the amount of money necessary to be
43 appropriated for the use of the county vocational school district
44 for the ensuing school year exclusive of the amount to be
45 received from the State as provided in section 8 of this act.

46 10. Notwithstanding the provisions of sections 14, 80 and 81 of
47 P.L.1990, c.52 (C.18A:7D-16, 20 and 21), special education aid,
48 aid for programs for at-risk pupils and bilingual education aid for
49 pupils attending a county vocational school or a county special
50 services school district shall be credited and paid to the board of

1 education of the county special services school district and
2 county vocational school district.

3 11. This act shall take effect immediately, shall be applicable
4 to the 1991-92 and 1992-93 school years and shall expire on July
5 1, 1993.

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STATEMENT

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10 This bill, which applies to the 1991-92 and 1992-93 school
11 years, makes a number of revisions in the manner in which State
12 aid for education will be distributed.

13 The bill provides that the increase in school districts' budgets
14 will be limited to 8½ percent for non-special needs districts and
15 13½ percent for special needs districts. If a board of education
16 adopts a budget with a greater increase in spending, the board
17 will be required to submit the question of excess spending to the
18 voters of the district at the annual school election, or, in the case
19 of a type I district, at a special election. Voter rejection of the
20 excess expenditures would be final, and would not be subject to
21 appeal to the commissioner.

22 The bill also provides that, in order to receive maximum state
23 foundation aid, a district will not have to raise its school tax levy
24 above the levy for the current year.

25 Also, the bill reestablishes county vocational school districts
26 and county special services school districts for the purposes of
27 determining State aid entitlements. The districts' maximum
28 foundation budget would be determined based upon the resident
29 enrollment of those districts, and all State aid would be credited
30 to and paid to the county school districts.

31

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33

EDUCATION

34

35 Makes certain temporary revisions in the calculation and
36 distribution of State aid for education.

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 3230

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 24, 1991

The Senate Education Committee favorably reports this bill with committee amendments.

As amended, this bill, which applies to the 1991-92 and 1992-93 school years, makes a number of revisions in the manner in which State aid for education will be distributed.

The bill provides that the increase in school districts' budgets will be limited to 8½ percent for non-special needs districts and 13½ percent for special needs districts. The district may apply to the Commissioner of Education for a cap waiver if the district has had an increase in enrollment or in local costs for special education of more than 5 percent. For all other increases in excess of the budget cap, if a board of education adopts a budget with a greater increase in spending, the board will be required to submit the question of excess spending to the voters of the district at the annual school election, or, in the case of a type I district, at a special election. Voter rejection of the excess expenditures would be final, and would not be subject to appeal to the commissioner. If approved, a district would not be eligible for State aid based upon the excess expenditures.

The bill also provides that, in order to receive maximum state foundation aid, a district will not have to raise its school tax levy above the levy for the current year. In addition, the bill provides that the State will pay the cost of teachers' pensions and social security for a two year period.

Also, the bill reestablishes county vocational school districts and county special services school districts for the purposes of determining State aid entitlements. The determination of districts' maximum foundation budget would be based upon the resident enrollment of those districts, and all State aid would be credited to and paid to the county school districts.

The committee amended the bill to provide for a hold harmless for those districts which would have lost a disproportionate amount of their share of the increase in State aid under the bill's budget caps. If a district receives less than .995% of its proportionate share, it will receive supplemental state aid to make up the difference. This supplemental aid will not be included in the budget cap.

The amendments also provide for the State resumption of teachers' pension and social security costs, permit the Commissioner of Education to waive the budget cap if there is an increase of more than five percent in enrollment or special education costs, and clarify that expenditures over the cap will not entitle a district to additional State aid.