

GOVERNOR'S PRESS RELEASE ON SIGNING:

No

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext. 103 or <mailto:refdesk@njstatelib.org>.

REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

No

See [Bacon decision](#) as mentioned in Sponsor's statement

ASSEMBLY, No. 1586

STATE OF NEW JERSEY
211th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2004 SESSION

Sponsored by:

Assemblyman JOHN J. BURZICHELLI

District 3 (Salem, Cumberland and Gloucester)

Assemblyman DOUGLAS H. FISHER

District 3 (Salem, Cumberland and Gloucester)

SYNOPSIS

Grants Abbott district status to Salem City School District.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



A1586 BURZICHELLI, FISHER

2

1 AN ACT increasing the number of districts designated as Abbott
2 districts and amending P.L.1996, c.138 and P.L.1999, c.279.

3

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

6

7 1. Section 3 of P.L.1996, c.138 (C.18A:7F-3) is amended to read
8 as follows:

9 3. As used in this act, unless the context clearly requires a different
10 meaning:

11 "Abbott district" means one of the 28 urban districts in district
12 factor groups A and B specifically identified in the appendix to
13 Raymond Abbott, et al. v. Fred G. Burke, et al. decided by the New
14 Jersey Supreme Court on June 5, 1990 (119 N.J.287, 394) or any
15 other district classified as a special needs district under the "Quality
16 Education Act of 1990," P.L.1990, c.52 (C.18A:7D-1 et al.), or Salem
17 City School District;

18 "Bilingual education pupil" means a pupil enrolled in a program of
19 bilingual education or in an English as a second language program
20 approved by the State Board of Education;

21 "Budgeted local share" means the sum of designated general fund
22 balance, miscellaneous revenues estimated consistent with GAAP, and
23 that portion of the district's local tax levy contained in the T&E budget
24 certified for taxation purposes;

25 "Capital outlay" means capital outlay as defined in GAAP;

26 "Commissioner" means the Commissioner of Education;

27 "Concentration of low-income pupils" shall be based on prebudget
28 year pupil data and means, for a school district or a county vocational
29 school district, the number of low-income pupils among those counted
30 in modified district enrollment, divided by modified district enrollment.
31 For a school, it means the number of low-income pupils recorded in
32 the registers at that school, divided by the total number of pupils
33 recorded in the school's registers;

34 "CPI" means the average annual increase, expressed as a decimal,
35 in the consumer price index for the New York City and Philadelphia
36 areas during the fiscal year preceding the prebudget year as reported
37 by the United States Department of Labor;

38 "County special services school district" means any entity
39 established pursuant to article 8 of chapter 46 of Title 18A of the New
40 Jersey Statutes;

41 "County vocational school district" means any entity established
42 pursuant to article 3 of chapter 54 of Title 18A of the New Jersey
43 Statutes;

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

Matter underlined thus is new matter.

1 "County vocational school, special education services pupil" means
2 a pupil who is attending a county vocational school and who is
3 receiving specific services pursuant to chapter 46 of Title 18A of the
4 New Jersey Statutes;

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

18 "District factor group A district" means a school district, other than
19 an Abbott district or a school district in which the equalized valuation
20 per pupil is more than twice the average Statewide equalized valuation
21 per pupil and in which resident enrollment exceeds 2,000 pupils, which
22 based on the 1990 federal census data is included within the
23 Department of Education's district factor group A;

24 "District income" for the 1997-98 school year means the aggregate
25 income of the residents of the taxing district or taxing districts, based
26 upon data provided by the Bureau of the Census in the United States
27 Department of Commerce for 1989. Beginning with the 1998-99
28 school year and thereafter, district income means the aggregate income
29 of the residents of the taxing district or taxing districts, based upon
30 data provided by the Division of Taxation in the New Jersey
31 Department of the Treasury and contained on the New Jersey State
32 Income Tax forms for the calendar year ending prior to the prebudget
33 year. The commissioner may supplement data contained on the State
34 Income Tax forms with data available from other State or federal
35 agencies in order to better correlate the data to that collected on the
36 federal census. With respect to regional districts and their constituent
37 districts, however, the district income as described above shall be
38 allocated among the regional and constituent districts in proportion to
39 the number of pupils resident in each of them;

40 "Estimated minimum equalized tax rate" for a school district means
41 the district's required local share divided by its equalized valuation; for
42 the State it means the sum of the required local shares of all school
43 districts in the State, excluding county vocational and county special
44 services school districts as defined pursuant to this section, divided by
45 the sum of the equalized valuations for all the school districts in the
46 State except those for which there is no required local share;

1 "Equalized valuation" means the equalized valuation of the taxing
2 district or taxing districts, as certified by the Director of the Division
3 of Taxation on October 1, or subsequently revised by the tax court by
4 January 15, of the prebudget year. With respect to regional districts
5 and their constituent districts, however, the equalized valuations as
6 described above shall be allocated among the regional and constituent
7 districts in proportion to the number of pupils resident in each of them.
8 In the event that the equalized table certified by the director shall be
9 revised by the tax court after January 15 of the prebudget year, the
10 revised valuations shall be used in the recomputation of aid for an
11 individual school district filing an appeal, but shall have no effect upon
12 the calculation of the property value multiplier, Statewide equalized
13 valuation per pupil, estimated minimum equalized tax rate for the
14 State, or Statewide average equalized school tax rate;

15 "GAAP" means the generally accepted accounting principles
16 established by the Governmental Accounting Standards Board as
17 prescribed by the State board pursuant to N.J.S.18A:4-14;

18 "Household income" means income as defined in 7CFR 245.2 and
19 245.6 or any subsequent superseding federal law or regulation;

20 "Lease purchase payment" means and includes payments of
21 principal and interest for lease purchase agreements in excess of five
22 years approved pursuant to subsection f. of N.J.S.18A:20-4.2 to
23 finance the purchase or construction of school facilities, additions to
24 school facilities, or the reconstruction, remodeling, alteration,
25 modernization, renovation or repair of school facilities, including
26 furnishings, equipment, architect fees and issuance costs. Approved
27 lease purchase agreements in excess of five years shall be accorded the
28 same accounting treatment as school bonds;

29 "Low-income pupils" means those pupils from households with a
30 household income at or below the most recent federal poverty
31 guidelines available on October 15 of the prebudget year multiplied by
32 1.30;

33 "Minimum permissible T&E budget" means the sum of a district's
34 core curriculum standards aid, and required local share calculated
35 pursuant to sections 5, 14 and 15 of this act;

36 "Modified district enrollment" means the number of pupils other
37 than preschool pupils, evening school pupils, post-graduate pupils, and
38 post-secondary vocational pupils who, on the last school day prior to
39 October 16, are enrolled in the school district or county vocational
40 school district; or are resident in the school district or county
41 vocational school district and are: (1) receiving home instruction, (2)
42 enrolled in an approved private school for the handicapped, (3)
43 enrolled in a regional day school, (4) enrolled in a county special
44 services school district, (5) enrolled in an educational services
45 commission including an alternative high school program operated by
46 an educational services commission, (6) enrolled in a State college

1 demonstration school, (7) enrolled in the Marie H. Katzenbach School
2 for the Deaf, or (8) enrolled in an alternative high school program in
3 a county vocational school. Modified district enrollment shall be
4 based on the prebudget year count for the determination of
5 concentration of low-income pupils, and shall be projected to the
6 current year and adjusted pursuant to section 5 of this act when used
7 in the calculation of aid;

8 "Net budget" unless otherwise stated in this act, means the sum of
9 the net T&E budget and the portion of the district's local levy that is
10 above the district's maximum T & E budget;

11 "Net T&E budget" means the sum of the T&E program budget,
12 early childhood program aid, demonstrably effective program aid,
13 instructional supplement aid, transportation aid, and categorical
14 program aid received pursuant to sections 19 through 22, 28, and 29
15 of this act;

16 "Prebudget year" means the school fiscal year preceding the year in
17 which the school budget is implemented;

18 "Prebudget year equalized tax rate" means the amount calculated by
19 dividing the district's general fund levy for the prebudget year by its
20 equalized valuation certified in the year prior to the prebudget year;

21 "Prebudget year net budget" for the 1997-98 school year means the
22 sum of the foundation aid, transition aid, transportation aid, special
23 education aid, bilingual education aid, aid for at-risk pupils,
24 technology aid, and county vocational program aid received by a
25 school district or county vocational school district in the 1996-97
26 school year pursuant to P.L.1996, c.42, and the district's local levy for
27 the general fund;

28 "Report on the Cost of Providing a Thorough and Efficient
29 Education" or "Report" means the report issued by the Governor
30 pursuant to section 4 of this act;

31 "Resident enrollment" means the number of pupils other than
32 preschool pupils, post-graduate pupils, and post-secondary vocational
33 pupils who, on the last school day prior to October 16 of the current
34 school year, are residents of the district and are enrolled in: (1) the
35 public schools of the district, excluding evening schools, (2) another
36 school district, other than a county vocational school district in the
37 same county on a full-time basis, or a State college demonstration
38 school or private school to which the district of residence pays tuition,
39 or (3) a State facility in which they are placed by the district; or are
40 residents of the district and are: (1) receiving home instruction, or (2)
41 in a shared-time vocational program and are regularly attending a
42 school in the district and a county vocational school district. In
43 addition, resident enrollment shall include the number of pupils who,
44 on the last school day prior to October 16 of the prebudget year, are
45 residents of the district and in a State facility in which they were
46 placed by the State. Pupils in a shared-time vocational program shall

1 be counted on an equated full-time basis in accordance with
2 procedures to be established by the commissioner. Resident
3 enrollment shall include regardless of nonresidence, the enrolled
4 children of teaching staff members of the school district or county
5 vocational school district who are permitted, by contract or local
6 district policy, to enroll their children in the educational program of
7 the school district or county vocational school district without
8 payment of tuition. Handicapped children between three and five
9 years of age and receiving programs and services pursuant to
10 N.J.S.18A:46-6 shall be included in the resident enrollment of the
11 district;

12 "School district" means any local or regional school district
13 established pursuant to chapter 8 or chapter 13 of Title 18A of the
14 New Jersey Statutes;

15 "School enrollment" means the number of pupils other than
16 preschool pupils, evening school pupils, post-graduate pupils, and
17 post-secondary vocational pupils who, on the last school day prior to
18 October 16 of the current school year, are recorded in the registers of
19 the school;

20 "Special education services pupils" means a pupil receiving specific
21 services pursuant to chapter 46 of Title 18A of the New Jersey
22 Statutes;

23 "Spending growth limitation" means the annual rate of growth
24 permitted in the net budget of a school district, county vocational
25 school district or county special services school district as measured
26 between the net budget of the prebudget year and the net budget of the
27 budget year as calculated pursuant to subsection d. of section 5 of this
28 act;

29 "Stabilization aid growth limit" means 10% or the rate of growth in
30 the district's projected resident enrollment over the prebudget year,
31 whichever is greater. For the 1997-98 school year, this means 8% or
32 one-half the rate of growth in the district's projected resident
33 enrollment and preschool enrollment between the October 1991
34 enrollment report as contained on the district's Application for State
35 School Aid for 1992-93 and the 1997-98 school year, whichever is
36 greater. For the 1998-99 and 1999-2000 school years, this means the
37 greatest of the following: 10%, one-half the district's rate of growth
38 in projected resident enrollment and preschool enrollment over the
39 October 1991 enrollment report as contained on the district's
40 Application for State School Aid for 1992-93, or the district's
41 projected rate of growth in resident enrollment over the prebudget
42 year;

43 "State facility" means a State developmental center; a State
44 Division of Youth and Family Services' residential center; a State
45 residential mental health center; a DHS Regional Day School; a State
46 training school / Secure care facility; a State juvenile community

1 program; a juvenile detention center or a boot camp under the
2 supervisory authority of the Juvenile Justice Commission pursuant to
3 P.L.1995, c.284 (C.52:17B-169 et seq.); or an institution operated by
4 or under contract with the Department of Corrections or Human
5 Services, or the Juvenile Justice Commission;

6 "Statewide average equalized school tax rate" means the amount
7 calculated by dividing the general fund tax levy for all school districts,
8 which excludes county vocational school districts and county special
9 services school districts as defined pursuant to this section, in the
10 State for the prebudget year by the equalized valuations certified in the
11 year prior to the prebudget year of all taxing districts in the State
12 except taxing districts for which there are no school tax levies;

13 "Statewide equalized valuation per pupil" means the equalized
14 valuations of all taxing districts having resident enrollment in the
15 State, divided by the resident enrollment for the State;

16 "T&E amount" means the cost per elementary pupil of delivering
17 the core curriculum content standards and extracurricular and
18 cocurricular activities necessary for a thorough regular education
19 under the assumptions of reasonableness and efficiency contained in
20 the Report on the Cost of Providing a Thorough and Efficient
21 Education;

22 "T&E flexible amount" means the dollar amount which shall be
23 applied to the T&E amount to determine the T&E range;

24 "T&E program budget" means the sum of core curriculum
25 standards aid, supplemental core curriculum standards aid,
26 stabilization aid, designated general fund balance, miscellaneous local
27 general fund revenue and that portion of the district's local levy that
28 supports the district's T&E budget;

29 "T&E range" means the range of regular education spending which
30 shall be considered thorough and efficient. The range shall be
31 expressed in terms of T&E budget spending per elementary pupil, and
32 shall be delineated by alternatively adding to and subtracting from the
33 T&E amount the T&E flexible amount;

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

36 (cf: P.L.1999, c.413, s.11)

37

38 2. Section 2 of P.L.1999, c.279 (C.34:15F-2) is amended to read
39 as follows:

40 2. As used in this act:

41 "Abbott district" means [one of the 28 urban districts in district
42 factor groups A and B specifically identified in the appendix to
43 Raymond Abbott, et al. v. Fred G. Burke, et al. decided by the New
44 Jersey Supreme Court on June 5, 1990 (119 N.J. 287, 394) or any
45 other district classified as a special needs district under the "Quality
46 Education Act of 1990," P.L.1990, c.52 (C.18A:7D-1 et al.)] an

1 Abbott district as defined in section 3 of P.L.1996, c.138 (C.18A:7F-
2 3);

3 "Commissioner" means the Commissioner of Labor;

4 "Department" means the Department of Labor;

5 "Educational foundation" means a nonprofit organization that may
6 be created by or on behalf of a board of education or a nonprofit
7 organization that has experience in the establishment of mentoring
8 programs or the provision of services to at-risk youth;

9 "Joint committee" means the Joint Committee on Mentoring;

10 "Mentor" means a volunteer from the community who agrees to
11 participate in a mentoring program; and

12 "Program" means the At-Risk Youth Mentoring Program
13 established by this act.

14 (cf: P.L.1999, c.279, s.2)

15

16 3. This act shall take effect immediately and shall first apply to the
17 2004-2005 school year.

18

19

20

STATEMENT

21

22 This bill amends the definition of "Abbott district" under the
23 "Comprehensive Educational Improvement and Financing Act of
24 1996," (CEIFA) P.L.1996, c.138, to include Salem City School
25 District.

26 The Commissioner of Education in a February 10, 2003 decision
27 found that Salem City School District should be accorded Abbott
28 district status. The commissioner, in Bacon v. New Jersey Department
29 of Education, EDU 2637-00, found that Salem City "displays not only
30 extreme poverty, but also the multiplicity of pervasive, durable social
31 ills that rendered the Abbott districts incapable, for so many years, of
32 providing constitutional levels of education to their students absent
33 extraordinary remedy." In gaining Abbott district status, Salem City
34 will be entitled to the many remedial benefits afforded those districts.

35 The bill also amends the definition of "Abbott district" in P.L.1999,
36 c.279 (34:15F-1 et seq.), to have it reference the definition under
37 CEIFA.

ASSEMBLY, No. 1586

STATE OF NEW JERSEY
211th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2004 SESSION

Sponsored by:

Assemblyman JOHN J. BURZICHELLI

District 3 (Salem, Cumberland and Gloucester)

Assemblyman DOUGLAS H. FISHER

District 3 (Salem, Cumberland and Gloucester)

SYNOPSIS

Grants Abbott district status to Salem City School District.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



A1586 BURZICHELLI, FISHER

2

1 AN ACT increasing the number of districts designated as Abbott
2 districts and amending P.L.1996, c.138 and P.L.1999, c.279.

3

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

6

7 1. Section 3 of P.L.1996, c.138 (C.18A:7F-3) is amended to read
8 as follows:

9 3. As used in this act, unless the context clearly requires a different
10 meaning:

11 "Abbott district" means one of the 28 urban districts in district
12 factor groups A and B specifically identified in the appendix to
13 Raymond Abbott, et al. v. Fred G. Burke, et al. decided by the New
14 Jersey Supreme Court on June 5, 1990 (119 N.J.287, 394) or any
15 other district classified as a special needs district under the "Quality
16 Education Act of 1990," P.L.1990, c.52 (C.18A:7D-1 et al.), or Salem
17 City School District;

18 "Bilingual education pupil" means a pupil enrolled in a program of
19 bilingual education or in an English as a second language program
20 approved by the State Board of Education;

21 "Budgeted local share" means the sum of designated general fund
22 balance, miscellaneous revenues estimated consistent with GAAP, and
23 that portion of the district's local tax levy contained in the T&E budget
24 certified for taxation purposes;

25 "Capital outlay" means capital outlay as defined in GAAP;

26 "Commissioner" means the Commissioner of Education;

27 "Concentration of low-income pupils" shall be based on prebudget
28 year pupil data and means, for a school district or a county vocational
29 school district, the number of low-income pupils among those counted
30 in modified district enrollment, divided by modified district enrollment.
31 For a school, it means the number of low-income pupils recorded in
32 the registers at that school, divided by the total number of pupils
33 recorded in the school's registers;

34 "CPI" means the average annual increase, expressed as a decimal,
35 in the consumer price index for the New York City and Philadelphia
36 areas during the fiscal year preceding the prebudget year as reported
37 by the United States Department of Labor;

38 "County special services school district" means any entity
39 established pursuant to article 8 of chapter 46 of Title 18A of the New
40 Jersey Statutes;

41 "County vocational school district" means any entity established
42 pursuant to article 3 of chapter 54 of Title 18A of the New Jersey
43 Statutes;

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

Matter underlined thus is new matter.

1 "County vocational school, special education services pupil" means
2 a pupil who is attending a county vocational school and who is
3 receiving specific services pursuant to chapter 46 of Title 18A of the
4 New Jersey Statutes;

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

18 "District factor group A district" means a school district, other than
19 an Abbott district or a school district in which the equalized valuation
20 per pupil is more than twice the average Statewide equalized valuation
21 per pupil and in which resident enrollment exceeds 2,000 pupils, which
22 based on the 1990 federal census data is included within the
23 Department of Education's district factor group A;

24 "District income" for the 1997-98 school year means the aggregate
25 income of the residents of the taxing district or taxing districts, based
26 upon data provided by the Bureau of the Census in the United States
27 Department of Commerce for 1989. Beginning with the 1998-99
28 school year and thereafter, district income means the aggregate income
29 of the residents of the taxing district or taxing districts, based upon
30 data provided by the Division of Taxation in the New Jersey
31 Department of the Treasury and contained on the New Jersey State
32 Income Tax forms for the calendar year ending prior to the prebudget
33 year. The commissioner may supplement data contained on the State
34 Income Tax forms with data available from other State or federal
35 agencies in order to better correlate the data to that collected on the
36 federal census. With respect to regional districts and their constituent
37 districts, however, the district income as described above shall be
38 allocated among the regional and constituent districts in proportion to
39 the number of pupils resident in each of them;

40 "Estimated minimum equalized tax rate" for a school district means
41 the district's required local share divided by its equalized valuation; for
42 the State it means the sum of the required local shares of all school
43 districts in the State, excluding county vocational and county special
44 services school districts as defined pursuant to this section, divided by
45 the sum of the equalized valuations for all the school districts in the
46 State except those for which there is no required local share;

1 "Equalized valuation" means the equalized valuation of the taxing
2 district or taxing districts, as certified by the Director of the Division
3 of Taxation on October 1, or subsequently revised by the tax court by
4 January 15, of the prebudget year. With respect to regional districts
5 and their constituent districts, however, the equalized valuations as
6 described above shall be allocated among the regional and constituent
7 districts in proportion to the number of pupils resident in each of them.
8 In the event that the equalized table certified by the director shall be
9 revised by the tax court after January 15 of the prebudget year, the
10 revised valuations shall be used in the recomputation of aid for an
11 individual school district filing an appeal, but shall have no effect upon
12 the calculation of the property value multiplier, Statewide equalized
13 valuation per pupil, estimated minimum equalized tax rate for the
14 State, or Statewide average equalized school tax rate;

15 "GAAP" means the generally accepted accounting principles
16 established by the Governmental Accounting Standards Board as
17 prescribed by the State board pursuant to N.J.S.18A:4-14;

18 "Household income" means income as defined in 7CFR 245.2 and
19 245.6 or any subsequent superseding federal law or regulation;

20 "Lease purchase payment" means and includes payments of
21 principal and interest for lease purchase agreements in excess of five
22 years approved pursuant to subsection f. of N.J.S.18A:20-4.2 to
23 finance the purchase or construction of school facilities, additions to
24 school facilities, or the reconstruction, remodeling, alteration,
25 modernization, renovation or repair of school facilities, including
26 furnishings, equipment, architect fees and issuance costs. Approved
27 lease purchase agreements in excess of five years shall be accorded the
28 same accounting treatment as school bonds;

29 "Low-income pupils" means those pupils from households with a
30 household income at or below the most recent federal poverty
31 guidelines available on October 15 of the prebudget year multiplied by
32 1.30;

33 "Minimum permissible T&E budget" means the sum of a district's
34 core curriculum standards aid, and required local share calculated
35 pursuant to sections 5, 14 and 15 of this act;

36 "Modified district enrollment" means the number of pupils other
37 than preschool pupils, evening school pupils, post-graduate pupils, and
38 post-secondary vocational pupils who, on the last school day prior to
39 October 16, are enrolled in the school district or county vocational
40 school district; or are resident in the school district or county
41 vocational school district and are: (1) receiving home instruction, (2)
42 enrolled in an approved private school for the handicapped, (3)
43 enrolled in a regional day school, (4) enrolled in a county special
44 services school district, (5) enrolled in an educational services
45 commission including an alternative high school program operated by
46 an educational services commission, (6) enrolled in a State college

1 demonstration school, (7) enrolled in the Marie H. Katzenbach School
2 for the Deaf, or (8) enrolled in an alternative high school program in
3 a county vocational school. Modified district enrollment shall be
4 based on the prebudget year count for the determination of
5 concentration of low-income pupils, and shall be projected to the
6 current year and adjusted pursuant to section 5 of this act when used
7 in the calculation of aid;

8 "Net budget" unless otherwise stated in this act, means the sum of
9 the net T&E budget and the portion of the district's local levy that is
10 above the district's maximum T & E budget;

11 "Net T&E budget" means the sum of the T&E program budget,
12 early childhood program aid, demonstrably effective program aid,
13 instructional supplement aid, transportation aid, and categorical
14 program aid received pursuant to sections 19 through 22, 28, and 29
15 of this act;

16 "Prebudget year" means the school fiscal year preceding the year in
17 which the school budget is implemented;

18 "Prebudget year equalized tax rate" means the amount calculated by
19 dividing the district's general fund levy for the prebudget year by its
20 equalized valuation certified in the year prior to the prebudget year;

21 "Prebudget year net budget" for the 1997-98 school year means the
22 sum of the foundation aid, transition aid, transportation aid, special
23 education aid, bilingual education aid, aid for at-risk pupils,
24 technology aid, and county vocational program aid received by a
25 school district or county vocational school district in the 1996-97
26 school year pursuant to P.L.1996, c.42, and the district's local levy for
27 the general fund;

28 "Report on the Cost of Providing a Thorough and Efficient
29 Education" or "Report" means the report issued by the Governor
30 pursuant to section 4 of this act;

31 "Resident enrollment" means the number of pupils other than
32 preschool pupils, post-graduate pupils, and post-secondary vocational
33 pupils who, on the last school day prior to October 16 of the current
34 school year, are residents of the district and are enrolled in: (1) the
35 public schools of the district, excluding evening schools, (2) another
36 school district, other than a county vocational school district in the
37 same county on a full-time basis, or a State college demonstration
38 school or private school to which the district of residence pays tuition,
39 or (3) a State facility in which they are placed by the district; or are
40 residents of the district and are: (1) receiving home instruction, or (2)
41 in a shared-time vocational program and are regularly attending a
42 school in the district and a county vocational school district. In
43 addition, resident enrollment shall include the number of pupils who,
44 on the last school day prior to October 16 of the prebudget year, are
45 residents of the district and in a State facility in which they were
46 placed by the State. Pupils in a shared-time vocational program shall

1 be counted on an equated full-time basis in accordance with
2 procedures to be established by the commissioner. Resident
3 enrollment shall include regardless of nonresidence, the enrolled
4 children of teaching staff members of the school district or county
5 vocational school district who are permitted, by contract or local
6 district policy, to enroll their children in the educational program of
7 the school district or county vocational school district without
8 payment of tuition. Handicapped children between three and five
9 years of age and receiving programs and services pursuant to
10 N.J.S.18A:46-6 shall be included in the resident enrollment of the
11 district;

12 "School district" means any local or regional school district
13 established pursuant to chapter 8 or chapter 13 of Title 18A of the
14 New Jersey Statutes;

15 "School enrollment" means the number of pupils other than
16 preschool pupils, evening school pupils, post-graduate pupils, and
17 post-secondary vocational pupils who, on the last school day prior to
18 October 16 of the current school year, are recorded in the registers of
19 the school;

20 "Special education services pupils" means a pupil receiving specific
21 services pursuant to chapter 46 of Title 18A of the New Jersey
22 Statutes;

23 "Spending growth limitation" means the annual rate of growth
24 permitted in the net budget of a school district, county vocational
25 school district or county special services school district as measured
26 between the net budget of the prebudget year and the net budget of the
27 budget year as calculated pursuant to subsection d. of section 5 of this
28 act;

29 "Stabilization aid growth limit" means 10% or the rate of growth in
30 the district's projected resident enrollment over the prebudget year,
31 whichever is greater. For the 1997-98 school year, this means 8% or
32 one-half the rate of growth in the district's projected resident
33 enrollment and preschool enrollment between the October 1991
34 enrollment report as contained on the district's Application for State
35 School Aid for 1992-93 and the 1997-98 school year, whichever is
36 greater. For the 1998-99 and 1999-2000 school years, this means the
37 greatest of the following: 10%, one-half the district's rate of growth
38 in projected resident enrollment and preschool enrollment over the
39 October 1991 enrollment report as contained on the district's
40 Application for State School Aid for 1992-93, or the district's
41 projected rate of growth in resident enrollment over the prebudget
42 year;

43 "State facility" means a State developmental center; a State
44 Division of Youth and Family Services' residential center; a State
45 residential mental health center; a DHS Regional Day School; a State
46 training school / Secure care facility; a State juvenile community

1 program; a juvenile detention center or a boot camp under the
2 supervisory authority of the Juvenile Justice Commission pursuant to
3 P.L.1995, c.284 (C.52:17B-169 et seq.); or an institution operated by
4 or under contract with the Department of Corrections or Human
5 Services, or the Juvenile Justice Commission;

6 "Statewide average equalized school tax rate" means the amount
7 calculated by dividing the general fund tax levy for all school districts,
8 which excludes county vocational school districts and county special
9 services school districts as defined pursuant to this section, in the
10 State for the prebudget year by the equalized valuations certified in the
11 year prior to the prebudget year of all taxing districts in the State
12 except taxing districts for which there are no school tax levies;

13 "Statewide equalized valuation per pupil" means the equalized
14 valuations of all taxing districts having resident enrollment in the
15 State, divided by the resident enrollment for the State;

16 "T&E amount" means the cost per elementary pupil of delivering
17 the core curriculum content standards and extracurricular and
18 cocurricular activities necessary for a thorough regular education
19 under the assumptions of reasonableness and efficiency contained in
20 the Report on the Cost of Providing a Thorough and Efficient
21 Education;

22 "T&E flexible amount" means the dollar amount which shall be
23 applied to the T&E amount to determine the T&E range;

24 "T&E program budget" means the sum of core curriculum
25 standards aid, supplemental core curriculum standards aid,
26 stabilization aid, designated general fund balance, miscellaneous local
27 general fund revenue and that portion of the district's local levy that
28 supports the district's T&E budget;

29 "T&E range" means the range of regular education spending which
30 shall be considered thorough and efficient. The range shall be
31 expressed in terms of T&E budget spending per elementary pupil, and
32 shall be delineated by alternatively adding to and subtracting from the
33 T&E amount the T&E flexible amount;

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

36 (cf: P.L.1999, c.413, s.11)

37

38 2. Section 2 of P.L.1999, c.279 (C.34:15F-2) is amended to read
39 as follows:

40 2. As used in this act:

41 "Abbott district" means [one of the 28 urban districts in district
42 factor groups A and B specifically identified in the appendix to
43 Raymond Abbott, et al. v. Fred G. Burke, et al. decided by the New
44 Jersey Supreme Court on June 5, 1990 (119 N.J. 287, 394) or any
45 other district classified as a special needs district under the "Quality
46 Education Act of 1990," P.L.1990, c.52 (C.18A:7D-1 et al.)] an

1 Abbott district as defined in section 3 of P.L.1996, c.138 (C.18A:7F-
2 3);

3 "Commissioner" means the Commissioner of Labor;

4 "Department" means the Department of Labor;

5 "Educational foundation" means a nonprofit organization that may
6 be created by or on behalf of a board of education or a nonprofit
7 organization that has experience in the establishment of mentoring
8 programs or the provision of services to at-risk youth;

9 "Joint committee" means the Joint Committee on Mentoring;

10 "Mentor" means a volunteer from the community who agrees to
11 participate in a mentoring program; and

12 "Program" means the At-Risk Youth Mentoring Program
13 established by this act.

14 (cf: P.L.1999, c.279, s.2)

15

16 3. This act shall take effect immediately and shall first apply to the
17 2004-2005 school year.

18

19

20

STATEMENT

21

22 This bill amends the definition of "Abbott district" under the
23 "Comprehensive Educational Improvement and Financing Act of
24 1996," (CEIFA) P.L.1996, c.138, to include Salem City School
25 District.

26 The Commissioner of Education in a February 10, 2003 decision
27 found that Salem City School District should be accorded Abbott
28 district status. The commissioner, in Bacon v. New Jersey Department
29 of Education, EDU 2637-00, found that Salem City "displays not only
30 extreme poverty, but also the multiplicity of pervasive, durable social
31 ills that rendered the Abbott districts incapable, for so many years, of
32 providing constitutional levels of education to their students absent
33 extraordinary remedy." In gaining Abbott district status, Salem City
34 will be entitled to the many remedial benefits afforded those districts.

35 The bill also amends the definition of "Abbott district" in P.L.1999,
36 c.279 (34:15F-1 et seq.), to have it reference the definition under
37 CEIFA.

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1586

STATE OF NEW JERSEY

DATED: MAY 17, 2004

The Assembly Education Committee favorably reports Assembly Bill No. 1586.

This bill amends the definition of "Abbott district" under the "Comprehensive Educational Improvement and Financing Act of 1996," (CEIFA) P.L.1996, c.138, to include Salem City School District.

The Commissioner of Education in a February 10, 2003 decision found that Salem City School District should be accorded Abbott district status. The commissioner, in Bacon v. New Jersey Department of Education, EDU 2637-00, found that Salem City "displays not only extreme poverty, but also the multiplicity of pervasive, durable social ills that rendered the Abbott districts incapable, for so many years, of providing constitutional levels of education to their students absent extraordinary remedy." In gaining Abbott district status, Salem City will be entitled to Abbott v. Burke Parity Remedy Aid, Additional Abbott v. Burke State Aid and Abbott Preschool Expansion Aid.

The bill also amends the definition of "Abbott district" in P.L.1999, c.279 (C.34:15F-1 et seq.), to have it reference the definition under CEIFA. This would make Salem City students eligible for the At-Risk Youth Mentoring Program which is administered by the Commissioner of Labor.

This bill was pre-filed for introduction in the 2004-2005 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1586

STATE OF NEW JERSEY

DATED: MAY 17, 2004

The Assembly Education Committee favorably reports Assembly Bill No. 1586.

This bill amends the definition of "Abbott district" under the "Comprehensive Educational Improvement and Financing Act of 1996," (CEIFA) P.L.1996, c.138, to include Salem City School District.

The Commissioner of Education in a February 10, 2003 decision found that Salem City School District should be accorded Abbott district status. The commissioner, in Bacon v. New Jersey Department of Education, EDU 2637-00, found that Salem City "displays not only extreme poverty, but also the multiplicity of pervasive, durable social ills that rendered the Abbott districts incapable, for so many years, of providing constitutional levels of education to their students absent extraordinary remedy." In gaining Abbott district status, Salem City will be entitled to Abbott v. Burke Parity Remedy Aid, Additional Abbott v. Burke State Aid and Abbott Preschool Expansion Aid.

The bill also amends the definition of "Abbott district" in P.L.1999, c.279 (C.34:15F-1 et seq.), to have it reference the definition under CEIFA. This would make Salem City students eligible for the At-Risk Youth Mentoring Program which is administered by the Commissioner of Labor.

This bill was pre-filed for introduction in the 2004-2005 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1586

STATE OF NEW JERSEY

DATED: JUNE 22, 2004

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 1586.

Assembly Bill No. 1586 amends the definition of "Abbott district" under the "Comprehensive Educational Improvement and Financing Act of 1996," (CEIFA) P.L.1996, c.138, to include Salem City School District.

The Commissioner of Education in a February 10, 2003 decision found that Salem City School District should be accorded Abbott district status. The commissioner, in Bacon v. New Jersey Department of Education, EDU 2637-00, found that Salem City "displays not only extreme poverty, but also the multiplicity of pervasive, durable social ills that rendered the Abbott districts incapable, for so many years, of providing constitutional levels of education to their students absent extraordinary remedy." In gaining Abbott district status, Salem City will be entitled to Abbott v. Burke Parity Remedy Aid, Additional Abbott v. Burke State Aid and Abbott Preschool Expansion Aid.

The bill also amends the definition of "Abbott district" in P.L.1999, c.279 (C.34:15F-1 et seq.), to have it reference the definition under CEIFA. This would make Salem City students eligible for the At-Risk Youth Mentoring Program which is administered by the Commissioner of Labor.

The provisions of this bill are identical to those of Senate Bill No. 585, now on second reading in the Senate.

FISCAL IMPACT

According to the Department of Education, it is estimated that the Salem City School District would receive approximately \$4 million in parity aid. Also as an "Abbott" district, it would be eligible for preschool expansion aid and additional Abbott v. Burke State Aid. The amounts of these are not determinable at this time. The cost of the At-Risk Youth Mentoring Program under the Department of Labor also is not known.

FISCAL NOTE
ASSEMBLY, No. 1586
STATE OF NEW JERSEY
211th LEGISLATURE

DATED: JUNE 14, 2004

SUMMARY

Synopsis: Grants Abbott district status to Salem City School District.
Type of Impact: Increased expenditure from the Property Tax Relief Fund.
Agencies Affected: Department of Education and Salem City School District.

Executive Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Cost	\$3,959,314	Indeterminate	Indeterminate

- ! The Office of Legislative Services (OLS) **concurs** with the Executive estimate of approximately \$4 million. However, this aid amount represents only one of the additional forms of aid Salem City School District would receive as an Abbott district. The amount estimated above by the department represents the annual calculation made by the department pursuant to court order and budget language to increase the per pupil regular education expenditure in Abbott districts to the same level as the average per pupil regular education expenditure in the District Factor Group "I" and "J" districts (parity aid).
- ! OLS concurs with the department that the \$4 million does not include the other aid amounts that Abbott districts receive in addition to parity aid. In addition to the two aid categories mentioned by the department, Abbott Preschool Expansion Aid and Additional Abbott v. Burke State Aid, charter schools located in Abbott districts also receive State aid necessary to operate full-day kindergarten programs and under proposed FY 2005 budget language an additional amount, if necessary, to make up the difference between the per pupil T & E amount for a given grade level and the program budget per pupil amount of an "Abbott district" when the Abbott district's program budget per pupil amount is below the T & E amount. Currently, there are no charter schools in Salem City.

BILL DESCRIPTION

Assembly Bill No. 1586 of 2004 amends the definition of "Abbott district" under the "Comprehensive Educational Improvement and Financing Act of 1996," (CEIFA) P.L.1996, c.138, to include Salem City School District. The Commissioner of Education in a February 10, 2003 decision found that Salem City School District should be accorded Abbott district status.

The commissioner, in Bacon v. New Jersey Department of Education, EDU 2637-00, found that Salem City "displays not only extreme poverty, but also the multiplicity of pervasive, durable social ills that rendered the Abbott districts incapable, for so many years, of providing constitutional levels of education to their students absent extraordinary remedy." In gaining Abbott district status, Salem City will be entitled to Abbott v. Burke Parity Remedy Aid, Additional Abbott v. Burke State Aid and Abbott Preschool Expansion Aid.

The bill also amends the definition of "Abbott district" in P.L.1999, c.279 (C.34:15F-1 et seq.), to have it reference the definition under CEIFA. This would make Salem City students eligible for the At-Risk Youth Mentoring Program which is administered by the Commissioner of Labor.

Office of Legislative Services (OLS) notes that there is no language in CEIFA which provides for the various additional categories of State school aid received only by Abbott districts. The additional aids are provided through budget language in the Annual Appropriations Act representing State aid ordered by the New Jersey Supreme Court. In the proposed FY 2005 budget, the line item which provides some of this additional aid to Abbott districts is to change from Abbott v. Burke Parity Remedy Aid and Additional Abbott v. Burke State Aid to Education Opportunity Aid. The other major State aid line item in the budget under which only Abbott districts are provided additional State school aid is the Abbott Preschool Expansion Aid. By including Salem City School District in the definition of an Abbott district, Salem City School District would be included in the calculation of the aid items mentioned above.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Department of Education estimates that Salem City School District would receive at least an additional \$3,959,314 in State school aid in FY 2005 under A-1586. The department also notes that this estimated aid amount represents only a part of the additional State school aid for which Salem City School District would be eligible as an Abbott district. As indicated above, the department has combined two line items included in previous Annual Appropriations acts, Abbott v. Burke Parity Remedy Aid and Additional Abbott v. Burke State Aid, into one line item, Education Opportunity Aid. The estimate provided by the department represents the calculation of what in prior budget years was called Abbott v. Burke Parity Remedy Aid. Still to be determined for FY 2005 is the amount of what the department is calling Discretionary Education Opportunity Aid and Abbott Preschool Expansion Aid. For FY 2006 and FY 2007, the department indicates that funding for Education Opportunity Aid is dependent on several factors including the district's local tax levy, State aid policy decisions, and spending in District Factor Groups I and J districts.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) concurs with the Executive estimate of \$3,959,314 as the Abbott v. Burke Parity Remedy Aid portion of FY 2005 Education Opportunity Aid; that Salem City School District may also be eligible for supplemental funding in FY 2005, depending on the district's demonstrated need and resources and the commissioner's approval; and that the district would also be eligible for Abbott Preschool Expansion Aid in FY 2005. OLS also agrees with the department that the amount of additional State school aid Salem City School District would receive as an Abbott district in future years is indeterminable. OLS also notes that if a

charter school were to be established in Salem City, additional State aid would be provided to the charter school to operate full-day kindergarten programs and, under proposed FY 2005 budget language, to make up the difference, if necessary, between the per pupil T & E amount for a given grade level and the program budget per pupil amount of an Salem City School District if that amount is below the T & E amount. Currently, there are no charter schools in Salem City.

Section: *Education*

Analyst: *Theodore C. Settle*
Lead Research Analyst

Approved: *David J. Rosen*
Legislative Budget and Finance Officer

This fiscal note has been prepared pursuant to P.L.1980, c.67.

SENATE, No. 585

STATE OF NEW JERSEY
211th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2004 SESSION

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Salem, Cumberland and Gloucester)

SYNOPSIS

Grants Abbott district status to Salem City School District.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



S585 SWEENEY

2

1 AN ACT increasing the number of districts designated as Abbott
2 districts and amending P.L.1996, c.138 and P.L.1999, c.279.

3

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

6

7 1. Section 3 of P.L.1996, c.138 (C.18A:7F-3) is amended to read
8 as follows:

9 3. As used in this act, unless the context clearly requires a different
10 meaning:

11 "Abbott district" means one of the 28 urban districts in district
12 factor groups A and B specifically identified in the appendix to
13 Raymond Abbott, et al. v. Fred G. Burke, et al. decided by the New
14 Jersey Supreme Court on June 5, 1990 (119 N.J.287, 394) or any
15 other district classified as a special needs district under the "Quality
16 Education Act of 1990," P.L.1990, c.52 (C.18A:7D-1 et al.), or Salem
17 City School District;

18 "Bilingual education pupil" means a pupil enrolled in a program of
19 bilingual education or in an English as a second language program
20 approved by the State Board of Education;

21 "Budgeted local share" means the sum of designated general fund
22 balance, miscellaneous revenues estimated consistent with GAAP, and
23 that portion of the district's local tax levy contained in the T&E budget
24 certified for taxation purposes;

25 "Capital outlay" means capital outlay as defined in GAAP;

26 "Commissioner" means the Commissioner of Education;

27 "Concentration of low-income pupils" shall be based on prebudget
28 year pupil data and means, for a school district or a county vocational
29 school district, the number of low-income pupils among those counted
30 in modified district enrollment, divided by modified district enrollment.
31 For a school, it means the number of low-income pupils recorded in
32 the registers at that school, divided by the total number of pupils
33 recorded in the school's registers;

34 "CPI" means the average annual increase, expressed as a decimal,
35 in the consumer price index for the New York City and Philadelphia
36 areas during the fiscal year preceding the prebudget year as reported
37 by the United States Department of Labor;

38 "County special services school district" means any entity
39 established pursuant to article 8 of chapter 46 of Title 18A of the New
40 Jersey Statutes;

41 "County vocational school district" means any entity established
42 pursuant to article 3 of chapter 54 of Title 18A of the New Jersey
43 Statutes;

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

Matter underlined thus is new matter.

1 "County vocational school, special education services pupil" means
2 a pupil who is attending a county vocational school and who is
3 receiving specific services pursuant to chapter 46 of Title 18A of the
4 New Jersey Statutes;

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

18 "District factor group A district" means a school district, other than
19 an Abbott district or a school district in which the equalized valuation
20 per pupil is more than twice the average Statewide equalized valuation
21 per pupil and in which resident enrollment exceeds 2,000 pupils, which
22 based on the 1990 federal census data is included within the
23 Department of Education's district factor group A;

24 "District income" for the 1997-98 school year means the aggregate
25 income of the residents of the taxing district or taxing districts, based
26 upon data provided by the Bureau of the Census in the United States
27 Department of Commerce for 1989. Beginning with the 1998-99
28 school year and thereafter, district income means the aggregate income
29 of the residents of the taxing district or taxing districts, based upon
30 data provided by the Division of Taxation in the New Jersey
31 Department of the Treasury and contained on the New Jersey State
32 Income Tax forms for the calendar year ending prior to the prebudget
33 year. The commissioner may supplement data contained on the State
34 Income Tax forms with data available from other State or federal
35 agencies in order to better correlate the data to that collected on the
36 federal census. With respect to regional districts and their constituent
37 districts, however, the district income as described above shall be
38 allocated among the regional and constituent districts in proportion to
39 the number of pupils resident in each of them;

40 "Estimated minimum equalized tax rate" for a school district means
41 the district's required local share divided by its equalized valuation; for
42 the State it means the sum of the required local shares of all school
43 districts in the State, excluding county vocational and county special
44 services school districts as defined pursuant to this section, divided by
45 the sum of the equalized valuations for all the school districts in the
46 State except those for which there is no required local share;

1 "Equalized valuation" means the equalized valuation of the taxing
2 district or taxing districts, as certified by the Director of the Division
3 of Taxation on October 1, or subsequently revised by the tax court by
4 January 15, of the prebudget year. With respect to regional districts
5 and their constituent districts, however, the equalized valuations as
6 described above shall be allocated among the regional and constituent
7 districts in proportion to the number of pupils resident in each of them.
8 In the event that the equalized table certified by the director shall be
9 revised by the tax court after January 15 of the prebudget year, the
10 revised valuations shall be used in the recomputation of aid for an
11 individual school district filing an appeal, but shall have no effect upon
12 the calculation of the property value multiplier, Statewide equalized
13 valuation per pupil, estimated minimum equalized tax rate for the
14 State, or Statewide average equalized school tax rate;

15 "GAAP" means the generally accepted accounting principles
16 established by the Governmental Accounting Standards Board as
17 prescribed by the State board pursuant to N.J.S.18A:4-14;

18 "Household income" means income as defined in 7CFR 245.2 and
19 245.6 or any subsequent superseding federal law or regulation;

20 "Lease purchase payment" means and includes payments of
21 principal and interest for lease purchase agreements in excess of five
22 years approved pursuant to subsection f. of N.J.S.18A:20-4.2 to
23 finance the purchase or construction of school facilities, additions to
24 school facilities, or the reconstruction, remodeling, alteration,
25 modernization, renovation or repair of school facilities, including
26 furnishings, equipment, architect fees and issuance costs. Approved
27 lease purchase agreements in excess of five years shall be accorded the
28 same accounting treatment as school bonds;

29 "Low-income pupils" means those pupils from households with a
30 household income at or below the most recent federal poverty
31 guidelines available on October 15 of the prebudget year multiplied by
32 1.30;

33 "Minimum permissible T&E budget" means the sum of a district's
34 core curriculum standards aid, and required local share calculated
35 pursuant to sections 5, 14 and 15 of this act;

36 "Modified district enrollment" means the number of pupils other
37 than preschool pupils, evening school pupils, post-graduate pupils, and
38 post-secondary vocational pupils who, on the last school day prior to
39 October 16, are enrolled in the school district or county vocational
40 school district; or are resident in the school district or county
41 vocational school district and are: (1) receiving home instruction, (2)
42 enrolled in an approved private school for the handicapped, (3)
43 enrolled in a regional day school, (4) enrolled in a county special
44 services school district, (5) enrolled in an educational services
45 commission including an alternative high school program operated by
46 an educational services commission, (6) enrolled in a State college

1 demonstration school, (7) enrolled in the Marie H. Katzenbach School
2 for the Deaf, or (8) enrolled in an alternative high school program in
3 a county vocational school. Modified district enrollment shall be
4 based on the prebudget year count for the determination of
5 concentration of low-income pupils, and shall be projected to the
6 current year and adjusted pursuant to section 5 of this act when used
7 in the calculation of aid;

8 "Net budget" unless otherwise stated in this act, means the sum of
9 the net T&E budget and the portion of the district's local levy that is
10 above the district's maximum T & E budget;

11 "Net T&E budget" means the sum of the T&E program budget,
12 early childhood program aid, demonstrably effective program aid,
13 instructional supplement aid, transportation aid, and categorical
14 program aid received pursuant to sections 19 through 22, 28, and 29
15 of this act;

16 "Prebudget year" means the school fiscal year preceding the year in
17 which the school budget is implemented;

18 "Prebudget year equalized tax rate" means the amount calculated by
19 dividing the district's general fund levy for the prebudget year by its
20 equalized valuation certified in the year prior to the prebudget year;

21 "Prebudget year net budget" for the 1997-98 school year means the
22 sum of the foundation aid, transition aid, transportation aid, special
23 education aid, bilingual education aid, aid for at-risk pupils,
24 technology aid, and county vocational program aid received by a
25 school district or county vocational school district in the 1996-97
26 school year pursuant to P.L.1996, c.42, and the district's local levy for
27 the general fund;

28 "Report on the Cost of Providing a Thorough and Efficient
29 Education" or "Report" means the report issued by the Governor
30 pursuant to section 4 of this act;

31 "Resident enrollment" means the number of pupils other than
32 preschool pupils, post-graduate pupils, and post-secondary vocational
33 pupils who, on the last school day prior to October 16 of the current
34 school year, are residents of the district and are enrolled in: (1) the
35 public schools of the district, excluding evening schools, (2) another
36 school district, other than a county vocational school district in the
37 same county on a full-time basis, or a State college demonstration
38 school or private school to which the district of residence pays tuition,
39 or (3) a State facility in which they are placed by the district; or are
40 residents of the district and are: (1) receiving home instruction, or (2)
41 in a shared-time vocational program and are regularly attending a
42 school in the district and a county vocational school district. In
43 addition, resident enrollment shall include the number of pupils who,
44 on the last school day prior to October 16 of the prebudget year, are
45 residents of the district and in a State facility in which they were
46 placed by the State. Pupils in a shared-time vocational program shall

1 be counted on an equated full-time basis in accordance with
2 procedures to be established by the commissioner. Resident
3 enrollment shall include regardless of nonresidence, the enrolled
4 children of teaching staff members of the school district or county
5 vocational school district who are permitted, by contract or local
6 district policy, to enroll their children in the educational program of
7 the school district or county vocational school district without
8 payment of tuition. Handicapped children between three and five
9 years of age and receiving programs and services pursuant to
10 N.J.S.18A:46-6 shall be included in the resident enrollment of the
11 district;

12 "School district" means any local or regional school district
13 established pursuant to chapter 8 or chapter 13 of Title 18A of the
14 New Jersey Statutes;

15 "School enrollment" means the number of pupils other than
16 preschool pupils, evening school pupils, post-graduate pupils, and
17 post-secondary vocational pupils who, on the last school day prior to
18 October 16 of the current school year, are recorded in the registers of
19 the school;

20 "Special education services pupils" means a pupil receiving specific
21 services pursuant to chapter 46 of Title 18A of the New Jersey
22 Statutes;

23 "Spending growth limitation" means the annual rate of growth
24 permitted in the net budget of a school district, county vocational
25 school district or county special services school district as measured
26 between the net budget of the prebudget year and the net budget of the
27 budget year as calculated pursuant to subsection d. of section 5 of this
28 act;

29 "Stabilization aid growth limit" means 10% or the rate of growth in
30 the district's projected resident enrollment over the prebudget year,
31 whichever is greater. For the 1997-98 school year, this means 8% or
32 one-half the rate of growth in the district's projected resident
33 enrollment and preschool enrollment between the October 1991
34 enrollment report as contained on the district's Application for State
35 School Aid for 1992-93 and the 1997-98 school year, whichever is
36 greater. For the 1998-99 and 1999-2000 school years, this means the
37 greatest of the following: 10%, one-half the district's rate of growth
38 in projected resident enrollment and preschool enrollment over the
39 October 1991 enrollment report as contained on the district's
40 Application for State School Aid for 1992-93, or the district's
41 projected rate of growth in resident enrollment over the prebudget
42 year;

43 "State facility" means a State developmental center; a State
44 Division of Youth and Family Services' residential center; a State
45 residential mental health center; a DHS Regional Day School; a State
46 training school / Secure care facility; a State juvenile community

1 program; a juvenile detention center or a boot camp under the
2 supervisory authority of the Juvenile Justice Commission pursuant to
3 P.L.1995, c.284 (C.52:17B-169 et seq.); or an institution operated by
4 or under contract with the Department of Corrections or Human
5 Services, or the Juvenile Justice Commission;

6 "Statewide average equalized school tax rate" means the amount
7 calculated by dividing the general fund tax levy for all school districts,
8 which excludes county vocational school districts and county special
9 services school districts as defined pursuant to this section, in the
10 State for the prebudget year by the equalized valuations certified in the
11 year prior to the prebudget year of all taxing districts in the State
12 except taxing districts for which there are no school tax levies;

13 "Statewide equalized valuation per pupil" means the equalized
14 valuations of all taxing districts having resident enrollment in the
15 State, divided by the resident enrollment for the State;

16 "T&E amount" means the cost per elementary pupil of delivering
17 the core curriculum content standards and extracurricular and
18 cocurricular activities necessary for a thorough regular education
19 under the assumptions of reasonableness and efficiency contained in
20 the Report on the Cost of Providing a Thorough and Efficient
21 Education;

22 "T&E flexible amount" means the dollar amount which shall be
23 applied to the T&E amount to determine the T&E range;

24 "T&E program budget" means the sum of core curriculum
25 standards aid, supplemental core curriculum standards aid,
26 stabilization aid, designated general fund balance, miscellaneous local
27 general fund revenue and that portion of the district's local levy that
28 supports the district's T&E budget;

29 "T&E range" means the range of regular education spending which
30 shall be considered thorough and efficient. The range shall be
31 expressed in terms of T&E budget spending per elementary pupil, and
32 shall be delineated by alternatively adding to and subtracting from the
33 T&E amount the T&E flexible amount;

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

36 (cf: P.L.1999, c.413, s.11)

37

38 2. Section 2 of P.L.1999, c.279 (C.34:15F-2) is amended to read
39 as follows:

40 2. As used in this act:

41 "Abbott district" means [one of the 28 urban districts in district
42 factor groups A and B specifically identified in the appendix to
43 Raymond Abbott, et al. v. Fred G. Burke, et al. decided by the New
44 Jersey Supreme Court on June 5, 1990 (119 N.J. 287, 394) or any
45 other district classified as a special needs district under the "Quality
46 Education Act of 1990," P.L.1990, c.52 (C.18A:7D-1 et al.)] an

1 Abbott district as defined in section 3 of P.L.1996, c.138 (C.18A:7F-
2 3);

3 "Commissioner" means the Commissioner of Labor;

4 "Department" means the Department of Labor;

5 "Educational foundation" means a nonprofit organization that may
6 be created by or on behalf of a board of education or a nonprofit
7 organization that has experience in the establishment of mentoring
8 programs or the provision of services to at-risk youth;

9 "Joint committee" means the Joint Committee on Mentoring;

10 "Mentor" means a volunteer from the community who agrees to
11 participate in a mentoring program; and

12 "Program" means the At-Risk Youth Mentoring Program
13 established by this act.

14 (cf: P.L.1999, c.279, s.2)

15

16 3. This act shall take effect immediately and shall first apply to the
17 2004-2005 school year.

18

19

20

STATEMENT

21

22 This bill amends the definition of "Abbott district" under the
23 "Comprehensive Educational Improvement and Financing Act of
24 1996," (CEIFA) P.L.1996, c.138, to include Salem City School
25 District.

26 The Commissioner of Education in a February 10, 2003 decision
27 found that Salem City School District should be accorded Abbott
28 district status. The commissioner, in Bacon v. New Jersey Department
29 of Education, EDU 2637-00, found that Salem City "displays not only
30 extreme poverty, but also the multiplicity of pervasive, durable social
31 ills that rendered the Abbott districts incapable, for so many years, of
32 providing constitutional levels of education to their students absent
33 extraordinary remedy." In gaining Abbott district status, Salem City
34 will be entitled to the many remedial benefits afforded those districts.

35 The bill also amends the definition of "Abbott district" in P.L.1999,
36 c.279 (34:15F-1 et seq.), to have it reference the definition under
37 CEIFA.

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 585

STATE OF NEW JERSEY

DATED: MAY 6, 2004

The Senate Education Committee reports favorably Senate Bill No. 585.

This bill amends the definition of "Abbott district" under the "Comprehensive Educational Improvement and Financing Act of 1996," (CEIFA) P.L.1996, c.138, to include the Salem City School District.

The Commissioner of Education in a February 10, 2003 decision found that the Salem City School District should be accorded Abbott district status. The commissioner, in Bacon v. New Jersey Department of Education, EDU 2637-00, found that Salem City "displays not only extreme poverty, but also the multiplicity of pervasive, durable social ills that rendered the Abbott districts incapable, for so many years, of providing constitutional levels of education to their students absent extraordinary remedy." In gaining Abbott district status, Salem City will be entitled to the many remedial benefits afforded those districts.

The bill also amends the definition of "Abbott district" in P.L.1999, c.279 (C.34:15F-1 et seq.), to have it reference the definition under CEIFA.

This bill was pre-filed for introduction in the 2004-2005 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 585

STATE OF NEW JERSEY

DATED: JUNE 18, 2004

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 585.

This bill amends the definition of "Abbott district" under the "Comprehensive Educational Improvement and Financing Act of 1996" (CEIFA), P.L.1996, c.138, to include the Salem City School District.

The Commissioner of Education in a February 10, 2003 decision found that the Salem City School District should be accorded Abbott district status. The commissioner, in Bacon v. New Jersey Department of Education, EDU 2637-00, found that Salem City "displays not only extreme poverty, but also the multiplicity of pervasive, durable social ills that rendered the Abbott districts incapable, for so many years, of providing constitutional levels of education to their students absent extraordinary remedy." In gaining Abbott district status, Salem City will be entitled to the many remedial benefits afforded those districts.

The bill also amends the definition of "Abbott district" in P.L.1999, c.279 (C.34:15F-1 et seq.), to have it reference the definition under CEIFA.

FISCAL IMPACT

According to the Department of Education, it is estimated that the Salem City School District would receive approximately \$4 million in parity aid. Also as an "Abbott" district, it would be eligible for preschool expansion aid and additional Abbott v. Burke State Aid. The amounts of these are not determinable at this time. The cost of the At-Risk Youth Mentoring Program under the Department of Labor also is not known.

FISCAL NOTE
SENATE, No. 585
STATE OF NEW JERSEY
211th LEGISLATURE

DATED: JULY 7, 2004

SUMMARY

Synopsis: Grants Abbott district status to Salem City School District.
Type of Impact: Increased expenditure from the Property Tax Relief Fund.
Agencies Affected: Department of Education and Salem City School District.

Executive Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Cost	\$3,959,314	Indeterminate	Indeterminate

- ! The Office of Legislative Services (OLS) **concurs** with the Executive estimate of approximately \$4 million. However, this aid amount represents only one of the additional forms of aid Salem City School District would receive as an Abbott district. The amount estimated above by the department represents the annual calculation made by the department pursuant to court order and budget language to increase the per pupil regular education expenditure in Abbott districts to the same level as the average per pupil regular education expenditure in the District Factor Group "I" and "J" districts (parity aid).
- ! The OLS concurs with the department that the \$4 million does not include the other aid amounts that Abbott districts receive in addition to parity aid. In addition to the two aid categories mentioned by the department, Abbott Preschool Expansion Aid and Additional Abbott v. Burke State Aid, charter schools located in Abbott districts also receive State aid necessary to operate full-day kindergarten programs and under proposed FY 2005 budget language an additional amount, if necessary, to make up the difference between the per pupil T & E amount for a given grade level and the program budget per pupil amount of an "Abbott district" when the Abbott district's program budget per pupil amount is below the T & E amount. Currently, there are no charter schools in Salem City.

BILL DESCRIPTION

Senate Bill No. 585 of 2004 amends the definition of "Abbott district" under the "Comprehensive Educational Improvement and Financing Act of 1996," (CEIFA) P.L.1996, c.138, to include Salem City School District. The Commissioner of Education in a February 10,

2003 decision found that Salem City School District should be accorded Abbott district status. The commissioner, in Bacon v. New Jersey Department of Education, EDU 2637-00, found that Salem City "displays not only extreme poverty, but also the multiplicity of pervasive, durable social ills that rendered the Abbott districts incapable, for so many years, of providing constitutional levels of education to their students absent extraordinary remedy." In gaining Abbott district status, Salem City will be entitled to Abbott v. Burke Parity Remedy Aid, Additional Abbott v. Burke State Aid and Abbott Preschool Expansion Aid.

The bill also amends the definition of "Abbott district" in P.L.1999, c.279 (C.34:15F-1 et seq.), to have it reference the definition under CEIFA. This would make Salem City students eligible for the At-Risk Youth Mentoring Program which is administered by the Commissioner of Labor.

The Office of Legislative Services (OLS) notes that there is no language in CEIFA which provides for the various additional categories of State school aid received only by Abbott districts. The additional aids are provided through budget language in the Annual Appropriations Act representing State aid ordered by the New Jersey Supreme Court. In the proposed FY 2005 budget, the line item which provides some of this additional aid to Abbott districts is to change from Abbott v. Burke Parity Remedy Aid and Additional Abbott v. Burke State Aid to Education Opportunity Aid. The other major State aid line item in the budget under which only Abbott districts are provided additional State school aid is the Abbott Preschool Expansion Aid. By including Salem City School District in the definition of an Abbott district, Salem City School District would be included in the calculation of the aid items mentioned above.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Department of Education estimates that Salem City School District would receive at least an additional \$3,959,314 in State school aid in FY 2005 under S-585. The department also notes that this estimated aid amount represents only a part of the additional State school aid for which Salem City School District would be eligible as an Abbott district. As indicated above, the department has combined two line items included in previous Annual Appropriations acts, Abbott v. Burke Parity Remedy Aid and Additional Abbott v. Burke State Aid, into one line item, Education Opportunity Aid. The estimate provided by the department represents the calculation of what in prior budget years was called Abbott v. Burke Parity Remedy Aid. Still to be determined for FY 2005 is the amount of what the department is calling Discretionary Education Opportunity Aid and Abbott Preschool Expansion Aid. For FY 2006 and FY 2007, the department indicates that funding for Education Opportunity Aid is dependent on several factors including the district's local tax levy, State aid policy decisions, and spending in District Factor Groups I and J districts.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) concurs with the Executive estimate of \$3,959,314 as the Abbott v. Burke Parity Remedy Aid portion of FY 2005 Education Opportunity Aid; that Salem City School District may also be eligible for supplemental funding in FY 2005, depending

on the district's demonstrated need and resources and the commissioner's approval; and that the district would also be eligible for Abbot Preschool Expansion Aid in FY 2005. OLS also agrees with the department that the amount of additional State school aid Salem City School District would receive as an Abbott district in future years is indeterminable. OLS also notes that if a charter school were to be established in Salem City, additional State aid would be provided to the charter school to operate full-day kindergarten programs and, under proposed FY 2005 budget language, to make up the difference, if necessary, between the per pupil T & E amount for a given grade level and the program budget per pupil amount of an Salem City School District if that amount is below the T & E amount. Currently, there are no charter schools in Salem City.

Section: *Education*

Analyst: *Theodore C. Settle*
Lead Research Analyst

Approved: *David J. Rosen*
Legislative Budget and Finance Officer

This fiscal note has been prepared pursuant to P.L.1980, c.67.