

18A:7A-3, 18A:7A-25

LEGISLATIVE HISTORY CHECKLIST

NJSA: 18A:7A-3, 18A:7A-25

(School budgets--net current
expense budget per pupil
increase)

LAWS OF: 1985

CHAPTER: 50

Bill No: S534

Sponsor(s): Dumont, Feldman and Ewing

Date Introduced: Pre-filed

Committee: Assembly: Education

Senate: Education; Revenue, Finance and Appropriations

Amended during passage: Yes

Substituted for A1475 (not
attached since identical to
S534) Amendments during pas-
sage denoted by asterisks

Date of Passage: Assembly: Jan. 3, 1985

Senate: Jun. 18, 1984

Date of Approval: February 21, 1985

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly No

Senate Yes 4-30-84 & 2-23-84

Fiscal Note: No

Veto Message: No

Message on Signing: Yes

Following were printed:

Reports: No

Hearings: No

50 85
2-21-85

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SENATE, No. 534

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1984 SESSION

By Senators DUMONT, FELDMAN and EWING

AN ACT to amend the "Public School Education Act of 1975," approved September 29, 1975 (P. L. 1975, c. 212).

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

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

3 3. For the purposes of this act, unless the context clearly re-
4 quires a different meaning:

5 "*Adjusted net current expense budget*" means the balance after
6 deducting (1) State support for categorical programs pursuant
7 to section 20 of P. L. 1975, c. 212 (C. 18A:7A-20), (2) the difference
8 between the transportation amount in the current expense budget
9 and 10% of the estimated approved transportation amount, and
10 (3) all other revenue in the current expense budget except the
11 amount to be raised by local taxation, equalization State support,
12 and State support for approved transportation, appropriation
13 from free balances, and miscellaneous revenue.

14 "*Adjusted net current expenses per pupil*" means the quotient
15 resulting from dividing the adjusted net current budget by the
16 resident enrollment.

17 "*Adjusted State average net current expense budget per pupil*"
18 means the quotient resulting from dividing the total adjusted net
19 current expense budget of all districts in the State by the total
20 resident enrollment in the State.

21 "Administrative order" means a written directive ordering
22 specific corrective action by a district which has shown insufficient

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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Senate committee amendments adopted February 23, 1984.

23 educational progress within a reasonable period of time in meeting
24 goals and standards.

25 “Approved special class pupil” means a pupil enrolled in any
26 class for atypical pupils pursuant to chapter 46 of Title 18A of the
27 New Jersey Statutes.

28 “Approved special education services pupil” means a pupil
29 receiving specific services pursuant to chapter 46 of Title 18A of
30 the New Jersey Statutes but excluding pupils attending county
31 special services school districts.

32 “Bilingual education pupil” means a pupil enrolled in a program
33 of bilingual education approved by the State board.

34 “Budgeted capital outlay” means those capital outlay expendi-
35 tures that are included in the annual school budget.

36 “Categorical programs” means those programs and services
37 recognized in this act as requiring per pupil expenditures over and
38 above those applicable to regular programs, as provided in section
39 20 of this act.

40 “Current expense” means all expenses of the school district, as
41 enumerated in N. J. S. 18A:22-8, other than those required for
42 interest and debt redemption charges and any budgeted capital
43 project.

44 “Debt service” means and includes payments of principal and
45 interest upon school bonds and other obligations issued to finance
46 the acquisition of school sites and the acquisition, construction or
47 reconstruction of school buildings, including furnishings, equip-
48 ment and the costs of issuance of such obligations and shall include
49 payments of principal and interest upon bonds heretofore issued to
50 fund or refund such obligations, and upon municipal bonds and
51 other obligations which the commissioner approves as having been
52 issued for such purposes. Debt service pursuant to the provisions
53 of P. L. 1971, c. 10 (C. 18A:58-33.6 et seq.) and P. L. 1968, c. 177
54 [(C. 18A:33.2 et seq.)] (C. 18A:58-33.2 et seq.) is excluded.

55 “District equalized valuation per pupil” means the quotient
56 resulting from dividing the total equalized valuations in the school
57 district by the resident enrollment of the district; provided that in
58 the determination of the equalized valuation per pupil of a county
59 vocational school the total equalized valuations in the county shall
60 be divided by the total resident enrollment in all school districts
61 of the county to obtain the county vocational school equalized valua-
62 tion per pupil.

63 “Equalized valuations” means the equalized valuation of the
64 taxing district or taxing districts as certified by the Director of the
65 Division of Taxation on October 1 of the [prebudgeted] *prebudget*
66 year.

67 With respect to regional districts and their constituent districts,
68 however, the equalized valuations as described above shall be
69 allocated among the regional and constituent districts in proportion
70 to the number of pupils in each of them.

71 "Evening school pupils" means the equated full-time resident
72 enrollment of pupils enrolled in an accredited evening high school,
73 an evening vocational high school, and in other evening schools
74 except schools offering programs for self-improvement and social
75 enrichment.

76 "Goals" means a written statement of educational aspirations
77 for learner achievement and the educational process stated in
78 general terms.

79 "Guaranteed valuation per pupil" means the product, rounded
80 to the nearest dollar, of 1.344 times the State average valuation
81 per pupil for the year in which the calculation of aid is made.

82 "Joint Committee on the Public Schools" means the committee
83 created pursuant to P. L. 1975, c. 16 (C. 52:9R-1 et seq.).

84 "Local vocational pupils" means the full-time equivalent of
85 pupils enrolled in approved categorical vocational programs in
86 school districts designated as local area vocational school districts.

87 "Minimum aid guaranteed valuation per pupil" means the
88 product, rounded to the nearest whole dollar, of 11.5 times the
89 State average equalized valuation per pupil for the year in which
90 the calculation of aid is made.

91 "Needs assessment" means a written analysis of the current
92 status of an educational system in terms of achieving its goals.

93 "Net current expense budget" means the balance after deduct-
94 ing (1) State support for categorical programs pursuant to sec-
95 tion 20 of this act, (2) the difference between the transportation
96 amount in the current expense budget and 10% of the estimated
97 approved transportation amount, and (3) all other revenue in the
98 current expense budget except the amount to be raised by local
99 taxation, equalization State support, the State support for ap-
100 proved transportation.

101 "Net current expenses per pupil" means the quotient resulting
102 from dividing the net current expense budget by the resident en-
103 rollment.

104 "Net debt service and budgeted capital outlay" means the
105 balance after deducting all revenues from the school debt service
106 and budgeted capital outlay budgets of the school district and the
107 school debt service amount included in the municipal budget, except
108 the amount to be raised by local taxation and State support.

109 "Objective" means a written statement of the intended outcome
110 of a specific educational process.

111 "Prebudget year" means the school year preceding the year in
112 which the school budget will be implemented.

113 "Resident enrollment" means the number of pupils who are resi-
114 dent of the district and are enrolled in day or approved evening
115 schools on the last school day of September of the prebudget year
116 and are attending: (1) the public schools of the district; (2) another
117 school district or a State college demonstration school to which the
118 district of residence pays tuition; or (3) a State facility; provided
119 that a district shall count pupils regularly attending both the
120 schools of the district and of a county vocational school in the
121 same county on an equated full-time basis.

122 Handicapped children between three and five years of age and
123 receiving programs and services pursuant to N. J. S. 18A:46-6
124 shall be included in the resident enrollment of the district on an
125 equated full-time basis.

126 "Standards" means the process and stated levels of proficiency
127 used in determining the extent to which goals and objectives are
128 being met.

129 "State average net current expense budget per pupil" means
130 the quotient resulting from dividing the total net current expense
131 budget of all districts in the State by the total resident enrollment
132 in the State.

133 "State average valuation per pupil" means the quotient result-
134 ing from dividing the total equalized valuations in the State as
135 certified by the Director of the Division of Taxation on October 1
136 by the total resident enrollment in the State. In the event that the
137 equalized table certified by the Director of the Division of Taxation
138 shall be revised by the tax court on or before January 30 of the
139 next succeeding year, such revised valuation shall be used in any
140 recomputation of aid for an individual district filing such appeal
141 but will have no effect upon the State average valuation per pupil.

142 "State compensatory education pupil" means a pupil who is en-
143 rolled in preventive and remedial programs offered during the
144 normal school day, or in programs offered beyond the normal school
145 day or during summer vacation, which are integrated and co-
146 ordinated with programs operated during the regular school day
147 and year. Said programs shall be approved by the State board,
148 supplemental to the regular programs and designed to assist pupils
149 who have academic, social, economic or environmental needs that
150 prevent them from succeeding in regular school programs.

151 "State facility" means a State residential facility for the

152 retarded; a day training center which is operated by or under
 153 contract with the State and in which all the children have been
 154 placed by the State; a State residential youth center; a State train-
 155 ing school or correctional facility; a State child treatment center
 156 or psychiatric hospital.

157 “State support limit” means the sixty-fifth percentile net current
 158 expense budget per pupil for the prebudget year when all district
 159 figures are ranked from low to high. The State support limit shall
 160 be calculated and applied separately for (a) limited purpose re-
 161 gional districts offering grades nine through 12, (b) limited pur-
 162 pose regional districts offering grades seven through 12, provided,
 163 however, that the figure used for such districts shall be not less
 164 than 90% of the sixty-fifth percentile for limited purpose regional
 165 districts offering grades nine through 12, (c) constituent districts
 166 of limited purpose regional districts offering grades nine through
 167 12, (d) constituent districts of limited purpose regional districts
 168 offering grades seven through 12, provided, however, that the figure
 169 used for such districts shall be not less than 90% of the sixty-fifth
 170 percentile for constituent districts of limited purpose regional dis-
 171 tricts offering grades nine through 12, and (e) all other districts.

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

3 25. A district which has [a] *an adjusted* net current expense
 4 budget per pupil in the prebudget year of less than the *adjusted*
 5 State average net current expense budget per pupil may increase
 6 its *adjusted* net current expense budget per pupil in the following
 7 year by no more than an amount found by multiplying three-fourths
 8 of the latest annual percentage increase in the total State equalized
 9 valuation by the *adjusted* State average net current expense budget
 10 per pupil for the prebudget year, and multiplying the product by
 11 the quotient resulting from dividing the *adjusted* State average
 12 net current expense budget per pupil by the school district *adjusted*
 13 net current expense budget per pupil for the prebudget year. Any
 14 other district may increase its *adjusted* net current expense budget
 15 per pupil by no more than an amount found by multiplying three-
 16 fourths of the latest annual percentage increase in the total State
 17 equalized valuation by the school district’s *adjusted* net current
 18 expense budget per pupil for the prebudget year, and multiplying
 19 the product by the quotient resulting from dividing the *adjusted*
 20 State average net current expense budget per pupil by the school
 21 district’s *adjusted* net current expense budget per pupil for the
 22 prebudget year. For the purpose of these calculations, the enroll-
 23 ment of a district shall be assumed to remain constant between the

24 prebudget year and the year during which the budget will be
25 implemented and the figure used for the latest annual percentage
26 increase in the total State equalized valuation shall not be less
27 than the average of such percentage increases for the latest three
28 years.

29 For the purposes of this section, the **adjusted** State average
30 net current expense budget per pupil shall be calculated and ap-
31 plied separately for (a) limited purpose regional districts offering
32 grades nine through 12, (b) limited purpose regional districts offer-
33 ing grades seven through 12; provided, however, that the figure
34 used for such district shall not be less than 90% of the **adjusted**
35 State average net current expense budget per pupil for limited
36 purpose regional districts offering grades nine through 12, and (c)
37 county vocational schools. For all other districts, the **adjusted**
38 State average net current expense budget per pupil shall be cal-
39 culated pursuant to section 3 of P. L. 1975, c. 212 (C. 18A:7A-3).

40 Annually, on or before November 15, the commissioner shall
41 certify to each local board of education the amount by which the
42 school district may increase its budget for the next year without
43 exceeding the permissible rate of increase.

44 The commissioner may approve the request of a local board of
45 education for a greater increase, having adjudged that (1) a
46 reallocation of resources or any other action taken within the
47 permissible level of spending would be insufficient to meet the
48 goals, objectives and standards established pursuant to this act, or
49 (2) an increased enrollment may reasonably be anticipated in the
50 district.

51 *Nothing in this section shall prevent a board of education from*
52 *appropriating additional amounts from miscellaneous revenues or*
53 *free balances during the budget year* , however, such increases*
54 *shall not be included in the calculation of the increase in the ad-*
55 *justed net current expense budget per pupil for the following*
56 *school year **.

1 3. This act shall take effect immediately.

STATEMENT

This bill provides for the inclusion of appropriated surplus in the calculation of the budget caps for the following year. At present, any appropriated surplus is not included in the net current expense budget (NCEB). Since the cap is essentially the permissible increase in the NCEB, the use of surplus results in a more restrictive cap the following year.

5534(1985)

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO
SENATE, No. 534

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STATE OF NEW JERSEY

DATED: APRIL 30, 1984

This bill provides for the inclusion of budgeted free balances (surplus) and miscellaneous revenue in the calculation of school district budget caps for the following year. Cap allowances would be computed as they presently are but would be based on the district's adjusted net current expense budget (ANCEB) per pupil after including these two items, rather than the net current expense budget (NCEB) per pupil as is presently the case.

The bill also makes clear that appropriations from surplus or miscellaneous revenue made during the school year, but after the budget is approved, shall not be included in the cap calculation for the following year.

FISCAL IMPACT

State school aid is based on district NCEB's. This bill does not change the definition of NCEB or the calculation of State aid. However, to the extent that cap leeways are changed, district NCEB's in the year following the budgeting of surplus revenues could be higher or lower than might otherwise be the case.

The Department of Education estimates a maximum increase in State aid of \$2 million which would not become payable until fiscal year 1986-87 at the earliest.

PRIOR LEGISLATION

Senate Bill No. 476 of 1982 was released by the Senate Education Committee and referred to this committee.

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 534

with Senate committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 23, 1984

PROVISIONS:

This bill provides for the inclusion of appropriated surplus in the calculation of the budget caps for the following year. At present, any appropriated surplus is not included in the net current expense budget (NCEB). Since the cap is essentially the permissible increase in the NCEB, the use of surplus results in a more restrictive cap the following year.

Any unbudgeted surplus could be appropriated by a board during the budget year, however, this would not be included in the cap calculation for the following year.

PRIOR ACTION:

During the 1982-83 session the Senate Education Committee favorably released this bill (Senate Bill No. 476) with the recommendation that it be referred to the Senate Revenue, Finance and Appropriations Committee for a fiscal analysis. No action was taken by that committee.

COMMITTEE AMENDMENTS

The committee amendments are technical in nature.

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Release: FRIDAY, FEB. 22, 1985

Governor Thomas H. Kean has signed legislation which authorizes the Child Support Unit in the Department of Human Services to obtain income executions on unemployment insurance benefits to enforce child support orders.

The bill, S-1972, was sponsored by State Senator Donald T. DiFrancesco, R-Union. It brings New Jersey statutes into compliance with Federal law governing child support.

The Governor also signed the following bills:

S-596, sponsored by State Senator S. Thomas Gagliano, R-Monmouth, which directs local school districts to establish policies which would allow military recruiters the same access to school facilities as is provided to educational and occupational recruiters.

S-534, sponsored by State Senator Wayne Dumont, Jr., R-Warren, which provides for the inclusion of budgeted free balances (surplus) and miscellaneous revenue in the calculation of school district budget caps. Under the bill, cap allowances would be computed as they currently are, but would be based on the district's adjusted net current expense budget per pupil after including the surplus and miscellaneous revenue.

S-1306, sponsored by State Senator Joseph Hirkala, D-Passaic, which provides that a housing police officer shall, under certain circumstances, have all the powers conferred by the law on police officers, so long as the housing police officer has completed full training as required by the Police Training Commission, and qualifies annually in the use of a weapon.