

18A:29-5.1 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA: 18A:29-5.1 et al ("Teacher Quality Employment Act")

LAWS OF: 1985 **CHAPTER:** 321

BILL NO: A634

Sponsor(s): Doria and others

Date Introduced: Pre-filed

Committee: **Assembly:** Education
Senate: Education

Amended during passage: Yes according to Governor's recommendations Committee substitute for A634/A635 enacted.

Date of Passage: **Assembly:** June 24, 1985 Re-enacted 8-28-85
Senate: June 27, 1985 Re-enacted 9-9-85

Date of Approval: September 9, 1985

following statements are attached if available:

Sponsor statement: Yes

Committee statement: **Assembly** Yes
Senate Yes

Fiscal Note: No

Veto Message: Yes

Message on Signing: No

Following were printed:

Reports: Yes

Hearings: No

See newspaper clipping file, "N.J.--Teachers--1985" in New Jersey Reference Department.

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See letter--attached--re: forthcoming report.

(OVER)

- 974.90
F491
1986b
New Jersey. State and Local Expenditure and Revenue Policy Commission.
Interim report . . . November, 1986.
Trenton, 1986.
- 974.90
F491
1987e
New Jersey State and Local Expenditure and Revenue Policy Commission.
Education Subcommittee.
Report . . . as approved in joint meeting on Task Forces 1 and 4,
August 11, 1987.
(pp. 18-20)
- 974.90
F491
1988a
New Jersey. State and Local Expenditure and Revenue Policy Commission.
Final report . . . April 14, 1988.

SENATE COMMITTEE SUBSTITUTE FOR

ASSEMBLY, No. 634

[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 635

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

ADOPTED JUNE 17, 1985

AN ACT concerning education, establishing a minimum salary for teaching staff members and providing funding for salaries prescribed for teaching staff members, amending N. J. S. 18A:29-5 and repealing N. J. S. 18A:29-6 through N. J. S. 18A:29-8, N. J. S. 18A:29-10, and N. J. S. 18A:29-12.

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

1 1. (New section) This act shall be known and may be cited as
2 the "Teacher Quality Employment Act."

1 2. (New section) The Legislature finds and declares that:

2 a. Attracting and retaining the most able individuals to the
3 profession of teaching is critical to the future welfare of our State
4 and our citizens.

5 b. The starting salary levels for new teachers have fallen sig-
6 nificantly behind the starting salaries paid to other recent college
7 graduates.

8 c. A competitive starting teacher salary is an additional means
9 of attracting and retaining outstanding individuals in the teach-
10 ing profession.

1 3. N. J. S. 18A:29-5 is amended to read as follows:

2 18A:29-5.2. The minimum salary of a *full-time* teaching staff
3 member **[,]** in any school district **[,]** *who is certified by the local*
4 *board of education as performing his duties in an acceptable man-*
5 *ner for the previous academic year pursuant to N. J. A. C. 6:3-1.19*
6 *and 6:3-1.21 and who is not employed as a substitute on a day-to-*
7 *day basis* **[,]** and who is not covered by the salary schedule set forth
8 in this article, **[** shall be **[\$2,500.00]** *\$18,500.00* for an academic
9 year **[,** that is to say, the period between the time the school opens
10 in the district after the general summer vacation and the next
11 summer vacation, **]** and a proportionate amount for less than an
12 academic year.

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

Matter printed in italics thus is new matter.

13 *For the purpose of this amendatory and supplementary act,*
 14 *“full-time” means the number of days of employment in each week*
 15 *and the period of time in each day required by regulations of the*
 16 *State board to qualify a person as a full-time teaching staff*
 17 *member.*

18 *In addition this minimum salary shall apply to all new full-time*
 19 *teaching staff members hired for the 1985-86 academic year and*
 20 *thereafter.*

1 4. (New section) No salary schedule adopted by any board of
 2 education shall provide for salaries lower than as prescribed by
 3 this amendatory and supplementary act.

1 5. (New section) The minimum salary established in N. J. S.
 2 18A:29-5 shall not include any amounts paid to a member for
 3 duties which are not part of the member's regular contractual
 4 responsibilities, such as remuneration for coaching and other extra-
 5 curricular activities, and summer employment.

1 6. (New section) Teachers receiving more than the minimum
 2 salary set forth in this amendatory and supplementary act shall
 3 not receive automatic salary increases pursuant to any existing
 4 collective negotiations agreement with a salary guide indexed to
 5 compute salaries on the basis of a ratio established between the
 6 minimum salary and all other ranges, increments, or increases.
 7 Any salary guide in effect on the effective date of this amendatory
 8 and supplementary act which is based upon such an index shall be
 9 renegotiated.

1 7. (New section) Two years following the effective date of this
 2 amendatory and supplementary act, the Governor, in consultation
 3 with the Chancellor of Higher Education, the Commissioners of
 4 Education and Labor, and the State Treasurer, shall review the
 5 minimum salary after taking into consideration the following data:

6 a. The rise or fall of the consumer price index for all urban
 7 consumers in the New York City and the Philadelphia areas as
 8 reported by the United States Department of Labor;

9 b. The current needs of school districts and the supply of teachers
 10 readily available to fill the local district needs;

11 c. The average starting salaries of recent college graduates in
 12 New Jersey and the neighboring states;

13 d. The overall quality of new teachers and available teachers;
 14 and

15 e. Other relevant information.

16 Upon completion of that review, the Governor may recommend
 17 to the Legislature an adjustment in the minimum salary for the

18 following year. A similar adjustment in the minimum salary may
19 be made for the fifth year after the effective date of this amen-
20 datory and supplementary act.

1 8. (New section) In addition to all other funds to which the
2 local district is entitled under the provisions of P. L. 1975, c. 212
3 (C. 18A:7A-1 et seq.) and other pertinent statutes, each board of
4 education shall receive from the State during the 1985-86 academic
5 years and thereafter an amount equal to the sum of the amounts
6 by which the actual salary prescribed for each full-time teaching
7 staff member under the salary schedule adopted by the local board
8 of education for the 1984-85 academic year in the manner pre-
9 scribed by law is less than \$18,500.00, provided that the teaching
10 staff member has been certified by the local board of education
11 as performing his duties in an acceptable manner for the 1984-85
12 school year pursuant to N. J. A. C. 6:3-1.19 and 6:3-1.21. Each
13 local board of education shall receive from the State on behalf of
14 the newly employed full-time teaching staff members for the 1985-
15 86 academic year and thereafter an amount equal to the sum of
16 the amounts by which the actual salary prescribed for each newly
17 employed full-time teaching staff member under the salary schedule
18 adopted by the local board of education for the 1984-85 academic
19 year is less than \$18,500.00 or the amount determined pursuant to
20 section 7 of this amendatory and supplementary act.

21 In cases where a full-time teaching staff member is employed
22 for less than an academic year, a proportionate amount shall be
23 determined and paid to the board in the initial year of employment
24 and a full payment shall be made in succeeding academic years.

1 9. (New section) All of the payments required to be made pur-
2 suant to this amendatory and supplementary act shall continue to
3 be made so long as the full-time teaching staff member remains
4 employed in the district until such time as the recommendations
5 on minimum teacher salary by the State and Local Expenditure
6 and Revenue Policy Commission, established pursuant to P. L.
7 1984, c. 213, are adopted by the Legislature.

1 10. (New section) Each local board of education shall report
2 such information as shall be prescribed by the commissioner within
3 60 days of the effective date of this amendatory and supplementary
4 act and within 60 days of initial employment of any full-time
5 teaching staff member and thereafter as the commissioner shall
6 require. Each local board of education shall receive the prescribed
7 amount from the State in equal monthly installments in sufficient
8 amount to pay the State's obligation in full prior to June 30 of

9 the academic year in which the amount being reimbursed by the
 10 State is actually paid to the full-time teaching staff member by
 11 the local board of education.

1 11. (New section) Any funds appropriated for salaries that will
 2 be replaced by State aid as authorized pursuant to this amendatory
 3 and supplementary act shall not be transferred to or used for any
 4 purpose other than the payment of teaching staff member salaries.

1 12. (New section) Five years following the implementation of
 2 this act the Commissioner of Education shall review the impact
 3 of the policy establishing minimum teacher salaries to assess and
 4 determine its impact on the State's ability to attract and retain
 5 outstanding new teachers. On completion of the review, recom-
 6 mendations shall be made to the Governor and the Legislature
 7 concerning the continuation of the program and any proposed
 8 changes or modifications.

1 13. (New section) Notwithstanding the provisions of P. L. 1975,
 2 c. 212 (C. 18A:7A-1 et seq.) or the rules or regulations adopted
 3 pursuant thereto to the contrary, any increase in expenditure re-
 4 quired as a result of P. L. . . . , c. . . . (C.) (now pend-
 5 ing before the Legislature as this bill) is not subject to the ex-
 6 penditure limitations imposed pursuant to section 25 of P. L. 1975,
 7 c. 212 (C. 18A:7A-25).

1 14. (Sections 18A:29-6, 18A:29-7, 18A:29-8, 18A:29-10 and
 2 18A:29-12 of the New Jersey Statutes are repealed.

1 15. This act shall take effect July 1, 1985, but shall remain in-
 2 operative until the enactment of P. L. . . . , c. . . . (C.)
 3 (now pending before the Legislature as Assembly Bill No. 3738
 4 of 1985 or Senate Bill No. 3076 of 1985).

ASSEMBLY, No. 634

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1984 SESSION

By Assemblymen DORIA, CHARLES, Assemblywoman GARVIN,
Assemblymen SCHWARTZ, MAZUR, ROD, PATERO, PALAIA
and ROCCO

AN ACT concerning education, and providing funding for salaries
prescribed for teaching staff members.

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

1 1. In addition to all other funds to which the local district is
2 entitled under the provisions of P. L. 1975, c. 212 (C. 18A:7A-1
3 et seq.) and other pertinent statutes, each board of education
4 shall receive from the State during the 1984-85 academic year an
5 amount equal to the sum of the amounts by which the actual salary
6 prescribed for each teaching staff member under the salary schedule
7 adopted by the local board of education for the 1983-84 academic
8 year in the manner prescribed by law is less than \$18,500.00. Each
9 local board of education shall receive from the State on behalf of
10 the newly employed teaching staff members for the 1985-86 aca-
11 demic year and thereafter an amount equal to the sum of the
12 amounts by which the actual salary prescribed for each newly
13 employed teaching staff member under the salary schedule adopted
14 by the local board of education for the 1983-84 academic year is
15 less than \$18,500.00. In cases where a teaching staff member is
16 employed for less than an academic year, a proportionate amount
17 shall be determined and paid to the board in the initial year of
18 employment and a full payment shall be made in succeeding
19 academic years.

1 2. All of the payments required to be made pursuant to this act
2 shall continue to be made in each subsequent year so long as the
3 teaching staff member remains employed in the district.

1 3. Each local board of education shall report any information
2 as shall be prescribed by the commissioner within 60 days of the
3 effective date of this act and within 60 days of initial employment
4 of any teaching staff member and thereafter as the commissioner
5 shall require. Each local board of education shall receive the pre-
6 scribed amount from the State in equal monthly installments in
7 sufficient amount to pay the State's obligation in full prior to
8 June 30 of the academic year in which the amount being reimbursed
9 by the State is actually paid to the teaching staff member by the
10 local board of education.

1 4. This act shall take effect July 1, 1984, but shall remain in-
2 operative until the enactment into law of Assembly Bill No. 635
3 of 1984.

STATEMENT

In line with the Governor's message to the Legislature on September 6, 1983, this bill would reimburse local school districts for the cost of adjusting teaching staff members to the increased State minimum contractual salary as provided in Assembly Bill No. 635 of 1984. This aid would be in addition to all other aid to which the district is entitled under the provisions of P. L. 1975, c. 212 (C. 18A:7A-1 et seq.).

ASSEMBLY, No. 635

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1984 SESSION

By Assemblymen DORIA, CHARLES, Assemblywoman GARVIN,
Assemblymen SCHWARTZ, MAZUR, ROD, PATERO, PALAIA
and ROCCO

AN ACT concerning education, establishing a minimum salary for
teaching staff members and repealing N. J. S. 18A:29-5 through
18A:29-10.

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

1 1. As used in this act the following symbols and words shall
2 have the following meanings:

3 a. "PA" means State per capita personal income in the year
4 prior to the base year, which shall be calculated by taking the
5 personal income data published by the United States Department
6 of Commerce for the calendar year quarter preceding the com-
7 mencement of the base year, and dividing it by the State's popu-
8 lation in the year in which that calendar quarter falls, as certified
9 by the department;

10 b. "PB" means State per capita personnel income in the year
11 two years prior to the base year, which shall be calculated by taking
12 the personal income data published by the United States Depart-
13 ment of Commerce for the fifth calendar year quarter preceding
14 the commencement of the base year and dividing it by the State's
15 population in the year in which that calendar quarter falls, as cer-
16 tified by said department;

17 c. "SA" means that State minimum contractual salary in the
18 base year;

19 d. "SB" means the State minimum contractual salary in the aca-
20 demic year for which the minimum salary is to be fixed pursuant
21 to this act;

22 e. "Base year" means the academic year prior to the academic
23 year for which the minimum salary is to be fixed pursuant to this
24 act;

25 f. "Full-time" means the number of days of employment, in each
26 week and the period of time in each day required by regulations
27 of the State board to qualify a person as a full-time teaching staff
28 member.

1 2. The contractual salary of any full-time teaching staff member
2 shall be not less than \$18,500.00 for the 1984-85 academic year and
3 the amount determined in subsection 3 of this act for subsequent
4 academic years, which amount shall be known as the State minimum
5 contractual salary.

1 3. Annually on or before December 1, of the base year the com-
2 missioner shall calculate and certify to each local board of educa-
3 tion the State minimum contractual salary of the following aca-
4 demic year. For each academic year commencing after June 30,
5 1985 the State minimum contractual salary shall be calculated
6 pursuant to the following formula:

$$7 \quad \frac{PA}{PB} \times SA = SB$$

1 4. The State minimum contractual salary shall not include any
2 amounts paid to a member for duties which are not part of the
3 member's regular contractual responsibilities, such as remunera-
4 tion for coaching and other extracurricular activities, additional
5 amounts for long service, and summer employment.

1 5. No salary schedule adopted by any board of education shall
2 provide for salaries lower than as prescribed by this act.

1 6. Notwithstanding the provisions of P. L. 1975, c. 212 (C.
2 18A:7A-1 et seq.) or the rules or regulations adopted pursuant
3 thereto to the contrary, any increases in expenditure required as
4 a result of P. L., c. (C.) (now pending before
5 the Legislature as Assembly Bill No. 635 of 1984) is not subject
6 to the expenditure limitations imposed pursuant to section 25 of
7 P. L. 1975, c. 212 (C. 18A:7A-25).

1 7. Sections 18A:29-5, 18A:29-6, 18A:29-7, 18A:29-8, 18A:29-9
2 and 18A:29-10 of the New Jersey Statutes are repealed.

1 8. This act shall take effect July 1, 1984.

STATEMENT

In line with the Governor's message to the Legislature on September 6, 1983, this bill would set \$18,500.00 as the State minimum contractual salary for teachers in New Jersey public school districts. It recognizes the recent recommendation of the Carnegie Foundation for the Advancement of Teaching, which said that "as a national goal, the average salary for teachers should be increased by at least 25% beyond the level of inflation over the next three years, with immediate entry-level increases." The current State minimum salary schedule of \$4,400.00 to \$8,550.00 would be abolished. Teaching staff salaries above the \$18,500.00 level would be established by local districts under the provisions of the "New Jersey Employer-Employee Relations Act," P. L. 1941, c. 100 (C. 34:13A-1 et seq.). As currently provided, the State minimum salary would apply to all teaching staff members who fully meet the requirements for regular instructional certificates. Further annual adjustments are provided in proportion to the increase in State per capita income under a formula similar to that which limits increases in the State Budget. The act would apply in the 1984-85 school year.

This bill repeals N. J. S. 18A:29-5 through N. J. S. 18A:29-10 concerning the salaries of teachers.

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 634

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 21, 1984

PROVISIONS:

This bill provides for the payment of State aid to local districts for the support of any additional costs that are a result of increases in teaching staff salaries as required under the minimum salary legislation, Assembly Bill No. 635.

BACKGROUND:

Under the provisions of this bill State aid for 1984-85 will be based upon an amount equal to the difference between \$18,500.00 and the minimum salary provided under the 1983-84 salary schedule in each district multiplied by the number of teachers receiving less than \$18,500.00. As amended, for each year thereafter State aid will be based upon the difference between the minimum salary as determined under the provisions of Assembly Bill No. 635 and the minimum salary provided under the 1983-84 salary schedule in each district multiplied by the number of teachers receiving less than \$18,500.00.

COMMITTEE AMENDMENTS:

These amendments require that State aid is to be paid on the basis of the number of full-time teaching staff members receiving less than \$18,500.00 and that for 1985-86 and each year thereafter the amount of State aid is to be calculated as the difference between the minimum salary provided under the 1983-84 salary schedule in each district and the required State minimum salary for the year.

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 635

STATE OF NEW JERSEY

DATED: JUNE 21, 1984

PROVISIONS:

This bill establishes a Statewide minimum salary of \$18,500.00 for any full-time teaching staff member for the 1984-85 school year and a formula to determine any increase in the minimum salary for each succeeding school year.

In addition, this bill exempts from the expenditure limitation statute any costs to local districts that may occur as a result of this bill and repeals the required salary schedule that is currently in statute, N. J. S. 18A:29-5 through N. J. S. 18A:29-10.

BACKGROUND:

Currently, teaching staff salaries at all levels are established by local districts under the provisions of the PERC Law, "New Jersey Employer-Employee Relations Act," P. L. 1941, c. 100 (C. 34:13A-1 et seq.). This bill establishes a minimum salary of \$18,500.00 for the 1984-85 school year and establishes a formula for determining the increase in the minimum salary for each year thereafter. The formula provides for the annual percentage increase in the Statewide minimum salary to be based upon the annual percentage increase in Statewide per capita income.

SENATE EDUCATION COMMITTEE
STATEMENT TO
SENATE COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 634 and 635
with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 17, 1985

This committee substitute establishes a minimum salary of \$18,500 for full-time teaching staff members.

The minimum salary will remain at \$18,500 unless the Governor, in consultation with the Chancellor of Higher Education, the Treasurer and the Commissioners of Education and Labor recommends to the legislature that a readjustment is necessary. This determination would be based upon such data as the C.P.I., the supply and demand for teachers, the quality of new teachers, and the average starting salaries of recent college graduates in the area. The first readjustment could occur three years from the date of this act. A similar adjustment could occur in five years (sec. 7).

The State will provide funds equal to the difference between \$18,500 and the salary schedule adopted by a local board of education for the 1984-85 academic year (sec. 8). The State will continue to provide these funds until recommendations on minimum teachers salary are made by the Commission to Study State and Local Fiscal Policy (the Feldman Commission) and are adopted by the Legislature (sec. 9). These funds are exempt from the school budget cap (sec. 13).

In addition, the bill contains the following provisions:

1. Funds already appropriated by local districts for salaries which are replaced by State aid under this act must be used for the payment of salaries (sec. 11).

2. Any indexed guide based upon a ratio between the minimum salary and all other salaries must be renegotiated (sec. 6). This would only apply to 16 school districts.

3. An assessment of the minimum salary will be undertaken by the Commissioner of Education in five years.

The bill repeals the salary guide currently in statute. Established in 1963 (P. L. 1963, c. 164), it had a minimum starting salary of \$4,400.00.

It is estimated that the cost to the State of this bill will be \$37,700,000.00 for the 1986 fiscal year. This amount is included in the appropriations bill adopted by the Joint Appropriations Committee on June 7, 1985.

This bill will not be implemented until a companion measure establishing a teacher recognition program is enacted.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

August 28, 1985

SENATE COMMITTEE SUBSTITUTE FOR ASSEMBLY BILL NO. 634 (2nd OCR)/
ASSEMBLY BILL NO. 635 (OCR)

To the General Assembly:

Pursuant to Article V, Section 1, Paragraph 14 of the Constitution, I herewith return Senate Committee Substitute for Assembly Bill No. 634 (2nd OCR)/Assembly Bill No. 635 (OCR) with my objections and recommendations for amendment.

This legislation establishes a minimum teacher salary of \$18,500 beginning with the 1985-86 school year and provides full State funding for this program in perpetuity. The bill includes an escalator clause which permits the Governor, in consultation with others, to adjust the minimum salary in the third and fifth years following the effective date of this act.

I strongly support the concept of increasing teachers' salaries to an acceptable level and, in fact, provided the basis for this legislation by recommending a Statewide minimum teacher salary of \$18,500 in my Blueprint for Educational Reform, which was delivered in September of 1983. While I commend the Legislature for acting on this issue of importance to New Jersey's future, I am proposing several changes which will further improve this legislation.

In my Blueprint for Educational Reform, I proposed a series of initiatives designed to improve the quality of education in this State. Most of the components of this program were focused upon the classroom teacher, as I firmly believe that the key to educational improvement is the attraction and retention of highly qualified and effective teachers.

My primary objection to this bill is its funding mechanism, which provides for the State to permanently pick up the full cost of increasing salaries to \$18,500 for all incumbent teachers earning less than \$18,500 and all teachers hired in the 1985-86 school year and thereafter. While this proposal is facially appealing, it establishes a funding requirement which, based on an historical view of the State's revenue structure, may not be fully met in future years. If this legislation were enacted, the State might be faced with the choice of not fully funding the teacher salary program, which would place a sudden, unexpected burden upon local taxpayers, or of taking that funding from the existing State aid formula. Furthermore, the State cost under this proposal would increase annually and would perpetually be tied to the school district's

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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1984-85 base salary. For example, if a school district has a minimum starting salary of \$15,000 for 1984-85, the State would be required to pay the difference between this amount and \$18,500, which amounts to \$3,500, for all new teachers hired for the 1985-86 school year. The State would also be required to continue paying this salary differential of \$3,500 for all teachers hired in subsequent years. As a result, 20 years from now when the starting teacher salary will likely be several times higher than it is today, the State will still be required to make payments based on the 1984-85 salary guides. This would not only constitute a significant and ever increasing drain upon the State Treasury, but could present a significant constitutional problem in light of the New Jersey Supreme Court's decision in Robinson v. Cahill, 69 N.J. 133 (1975), by providing State education aid to districts regardless of their ability to pay.

In order to address the practical and legal realities of this situation, I am proposing full State funding for the first three years of the minimum salary program, after which funding will be conducted in the manner recommended by the State and Local Expenditure and Revenue Policy Commission created pursuant to P.L. 1984, c. 213. This Commission, which will undertake a comprehensive analysis of State and Local government spending and revenue patterns, will devote extensive time to State education funding and is best suited to evaluate the practical and legal realities of State support for this program. If the Commission's recommendations are not enacted into law, State aid would continue to those districts which would not have reached \$18,500 projecting an annual salary increase of 7%. This funding commitment, which the State can reasonably be expected to fulfill, will permit school districts to know with certainty the precise amount of State aid they would receive in each year.

In order to minimize the effect of this additional cost to local districts, I am also proposing that State aid for minimum salaries be provided on a current year basis, or paid in the same year that the expense is incurred by the district. Under normal circumstances, equalization aid is paid in the year following local expenditures. Using current year funding, then, districts will not be required to fund current expenses and wait until the following year to be reimbursed by the State.

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EXECUTIVE DEPARTMENT

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I am also deleting the escalator clause from this legislation, as I feel the State should avoid a permanent intrusion into the collective bargaining process between local school districts and their employees. In addition, the cost to the State for this program would increase dramatically if this escalator were invoked.

I am further recommending an appropriation of \$37.7 million for Fiscal Year 1986 to fully fund the first year cost of this program.

The enactment of this minimum salary proposal is essential to the improvement of educational quality in New Jersey and cannot be implemented in the coming 1985-1986 school year without swift legislative action. Because the insertion of this unsettling factor into the approximately 150 pending contract negotiations is unacceptable, I strongly urge that legislative re-enactment of my proposal occur at the August 28, 1985 session in order to make possible the implementation of this legislation for the 1985-86 school year.

Therefore, I herewith return the Senate Committee Substitute for Assembly Bill No. 634 (2nd OCR)/Assembly Bill No. 635 (OCR) and recommend that it be amended as follows:

Page 1, Title, line 2: After "members" delete "and" and insert ",".

Page 1, Title, line 3: After "members" insert "and making an appropriation".

Page 1, Section 3, line 2: Delete "18A:29-52." and insert "18A:29-5."

Page 2, Section 6, lines 7-9: Delete in their entirety.

Pages 2-3, Section 7, lines 1-20: Delete in their entirety.

Page 3, Section 8, line 1: Delete "8." and insert "7." and insert new subsection as follows:

"a. The actual salary paid to each teacher under each district's 1984-85 approved salary guide shall be considered a base salary for purposes of this act."

Page 3, Section 8, line 1: Before "In" insert "b."

Page 3, Section 8, line 5: Delete "years and " and insert "year and for two years".

Page 3, Section 8, line 6: After "each" insert "current".

Page 3, Section 8, Line 15: After "year and" insert "for two years".

Page 3, Section 8, lines 19-20: Delete "or the amount determined pursuant to section 7 of this amendatory and supplementary act". After "act." insert "All adjustments for teachers who are hired or who leave employment

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during the school year and who make less than \$18,500 shall be made in the school year following the year in which they were hired or left employment."

Page 3, Section 8, after line 20: Insert new subsections as follows:

"c. For the 1988-89 academic year and thereafter, this act shall be funded in accordance with the recommendations of the State and Local Expenditure and Revenue Policy Commission created pursuant to P.L. 1984, c. 213. If the Commission's recommendations for funding this program are not enacted into law, this act shall be funded in accordance with subsection d. of this section and sections 9 and 10 of this act.

d. For the purpose of funding this act in the 1988-89 academic year as determined pursuant to this section, each teacher's salary based on the 1984-85 salary guide shall be increased by the product of the base salary multiplied by 21%.

e. In each subsequent year the product of the base salary times 7% shall be cumulatively added to each teacher's salary as calculated in subsection d. of this section in determining the aid payable. In any year subsequent to the 1987-88 academic year in which the base salary plus the cumulative increases under this section exceeds \$18,500 aid will no longer be payable.

Page 3, Section 8, lines 21-24: Delete in their entirety.

Page 3, Section 9, lines 1-7: Delete in their entirety.

Page 3, Section 10, line 1: Delete "10." and insert "8."

Page 3, Section 10, line 7: After "in" insert "10".

Page 4, Section 10, after line 11: Insert new sections as follows:

"9. (New Section) Beginning with the 1988-89 school year and each year thereafter the decrease in the State aid payable pursuant to this act in the budget year and the prebudget years shall be added to the increase determined for each school district for each year under the provisions of section 25 of P.L. 1975, c. 212 (C. 18A:7A-25).

10. (New Section) For the purpose of calculating State aid for the 1988-89 school year, the net current expense budget for the 1987-88 school year shall be increased by the decrease in State aid payable pursuant to this act in the 1987-88 school year and the State aid payable pursuant to this act in the 1988-89 school year. In each subsequent year, similar adjustments shall be made to ensure that general formula aid payable pursuant to this act is paid on the budget year and not on the prebudget year."

Page 4, Section 11, after line 4: Insert new section as follows:

"12. (New Section) Nothing in this act shall be construed to require the reopening of any signed contract in effect for the 1985-86 school year."

Page 4, Section 12, line 1: Delete "12." and insert "13."

Page 4, Section 13, lines 1-7: Delete in their entirety.

Page 4, Section 13, after line 7: Insert new sections as follows:

"14. (New Section) The State Board of Education shall, pursuant to the "Administrative Procedure Act," P.L. 1968, c. 410 (C. 52:14B-1 et

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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seq.), adopt rules and regulations which are necessary to effectuate the purpose of this act.

15. (New Section) There is appropriated from the General Fund to the Department of Education \$37,700,000.00 for the purposes of section 7(b) of this act."

Page 4, Section 14 line 1: Delete "14." and insert "16."

Page 4, Section 15, lines 1-4: Delete "15." and insert "17.". Delete "July 1, 1985," and insert "immediately".

Respectfully,
/s/ Thomas H. Kean
GOVERNOR

[seal]

Attest:

/s/ W. Cary Edwards
Chief Counsel



State of New Jersey
STATE AND LOCAL EXPENDITURE AND
REVENUE POLICY COMMISSION

HON. THOMAS H. KEAN
GOVERNOR

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December 26, 1985

Ms. Kaye B. Gordon
Department of Education
State Library
185 West State Street
CN 520
Trenton, NJ 08625

Dear Ms. Gordon:

This letter is in response to your request to Senator Matthew Feldman for information on the study to be conducted by the State and Local Expenditure and Revenue Policy Commission (S.L.E.R.P.C.) on "minimum teacher salaries". Such a study is anticipated but not yet available.

The Commission has been charged with the task of conducting research and providing recommendations on a variety of issues, including various aspects of education financing. I have enclosed a copy of the Commission enabling legislation. Many of these research projects are still in a developmental stage and results are not expected until the Fall of 1986, when much of the data gathering and other task force activities are nearing completion. Once the fact finding efforts of the Commission task forces are completed, the Commission will begin deliberations aimed at producing recommendations in a number of key policy areas. The results of all of the Commission's research and analysis will be contained in a final report to the Governor and the Legislature scheduled for January 1988.

(Continued . . .)

Ms. Kaye B. Gordon
December 26, 1985
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We will keep you informed as background and technical papers on the minimum teacher salary issues are produced prior to the release of the Commission final report. If any other information or assistance is desired, please do not hesitate to call.

Sincerely,



Henry A. Coleman
Executive Director

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Enclosure

c: Senator Matthew Feldman