

18A:7F-5 et al.

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2013 **CHAPTER:** 280

NJSA: 18A:7F-5 et al. (Extends the timeline for performing certain budget-related tasks in school districts that have moved the annual school election to November)

BILL NO: A4300 (Substituted for S2877)

SPONSOR(S) Diegnan and others

DATE INTRODUCED: June 24, 2013

COMMITTEE: **ASSEMBLY:** Education

SENATE: ---

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** January 6, 2014

SENATE: January 13, 2014

DATE OF APPROVAL: January 17, 2014

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (First Reprint enacted) Yes

A4300

SPONSOR'S STATEMENT: (Begins on page 10 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: Yes

LEGISLATIVE FISCAL ESTIMATE: No

S2877

SPONSOR'S STATEMENT: (Begins on page 10 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes

FLOOR AMENDMENT STATEMENT: Yes

LEGISLATIVE FISCAL ESTIMATE: No

(continued)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

"BOE filing deadline moves," Burlington County Times, 1-3-14

LAW/RWH

P.L.2013, CHAPTER 280, *approved January 17, 2014*
Assembly, No. 4300 (*First Reprint*)

1 AN ACT concerning the operation of school districts and amending
2 various parts of the statutory law.

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

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

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

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

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

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

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

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly floor amendments adopted December 19, 2013.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

40 (10) Notwithstanding any provision of law to the contrary, if a
41 district proposes a budget with a general fund tax levy and
42 equalization aid which exceed the adequacy budget, the following
43 statement shall be published in the legal notice of public hearing on
44 the budget pursuant to N.J.S.18A:22-28, posted at the public
45 hearing held on the budget pursuant to N.J.S.18A:22-29, and
46 printed on the sample ballot required pursuant to section 10 of
47 P.L.1995, c.278 (C.19:60-10):

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

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

14 e. (1) Any general fund tax levy rejected by the voters for a
15 proposed budget that includes a general fund tax levy and
16 equalization aid in excess of the adequacy budget shall be submitted
17 to the governing body of each of the municipalities included within
18 the district for determination of the amount that should be expended
19 notwithstanding voter rejection. In the case of a district having a
20 board of school estimate, other than a Type II district with a board
21 of school estimate in which the annual election is in November, the
22 general fund tax levy shall be submitted to the board for
23 determination of the amount that should be expended. If the
24 governing body or bodies or board of school estimate, as
25 appropriate, reduce the district's proposed budget, the district may
26 appeal any of the reductions to the commissioner on the grounds
27 that the reductions will negatively impact on the stability of the
28 district given the need for long term planning and budgeting. In
29 considering the appeal, the commissioner shall consider enrollment
30 increases or decreases within the district; the history of voter
31 approval or rejection of district budgets; the impact on the local
32 levy; and whether the reductions will impact on the ability of the
33 district to fulfill its contractual obligations. A district may not
34 appeal any reductions on the grounds that the amount is necessary
35 for a thorough and efficient education.

36 (2) Any general fund tax levy rejected by the voters for a
37 proposed budget that includes a general fund tax levy and
38 equalization aid at or below the adequacy budget shall be submitted
39 to the governing body of each of the municipalities included within
40 the district for determination of the amount that should be expended
41 notwithstanding voter rejection. In the case of a district having a
42 board of school estimate, other than a Type II district with a board
43 of school estimate in which the annual election is in November, the
44 general fund tax levy shall be submitted to the board for
45 determination. Any reductions may be appealed to the
46 commissioner on the grounds that the amount is necessary for a
47 thorough and efficient education or that the reductions will
48 negatively impact on the stability of the district given the need for

1 long term planning and budgeting. In considering the appeal, the
2 commissioner shall also consider the factors outlined in paragraph
3 (1) of this subsection.

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

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

16 (4) When the voters, municipal governing body or bodies, board
17 of education in the case of a school district in which the annual
18 school election has been moved to November pursuant to subsection
19 a. of section 1 of P.L.2011, c.202 (C.19:60-1.1), or the board of
20 school estimate authorize the general fund tax levy, the district shall
21 submit the resulting budget to the commissioner within 15 days of
22 the authorization.

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

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

25 (cf: P.L.2012, c.78, s.2)

26

27 2. N.J.S.18A:22-7 is amended to read as follows:

28 18A:22-7. **【The】** Except as otherwise provided in this section,
29 the board of education of every school district having a board of
30 school estimate shall prepare and deliver to each member of the
31 board of school estimate, on or before March 22 in each year, and
32 the board of education of every other school district shall prepare a
33 budget for the school district for the ensuing year, on or before
34 March 22. In the case of a school district with an annual school
35 election in November, the board of education of every school
36 district having a board of school estimate shall prepare and deliver
37 to each member of the board of school estimate, on or before April
38 20 in each year, and the board of education of every other school
39 district shall prepare a budget for the school district for the ensuing
40 year on or before April 20.

41 (cf: P.L.1995, c.278, s.37)

42

43 3. N.J.S.18A:22-10 is amended to read as follows:

44 18A:22-10. Upon the preparation of its budget, each board of
45 education shall fix a date, place and time for the holding of a public
46 hearing upon said budget and the amounts of money necessary to be
47 appropriated for the use of the public schools for the ensuing school
48 year and the various items and purposes for which the same are to

1 be appropriated. **[In]** Except as otherwise provided in this section,
2 in districts having a board of school estimate, the hearing shall be
3 held before the board of school estimate between March 22 and
4 March 29 and in districts having no board of school estimate the
5 hearing shall be held before the board of education between March
6 22 and March 29. In the case of a school district with an annual
7 school election in November, the hearing shall be held before the
8 board of education between April 24 and May 7.

9 (cf: P.L.1995, c.278, s.39)

10

11 4. N.J.S.18A:22-26 is amended to read as follows:

12 18A:22-26. a. Except as otherwise provided in subsection b. of
13 this section, at or after the public hearing but not later than April 8,
14 the board of school estimate of a type II district having a board of
15 school estimate shall fix and determine by a recorded roll call
16 majority vote of its full membership the amount of money necessary
17 to be appropriated for the use of the public schools in the district for
18 the ensuing school year, exclusive of the amount which shall be
19 apportioned to it by the commissioner for the year pursuant to the
20 provisions of section 5 of P.L.1996, c.138 (C.18A:7F-5) and shall
21 make a certificate of the amount signed by at least a majority of all
22 members of the board, which shall be delivered to the board of
23 education and a copy thereof, certified under oath to be correct and
24 true by the secretary of the board of school estimate, shall be
25 delivered to the county board of taxation on or before April 15 in
26 each year and a duplicate of the certificate shall be delivered to the
27 board or governing body of each of the municipalities within the
28 territorial limits of the district having the power to make
29 appropriations of money raised by taxation in the municipalities or
30 political subdivisions and to the executive county superintendent of
31 schools and the amount shall be assessed, levied and raised under
32 the procedure and in the manner provided by law for the levying
33 and raising of special school taxes in other type II districts and shall
34 be paid to the board secretary or treasurer of school moneys, as
35 appropriate, of the district for such purposes.

36 Within 15 days after receiving the certificate the board of
37 education shall notify the board of school estimate, the governing
38 body of each municipality within the territorial limits of the school
39 district, and the commissioner if it intends to appeal to the
40 commissioner the board of school estimate's determination as to the
41 amount of money requested pursuant to the provisions of section 5
42 of P.L.1996, c.138 (C.18A:7F-5), necessary to be appropriated for
43 the use of the public schools of the district for the ensuing school
44 year.

45 b. At or after the public hearing on the budget but not later than
46 **[April 8]** May 14, the board of education of each type II district
47 having a board of school estimate in which the annual school
48 election is in November, shall fix and determine by a recorded roll

1 call majority vote of its full membership the amount of money
2 necessary to be raised for the use of the public schools in the
3 district, exclusive of the amount which shall be apportioned to it by
4 the commissioner for the year pursuant to the provisions of section
5 5 of P.L.1996, c.138 (C.18A:7F-5). By that same date the board of
6 school estimate shall fix and determine by a recorded roll call
7 majority vote of its full membership the amount of any additional
8 funds pursuant to paragraph (9) of subsection d. of section 5 of
9 P.L.1996, c.138 (C.18A:7F-5) and shall make a certificate of that
10 amount signed by at least a majority of all members of the board,
11 which shall be delivered to the board of education. The secretary of
12 the board of education shall certify the amount so fixed and
13 determined by the board of education and the board of school
14 estimate and shall deliver a copy of the certificate to the county
15 board of taxation of the county on or before **[April 15]** May 19 in
16 each year and a duplicate of the certificate shall be delivered to the
17 board or governing body of each of the municipalities within the
18 territorial limits of the districts having the power to make
19 appropriations of money raised by taxation in the municipalities or
20 political subdivisions and to the executive county superintendent of
21 schools and the amount shall be assessed, levied and raised under
22 the procedure and in the manner provided by law for the levying
23 and raising of special school taxes in other type II districts and shall
24 be paid to the board secretary or treasurer of school moneys, as
25 appropriate, of the district for such purposes.

26 (cf: P.L.2012, c.78, s.4)

27

28 5. N.J.S.18A:22-32 is amended to read as follows:

29 18A:22-32. **[At]** a. Except as otherwise provided in subsection
30 b. of this section, at or after the public hearing on the budget but not
31 later than 18 days prior to the April school election, the board of
32 education of each type II district having no board of school estimate
33 shall fix and determine by a recorded roll call majority vote of its
34 full membership the amount of money to be raised pursuant to
35 section 5 of P.L.1996, c.138 (C.18A:7F-5) and any additional funds
36 to be voted upon by the legal voters of the district at the April **[or**
37 November] school election pursuant to paragraph (9) of subsection
38 d. of section 5 of that act, which sum or sums shall be designated in
39 the notice calling the election as required by law.

40 b. At or after the public hearing on the budget but not later than
41 May 14, the board of education of each type II district having no
42 board of school estimate in which the annual school election is in
43 November, shall fix and determine by a recorded roll call majority
44 vote of its full membership the amount of money to be raised
45 pursuant to section 5 of P.L.1996, c.138 (C.18A:7F-5) and any
46 additional funds to be voted upon by the legal voters of the district
47 at the November school election pursuant to paragraph (9) of

1 subsection d. of section 5 of that act, which sum or sums shall be
2 designated in the notice calling the election as required by law.

3 (cf: P.L.2011, c.202, s.19)

4

5 6. This act shall take effect ¹~~on January 1 next following the~~
6 ~~date of enactment~~ immediately¹.

7

8

9

10

11 Extends the timeline for performing certain budget-related tasks
12 in school districts that have moved the annual school election to
13 November.

ASSEMBLY, No. 4300

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED JUNE 24, 2013

Sponsored by:

Assemblyman PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Assemblyman TROY SINGLETON

District 7 (Burlington)

Co-Sponsored by:

Assemblywoman Jasey and Assemblyman Giblin

SYNOPSIS

Extends the time line for performing certain budget-related tasks in school districts that have moved the annual school election to November.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/17/2013)

A4300 DIEGNAN, SINGLETON

2

1 AN ACT concerning the operation of school districts and amending
2 various parts of the statutory law.

3

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

6

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

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

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

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

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

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

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

Matter underlined thus is new matter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 1 d. (1) A district's general fund tax levy shall not exceed the
2 district's adjusted tax levy as calculated pursuant to sections 3 and 4
3 of P.L.2007, c.62 (C.18A:7F-38 and 18A:7F-39).
- 4 (2) (Deleted by amendment, P.L.2007, c.260).
- 5 (3) (Deleted by amendment, P.L.2007, c.260).
- 6 (4) Any debt service payment made by a school district during
7 the budget year shall not be included in the calculation of the
8 district's adjusted tax levy.
- 9 (5) (Deleted by amendment, P.L.2007, c.260).
- 10 (6) (Deleted by amendment, P.L.2007, c.260).
- 11 (7) (Deleted by amendment, P.L.2004, c.73).
- 12 (8) (Deleted by amendment, P.L.2010, c.44)
- 13 (9) Any district may submit at the annual school budget
14 election, in accordance with subsection c. of section 4 of P.L.2007,
15 c.62 (C.18A:7F-39), a separate proposal or proposals for additional
16 funds, including interpretive statements, specifically identifying the
17 program purposes for which the proposed funds shall be used, to the
18 voters, who may, by voter approval, authorize the raising of an
19 additional general fund tax levy for such purposes. In the case of a
20 district with a board of school estimate, one proposal for the
21 additional spending shall be submitted to the board of school
22 estimate. Any proposal or proposals submitted to the voters or the
23 board of school estimate shall not: include any programs and
24 services that were included in the district's prebudget year net
25 budget unless the proposal is approved by the commissioner upon
26 submission by the district of sufficient reason for an exemption to
27 this requirement; or include any new programs and services
28 necessary for students to achieve the thoroughness standards
29 established pursuant to subsection a. of section 4 of P.L.2007, c.260
30 (C.18A:7F-46).
- 31 The executive county superintendent of schools may prohibit the
32 submission of a separate proposal or proposals to the voters or
33 board of school estimate if he determines that the district has not
34 implemented all potential efficiencies in the administrative
35 operations of the district, which efficiencies would eliminate the
36 need for the raising of an additional general fund tax levy.
- 37 (10) Notwithstanding any provision of law to the contrary, if a
38 district proposes a budget with a general fund tax levy and
39 equalization aid which exceed the adequacy budget, the following
40 statement shall be published in the legal notice of public hearing on
41 the budget pursuant to N.J.S.18A:22-28, posted at the public
42 hearing held on the budget pursuant to N.J.S.18A:22-29, and
43 printed on the sample ballot required pursuant to section 10 of
44 P.L.1995, c.278 (C.19:60-10):
- 45 "Your school district has proposed programs and services in
46 addition to the core curriculum content standards adopted by the
47 State Board of Education. Information on this budget and the

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1 programs and services it provides is available from your local
2 school district."

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

11 e. (1) Any general fund tax levy rejected by the voters for a
12 proposed budget that includes a general fund tax levy and
13 equalization aid in excess of the adequacy budget shall be submitted
14 to the governing body of each of the municipalities included within
15 the district for determination of the amount that should be expended
16 notwithstanding voter rejection. In the case of a district having a
17 board of school estimate, other than a Type II district with a board
18 of school estimate in which the annual election is in November, the
19 general fund tax levy shall be submitted to the board for
20 determination of the amount that should be expended. If the
21 governing body or bodies or board of school estimate, as
22 appropriate, reduce the district's proposed budget, the district may
23 appeal any of the reductions to the commissioner on the grounds
24 that the reductions will negatively impact on the stability of the
25 district given the need for long term planning and budgeting. In
26 considering the appeal, the commissioner shall consider enrollment
27 increases or decreases within the district; the history of voter
28 approval or rejection of district budgets; the impact on the local
29 levy; and whether the reductions will impact on the ability of the
30 district to fulfill its contractual obligations. A district may not
31 appeal any reductions on the grounds that the amount is necessary
32 for a thorough and efficient education.

33 (2) Any general fund tax levy rejected by the voters for a
34 proposed budget that includes a general fund tax levy and
35 equalization aid at or below the adequacy budget shall be submitted
36 to the governing body of each of the municipalities included within
37 the district for determination of the amount that should be expended
38 notwithstanding voter rejection. In the case of a district having a
39 board of school estimate, other than a Type II district with a board
40 of school estimate in which the annual election is in November, the
41 general fund tax levy shall be submitted to the board for
42 determination. Any reductions may be appealed to the
43 commissioner on the grounds that the amount is necessary for a
44 thorough and efficient education or that the reductions will
45 negatively impact on the stability of the district given the need for
46 long term planning and budgeting. In considering the appeal, the
47 commissioner shall also consider the factors outlined in paragraph
48 (1) of this subsection.

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

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

13 (4) When the voters, municipal governing body or bodies, board
14 of education in the case of a school district in which the annual
15 school election has been moved to November pursuant to subsection
16 a. of section 1 of P.L.2011, c.202 (C.19:60-1.1), or the board of
17 school estimate authorize the general fund tax levy, the district shall
18 submit the resulting budget to the commissioner within 15 days of
19 the authorization.

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

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

22 (cf: P.L.2012, c.78, s.2)

23

24 2. N.J.S.18A:22-7 is amended to read as follows:

25 18A:22-7. **【The】** Except as otherwise provided in this section,
26 the board of education of every school district having a board of
27 school estimate shall prepare and deliver to each member of the
28 board of school estimate, on or before March 22 in each year, and
29 the board of education of every other school district shall prepare a
30 budget for the school district for the ensuing year, on or before
31 March 22. In the case of a school district with an annual school
32 election in November, the board of education of every school
33 district having a board of school estimate shall prepare and deliver
34 to each member of the board of school estimate, on or before April
35 20 in each year, and the board of education of every other school
36 district shall prepare a budget for the school district for the ensuing
37 year on or before April 20.

38 (cf: P.L.1995, c.278, s.37)

39

40 3. N.J.S.18A:22-10 is amended to read as follows:

41 18A:22-10. Upon the preparation of its budget, each board of
42 education shall fix a date, place and time for the holding of a public
43 hearing upon said budget and the amounts of money necessary to be
44 appropriated for the use of the public schools for the ensuing school
45 year and the various items and purposes for which the same are to
46 be appropriated. **【In】** Except as otherwise provided in this section,
47 in districts having a board of school estimate, the hearing shall be
48 held before the board of school estimate between March 22 and

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1 March 29 and in districts having no board of school estimate the
2 hearing shall be held before the board of education between March
3 22 and March 29. In the case of a school district with an annual
4 school election in November, the hearing shall be held before the
5 board of education between April 24 and May 7.

6 (cf: P.L.1995, c.278, s.39)

7

8 4. N.J.S.18A:22-26 is amended to read as follows:

9 18A:22-26. a. Except as otherwise provided in subsection b. of
10 this section, at or after the public hearing but not later than April 8,
11 the board of school estimate of a type II district having a board of
12 school estimate shall fix and determine by a recorded roll call
13 majority vote of its full membership the amount of money necessary
14 to be appropriated for the use of the public schools in the district for
15 the ensuing school year, exclusive of the amount which shall be
16 apportioned to it by the commissioner for the year pursuant to the
17 provisions of section 5 of P.L.1996, c.138 (C.18A:7F-5) and shall
18 make a certificate of the amount signed by at least a majority of all
19 members of the board, which shall be delivered to the board of
20 education and a copy thereof, certified under oath to be correct and
21 true by the secretary of the board of school estimate, shall be
22 delivered to the county board of taxation on or before April 15 in
23 each year and a duplicate of the certificate shall be delivered to the
24 board or governing body of each of the municipalities within the
25 territorial limits of the district having the power to make
26 appropriations of money raised by taxation in the municipalities or
27 political subdivisions and to the executive county superintendent of
28 schools and the amount shall be assessed, levied and raised under
29 the procedure and in the manner provided by law for the levying
30 and raising of special school taxes in other type II districts and shall
31 be paid to the board secretary or treasurer of school moneys, as
32 appropriate, of the district for such purposes.

33 Within 15 days after receiving the certificate the board of
34 education shall notify the board of school estimate, the governing
35 body of each municipality within the territorial limits of the school
36 district, and the commissioner if it intends to appeal to the
37 commissioner the board of school estimate's determination as to the
38 amount of money requested pursuant to the provisions of section 5
39 of P.L.1996, c.138 (C.18A:7F-5), necessary to be appropriated for
40 the use of the public schools of the district for the ensuing school
41 year.

42 b. At or after the public hearing on the budget but not later than
43 **【April 8】** May 14, the board of education of each type II district
44 having a board of school estimate in which the annual school
45 election is in November, shall fix and determine by a recorded roll
46 call majority vote of its full membership the amount of money
47 necessary to be raised for the use of the public schools in the
48 district, exclusive of the amount which shall be apportioned to it by

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1 the commissioner for the year pursuant to the provisions of section
2 5 of P.L.1996, c.138 (C.18A:7F-5). By that same date the board of
3 school estimate shall fix and determine by a recorded roll call
4 majority vote of its full membership the amount of any additional
5 funds pursuant to paragraph (9) of subsection d. of section 5 of
6 P.L.1996, c.138 (C.18A:7F-5) and shall make a certificate of that
7 amount signed by at least a majority of all members of the board,
8 which shall be delivered to the board of education. The secretary of
9 the board of education shall certify the amount so fixed and
10 determined by the board of education and the board of school
11 estimate and shall deliver a copy of the certificate to the county
12 board of taxation of the county on or before **【April 15】** May 19 in
13 each year and a duplicate of the certificate shall be delivered to the
14 board or governing body of each of the municipalities within the
15 territorial limits of the districts having the power to make
16 appropriations of money raised by taxation in the municipalities or
17 political subdivisions and to the executive county superintendent of
18 schools and the amount shall be assessed, levied and raised under
19 the procedure and in the manner provided by law for the levying
20 and raising of special school taxes in other type II districts and shall
21 be paid to the board secretary or treasurer of school moneys, as
22 appropriate, of the district for such purposes.

23 (cf: P.L.2012, c.78, s.4)

24

25 5. N.J.S.18A:22-32 is amended to read as follows:

26 18A:22-32. **【At】** a. Except as otherwise provided in subsection
27 b. of this section, at or after the public hearing on the budget but not
28 later than 18 days prior to the April school election, the board of
29 education of each type II district having no board of school estimate
30 shall fix and determine by a recorded roll call majority vote of its
31 full membership the amount of money to be raised pursuant to
32 section 5 of P.L.1996, c.138 (C.18A:7F-5) and any additional funds
33 to be voted upon by the legal voters of the district at the April **【or**
34 November**】** school election pursuant to paragraph (9) of subsection
35 d. of section 5 of that act, which sum or sums shall be designated in
36 the notice calling the election as required by law.

37 b. At or after the public hearing on the budget but not later than
38 May 14, the board of education of each type II district having no
39 board of school estimate in which the annual school election is in
40 November, shall fix and determine by a recorded roll call majority
41 vote of its full membership the amount of money to be raised
42 pursuant to section 5 of P.L.1996, c.138 (C.18A:7F-5) and any
43 additional funds to be voted upon by the legal voters of the district
44 at the November school election pursuant to paragraph (9) of
45 subsection d. of section 5 of that act, which sum or sums shall be
46 designated in the notice calling the election as required by law.

47 (cf: P.L.2011, c.202, s.19)

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1 6. This act shall take effect on January 1 next following the
2 date of enactment.

3

4

5

STATEMENT

6

7 Pursuant to P.L.2011, c.202 and P.L.2012, c.78, a process was
8 established to allow the annual school election to be held in
9 November rather than April. Pursuant to these laws, districts in
10 which the annual school election is held at the time of the general
11 election must adhere to the same budgetary timelines as other
12 districts, such as when the board of education is required to submit
13 the annual school budget to the Commissioner of Education for
14 approval, hold a public hearing on the budget, and fix and
15 determine the amount of money to be raised for the use of the
16 public schools in the district. This bill would extend the time for
17 accomplishing these tasks in those districts in which the annual
18 school election is in November. The bill does not alter the May 19th
19 date by which time districts must certify to the county board of
20 taxation the amount of moneys to be raised for school purposes.

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4300

STATE OF NEW JERSEY

DATED: NOVEMBER 25, 2013

The Assembly Education Committee reports favorably Assembly Bill No. 4300.

Pursuant to P.L.2011, c.202 and P.L.2012, c.78, a process was established to allow the annual school election to be held in November rather than April. Pursuant to these laws, districts in which the annual school election is held at the time of the general election must adhere to the same budgetary timelines as other districts, such as when the board of education is required to submit the annual school budget to the Commissioner of Education for approval, hold a public hearing on the budget, and fix and determine the amount of money to be raised for the use of the public schools in the district. This bill would extend the time for accomplishing these tasks in those districts in which the annual school election is in November. The bill does not alter the May 19th date by which time districts must certify to the county board of taxation the amount of moneys to be raised for school purposes.

STATEMENT TO

ASSEMBLY, No. 4300

with Assembly Floor Amendments
(Proposed by Assemblyman DIEGNAN)

ADOPTED: DECEMBER 19, 2013

These floor amendments provide that the bill will take effect immediately rather than on January 1 next following the date of enactment.

SENATE, No. 2877

STATE OF NEW JERSEY
215th LEGISLATURE

INTRODUCED JUNE 17, 2013

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex)

Senator JEFF VAN DREW

District 1 (Atlantic, Cape May and Cumberland)

SYNOPSIS

Extends the time line for performing certain budget-related tasks in school districts that have moved the annual school election to November.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the operation of school districts and amending
2 various parts of the statutory law.

3

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

6

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

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

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

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

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

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

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

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

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

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

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

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

46 c. Annually, on or before March 4, or on or before March 20 in
47 the case of a school district with an annual school election in
48 November, each district board of education shall adopt, and submit

1 to the commissioner for approval, together with such supporting
2 documentation as the commissioner may prescribe, a budget that
3 provides for a thorough and efficient education. Notwithstanding
4 the provisions of this subsection to the contrary, the commissioner
5 may adjust the date for the submission of district budgets if the
6 commissioner determines that the availability of preliminary aid
7 numbers for the subsequent school year warrants such adjustment.

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

12 (1) the district's advertised per pupil administrative costs for the
13 2004-2005 school year inflated by the cost of living or 2.5 percent,
14 whichever is greater; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33 (10) Notwithstanding any provision of law to the contrary, if a
34 district proposes a budget with a general fund tax levy and
35 equalization aid which exceed the adequacy budget, the following
36 statement shall be published in the legal notice of public hearing on
37 the budget pursuant to N.J.S.18A:22-28, posted at the public
38 hearing held on the budget pursuant to N.J.S.18A:22-29, and
39 printed on the sample ballot required pursuant to section 10 of
40 P.L.1995, c.278 (C.19:60-10):

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

46 (11) Any reduction that may be required to be made to programs
47 and services included in a district's prebudget year net budget in
48 order for the district to limit the growth in its budget between the

1 prebudget and budget years by its tax levy growth limitation as
2 calculated pursuant to sections 3 and 4 of P.L.2007, c.62
3 (C.18A:7F-38 and 18A:7F-39), shall only include reductions to
4 excessive administration or programs and services that are
5 inefficient or ineffective.

6 e. (1) Any general fund tax levy rejected by the voters for a
7 proposed budget that includes a general fund tax levy and
8 equalization aid in excess of the adequacy budget shall be submitted
9 to the governing body of each of the municipalities included within
10 the district for determination of the amount that should be expended
11 notwithstanding voter rejection. In the case of a district having a
12 board of school estimate, other than a Type II district with a board
13 of school estimate in which the annual election is in November, the
14 general fund tax levy shall be submitted to the board for
15 determination of the amount that should be expended. If the
16 governing body or bodies or board of school estimate, as
17 appropriate, reduce the district's proposed budget, the district may
18 appeal any of the reductions to the commissioner on the grounds
19 that the reductions will negatively impact on the stability of the
20 district given the need for long term planning and budgeting. In
21 considering the appeal, the commissioner shall consider enrollment
22 increases or decreases within the district; the history of voter
23 approval or rejection of district budgets; the impact on the local
24 levy; and whether the reductions will impact on the ability of the
25 district to fulfill its contractual obligations. A district may not
26 appeal any reductions on the grounds that the amount is necessary
27 for a thorough and efficient education.

28 (2) Any general fund tax levy rejected by the voters for a
29 proposed budget that includes a general fund tax levy and
30 equalization aid at or below the adequacy budget shall be submitted
31 to the governing body of each of the municipalities included within
32 the district for determination of the amount that should be expended
33 notwithstanding voter rejection. In the case of a district having a
34 board of school estimate, other than a Type II district with a board
35 of school estimate in which the annual election is in November, the
36 general fund tax levy shall be submitted to the board for
37 determination. Any reductions may be appealed to the
38 commissioner on the grounds that the amount is necessary for a
39 thorough and efficient education or that the reductions will
40 negatively impact on the stability of the district given the need for
41 long term planning and budgeting. In considering the appeal, the
42 commissioner shall also consider the factors outlined in paragraph
43 (1) of this subsection.

44 In addition, the municipal governing body or board of school
45 estimate shall be required to demonstrate clearly to the
46 commissioner that the proposed budget reductions shall not
47 adversely affect the ability of the school district to provide a

1 thorough and efficient education or the stability of the district given
2 the need for long term planning and budgeting.

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

9 (4) When the voters, municipal governing body or bodies, board
10 of education in the case of a school district in which the annual
11 school election has been moved to November pursuant to subsection
12 a. of section 1 of P.L.2011, c.202 (C.19:60-1.1), or the board of
13 school estimate authorize the general fund tax levy, the district shall
14 submit the resulting budget to the commissioner within 15 days of
15 the authorization.

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

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

18 (cf: P.L.2012, c.78, s.2)

19

20 2. N.J.S.18A:22-7 is amended to read as follows:

21 18A:22-7. **【The】** Except as otherwise provided in this section,
22 the board of education of every school district having a board of
23 school estimate shall prepare and deliver to each member of the
24 board of school estimate, on or before March 22 in each year, and
25 the board of education of every other school district shall prepare a
26 budget for the school district for the ensuing year, on or before
27 March 22. In the case of a school district with an annual school
28 election in November, the board of education of every school
29 district having a board of school estimate shall prepare and deliver
30 to each member of the board of school estimate, on or before April
31 20 in each year, and the board of education of every other school
32 district shall prepare a budget for the school district for the ensuing
33 year on or before April 20.

34 (cf: P.L.1995, c.278, s.37)

35

36 3. N.J.S.18A:22-10 is amended to read as follows:

37 18A:22-10. Upon the preparation of its budget, each board of
38 education shall fix a date, place and time for the holding of a public
39 hearing upon said budget and the amounts of money necessary to be
40 appropriated for the use of the public schools for the ensuing school
41 year and the various items and purposes for which the same are to
42 be appropriated. **【In】** Except as otherwise provided in this section,
43 in districts having a board of school estimate, the hearing shall be
44 held before the board of school estimate between March 22 and
45 March 29 and in districts having no board of school estimate the
46 hearing shall be held before the board of education between March
47 22 and March 29. In the case of a school district with an annual

1 school election in November, the hearing shall be held before the
2 board of education between April 24 and May 7.

3 (cf: P.L.1995, c.278, s.39)

4

5 4. N.J.S.18A:22-26 is amended to read as follows:

6 18A:22-26. a. Except as otherwise provided in subsection b. of
7 this section, at or after the public hearing but not later than April 8,
8 the board of school estimate of a type II district having a board of
9 school estimate shall fix and determine by a recorded roll call
10 majority vote of its full membership the amount of money necessary
11 to be appropriated for the use of the public schools in the district for
12 the ensuing school year, exclusive of the amount which shall be
13 apportioned to it by the commissioner for the year pursuant to the
14 provisions of section 5 of P.L.1996, c.138 (C.18A:7F-5) and shall
15 make a certificate of the amount signed by at least a majority of all
16 members of the board, which shall be delivered to the board of
17 education and a copy thereof, certified under oath to be correct and
18 true by the secretary of the board of school estimate, shall be
19 delivered to the county board of taxation on or before April 15 in
20 each year and a duplicate of the certificate shall be delivered to the
21 board or governing body of each of the municipalities within the
22 territorial limits of the district having the power to make
23 appropriations of money raised by taxation in the municipalities or
24 political subdivisions and to the executive county superintendent of
25 schools and the amount shall be assessed, levied and raised under
26 the procedure and in the manner provided by law for the levying
27 and raising of special school taxes in other type II districts and shall
28 be paid to the board secretary or treasurer of school moneys, as
29 appropriate, of the district for such purposes.

30 Within 15 days after receiving the certificate the board of
31 education shall notify the board of school estimate, the governing
32 body of each municipality within the territorial limits of the school
33 district, and the commissioner if it intends to appeal to the
34 commissioner the board of school estimate's determination as to the
35 amount of money requested pursuant to the provisions of section 5
36 of P.L.1996, c.138 (C.18A:7F-5), necessary to be appropriated for
37 the use of the public schools of the district for the ensuing school
38 year.

39 b. At or after the public hearing on the budget but not later than
40 **【April 8】** May 14, the board of education of each type II district
41 having a board of school estimate in which the annual school
42 election is in November, shall fix and determine by a recorded roll
43 call majority vote of its full membership the amount of money
44 necessary to be raised for the use of the public schools in the
45 district, exclusive of the amount which shall be apportioned to it by
46 the commissioner for the year pursuant to the provisions of section
47 5 of P.L.1996, c.138 (C.18A:7F-5). By that same date the board of
48 school estimate shall fix and determine by a recorded roll call

1 majority vote of its full membership the amount of any additional
2 funds pursuant to paragraph (9) of subsection d. of section 5 of
3 P.L.1996, c.138 (C.18A:7F-5) and shall make a certificate of that
4 amount signed by at least a majority of all members of the board,
5 which shall be delivered to the board of education. The secretary of
6 the board of education shall certify the amount so fixed and
7 determined by the board of education and the board of school
8 estimate and shall deliver a copy of the certificate to the county
9 board of taxation of the county on or before **April 15** May 19 in
10 each year and a duplicate of the certificate shall be delivered to the
11 board or governing body of each of the municipalities within the
12 territorial limits of the districts having the power to make
13 appropriations of money raised by taxation in the municipalities or
14 political subdivisions and to the executive county superintendent of
15 schools and the amount shall be assessed, levied and raised under
16 the procedure and in the manner provided by law for the levying
17 and raising of special school taxes in other type II districts and shall
18 be paid to the board secretary or treasurer of school moneys, as
19 appropriate, of the district for such purposes.

20 (cf: P.L.2012, c.78, s.4)

21

22 5. N.J.S.18A:22-32 is amended to read as follows:

23 18A:22-32. **At** a. Except as otherwise provided in subsection
24 b. of this section, at or after the public hearing on the budget but not
25 later than 18 days prior to the April school election, the board of
26 education of each type II district having no board of school estimate
27 shall fix and determine by a recorded roll call majority vote of its
28 full membership the amount of money to be raised pursuant to
29 section 5 of P.L.1996, c.138 (C.18A:7F-5) and any additional funds
30 to be voted upon by the legal voters of the district at the April **or**
31 **November** school election pursuant to paragraph (9) of subsection
32 d. of section 5 of that act, which sum or sums shall be designated in
33 the notice calling the election as required by law.

34 b. At or after the public hearing on the budget but not later than
35 May 14, the board of education of each type II district having no
36 board of school estimate in which the annual school election is in
37 November, shall fix and determine by a recorded roll call majority
38 vote of its full membership the amount of money to be raised
39 pursuant to section 5 of P.L.1996, c.138 (C.18A:7F-5) and any
40 additional funds to be voted upon by the legal voters of the district
41 at the November school election pursuant to paragraph (9) of
42 subsection d. of section 5 of that act, which sum or sums shall be
43 designated in the notice calling the election as required by law.

44 (cf: P.L.2011, c.202, s.19)

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46 6. This act shall take effect on January 1 next following the
47 date of enactment.

STATEMENT

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Pursuant to P.L.2011, c.202 and P.L.2012, c.78, a process was established to allow the annual school election to be held in November rather than April. Pursuant to these laws, districts in which the annual school election is held at the time of the general election must adhere to the same budgetary timelines as other districts, such as when the board of education is required to submit the annual school budget to the Commissioner of Education for approval, hold a public hearing on the budget, and fix and determine the amount of money to be raised for the use of the public schools in the district. This bill would extend the time for accomplishing these tasks in those districts in which the annual school election is in November. The bill does not alter the May 19th date by which time districts must certify to the county board of taxation the amount of moneys to be raised for school purposes.

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 2877

STATE OF NEW JERSEY

DATED: DECEMBER 16, 2013

The Senate Education Committee favorably reports Senate Bill No. 2877.

Pursuant to P.L.2011, c.202 and P.L.2012, c.78, a process was established to allow the annual school election to be held in November rather than April. Pursuant to these laws, districts in which the annual school election is held at the time of the general election must adhere to the same budgetary timelines as other districts, such as when the board of education is required to submit the annual school budget to the Commissioner of Education for approval, hold a public hearing on the budget, and fix and determine the amount of money to be raised for the use of the public schools in the district. This bill would extend the time for accomplishing these tasks in those districts in which the annual school election is in November. The bill does not alter the May 19th date by which time districts must certify to the county board of taxation the amount of moneys to be raised for school purposes.

STATEMENT TO
SENATE, No. 2877

with Senate Floor Amendments
(Proposed by Senator RUIZ)

ADOPTED: DECEMBER 19, 2013

These floor amendments provide that the bill will take effect immediately rather than on January 1 next following the date of enactment.