

18A: 7A-1 to 33 et al.

LEGISLATIVE FACT SHEET

on "PUBLIC SCHOOL EDUCATION ACT OF 1975

N.J.R.S. 18A: 7A-1 to 33 et al.

( Amendment )

LAWS OF 1975

CHAPTER 212 9/29/75

SENATE BILL 1516 (3rd OCR)

ASSEMBLY BILL

INTRODUCED Dec. 10, 1974

BY Wiley and others

SPONSOR'S STATEMENT

YES NO

(list available on site)

ASSEMBLY COMMITTEE STATEMENT

YES  NO

SENATE COMMITTEE STATEMENT

YES  NO

\* FISCAL NOTE to OFFICIAL COPY REPRINT  YES NO

AMENDED DURING PASSAGE

YES NO

HEARING 9/9/75, 9/16/75, 9/18/75 [Not yet received by State Library].

VETO

(NOT TRANSCRIBED. TAPE WAS ERASED. NO RECORD EXTANT. 4/78)

See also special/vertical file on N.J. education for newspaper clippings: "N.J. -- EDUCATION - FINANCE - GENERAL"

STATEMENT to Senate Bill, No. 1516

This bill seeks to meet the constitutional requirement for education, which the Supreme Court of New Jersey has determined has not been fulfilled.

It provides for a thorough and efficient system of free public schools and a program of State aid to support it. Article I contains the legislative findings and definitions of terms used in the act. Article II states the legislative goal and guidelines for a thorough and efficient system of free public schools. It outlines a process of establishing State goals and standards, and then local goals, objectives, and standards. The third article provides for the allocation of State aid to the school districts, and amends and repeals sections of Title 18A affected by this act.

CHAPTER 212 LAWS OF N. J. 1975  
APPROVED 9-29 75

[THIRD OFFICIAL COPY REPRINT]

SENATE, No. 1516

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# STATE OF NEW JERSEY

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INTRODUCED DECEMBER 10, 1974

By Senators WILEY, MARTINDELL, BUEHLER, DODD and  
DUMONT

(Without Reference)

AN ACT providing for a thorough and efficient system of free public schools, a State aid program implementing such system, revising parts of the statutory law and supplementing Title 18A of the New Jersey Statutes.

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

ARTICLE I. SHORT TITLE; LEGISLATIVE FINDINGS;

DEFINITIONS

1 1. This act shall be known and may be cited as the "Public School  
2 Education Act of 1975."

1 2. a. The Legislature finds and declares that:

2 (1) The New Jersey Constitution provides that the maintenance  
3 and support of a thorough and efficient system of free public schools  
4 for the instruction of all the children in the State between the ages  
5 of 5 and 18 years is a legislative responsibility;

6 (2) It has been determined by the Supreme Court of New Jersey  
7 that the constitutional requirement has not been met and that action  
8 must be taken **\*\*\*[by December 31, 1974,]**\*\*\* to correct any de-  
8A ficiencies;

9 (3) Extensive efforts have been made by the Executive and  
10 Legislative branches of State Government and others since the  
11 Supreme Court's decision to determine the content of a thorough  
12 and efficient system of education and how it may be assured;

13 (4) Because the sufficiency of education is a growing and evol-  
14 ing concept, the definition of a thorough and efficient system of  
15 education and the delineation of all the factors necessary to be in-  
16 cluded therein, depend upon the economic, historical, social and  
17 cultural context in which that education is delivered. The Legisla-  
18 ture must, nevertheless, make explicit provision for the design of  
19 State and local systems by which such education is delivered, and

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

20 should, therefore, explicitly provide after 4 years from the effective date of this act for a major and comprehensive evaluation of both the State and local systems, and the sufficiency of education provided thereby;

23 (5) In order to encourage citizen involvement in educational matters, New Jersey should provide for free public schools in a manner which guarantees and encourages local participation consistent with the goal of a thorough and efficient system serving all of the children of the State;

28 (6) A thorough and efficient system of education includes local school districts in which decisions pertaining to the hiring and dismissal of personnel, the curriculum of the schools, the establishment of district budgets, and other essentially local questions are made democratically with a maximum of citizen involvement and self-determination and are consistent with Statewide goals, guidelines and standards; and

35 (7) Such a system should be in part locally funded to encourage involvement of and assure the financial supervision by the residents of the local unit, and in part State funded, to equalize Statewide the tax effort required for a thorough and efficient system of free public schools.

40 b. The Legislature, therefore, hereby accepts the responsibility:

41 (1) To define the overall goal of a thorough and efficient system of free public schools in New Jersey;

43 (2) To establish guidelines within which such a system shall operate;

45 (3) To delegate to appropriate State and local agencies the authority:

47 (a) to establish goals and objectives consistent with legislative guidelines, and

49 (b) to define standards of performance necessary to indicate achievement of the goals and objectives;

51 (4) To establish a funding structure which will ensure that adequate financial resources shall be available to enable a system of free public schools to operate throughout the State; and

54 (5) To monitor the system of free public schools and provide for corrective action when necessary to ensure adequate progress toward the achievement of goals and objectives.

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

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

5 educational progress within a reasonable period of time in meeting  
6 goals and standards.

7 "Approved special class pupil" means a pupil enrolled in any  
8 class for atypical pupils pursuant to chapter 46 of Title 18A of the  
9 New Jersey Statutes.

10 "Approved special education services pupil" means a pupil  
11 receiving specific services pursuant to chapter 46 of Title 18A of  
12 the New Jersey Statutes but excluding pupils attending county  
13 special services school districts.

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

16 "Budgeted capital outlay" means those capital outlay expendi-  
17 tures that are included in the annual school budget.

18 "Categorical programs" means those programs and services  
19 recognized in this act as requiring per pupil expenditures over and  
20 above those applicable to regular programs, as provided in section  
21 20 of this act.

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

26 "Debt service" means and includes payments of principal and  
27 interest upon school bonds and other obligations issued to finance  
28 the acquisition of school sites and the acquisition, construction or  
29 reconstruction of school buildings, including furnishings, equipment  
30 and the costs of issuance of such obligations and shall include pay-  
31 ments of principal and interest upon bonds heretofore issued to  
32 fund or refund such obligations, and upon municipal bonds and  
33 other obligations which the commissioner approves as having been  
34 issued for such purposes. Debt service pursuant to the provisions  
35 of P. L. 1971, c. 10 (C. 18A:58-33.6 et seq.) and P. L. 1968, c. 177  
36 (C. 18A:33.2 et seq.) is excluded.

37 "District equalized valuation per pupil" means the quotient  
38 resulting from dividing the total equalized valuations in the school  
39 district by the resident enrollment of the district; provided that in  
40 the determination of the equalized valuation per pupil of a county  
41 vocational school the total equalized valuations in the county shall  
42 be divided by the total resident enrollment in all school districts  
43 of the county to obtain the county vocational school equalized valua-  
44 tion per pupil.

45 "Equalized valuations" means the equalized valuation of the tax-  
46 ing district or taxing districts as certified by the Director of the  
47 Division of Taxation on October 1 of the pre-budget year.

48 With respect to regional districts and their constituent districts,  
49 however, the equalized valuations as described above shall be  
50 allocated among the regional and constituent districts in proportion  
51 to the number of pupils in each of them.

52 "Evening school pupils" means the equated full-time resident  
53 enrollment of pupils enrolled in an accredited evening high school,  
54 an evening vocational high school, and in other evening schools  
55 except schools offering programs for self-improvement and social  
56 enrichment.

57 "Goals" means a written statement of educational aspirations  
58 for learner achievement and the educational process stated in  
59 general terms.

60 "Guaranteed valuation per pupil" means ~~\*[1.4]\*~~ ~~\*\*\*[1.43]\*~~\*\*\*  
61 \*\*\*for the calculation of State support for the school year 1976-77,  
62 1.3 times the State average valuation per pupil, and for all school  
62A years thereafter, 1.35\*\*\* times the State average valuation per  
62B pupil, rounded to the nearest thousand dollars, for the year in which  
62C the calculation of aid is made \*\*\*except as modified by section 48  
62D hereof\*\*\*.

63 "Joint Committee on the Public Schools" means the Committee  
64 created pursuant to ~~\*\*\*[P. L. 19... c. ... (now pending before~~  
65 ~~the Legislature as Senate Bill No. 1437)]\*\*\*~~ ~~\*\*\*P. L. 1975, c. 16~~  
65A ~~(C. 52:9R-1 et seq.)\*\*\*~~.

66 "Local vocational pupils" means the full-time equivalent of  
67 pupils enrolled in approved categorical vocational programs in  
68 school districts designated as local area vocational school districts.

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

71 "Net current expense budget" means the balance after deduct-  
72 ing (1) State support for categorical programs pursuant to section  
73 20 of this act, (2) the transportation amount in the current expense  
74 budget and (3) all other revenue in the current expense budget  
75 except the amount to be raised by local taxation, equalization State  
76 support, and State support for approved transportation.

77 "Net current expenses per pupil" means the quotient resulting  
78 from dividing the net current expense budget by the resident en-  
79 rollment.

80 "Net debt service and budgeted capital outlay" means the  
81 balance after deducting all revenues from the school debt service  
82 and budgeted capital outlay budgets of the school district and the  
83 school debt service amount included in the municipal budget, except  
84 the amount to be raised by local taxation and State support.

85 "Objective" means a written statement of the intended outcome  
86 of a specific educational process.

87 "Pre-budget year" means the school year preceding the year in  
88 which the school budget will be implemented.

89 "Resident enrollment" means the number of pupils who are resi-  
90 dent of the district and are enrolled in day or approved evening  
91 schools on the last school day of September of the pre-budget year  
92 and are attending the public schools of the district or a school  
93 district or State college demonstration school to which the district  
94 of residence pays tuition; provided that a district shall count  
95 pupils regularly attending both the schools of the district and of a  
96 county vocational school in the same county on an equated full-time  
97 basis.

98 "Standards" means the process and stated levels of proficiency  
98A used in determining the extent to which goals and objectives are  
98B being met.

99 \*\*\*\*"State average net current expense budget per pupil" means  
99A the quotient resulting from dividing the total net current expense  
99B budget of all districts in the State by the total resident enrollment  
100 in the State.\*\*\*

101 "State average valuation per pupil" means the quotient result-  
102 ing from dividing the total equalized valuations in the State as  
103 certified by the Director of the Division of Taxation on October 1  
104 by the total resident enrollment in the State. In the event that the  
105 equalized table certified by the Director of the Division of Taxation  
106 shall be revised by the Division of Tax Appeals on or before  
107 January 30 of the next succeeding year, such revised valuation shall  
108 be used in any recomputation of aid for an individual district filing  
109 such appeal but will have no effect upon the State average valua-  
110 tion per pupil.

111 "State compensatory education pupil" means a pupil who is en-  
112 rolled in preventive and remedial programs, approved by the State  
113 board, supplemental to the regular programs and designed to assist  
114 pupils who have academic, social, economic or environmental needs  
115 that prevent them from succeeding in regular school programs.

116 \*\*\*\*"State support limit" means the sixty-fifth percentile net  
117 current expense budget per pupil for the prebudget year when all  
118 district figures are ranked from low to high. The State support  
119 limit shall be calculated and applied separately for (a) limited  
120 purpose regional districts offering grades 9 through 12, (b) limited  
121 purpose regional districts offering grades 7 through 12, provided,  
122 however, that the figure used for such districts shall be not less

123 *than 90% of the sixty-fifth percentile for limited purpose regional*  
 124 *districts offering grades 9 through 12, (c) constituent districts of*  
 125 *limited purpose regional districts offering grades 9 through 12,*  
 126 *(d) constituent districts of limited purpose regional districts offer-*  
 127 *ing grades 7 through 12, provided, however, that the figure used*  
 128 *for such districts shall be not less than 90% of the sixty-fifth per-*  
 129 *centile for constituent districts of limited purpose regional dis-*  
 130 *tricts offering grades 9 through 12, and (e) all other districts.\*\*\**

ARTICLE II. GOALS, STANDARDS AND GUIDELINES; PROCEDURES  
 OF EVALUATION; ENFORCEMENT

1 4. The goal of a thorough and efficient system of free public  
 2 schools shall be to provide to all children in New Jersey, regardless  
 3 of socioeconomic status or geographic location, the educational  
 4 opportunity which will prepare them to function politically,  
 5 economically and socially in a democratic society.

1 5. A thorough and efficient system of free public schools shall  
 2 include the following major elements, which shall serve as guide-  
 3 lines for the achievement of the legislative goal and the implementa-  
 4 tion of this act:

5 a. Establishment of educational goals at both the State and local  
 6 levels;

7 b. Encouragement of public involvement in the establishment of  
 8 educational goals;

9 c. Instruction intended to produce the attainment of reasonable  
 10 levels of proficiency in the basic communications and computa-  
 11 tional skills;

12 d. A breadth of program offerings designed to develop the in-  
 13 dividual talents and abilities of pupils;

14 e. Programs and supportive services for all pupils especially  
 15 those who are educationally disadvantaged or who have special  
 16 educational needs;

17 f. Adequately equipped, sanitary and secure physical facilities  
 18 and adequate materials and supplies;

19 g. Qualified instructional and other personnel;

20 h. Efficient administrative procedures;

21 i. An adequate State program of research and development; and

22 j. Evaluation and monitoring programs at both the State and  
 23 local levels.

1 6. The State board, after consultation with the commissioner  
 2 and review by the Joint Committee on the Public Schools shall (a)  
 3 establish goals and standards which shall be applicable to all public  
 4 schools in the State, and which shall be consistent with the goals

5 and guidelines established pursuant to sections 4 and 5 of this act,  
6 and (b) make rules concerning procedures for the establishment of  
7 particular educational goals, objectives and standards by local  
8 boards of education.

1 7. Each local board of education shall establish particular educa-  
2 tional goals, objectives and standards pursuant to rules prescribed  
3 by the State board.

1 8. The State board after consultation with the commissioner and  
2 review by the Joint Committee on the Public Schools shall, from  
3 time to time, but at least once every 5 years, review and update the  
4 State goals and standards established pursuant to this act. In  
5 reviewing and updating these goals and standards, the State board  
6 shall consult with, and be assisted by, (a) the Commissioner of  
7 Labor and Industry who, in consultation with employer and em-  
8 ployee groups, shall report annually to the State board projecting  
9 labor needs and describing employment qualifications in New  
10 Jersey, (b) the Chancellor of Higher Education who, in consulta-  
11 tion with the institutions of higher education in the State, shall  
12 report annually to the State board on entry requirements and  
13 anticipated enrollment levels, (c) the Commissioner of Health who  
14 shall report annually to the State board on the current and pro-  
15 jected health needs in New Jersey, (d) the Commissioner of In-  
16 stitutions and Agencies who shall report annually to the State  
17 board on the education of pupils under the jurisdiction of the de-  
18 partment, and (e) such other employees and officers of the State  
19 as may be able to assist the State board in its activities pursuant to  
20 this section.

1 9. The commissioner, in cooperation with local school districts,  
2 shall from time to time, but at least once every 5 years, direct a  
3 comprehensive needs assessment program of all pupils in the State  
4 in light of State goals and standards, and shall make the results of  
5 the needs assessment program available to local school districts,  
6 which districts shall review and update their particular educational  
7 goals, objectives and standards to meet those needs. All such  
8 results shall be made public.

1 10. For the purpose of evaluating the thoroughness and efficiency  
2 of all the public schools of the State, the commissioner, with the  
3 approval of the State board and after review by the Joint Com-  
4 mittee on the Public Schools, shall develop and administer a  
5 uniform, Statewide system for evaluating the performance of each  
6 school. Such a system shall be based in part on annual testing for  
7 achievement in basic skill areas, and in part on such other means



8 as the commissioner deems proper in order to (a) determine pupil  
9 status and needs, (b) ensure pupil progress, and (c) assess the  
10 degree to which the educational objectives have been achieved.

1 11. Each school district shall make an annual report of its prog-  
2 ress in conforming to the goals, objectives and standards developed  
3 pursuant to this act. Each district's annual report shall include  
4 but not be limited to:

5 a. Demographic data related to each school;

6 b. Results of assessment programs, including Statewide and  
7 district testing conducted at each school;

8 c. Information on each school's fiscal operation, including the  
9 budget of each school;

10 d. Results of each school's effectiveness in achieving State,  
11 district and school goals and objectives applicable to the pupils;

12 e. Plans and programs for professional improvement;

13 f. Plans to carry out innovative or experimental educational pro-  
14 grams designed to improve the quality of education; and

15 g. Recommendations for school improvements during the ensu-  
16 ing year.

17 h. Additionally, the State Board of Education may from time to  
18 time require each district to submit a facilities survey, including  
19 current use practices and projected capital project needs, but not  
20 more frequently than once every 2 years.

21 The district reports shall be submitted to the commissioner by  
22 July 1 of each year and he shall make them the basis for an annual  
23 report to the Governor and the Legislature, describing the condi-  
24 tion of education in New Jersey, the efforts of New Jersey schools  
25 in meeting the standards of a thorough and efficient education, the  
26 steps underway to correct deficiencies in school performance, and  
27 the progress of New Jersey schools in comparison to other state  
28 education systems in the United States.

1 12. In addition to the annual reports required by section 11 of  
2 this act, the State board shall, 4 years after the effective date of  
3 this act, make a comprehensive report to the Governor and the  
4 Legislature assessing the effectiveness of this act in producing a  
5 thorough and efficient system of free public schools. The report  
6 shall include an account of the progress of each local school district  
7 in meeting the goals, objectives and standards prescribed under  
8 sections 6 and 7 of this act, identify those districts and schools  
9 which fail to meet them, and make recommendations, if necessary,  
10 for hastening the elimination of any deficiencies.

1 13. Thereafter, the Governor shall deliver a biennial message to  
2 the Legislature on the progress of New Jersey's schools in provid-

3 ing a thorough and efficient education and recommending legisla-  
4 tive action, if appropriate.

1 14. The commissioner shall review the results of the evaluations  
2 conducted and reports submitted pursuant to sections 10 and 11 of  
3 this act. If the commissioner shall find that a school or a school  
4 district has failed to show sufficient progress toward the goals,  
5 guidelines, objectives and standards established in and pursuant  
6 to this act, he shall advise the local board of education of such  
7 determination, and shall direct that a remedial plan be prepared  
8 and submitted to him for approval. If the commissioner approves  
9 the plan, he shall assure its implementation in a timely and effective  
10 manner. If the commissioner finds that the remedial plan prepared  
11 by the local board of education is insufficient, he shall order the  
12 local board to show cause why the corrective actions provided in  
13 section 15 of this act should not be utilized. The hearing upon said  
14 order to show cause shall be conducted in the manner prescribed by  
15 subdivision B of article 2 of chapter 6 of Title 18A of the New  
16 Jersey Statutes.

1 15. If, after a plenary hearing, the commissioner determines that  
2 it is necessary to take corrective action, he shall have the power to  
3 order necessary budgetary changes within the school district, to  
4 order in-service training programs for teachers and other school  
5 personnel, or both. If he determines that such corrective actions  
6 are insufficient, he shall have the power to recommend to the State  
7 board that it take appropriate action. The State board, on deter-  
8 mining that the school district is not providing a thorough and  
9 efficient education, notwithstanding any other provision of law to  
10 the contrary, shall have the power to issue an administrative order  
11 specifying a remedial plan to the local board of education, which  
12 plan may include budgetary changes or other measures the State  
13 board determines to be appropriate. Nothing herein shall limit  
14 the right of any party to appeal the administrative order to the  
15 Superior Court.

1 16. Should the local board of education fail or refuse to comply  
2 with an administrative order issued pursuant to section 15 of this  
3 act, the State board shall apply to the Superior Court by a pro-  
4 ceeding in lieu of prerogative writ for an order directing the local  
5 school board to comply with such administrative order.

#### ARTICLE III. STATE SCHOOL AID

1 17. Annually, on or before October 5, the secretary of the board  
2 of education, with the approval of the superintendent of schools,  
3 or if there be no superintendent of schools, with the approval of  
4 the county superintendent of schools, shall file with the commis-

5 sioner a report stating the number of pupils enrolled by grade and  
6 the number of these pupils in approved programs of (a) special  
7 education classes, (b) compensatory education, (c) bilingual educa-  
8 tion and (d) local vocational education on the last school day of  
9 September. In addition, districts shall file annual reports pro-  
10 viding such information as the commissioner may require for pupils  
11 receiving special education services.

1 18. Equalization support for current expenses of all school  
2 districts shall be paid in accordance with the following calculations:

3 a. Divide the district equalized valuation per pupil by the  
4 guaranteed valuation per pupil and subtract the quotient from  
5 1.0000 to obtain the district's State support ratio.

6 b. Multiply the district's State support ratio by the smaller of  
7 (1) the net current expense budget for the prebudget year or (2)  
8 the product of the resident enrollment \*\*\*[and the Statewide sixty-  
9 fifth percentile net current expense budget per pupil for the pre-bud-  
10 get year when all district figures are ranked from low to high. The  
11 amount obtained is the current expense equalization support. If the  
12 State support ratio is zero or less than zero, no support shall be  
13 paid. The Statewide sixty-fifth percentile shall be calculated and  
14 applied separately for (a) limited purpose regional districts offer-  
15 ing grades 9 through 12, (b) limited purpose regional districts  
16 offering grades 7 through 12, provided, however, that the figure  
17 used for such districts shall be not less than 90% of the sixty-fifth  
18 percentile for limited purpose regional districts offering grades 9  
19 through 12, (c) constituent districts of limited purpose regional  
20 districts offering grades 9 through 12, (d) constituent districts of  
21 limited purpose regional districts offering grades 7 through 12,  
22 provided, however, that the figure used for such districts shall be  
23 not less than 90% of the sixty-fifth percentile for constituent  
24 districts of limited purpose regional districts offering grades 9  
25 through 12, and (e) all other districts]\*\*\* \*\*\*and the State support  
26 limit. The amount obtained is the current expense equalization  
27 support.

28 c. Notwithstanding any other provision of this section, no dis-  
29 trict shall receive less in current expense equalization support  
30 than 10% of the State support limit.\*\*\*

1 19. State support for debt service and budgeted capital outlay  
2 shall equal the total of the net debt service and budgeted capital  
3 outlay budgets for the pre-budget year multiplied by the district's  
4 current expense State support ratio obtained in section 18 of this  
5 act. If the product is less than zero, no support shall be paid.  
6 Budgeted capital outlay used for the calculation of State support

7 shall be the smaller of (1) the budgeted capital outlay for the  
 8 pre-budget year, or (2) 1½% of the sum of the current expense and  
 9 budgeted capital outlay for the pre-budget year.

1 20. In addition to the equalization support authorized in section  
 2 18 of this act, categorical program support for 1975-76 and 1976-77  
 3 shall be paid in accordance with the following calculations:

4 a. The number of categorical aid units shall be determined by  
 5 adding the products obtained by multiplying the pupils in each  
 6 category by the following additional cost factors:

CATEGORICAL PROGRAMS

Special Education Classes	Additional Cost Factors
7 Educable .....	0.53
8 Trainable .....	0.95
9 Orthopedically handicapped .....	1.27
10 Neurologically impaired .....	1.06
11 Perceptually impaired .....	0.85
12 Visually handicapped .....	1.91
13 Auditorially handicapped .....	1.38
14 Communication handicapped .....	1.06
15 Emotionally disturbed .....	1.27
16 Socially maladjusted .....	0.95
17 Chronically ill .....	0.85
18 Multiply handicapped .....	1.27
Other Classes and Services	Additional Cost Factors
19 Approved private school tuition .....	1.0 plus the additional
20	cost factor of the handi-
21	cap
22 Supplementary and speech instruction ..	0.09 based on the num-
23	ber of pupils actually
24	receiving such instruc-
25	tion in the prior school
26	year
27 Bilingual education .....	0.16
28 State compensatory education .....	0.11
29 Approved local vocational education ...	0.53

30 b. The number of categorical aid units for home instruction shall  
 31 be determined by multiplying the number of hours of instruction  
 32 actually provided in the prior school year by 0.006.

33 c. For the purposes of this section, aid shall be paid to districts  
 34 in which the pupils reside except in the case of home, supplemen-  
 35 tary or speech instruction where aid shall be paid to the district  
 36 providing the service. No tuition may be charged for such home,

37 supplementary or speech instruction for costs covered by State  
38 support as provided in this section.

39 d. Categorical program *\*\*\*support\*\*\** shall equal the number  
40 of units of additional cost multiplied by the State average net  
41 current expense budget per pupil for the prebudget year.

1 21. On or before April 1, *\*\*\*[1976]\*\*\** *\*\*\*1977\*\*\**, and on or  
2 before April 1 of each subsequent year, the Governor, after con-  
3 sultation with the Department of Education, shall recommend to  
4 the Legislature any revision in the schedule of additional cost fac-  
5 tors which is deemed proper, together with appropriate supporting  
6 information, and such revised additional cost factors shall be  
7 deemed approved for the fiscal year beginning 1 year from the  
8 subsequent July 1 at the end of 60 calendar days after the date on  
9 which they are transmitted to the Senate and General Assembly,  
10 or if the Legislature is not in session on the sixtieth day, then on  
11 the next succeeding day on which it shall be meeting in the course  
12 of a regular or special session, unless between the date of trans-  
13 mittal and the end of the above period, the Legislature passes a  
14 concurrent resolution stating that the Legislature does not favor  
15 the revised schedule of additional cost factors, in which case the  
16 additional cost factors then in effect shall continue in effect.

1 22. There is hereby established a compensatory education re-  
2 search and development fund. For the *\*\*\*[1975-76]\*\*\** *\*\*\*1976-*  
3 *77\*\*\** fiscal year and annually thereafter, there shall be appropri-  
4 ated to the fund an amount equal to 3% of the amount calculated  
5 for State aid for compensatory education pursuant to section 20  
6 of this act. The fund shall be used to support pilot and demonstra-  
7 tion projects which are designed to improve the education of com-  
8 pensatory education pupils.

1 23. The commissioner is authorized to make grants to school  
2 districts for the establishment of pilot and demonstration projects  
3 for compensatory education pupils, to provide for the establish-  
4 ment of appropriate evaluation procedures, and take any other  
5 action necessary to insure the implementation of such projects.

1 24. State support for county vocational school districts shall be  
2 paid in accordance with the following calculations:

3 a. Divide the county equalized valuations per pupil by the guar-  
4 anteed valuation per pupil and subtract the quotient from 1.0000  
5 to obtain the county vocational school's State support ratio.

6 b. Multiply the State support ratio by the smaller of (1) the  
7 net current expense budget for the prebudget year or (2) the  
8 product of the resident enrollment multiplied by 175% of the State-

9 wide sixty-fifth percentile net current budget per pupil for the  
10 prebudget year when all district figures are ranked from low to  
11 high. The amount obtained is the current expense equalization  
12 support. If the State support ratio is zero or less than zero, no  
13 support shall be paid.

14 c. Debt service and budgeted capital outlay support for county  
15 vocational schools shall be calculated in accordance with section 19  
16 of this act.

1 25. A district which has a net current expense budget per pupil  
2 in the prebudget year of less than the State average net current  
3 expense budget per pupil may increase its net current expense  
4 budget per pupil in the following year by no more than an amount  
5 found by multiplying *\*\*\*three-fourths of\*\*\** the latest annual per-  
6 centage increase in the total State equalized valuation by the State  
7 average net current expense budget per pupil for the prebudget  
8 year, and multiplying the product by the quotient resulting from  
9 dividing the State average net current expense budget per pupil  
10 by the school district net current expense budget per pupil for the  
11 prebudget year; provided, however, that in no event shall the figure  
12 used for the latest annual percentage increase in the total State  
13 equalized valuation be less than the average of such percentage in-  
14 creases for the latest 3 years. Any other district may increase its  
15 net current expense budget per pupil by no more than an amount  
16 found by multiplying *\*\*\*three-fourths of\*\*\** the latest annual per-  
17 centage increase in the total State equalized valuation by the school  
18 district's net current expense budget per pupil for the prebudget  
19 year, and multiplying the product by the quotient resulting from  
20 dividing the State average net current expense budget per pupil  
21 by the school district net current expense budget per pupil for the  
22 prebudget year. For the purpose of these calculations, the enroll-  
22A ment of a district shall be assumed to remain constant between  
22B the prebudget year and the year during which the budget will be  
22C implemented.

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

27 The commissioner may approve the request of a local board of  
28 education for a greater increase, having judged that (1) a realloca-  
29 tion of resources or any other action taken within the permissible  
30 level of spending would be insufficient to meet the goals, objectives  
31 and standards established pursuant to this act, or (2) an increased  
32 enrollment may reasonably be anticipated in the district.

1 26. The amounts payable to each school district pursuant to  
2 \*\*\*[the]\*\*\* \*\*\*this\*\*\* act shall be paid by the State Treasurer  
3 upon the certification of the commissioner and warrant of the Di-  
4 rector of Budget and Accounting. Ten percent of the appropriation  
5 for current expense equalization and categorical program support  
6 shall be paid on the first of each month from September through  
7 June. If a local board of education requires funds prior to the first  
8 payment, the board shall file a written request with the Commis-  
9 sioner of Education stating the need for such funds. The commis-  
10 sioner shall review each request and forward those for which need  
11 has been demonstrated to the appropriate officials for payment.

12 Debt service funds shall be paid as required to meet due dates  
13 for payment of principal and interest, and budgeted capital outlay  
14 funds shall be paid as requested by the local district.

15 Each school district shall file an annual written request for debt  
16 service and budgeted capital outlay payments to the commissioner  
17 30 days prior to the beginning of the fiscal year for which the  
18 appropriation is made. Such request shall include the amount of  
19 interest bearing school debt, if any, of the municipality or district  
20 then remaining unpaid, together with the rate of interest payable  
21 thereon, the date or dates on which the bonds or other evidences  
22 of indebtedness were issued, and the date or dates upon which they  
23 fall due. In the case of Type I school districts, the board secretary  
24 shall secure such schedule of outstanding obligations from the  
25 clerk of the municipality.

1 27. On or before November 1 of each year, the commissioner shall  
2 determine the amount necessary to be appropriated by the State to  
3 carry out the provisions of this act for the succeeding school year  
4 and shall determine for local budget purposes the amounts payable  
5 to each of the counties and districts under this act for such succeed-  
6 ing year.

1 28. Annually, on or before December 1, local boards of education  
2 shall submit to the commissioner a copy of their proposed budgets  
3 for the next school year. The commissioner shall review each item  
4 of appropriation within the current expense and budgeted capital  
5 outlay budgets and shall determine the adequacy of the budgets  
6 with regard to the annual reports submitted pursuant to section 11  
7 of this act.

1 29. N. J. S. 18A :13-23 is amended to read as follows :

2 18A :13-23. The annual or special appropriations for regional  
3 districts, [exclusive of] *including* the amounts to be raised for  
4 interest upon, and the redemption of, bonds payable by the district,

5 shall be apportioned among the municipalities included within the  
6 regional district [as follows:

7 a. In regional districts in which apportionment on the basis of  
8 the number of pupils enrolled on the last school day of September  
9 of the current school year is in effect, such apportionment shall be  
10 made upon said basis;

11 b. In all other regional districts] upon the basis of the [appor-  
12 tionment valuations, as defined in R. S. 54:4-49 of the constituent  
13 districts] *portion of each municipality's equalized valuation*  
14 *allocated to the regional district, calculated as described in the*  
15 *definition of equalized valuation in section 3 of this 1974 amenda-*  
16 *tory and supplementary act.*

1 30. N. J. S. 18A:13-24 is amended to read as follows:

2 18A:13-24. The amounts to be raised for annual or special ap-  
3 propriations and for interest upon, and the redemption of, bonds  
4 for regional districts shall be certified by the regional board of  
5 education to, and shall be apportioned among the municipalities  
6 included within the regional district as follows:

7 a. When the regional district is located wholly within one county,  
8 said amounts shall be certified to the county board of taxation of  
9 the county and shall be apportioned by it among such municipalities  
10 in the manner, and upon the basis, prescribed in this article; or

11 b. When the regional district is located in more than one county,  
12 said amount shall be certified to the county board of taxation of the  
13 county[, in which the largest aggregate apportionment valuations  
14 as established by the last published county abstract of ratables in  
15 the regional district are found] *in which the largest number of*  
16 *regional district pupils are resident*, and said amounts shall be ap-  
17 portioned by said county board of taxation, among such municipali-  
18 ties in the manner, and upon the basis, prescribed in this article.

19 [The apportionment valuations of each municipality included in  
20 the regional district as defined in R. S. 54:4-49 of each constituent  
21 district shall be certified to said county board of taxation by the  
22 county boards of taxation of the county in which such constituent  
23 district is located and the apportionments so made shall be certified  
24 to each of the other county boards of taxation by the county board  
25 making the same.] *The share of the amount to be raised by taxa-*  
26 *tion in each municipality included in a regional district shall be*  
27 *certified to the appropriate county board of taxation by the Com-*  
28 *missioner of Education.*

29 The amounts [thus] apportioned to each such included municipi-  
30 pality shall be assessed, levied and collected in the same manner



31 and at the same time as other school taxes are assessed, levied and  
 32 collected therein and shall be paid upon requisition as in other  
 33 Type II school districts.

1 \*\*\*31. N. J. S. 18A:23-2 is amended to read as follows:

2 18A:23-2. Each annual audit shall include an audit of the books,  
 3 accounts and moneys, and a verification of all cash and bank bal-  
 4 ances, of the board and of any officer or employee thereof and of  
 5 moneys derived from athletic events or the activities of any organi-  
 6 zation of public school pupils conducted under the auspices of the  
 7 board, from the date of the last annual audit to the date of the  
 8 audit in question. Such audit shall also include a determination of  
 9 the extent to which the school board has used contracts entered  
 10 into by the State Division of Purchase and Property pursuant to  
 11 P. L. 1969, c. 104 (C. 52:25-16.1 et seq.) in the purchase of materials,  
 12 supplies or equipment for the school district.

1 32. N. J. S. 18A:23-3 is amended to read as follows:

2 18A:23-3. The report of each annual audit shall be filed, by the  
 3 public school accountant making the same, with his recommenda-  
 4 tions with the board of education of the district, and such account-  
 5 ant shall within 5 days thereafter file two duplicate copies thereof  
 6 certified under his signature in the office of the commissioner. The  
 7 commissioner annually shall publish a summary of such recom-  
 8 mendations as made for each school district and the steps which  
 9 have been taken in each district for their implementation.\*\*\*

1 \*\*\*[31.]\*\*\* \*\*\*33.\*\*\* N. J. S. 18A:39-15 is amended to read as  
 1A follows:

2 18A:39-15. If the county superintendent of the county in which  
 3 the districts are situate shall approve the necessity, the cost, and  
 4 the method of providing such joint transportation and the agree-  
 5 ment whereby the same is to be provided, each such board of  
 6 education providing joint transportation shall be entitled to State  
 7 aid in an amount equal to **[75%]** 100% of its proportionate share  
 8 of the cost of such transportation pursuant to the terms of such  
 9 agreement.

1 \*\*\*[32.]\*\*\* \*\*\*34.\*\*\* N. J. S. 18A:46-23 is amended to read as  
 1A follows:

2 18A:46-23. The board of education shall furnish daily trans-  
 3 portation within the State to all children found under this chapter  
 4 to be handicapped who shall qualify therefor pursuant to law  
 5 and it shall furnish such transportation for a lesser distance also  
 6 to any handicapped child, if it finds upon the advice of the examiner,  
 7 his handicap to be such as to make such transportation necessary  
 8 or advisable.

9 The school district shall be entitled to State aid for such daily  
10 transportation in the amount of **[75%]** 100% of the cost to the  
11 district of furnishing such transportation to a program approved  
12 under this chapter in New Jersey when the necessity for such  
13 transportation and the cost and method thereof have been ap-  
14 proved by the county superintendent of the county in which the  
15 district paying the cost of such transportation is situated.

1 \*\*\***[33.]**\*\*\* \*\*\*35.\*\*\* N. J. S. 18A:58-7 is amended to read as  
1A follows:

2 18A:58-7. Each district shall also be paid **[75%]** 100% of the  
3 cost to the district of transportation of pupils to a school when  
4 the necessity for such transportation and the cost and method  
5 thereof have been approved by the county superintendent of the  
6 county in which the district paying the cost of such transportation  
7 is situate. *Such aid shall be paid for elementary pupils who live  
8 beyond 2 miles from their school of attendance and secondary  
9 pupils who live beyond 2 1/2 miles from their school of attendance.*

1 \*\*\***[34.]**\*\*\* \*\*\*36.\*\*\* N. J. S. 18A:58-25 is amended to read  
1A as follows:

2 18A:58-25. The State Treasurer shall **[establish]** *maintain* a  
3 school building aid capital reserve fund for each school district  
4 *having funds on deposit as of the effective date of this act.* **[The**  
5 State Treasurer, upon certification of the commissioner and  
6 warrant of the Director of the Division of Budget and Accounting,  
7 shall:

8 (1) If the Commissioner of Education and the Director of the  
9 Division of Local Finance have certified that any school district  
10 or municipality is unable to pay the principal or interest of any  
11 bonds hereafter issued for school purposes, apply the amount of  
12 the building aid allowance to the payment of interest and principal  
13 on such bonds as hereinafter set forth;

14 (2) Pay to each school district the amount of its building aid  
15 allowance less any amount thereof which may have been applied  
16 to the payment of bonds under subsection (1) hereof and less its  
17 net appropriation to its capital reserve fund, at the times and in  
18 the manner hereinafter provided; and

19 (3) Credit to the capital reserve fund of each district the  
20 remainder of the building aid allowance not so required to be paid,  
21 together with an additional amount to be withheld from any State  
22 aid moneys otherwise due the district, sufficient to make the total  
23 capital reserve appropriated by the district.]

24 The Director of the Division of Investment shall invest and

25 reinvest such capital reserve funds in the same manner and subject  
 26 to the same requirements as are prescribed for the investment of  
 27 State funds generally. Income received upon the investment of  
 28 the capital reserve funds shall be credited pro rata to the capital  
 29 reserve funds of the respective school districts, semiannually on  
 30 November 1 and May 1.

31 In the event that a school district or municipality anticipates that  
 32 it will be unable to meet the payment of principal or interest of  
 33 any bonds hereafter issued for school purposes, it shall certify  
 34 such inability to the Commissioner of Education and the Director  
 35 of the Division of Local **[Finance]** *Government Services* at least  
 36 10 days prior to the date such payment is due. The State Treasurer,  
 37 upon certification of such inability by said commissioner and  
 38 director or, in the event any such district or municipality fails to  
 39 certify its anticipated inability to meet any such payments, upon  
 40 notice and verification of such inability, shall withhold from the  
 41 sums then or thereafter available to said district as State building  
 42 aid a sum sufficient to pay the principal of and interest on such  
 43 bonds. The State Treasurer shall pay ratably to the claimant  
 44 holders of such bonds, or their agent, first the interest and then  
 45 the principal due and owing to them by the school district or  
 46 municipality, as the case may be, up to the amount of the building  
 47 aid allowance then or thereafter available to such district or  
 48 municipality.

1 \*\*\***[35.]**\*\*\* \*\*\*37.\*\*\* N. J. S. 18A:58-26 is amended to read  
 1A as follows:

2 18A:58-26. A school district may on November 1 or May 1 in  
 3 any school year draw against its capital reserve fund, up to the  
 4 amount of the balance therein, to the extent that such withdrawal  
 5 is anticipated as a revenue in the school budget for the then current  
 6 school year or it may be applied to a capital purpose authorized  
 7 by ordinance or by vote of the electors of the school district**;**  
 8 provided, that such budget anticipation and withdrawal may not  
 9 be greater than the amount by which capital outlay and debt service  
 10 in such year exceed the State school building aid applicable  
 11 thereto**].** Such withdrawal shall be paid by the State Treasurer  
 12 to the board of education upon application duly made to the com-  
 13 missioner and upon his certification and the warrant of the Director  
 14 of the Division of Budget and Accounting.

1 \*\*\***[36.]**\*\*\* \*\*\*38.\*\*\* R. S. 54:4-49 is amended to read as fol-  
 1A lows:

2 54:4-49. (a) Except as to any State tax at a fixed rate provided

3 for in sections 54:4-50 and 54:4-51 of this Title, each county board  
4 of taxation, after having received the tax lists and duplicates of  
5 the assessors and having revised and corrected the same and having  
6 equalized the aggregate valuations of all the real property in the  
7 respective taxing districts, as required by R. S. 54:3-17 to 54:3-19,  
8 shall, after making adjustments for the debits and credits herein-  
9 after mentioned, apportion the amount to be raised in the respec-  
10 tive taxing districts for State, State school, county and free county  
11 library purposes and for purposes of [regional and] consolidated  
12 school districts and school districts comprising two or more taxing  
13 districts, on the basis of the total valuation so ascertained for each  
14 taxing district. The total valuation for each taxing district, so  
15 ascertained, shall be known as the "apportionment valuation."

16 (b) The amount to be apportioned among the respective taxing  
17 districts shall be the amount to be raised for the purposes specified  
18 in subsection (a), plus or minus the difference between the total  
19 debits and total credits of the taxing districts affected, determined  
20 as provided in subsection (c). The net amounts respectively to  
21 be raised, after making allowance to the affected districts for the  
22 debits and credits, shall be equivalent to the amount required for  
23 each of the purposes specified in subsection (a).

24 (c) The net debit or credit of each taxing district shall be the  
25 amount by which the taxing district has overpaid or underpaid  
26 its share of the specific tax or taxes for the purposes specified in  
27 subsection (a) for the preceding year or years because of increases  
28 or decreases in the amount of the assessments of the district sub-  
29 sequent to the apportionment in the preceding year or years by  
30 reason of final judgments on appeals, complaints and applications,  
31 the correction of clerical errors under R. S. 54:4-53 and the  
32 allowance of additional veterans' exemptions or deductions during  
33 the prior tax year by the collector pursuant to law. When an  
34 assessment has been reduced or added to, or increased, on appeal,  
35 complaint or other application, and the judgment on that appeal,  
36 complaint or other application has been further appealed, no deduc-  
37 tion or increase as herein provided for shall be made with respect  
38 to the appealed assessment until the further appeal has been finally  
39 determined.

40 (d) So that there shall be uniformity of application and treat-  
41 ment under this section in all of the counties, the Director, Division  
42 of Taxation, shall issue regulations for the guidance of the county  
43 boards of taxation in the determination of the apportionment  
44 valuations, the amounts to be apportioned and the amounts of the  
45 debits and credits.

1     \*\*\*[37.]\*\*\* \*\*\*39.\*\*\* N. J. S. 18A:46-9 is amended to read as  
1A follows:

2     18A:46-9. Each child classified pursuant to section 18A:46-8 as  
3 mentally retarded shall be similarly further identified, examined  
4 and classified into one of the following subcategories:

5     a. Educable mentally retarded children, who are those who may  
6 be expected to succeed with a minimum of supervision in homes and  
7 schools and community life and are characterized particularly by  
8 reasonable expectation that at maturity they will be capable of  
9 vocational and social independence in competitive environment;

10    b. Trainable mentally retarded children, who are so [severely]  
11 retarded that they cannot be classified as educable but are,  
12 notwithstanding, potentially capable of self-help, of communicating  
13 satisfactorily, or participating in groups, of directing their  
14 behavior so as not to be dangerous to themselves or others and of  
15 achieving with training some degree of personal independence and  
16 social and economic usefulness within sheltered environments;

17    c. Children *eligible for day training*, who are those so severely  
18 mentally retarded as to be [neither educable nor trainable]  
19 *incapable of giving evidence of understanding and responding in a*  
20 *positive manner to simple directions expressed in the child's pri-*  
21 *mary mode of communication and who cannot in some manner*  
22 *express basic wants and needs.*

1     \*\*\*[38.]\*\*\* \*\*\*40.\*\*\* N. J. S. 18A:46-13 is amended to read as  
1A follows:

2     18A:46-13. It shall be the duty of each board of education to  
3 provide suitable facilities and programs of education for all the  
4 children who are classified as handicapped under this chapter  
5 except those so mentally retarded as to be [neither educable or  
6 trainable.] *eligible for day training pursuant to N. J. S. 18A:46-9.*  
7 The absence or unavailability of a special class facility in any dis-  
8 trict shall not be construed as relieving a board of education of the  
9 responsibility for providing education for any child who qualifies  
10 under this chapter.

11    A board of education is not required to provide any further  
12 educational program for children who have been admitted to the  
13 Marie H. Katzenbach School for the Deaf but shall be required to  
14 furnish necessary daily transportation Monday through Friday  
15 to and from the school for nonboarding pupils when such trans-  
16 portation is approved by the county superintendent of schools in  
17 accordance with such rules and regulations as the State board shall  
18 promulgate for such transportation. Any special education facility  
19 or program authorized and provided for a child attaining age 20

20 during a school year shall be continued for the remainder of that  
21 school year.

1 \*\*\*[39.]\*\*\* \*\*41.\*\*\* N. J. S. 18A :46-17 is amended to read as  
1A follows:

2 18A:46-17. The superintendent of schools, or the principal of a  
3 school in a district where there is no superintendent, may, upon the  
4 advice of the psychological examiner or examiners administering  
5 classification procedures required by this chapter, refuse to admit,  
6 or, having admitted, exclude, any child whose mental retardation  
7 is so severe that he has been diagnosed and classified as [not  
8 trainable] *eligible for day training* under this chapter.

9 Any child so refused admission or excluded shall be reexamined,  
10 upon the request of the parent or other person having custody and  
11 control of the child, after a period of 1 year shall have elapsed from  
12 the date of the last previous examination.

1 \*\*\*[40.]\*\*\* \*\*42.\*\*\* N. J. S. 18A :46-18 is amended to read as  
1A follows:

2 18A:46-18. The superintendent of schools or the principal of  
3 each school, as the case may be, shall forthwith report to the secre-  
4 tary of the board of education of the district the names of all  
5 children who have been refused admission or have been excluded  
6 under this chapter, and the names and addresses of their parents  
7 or persons having custody and control of them. Such refusal of  
8 admission or exclusion shall continue unless and until set aside by  
9 action of the board of education or lifted as a result of a reexamina-  
10 tion. The superintendent or principal, as the case may be, shall  
11 report the names of any other mentally retarded children in the  
12 district known to him who are not in a private school or in a  
13 residential institution and who are considered to be [uneducable  
14-15 or untrainable] *eligible for day training*.

16 The secretary of the board of education, after the meeting of  
17 the board next following the meeting at which the names of the  
18 children not admitted or excluded are reported, shall report the  
19 names and addresses to the county superintendent of schools of  
20 the county in which the district is situate. The county super-  
21 intendent shall furnish a list of such names and addresses to the  
22 commissioner, who shall, in turn, transmit copies of all such lists  
23 to the Commissioner of Institutions and Agencies. Such list shall  
24 not be made public, but shall be open to the inspection of such  
25 public and private agencies, only, as have a legitimate interest in it  
26 and then only to the extent so necessary[; nor, shall the presence  
27 of any such name on such list necessarily constitute eligibility for

28 admission to any of the institutions under the control of the Depart-  
29 ment of Institutions and Agencies].

1 \*\*\*[41.]\*\*\* \*\*\*43.\*\*\* (New section) It shall be the duty of  
2 the State board in concert with the Department of Institutions and  
3 Agencies to provide suitable facilities and programs for all the  
4 children who are classified as eligible for day training.

1 \*\*\*[42.]\*\*\* \*\*\*44.\*\*\* N. J. S. 18A:4-24 is amended to read as  
1A follows:

2 18A:4-24. The commissioner shall[, by direction or with the  
3 approval] *pursuant to rules and regulations* of the State board,  
4 [whenever it is deemed to be advisable so to do,] inquire into and  
5 ascertain the thoroughness and efficiency of operation of any of  
6 the schools of the public school system of the State and of any  
7 grades therein by such means[, tests and examinations] as to him  
8 seem proper, and he shall report to the State board the results of  
9 such inquiries and such other information with regard thereto as  
10 the State board may require or as he shall deem proper, but nothing  
11 in this section shall affect the right of each district to prescribe  
12 its own rules for promotion.

1 \*\*\*[43.]\*\*\* \*\*\*45.\*\*\* N. J. S. 18A:58-11 is amended to read  
1A as follows:

2 18A:58-11. There shall be appropriated annually the sum of  
3 [\\$350,000.00] *\$500,000.00* to be distributed by the commissioner,  
4 upon the approval of the State board, to meet unforeseeable con-  
5 ditions, *including substantial increases in enrollments*, in any school  
6 district. The amount of such emergency aid shall be payable by  
7 the State Treasurer upon the certificate of the commissioner and  
8 the warrant of the Director of the Division of Budget and  
9 Accounting.

1 \*\*\*[44.]\*\*\* \*\*\*46.\*\*\* (New section) Nothing in this act shall  
2 be construed to deny the State board, commissioner or local boards  
3 of education powers granted to them elsewhere in Title 18A of the  
4 New Jersey Statutes, except as expressly provided herein.

1 \*\*\*[45.]\*\*\* \*\*\*47.\*\*\* (New section) The State Board of Edu-  
2 cation shall promulgate rules and adopt policies, subject to the  
3 "Administrative Procedure Act." P. L. 1968, c. 410 (C. 52:14B-1  
4 et seq.), make all determinations and exercise such powers of visita-  
5 tion as are necessary for the proper administration of this act.

1 \*\*\*[46. New section) The Joint Committee on the Public Schools  
2 shall consider and recommend to the Legislature such other steps  
3 as may be appropriate following the enactment of this act.]\*\*\*

1 \*\*\*48. *Beginning in 1976, the Joint Committee on the Public*

2 Schools, by October 15 of each year, shall recommend to the Legis-  
 3 lature for enactment any changes in the method or basis of financial  
 4 support which appear desirable from the experience under this act.  
 5 The committee, at the same time shall also recommend whether the  
 6 level of State support provided by this act should be retained or  
 7 increased in the direction of equal State - local sharing of costs.  
 8 The committee shall consider and recommend to the Legislature  
 9 for enactment such other steps as may be appropriate.

1 49. There is hereby established a Task Force on Business Effi-  
 2 ciency of the Public Schools, to consist of eight members, four of  
 3 whom shall be members of the Joint Committee on the Public  
 4 Schools to be appointed by the chairman, and four of whom shall  
 5 be other persons to be appointed by the Governor. All members  
 6 shall serve without compensation and vacancies in the membership  
 7 of the task force shall be filled in the some manner as the original  
 8 appointments are made.

1 50. Within 6 months of the effective date of this act, the task  
 2 force shall report to the Legislature and the Governor its recom-  
 3 mendations for improving the business efficiency of local school  
 4 districts. The task force shall be discharged upon submission of  
 5 its report.

1 51. The task force shall be entitled to call to its assistance and  
 2 avail itself of the services of such employees of any State, county  
 3 or municipal department, board, bureau, commission or agency as  
 4 it may require and as may be available to it for said purpose, and  
 5 to employ such professional, stenographic and clerical assistants  
 6 and incur such traveling and other miscellaneous expenses as it  
 7 may deem necessary, in order to perform its duties, and as may  
 8 be within the limits of funds appropriated or otherwise made avail-  
 9 able to it for said purposes.

1 52. There is hereby appropriated from the General State Fund  
 2 for the purposes of the task force the sum of \$20,000.00.\*\*\*

1 \*\*\*[47.]\*\*\* \*\*\*53.\*\*\* (New section) If any clause, sentence,  
 2 subdivision, paragraph, subsection or section of this act is held to  
 3 be unconstitutional or invalid, such judgment shall not affect, im-  
 4 pair or invalidate the remainder thereof, but shall be confined in  
 5 its operation to the clause, sentence, paragraph, subdivision, sub-  
 6 section or section thereof directly involved in the controversy in  
 7 which said judgment shall have been rendered.

1 \*\*\*[48.]\*\*\* \*\*\*54.\*\*\* All acts and parts of acts inconsistent  
 2 with this act are repealed, and without limiting the general effect



3 of this act in repealing acts so inconsistent herewith, the following  
 4 acts and parts of acts together with all amendments and supple-  
 5 ments thereto are specifically repealed:

6 N. J. S. 18A:13-22

7 N. J. S. 18A:13-25

8 N. J. S. 18A:38-2.1

9 N. J. S. 18A:58-1 to 18A:58-5.4, inclusive

10 P. L. 1968, c. 340 (C. 18A:58-5.5)

10A P. L. 1973, c. 224 (C. 18A:58-5.6)

11 P. L. 1970, c. 234, § 9 (C. 18A:58-6.3)

12 N. J. S. 18A:58-8

13 N. J. S. 18A:58-10

14 N. J. S. 18A:58-13

15 P. L. 1970, c. 234, § 15 (C. 18A:58-18.1)

16 N. J. S. 18A:58-20 to 18A:58-24, inclusive

17 N. J. S. 18A:58-27

18 P. L. 1968, c. 289, § 1 (C. 18A:58-27.1)

19 N. J. S. 18A:58-29

20 N. J. S. 18A:58-30 to 18A:58-31, inclusive

21 N. J. S. 18A:58-33 to 18A:58-33.1, inclusive.

1 \*\*\*[\*\*49.\*\*]\*\*\* \*\*\*55.\*\*\* (New section) For the school year  
 2 \*\*\*[1975-76]\*\*\* \*\*\*1976-77\*\*\*, no district shall receive less in  
 3 State aid in the aggregate for equalization support, categorical  
 4 program support, debt service and budgeted capital outlay support  
 5 and transportation support pursuant to this act than the aggregate  
 6 amount of State aid received during the 1974-75 school year pur-  
 7 suant to N. J. S. 18A:58-5, 18A:58-6, P. L. 1970, c. 234, s. 9  
 8 (C. 18A:58-6.3), N. J. S. 18A:58-7, 18A:58-8, 18A:58-10 and  
 9 18A:58-30.

1 \*\*\*[50.]\*\*\* \*\*\*56.\*\*\* (New section) For the school year  
 2 \*\*\*[1976-77]\*\*\* \*\*\*1977-78\*\*\*, any district receiving less in State  
 3 aid in the aggregate for equalization support, categorical program  
 4 support, debt service and budgeted capital outlay support and  
 5 transportation support pursuant to this act than the aggregate  
 6 amount of State aid received during the 1974-75 school year pur-  
 7 suant to N. J. S. 18A:58-5, 18A:58-6, P. L. 1970, c. 234, s. 9  
 8 (C. 18A:58-6.3), N. J. S. 18A:58-7, 18A:58-8, 18A:58-10 and  
 9 18A:58-30 shall be entitled to the amount calculated under this act  
 10 for such support plus one-half of the difference between that amount  
 11 and the amount received during the 1974-75 school year pursuant  
 12 to the above sections.\*\*

1     \*\*[49.]\*\* \*\*\*[\*\*51.\*\*]\*\* \*\*\*57.\*\* \*\*\*[This act shall take ef-  
2     fect July 1, 1975;]\*\* \*\*\* *Articles I and II and sections 44 and 46*  
3     *through 54 of Article III of this act shall take effect July 1, 1975.*  
4     *The remaining sections of this act shall take effect July 1, 1976;*\*\*\*  
5     provided that preparatory steps hereunder shall be taken as di-  
6     rected by the commissioner including, but not limited to, the sub-  
7     mission of pupil enrollments and budgets of school districts.

SENATE, No. 1516

STATE OF NEW JERSEY

INTRODUCED DECEMBER 10, 1974

• By Senators WILEY, MARTINDELL, BUEHLER, DODD and  
DUMONT

(Without Reference)

AN ACT providing for a thorough and efficient system of free public schools, a State aid program implementing such system, revising parts of the statutory law and supplementing Title 18A of the New Jersey Statutes.

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

ARTICLE I. SHORT TITLE; LEGISLATIVE FINDINGS;  
DEFINITIONS

1 1. This act shall be known and may be cited as the "Public School  
2 Education Act of 1975."

1 2. a. The Legislature finds and declares that:

2 (1) The New Jersey Constitution provides that the maintenance  
3 and support of a thorough and efficient system of free public schools  
4 for the instruction of all the children in the State between the ages  
5 of 5 and 18 years is a legislative responsibility;

6 (2) It has been determined by the Supreme Court of New Jersey  
7 that the constitutional requirement has not been met and that action  
8 must be taken by December 31, 1974, to correct any deficiencies;

9 (3) Extensive efforts have been made by the Executive and  
10 Legislative branches of State Government and others since the  
11 Supreme Court's decision to determine the content of a thorough  
12 and efficient system of education and how it may be assured;

13 (4) Because the sufficiency of education is a growing and evolv-  
14 ing concept, the definition of a thorough and efficient system of  
15 education and the delineation of all the factors necessary to be in-  
16 cluded therein, depend upon the economic, historical, social and  
17 cultural context in which that education is delivered. The Legisla-  
18 ture must, nevertheless, make explicit provision for the design of  
19 State and local systems by which such education is delivered, and

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

20 should, therefore, explicitly provide after 4 years from the effec-  
21 tive date of this act for a major and comprehensive evaluation of  
22 both the State and local systems, and the sufficiency of education  
22a provided thereby;

23 (5) In order to encourage citizen involvement in educational  
24 matters, New Jersey should provide for free public schools in a  
25 manner which guarantees and encourages local participation con-  
26 sistent with the goal of a thorough and efficient system serving all of  
27 the children of the State;

28 (6) A thorough and efficient system of education includes local  
29 school districts in which decisions pertaining to the hiring and  
30 dismissal of personnel, the curriculum of the schools, the establish-  
31 ment of district budgets, and other essentially local questions are  
32 made democratically with a maximum of citizen involvement and  
33 self-determination and are consistent with Statewide goals, guide-  
34 lines and standards; and

35 (7) Such a system should be in part locally funded to encourage  
36 involvement of and assure the financial supervision by the residents  
37 of the local unit, and in part State funded, to equalize Statewide the  
38 tax effort required for a thorough and efficient system of free  
39 public schools.

40 b. The Legislature, therefore, hereby accepts the responsibility:

41 (1) To define the overall goal of a thorough and efficient system  
42 of free public schools in New Jersey;

43 (2) To establish guidelines within which such a system shall  
44 operate;

45 (3) To delegate to appropriate State and local agencies the  
46 authority:

47 (a) to establish goals and objectives consistent with legisla-  
48 tive guidelines, and

49 (b) to define standards of performance necessary to indicate  
50 achievement of the goals and objectives;

51 (4) To establish a funding structure which will ensure that  
52 adequate financial resources shall be available to enable a system  
53 of free public schools to operate throughout the State; and

54 (5) To monitor the system of free public schools and provide for  
55 corrective action when necessary to ensure adequate progress  
56 toward the achievement of goals and objectives.

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

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

5 educational progress within a reasonable period of time in meeting  
6 goals and standards.

7 "Approved special class pupil" means a pupil enrolled in any  
8 class for atypical pupils pursuant to chapter 46 of Title 18A of the  
9 New Jersey Statutes.

10 "Approved special education services pupil" means a pupil  
11 receiving specific services pursuant to chapter 46 of Title 18A of  
12 the New Jersey Statutes but excluding pupils attending county  
13 special services school districts.

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

16 "Budgeted capital outlay" means those capital outlay expendi-  
17 tures that are included in the annual school budget.

18 "Categorical programs" means those programs and services  
19 recognized in this act as requiring per pupil expenditures over and  
20 above those applicable to regular programs, as provided in section  
21 20 of this act.

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

26 "Debt service" means and includes payments of principal and  
27 interest upon school bonds and other obligations issued to finance  
28 the acquisition of school sites and the acquisition, construction or  
29 reconstruction of school buildings, including furnishings, equipment  
30 and the costs of issuance of such obligations and shall include pay-  
31 ments of principal and interest upon bonds heretofore issued to  
32 fund or refund such obligations, and upon municipal bonds and  
33 other obligations which the commissioner approves as having been  
34 issued for such purposes. Debt service pursuant to the provisions  
35 of P. L. 1971, c. 10 (C. 18A:58-33.6 et seq.) and P. L. 1968, c. 177  
36 (C. 18A:33.2 et seq.) is excluded.

37 "District equalized valuation per pupil" means the quotient  
38 resulting from dividing the total equalized valuations in the school  
39 district by the resident enrollment of the district; provided that in  
40 the determination of the equalized valuation per pupil of a county  
41 vocational school the total equalized valuations in the county shall  
42 be divided by the total resident enrollment in all school districts  
43 of the county to obtain the county vocational school equalized valua-  
44 tion per pupil.

45 "Equalized valuations" means the equalized valuation of the tax-  
46 ing district or taxing districts as certified by the Director of the  
47 Division of Taxation on October 1 of the pre-budget year.

48 With respect to regional districts and their constituent districts,  
49 however, the equalized valuations as described above shall be  
50 allocated among the regional and constituent districts in proportion  
51 to the number of pupils in each of them.

52 "Evening school pupils" means the equated full-time resident  
53 enrollment of pupils enrolled in an accredited evening high school,  
54 an evening vocational high school, and in other evening schools  
55 except schools offering programs for self-improvement and social  
56 enrichment.

57 "Goals" means a written statement of educational aspirations  
58 for learner achievement and the educational process stated in  
59 general terms.

60 "Guaranteed valuation per pupil" means 1.4 times the State  
61 average valuation per pupil, rounded to the nearest thousand  
62 dollars, for the year in which the calculation of aid is made.

63 "Joint Committee on the Public Schools" means the Committee  
64 created pursuant to P. L. 19... c. .... (now pending before the  
65 Legislature as Senate Bill No. 1437).

66 "Local vocational pupils" means the full-time equivalent of  
67 pupils enrolled in approved categorical vocational programs in  
68 school districts designated as local area vocational school districts.

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

71 "Net current expense budget" means the balance after deduct-  
72 ing (1) State support for categorical programs pursuant to section  
73 20 of this act, (2) the transportation amount in the current expense  
74 budget and (3) all other revenue in the current expense budget  
75 except the amount to be raised by local taxation, equalization State  
76 support, and State support for approved transportation.

77 "Net current expenses per pupil" means the quotient resulting  
78 from dividing the net current expense budget by the resident en-  
79 rollment.

80 "Net debt service and budgeted capital outlay" means the  
81 balance after deducting all revenues from the school debt service  
82 and budgeted capital outlay budgets of the school district and the  
83 school debt service amount included in the municipal budget, except  
84 the amount to be raised by local taxation and State support.

85 "Objective" means a written statement of the intended outcome  
86 of a specific educational process.

87 "Pre-budget year" means the school year preceding the year in  
88 which the school budget will be implemented.

89 "Resident enrollment" means the number of pupils who are resi-  
90 dent of the district and are enrolled in day or approved evening

91 schools on the last school day of September of the pre-budget year  
 92 and are attending the public schools of the district or a school  
 93 district or State college demonstration school to which the district  
 94 of residence pays tuition; provided that a district shall count  
 95 pupils regularly attending both the schools of the district and of a  
 96 county vocational school in the same county on an equated full-time  
 97 basis.

98 "Standards" means the process and stated levels of proficiency  
 99 used in determining the extent to which goals and objectives are  
 100 being met.

101 "State average valuation per pupil" means the quotient result-  
 102 ing from dividing the total equalized valuations in the State as  
 103 certified by the Director of the Division of Taxation on October 1  
 104 by the total resident enrollment in the State. In the event that the  
 105 equalized table certified by the Director of the Division of Taxation  
 106 shall be revised by the Division of Tax Appeals on or before  
 107 January 30 of the next succeeding year, such revised valuation shall  
 108 be used in any recomputation of aid for an individual district filing  
 109 such appeal but will have no effect upon the State average valua-  
 110 tion per pupil.

111 "State compensatory education pupil" means a pupil who is en-  
 112 rolled in preventive and remedial programs, approved by the State  
 113 board, supplemental to the regular programs and designed to assist  
 114 pupils who have academic, social, economic or environmental needs  
 115 that prevent them from succeeding in regular school programs.

#### ARTICLE II. GOALS, STANDARDS AND GUIDELINES; PROCEDURES OF EVALUATION; ENFORCEMENT

1 4. The goal of a thorough and efficient system of free public  
 2 schools shall be to provide to all children in New Jersey, regardless  
 3 of socioeconomic status or geographic location, the educational  
 4 opportunity which will prepare them to function politically,  
 5 economically and socially in a democratic society.

1 5. A thorough and efficient system of free public schools shall  
 2 include the following major elements, which shall serve as guide-  
 3 lines for the achievement of the legislative goal and the implementa-  
 4 tion of this act:

5 a. Establishment of educational goals at both the State and local  
 6 levels;

7 b. Encouragement of public involvement in the establishment of  
 8 educational goals;

9 c. Instruction intended to produce the attainment of reasonable  
 10 levels of proficiency in the basic communications and computa-  
 11 tional skills;

12 d. A breadth of program offerings designed to develop the in-  
13 dividual talents and abilities of pupils;

14 e. Programs and supportive services for all pupils especially  
15 those who are educationally disadvantaged or who have special  
16 educational needs;

17 f. Adequately equipped, sanitary and secure physical facilities  
18 and adequate materials and supplies;

19 g. Qualified instructional and other personnel;

20 h. Efficient administrative procedures;

21 i. An adequate State program of research and development; and

22 j. Evaluation and monitoring programs at both the State and  
23 local levels.

1 6. The State board, after consultation with the commissioner  
2 and review by the Joint Committee on the Public Schools shall (a)  
3 establish goals and standards which shall be applicable to all public  
4 schools in the State, and which shall be consistent with the goals  
5 and guidelines established pursuant to sections 4 and 5 of this act,  
6 and (b) make rules concerning procedures for the establishment of  
7 particular educational goals, objectives and standards by local  
8 boards of education.

1 7. Each local board of education shall establish particular educa-  
2 tional goals, objectives and standards pursuant to rules prescribed  
3 by the State board.

1 8. The State board after consultation with the commissioner and  
2 review by the Joint Committee on the Public Schools shall, from  
3 time to time, but at least once every 5 years, review and update the  
4 State goals and standards established pursuant to this act. In  
5 reviewing and updating these goals and standards, the State board  
6 shall consult with, and be assisted by, (a) the Commissioner of  
7 Labor and Industry who, in consultation with employer and em-  
8 ployee groups, shall report annually to the State board projecting  
9 labor needs and describing employment qualifications in New  
10 Jersey, (b) the Chancellor of Higher Education who, in consulta-  
11 tion with the institutions of higher education in the State, shall  
12 report annually to the State board on entry requirements and  
13 anticipated enrollment levels, (c) the Commissioner of Health who  
14 shall report annually to the State board on the current and pro-  
15 jected health needs in New Jersey, (d) the Commissioner of In-  
16 stitutions and Agencies who shall report annually to the State  
17 board on the education of pupils under the jurisdiction of the de-  
18 partment, and (e) such other employees and officers of the State  
19 as may be able to assist the State board in its activities pursuant to  
20 this section.



1 9. The commissioner, in cooperation with local school districts,  
2 shall from time to time, but at least once every 5 years, direct a  
3 comprehensive needs assessment program of all pupils in the State  
4 in light of State goals and standards, and shall make the results of  
5 the needs assessment program available to local school districts,  
6 which districts shall review and update their particular educational  
7 goals, objectives and standards to meet those needs. All such  
8 results shall be made public.

1 10. For the purpose of evaluating the thoroughness and efficiency  
2 of all the public schools of the State, the commissioner, with the  
3 approval of the State board and after review by the Joint Com-  
4 mittee on the Public Schools, shall develop and administer a  
5 uniform, Statewide system for evaluating the performance of each  
6 school. Such a system shall be based in part on annual testing for  
7 achievement in basic skill areas, and in part on such other means  
8 as the commissioner deems proper in order to (a) determine pupil  
9 status and needs, (b) ensure pupil progress, and (c) assess the  
10 degree to which the educational objectives have been achieved.

1 11. Each school district shall make an annual report of its prog-  
2 ress in conforming to the goals, objectives and standards developed  
3 pursuant to this act. Each district's annual report shall include  
4 but not be limited to:

- 5 a. Demographic data related to each school;
- 6 b. Results of assessment programs, including Statewide and  
7 district testing conducted at each school;
- 8 c. Information on each school's fiscal operation, including the  
9 budget of each school;
- 10 d. Results of each school's effectiveness in achieving State,  
11 district and school goals and objectives applicable to the pupils;
- 12 e. Plans and programs for professional improvement;
- 13 f. Plans to carry out innovative or experimental educational pro-  
14 grams designed to improve the quality of education; and
- 15 g. Recommendations for school improvements during the ensu-  
16 ing year.
- 17 h. Additionally, the State Board of Education may from time to  
18 time require each district to submit a facilities survey, including  
19 current use practices and projected capital project needs, but not  
20 more frequently than once every 2 years.

21 The district reports shall be submitted to the commissioner by  
22 July 1 of each year and he shall make them the basis for an annual  
23 report to the Governor and the Legislature, describing the condi-  
24 tion of education in New Jersey, the efforts of New Jersey schools  
25 in meeting the standards of a thorough and efficient education, the

26 steps underway to correct deficiencies in school performance, and  
27 the progress of New Jersey schools in comparison to other state  
28 education systems in the United States.

1 12. In addition to the annual reports required by section 11 of  
2 this act, the State board shall, 4 years after the effective date of  
3 this act, make a comprehensive report to the Governor and the  
4 Legislature assessing the effectiveness of this act in producing a  
5 thorough and efficient system of free public schools. The report  
6 shall include an account of the progress of each local school district  
7 in meeting the goals, objectives and standards prescribed under  
8 sections 6 and 7 of this act, identify those districts and schools  
9 which fail to meet them, and make recommendations, if necessary,  
10 for hastening the elimination of any deficiencies.

1 13. Thereafter, the Governor shall deliver a biennial message to  
2 the Legislature on the progress of New Jersey's schools in provid-  
3 ing a thorough and efficient education and recommending legisla-  
4 tive action, if appropriate.

1 14. The commissioner shall review the results of the evaluations  
2 conducted and reports submitted pursuant to sections 10 and 11 of  
3 this act. If the commissioner shall find that a school or a school  
4 district has failed to show sufficient progress toward the goals,  
5 guidelines, objectives and standards established in and pursuant  
6 to this act, he shall advise the local board of education of such  
7 determination, and shall direct that a remedial plan be prepared  
8 and submitted to him for approval. If the commissioner approves  
9 the plan, he shall assure its implementation in a timely and effective  
10 manner. If the commissioner finds that the remedial plan prepared  
11 by the local board of education is insufficient, he shall order the  
12 local board to show cause why the corrective actions provided in  
13 section 15 of this act should not be utilized. The hearing upon said  
14 order to show cause shall be conducted in the manner prescribed by  
15 subdivision B of article 2 of chapter 6 of Title 18A of the New  
16 Jersey Statutes.

1 15. If, after a plenary hearing, the commissioner determines that  
2 it is necessary to take corrective action, he shall have the power to  
3 order necessary budgetary changes within the school district, to  
4 order in-service training programs for teachers and other school  
5 personnel, or both. If he determines that such corrective actions  
6 are insufficient, he shall have the power to recommend to the State  
7 board that it take appropriate action. The State board, on deter-  
8 mining that the school district is not providing a thorough and  
9 efficient education, notwithstanding any other provision of law to

10 the contrary, shall have the power to issue an administrative order  
11 specifying a remedial plan to the local board of education, which  
12 plan may include budgetary changes or other measures the State  
13 board determines to be appropriate. Nothing herein shall limit  
14 the right of any party to appeal the administrative order to the  
15 Superior Court.

1 16. Should the local board of education fail or refuse to comply  
2 with an administrative order issued pursuant to section 15 of this  
3 act, the State board shall apply to the Superior Court by a pro-  
4 ceeding in lieu of prerogative writ for an order directing the local  
5 school board to comply with such administrative order.

#### ARTICLE III. STATE SCHOOL AID

1 17. Annually, on or before October 5, the secretary of the board  
2 of education, with the approval of the superintendent of schools,  
3 or if there be no superintendent of schools, with the approval of  
4 the county superintendent of schools, shall file with the commis-  
5 sioner a report stating the number of pupils enrolled by grade and  
6 the number of these pupils in approved programs of (a) special  
7 education classes, (b) compensatory education, (c) bilingual educa-  
8 tion and (d) local vocational education on the last school day of  
9 September. In addition, districts shall file annual reports pro-  
10 viding such information as the commissioner may require for pupils  
11 receiving special education services.

1 18. Equalization support for current expenses of all school  
2 districts shall be paid in accordance with the following calculations:  
3 a. Divide the district equalized valuation per pupil by the  
4 guaranteed valuation per pupil and subtract the quotient from  
5 1.0000 to obtain the district's State support ratio.

6 b. Multiply the district's State support ratio by the smaller of  
7 (1) the net current expense budget for the pre-budget year or (2)  
8 the product of the resident enrollment and the Statewide sixty-fifth  
9 percentile net current expense budget per pupil for the pre-budget  
10 year when all district figures are ranked from low to high. The  
11 amount obtained is the current expense equalization support. If the  
12 State support ratio is zero or less than zero, no support shall be  
13 paid. The Statewide sixty-fifth percentile shall be calculated and  
14 applied separately for (a) limited purpose regional districts offer-  
15 ing grades 9 through 12, (b) limited purpose regional districts  
16 offering grades 7 through 12, provided, however, that the figure  
17 used for such districts shall be not less than 90% of the sixty-fifth  
18 percentile for limited purpose regional districts offering grades 9  
19 through 12, (c) constituent districts of limited purpose regional  
20 districts offering grades 9 through 12, (d) constituent districts of

21 limited purpose regional districts offering grades 7 through 12,  
 22 provided, however, that the figure used for such districts shall be  
 23 not less than 90% of the sixty-fifth percentile for constituent  
 24 districts of limited purpose regional districts offering grades 9  
 25 through 12, and (e) all other districts.

1 19. State support for debt service and budgeted capital outlay  
 2 shall equal the total of the net debt service and budgeted capital  
 3 outlay budgets for the pre-budget year multiplied by the district's  
 4 current expense State support ratio obtained in section 18 of this  
 5 act. If the product is less than zero, no support shall be paid.  
 6 Budgeted capital outlay used for the calculation of State support  
 7 shall be the smaller of (1) the budgeted capital outlay for the  
 8 pre-budget year, or (2) 1½% of the sum of the current expense and  
 9 budgeted capital outlay for the pre-budget year.

1 20. In addition to the equalization support authorized in section  
 2 18 of this act, categorical program support for 1975-76 and 1976-77  
 3 shall be paid in accordance with the following calculations:

4 a. The number of categorical aid units shall be determined by  
 5 adding the products obtained by multiplying the pupils in each  
 6 category by the following additional cost factors:

CATEGORICAL PROGRAMS

Special Education Classes	Additional Cost Factors
7 Educable .....	0.53
8 Trainable .....	0.95
9 Orthopedically handicapped .....	1.27
10 Neurologically impaired .....	1.06
11 Perceptually impaired .....	0.85
12 Visually handicapped .....	1.91
13 Auditorially handicapped .....	1.38
14 Communication handicapped .....	1.06
15 Emotionally disturbed .....	1.27
16 Socially maladjusted .....	0.95
17 Chronically ill .....	0.85
18 Multiply handicapped .....	1.27
Other Classes and Services	Additional Cost Factors
19 Approved private school tuition .....	1.0 plus the additional
20	cost factor of the handi-
21	cap
22 Supplementary and speech instruction ..	0.09 based on the num-
23	ber of pupils actually
24	receiving such instruc-
25	tion in the prior school
26	year

27	Bilingual education .....	0.16
28	State compensatory education .....	0.11
29	Approved local vocational education ...	0.53

30     b. The number of categorical aid units for home instruction shall  
 31 be determined by multiplying the number of hours of instruction  
 32 actually provided in the prior school year by 0.006.

33     c. For the purposes of this section, aid shall be paid to districts  
 34 in which the pupils reside except in the case of home, supplemen-  
 35 tary or speech instruction where aid shall be paid to the district  
 36 providing the service. No tuition may be charged for such home,  
 37 supplementary or speech instruction for costs covered by State  
 38 support as provided in this section.

39     d. Categorical program shall equal the number of units of ad-  
 40 ditional cost multiplied by the State average net current expense  
 41 budget per pupil for the prebudget year.

1     21. On or before April 1, 1976, and on or before April 1 of each  
 2 subsequent year, the Governor, after consultation with the Depart-  
 3 ment of Education, shall recommend to the Legislature any re-  
 4 vision in the schedule of additional cost factors which is deemed  
 5 proper, together with appropriate supporting information, and  
 6 such revised additional cost factors shall be deemed approved for  
 7 the fiscal year beginning 1 year from the subsequent July 1 at the  
 8 end of 60 calendar days after the date on which they are trans-  
 9 mitted to the Senate and General Assembly, or if the Legislature  
 10 is not in session on the sixtieth day, then on the next succeeding  
 11 day on which it shall be meeting in the course of a regular or special  
 12 session, unless between the date of transmittal and the end of the  
 13 above period, the Legislature passes a concurrent resolution stating  
 14 that the Legislature does not favor the revised schedule of addi-  
 15 tional cost factors, in which case the additional cost factors then  
 16 in effect shall continue in effect.

1     22. There is hereby established a compensatory education re-  
 2 search and development fund. For the 1975-76 fiscal year and  
 3 annually thereafter, there shall be appropriated to the fund an  
 4 amount equal to 3% of the amount calculated for State aid for  
 5 compensatory education pursuant to section 20 of this act. The  
 6 fund shall be used to support pilot and demonstration projects  
 7 which are designed to improve the education of compensatory  
 8 education pupils.

1     23. The commissioner is authorized to make grants to school  
 2 districts for the establishment of pilot and demonstration projects  
 3 for compensatory education pupils, to provide for the establish-

4 ment of appropriate evaluation procedures, and take any other  
5 action necessary to insure the implementation of such projects.

1 24. State support for county vocational school districts shall be  
2 paid in accordance with the following calculations:

3 a. Divide the county equalized valuations per pupil by the guar-  
4 anteed valuation per pupil and subtract the quotient from 1.0000  
5 to obtain the county vocational school's State support ratio.

6 b. Multiply the State support ratio by the smaller of (1) the  
7 net current expense budget for the prebudget year or (2) the  
8 product of the resident enrollment multiplied by 175% of the State-  
9 wide sixty-fifth percentile net current budget per pupil for the  
10 prebudget year when all district figures are ranked from low to  
11 high. The amount obtained is the current expense equalization  
12 support. If the State support ratio is zero or less than zero, no  
13 support shall be paid.

14 c. Debt service and budgeted capital outlay support for county  
15 vocational schools shall be calculated in accordance with section 19  
16 of this act.

1 25. A district which has a net current expense budget per pupil  
2 in the prebudget year of less than the State average net current  
3 expense budget per pupil may increase its net current expense  
4 budget per pupil in the following year by no more than an amount  
5 found by multiplying the latest annual percentage increase in the  
6 total State equalized valuation by the State average net current  
7 expense budget per pupil for the prebudget year, and multiplying  
8 the product by the quotient resulting from dividing the State  
9 average net current expense budget per pupil by the school  
9A district net current expense budget per pupil for the prebudget  
10 year; provided, however, that in no event shall the figure used  
11 for the latest annual percentage increase in the total State equalized  
12 valuation be less than the average of such percentage increases  
13 for the latest 3 years. Any other district may increase its net  
14 current expense budget per pupil by no more than an amount found  
15 by multiplying the latest annual percentage increase in the total  
16 State equalized valuation by the school district's net current  
17 expense budget per pupil for the prebudget year, and multiplying  
18 the product by the quotient resulting from dividing the State  
19 average net current expense budget per pupil for the prebudget  
20 year. For the purpose of these calculations, the enrollment of a  
21 district shall be assumed to remain constant between the prebudget  
22 year and the year during which the budget will be implemented.

23 Annually, on or before November 15, the commissioner shall  
24 certify to each local board of education the amount by which the

25 school district may increase its budget for the next year without  
26 exceeding the permissible rate of increase.

27 The commissioner may approve the request of a local board of  
28 education for a greater increase, having judged that (1) a realloca-  
29 tion of resources or any other action taken within the permissible  
30 level of spending would be insufficient to meet the goals, objectives  
31 and standards established pursuant to this act, or (2) an increased  
32 enrollment may reasonably be anticipated in the district.

1 26. The amounts payable to each school district pursuant to the  
2 act shall be paid by the State Treasurer upon the certification of the  
3 commissioner and warrant of the Director of Budget and Account-  
4 ing. Ten percent of the appropriation for current expense equaliza-  
5 tion and categorical program support shall be paid on the first of  
6 each month from September through June. If a local board of  
7 education requires funds prior to the first payment, the board shall  
8 file a written request with the Commissioner of Education stating  
9 the need for such funds. The commissioner shall review each  
10 request and forward those for which need has been demonstrated  
11 to the appropriate officials for payment.

12 Debt service funds shall be paid as required to meet due dates  
13 for payment of principal and interest, and budgeted capital outlay  
14 funds shall be paid as requested by the local district.

15 Each school district shall file an annual written request for debt  
16 service and budgeted capital outlay payments to the commissioner  
17 30 days prior to the beginning of the fiscal year for which the  
18 appropriation is made. Such request shall include the amount of  
19 interest bearing school debt, if any, of the municipality or district  
20 then remaining unpaid, together with the rate of interest payable  
21 thereon, the date or dates on which the bonds or other evidences  
22 of indebtedness were issued, and the date or dates upon which they  
23 fall due. In the case of Type I school districts, the board secretary  
24 shall secure such schedule of outstanding obligations from the  
25 clerk of the municipality.

1 27. On or before November 1 of each year, the commissioner shall  
2 determine the amount necessary to be appropriated by the State to  
3 carry out the provisions of this act for the succeeding school year  
4 and shall determine for local budget purposes the amounts payable  
5 to each of the counties and districts under this act for such succeed-  
6 ing year.

1 28. Annually, on or before December 1, local boards of education  
2 shall submit to the commissioner a copy of their proposed budgets  
3 for the next school year. The commissioner shall review each item

4 of appropriation within the current expense and budgeted capital  
5 outlay budgets and shall determine the adequacy of the budgets  
6 with regard to the annual reports submitted pursuant to section 11  
7 of this act.

1 29. N. J. S. 18A :13-23 is amended to read as follows :

2 18A :13-23. The annual or special appropriations for regional  
3 districts, [exclusive of] *including* the amounts to be raised for  
4 interest upon, and the redemption of, bonds payable by the district,  
5 shall be apportioned among the municipalities included within the  
6 regional district [as follows :

7 a. In regional districts in which apportionment on the basis of  
8 the number of pupils enrolled on the last school day of September  
9 of the current school year is in effect, such apportionment shall be  
10 made upon said basis ;

11 b. In all other regional districts] upon the basis of the [appor-  
12 tionment valuations, as defined in R. S. 54:4-49 of the constituent  
13 districts] *portion of each municipality's equalized valuation*  
14 *allocated to the regional district, calculated as described in the*  
15 *definition of equalized valuation in section 3 of this 1974 amenda-*  
16 *tory and supplementary act.*

1 30. N. J. S. 18A :13-24 is amended to read as follows :

2 18A :13-24. The amounts to be raised for annual or special ap-  
3 propriations and for interest upon, and the redemption of, bonds  
4 for regional districts shall be certified by the regional board of  
5 education to, and shall be apportioned among the municipalities  
6 included within the regional district as follows :

7 a. When the regional district is located wholly within one county,  
8 said amounts shall be certified to the county board of taxation of  
9 the county and shall be apportioned by it among such municipalities  
10 in the manner, and upon the basis, prescribed in this article ; or

11 b. When the regional district is located in more than one county,  
12 said amount shall be certified to the county board of taxation of the  
13 county[, in which the largest aggregate apportionment valuations  
14 as established by the last published county abstract of ratables in  
15 the regional district are found] *in which the largest number of*  
16 *regional district pupils are resident*, and said amounts shall be ap-  
17 portioned by said county board of taxation, among such municipal-  
18 ities in the manner, and upon the basis, prescribed in this article.

19 [The apportionment valuations of each municipality included in  
20 the regional district as defined in R. S. 54:4-49 of each constituent  
21 district shall be certified to said county board of taxation by the  
22 county boards of taxation of the county in which such constituent



23 district is located and the apportionments so made shall be certified  
 24 to each of the other county boards of taxation by the county board  
 25 making the same.】 *The share of the amount to be raised by taxation*  
 26 *in each municipality included in a regional district shall be*  
 27 *certified to the appropriate county board of taxation by the Com-*  
 28 *missioner of Education.*

29 The amounts [thus] apportioned to each such included municipi-  
 30 pality shall be assessed, levied and collected in the same manner  
 31 and at the same time as other school taxes are assessed, levied and  
 32 collected therein and shall be paid upon requisition as in other  
 33 Type II school districts.

1 31. N. J. S. 18A:39-15 is amended to read as follows:

2 18A:39-15. If the county superintendent of the county in which  
 3 the districts are situate shall approve the necessity, the cost, and  
 4 the method of providing such joint transportation and the agree-  
 5 ment whereby the same is to be provided, each such board of  
 6 education providing joint transportation shall be entitled to State  
 7 aid in an amount equal to [75%] 100% of its proportionate share  
 8 of the cost of such transportation pursuant to the terms of such  
 9 agreement.

1 32. N. J. S. 18A:46-23 is amended to read as follows:

2 18A:46-23. The board of education shall furnish daily trans-  
 3 portation within the State to all children found under this chapter  
 4 to be handicapped who shall qualify therefor pursuant to law  
 5 and it shall furnish such transportation for a lesser distance also  
 6 to any handicapped child, if it finds upon the advice of the examiner,  
 7 his handicap to be such as to make such transportation necessary  
 8 or advisable.

9 The school district shall be entitled to State aid for such daily  
 10 transportation in the amount of [75%] 100% of the cost to the  
 11 district of furnishing such transportation to a program approved  
 12 under this chapter in New Jersey when the necessity for such  
 13 transportation and the cost and method thereof have been ap-  
 14 proved by the county superintendent of the county in which the  
 15 district paying the cost of such transportation is situated.

1 33. N. J. S. 18A:58-7 is amended to read as follows:

2 18A:58-7. Each district shall also be paid [75%] 100% of the  
 3 cost to the district of transportation of pupils to a school when  
 4 the necessity for such transportation and the cost and method  
 5 thereof have been approved by the county superintendent of the  
 6 county in which the district paying the cost of such transportation  
 7 is situate. *Such aid shall be paid for elementary pupils who live*  
 8 *beyond 2 miles from their school of attendance and secondary*

9 *pupils who live beyond 2 1/2 miles from their school of attendance.*

1 34. N. J. S. 18A :58-25 is amended to read as follows:

2 18A :58-25. The State Treasurer shall **[establish]** *maintain* a  
3 school building aid capital reserve fund for each school district  
4 *having funds on deposit as of the effective date of this act.* **[The**  
5 State Treasurer, upon certification of the commissioner and  
6 warrant of the Director of the Division of Budget and Accounting,  
7 shall:

8 (1) If the Commissioner of Education and the Director of the  
9 Division of Local Finance have certified that any school district  
10 or municipality is unable to pay the principal or interest of any  
11 bonds hereafter issued for school purposes, apply the amount of  
12 the building aid allowance to the payment of interest and principal  
13 on such bonds as hereinafter set forth;

14 (2) Pay to each school district the amount of its building aid  
15 allowance less any amount thereof which may have been applied  
16 to the payment of bonds under subsection (1) hereof and less its  
17 net appropriation to its capital reserve fund, at the times and in  
18 the manner hereinafter provided; and

19 (3) Credit to the capital reserve fund of each district the  
20 remainder of the building aid allowance not so required to be paid,  
21 together with an additional amount to be withheld from any State  
22 aid moneys otherwise due the district, sufficient to make the total  
23 capital reserve appropriated by the district.]

24 The Director of the Division of Investment shall invest and  
25 reinvest such capital reserve funds in the same manner and subject  
26 to the same requirements as are prescribed for the investment of  
27 State funds generally. Income received upon the investment of  
28 the capital reserve funds shall be credited pro rata to the capital  
29 reserve funds of the respective school districts, semiannually on  
30 November 1 and May 1.

31 In the event that a school district or municipality anticipates that  
32 it will be unable to meet the payment of principal or interest of  
33 any bonds hereafter issued for school purposes, it shall certify  
34 such inability to the Commissioner of Education and the Director  
35 of the Division of Local **[Finance]** *Government Services* at least  
36 10 days prior to the date such payment is due. The State Treasurer,  
37 upon certification of such inability by said commissioner and  
38 director or, in the event any such district or municipality fails to  
39 certify its anticipated inability to meet any such payments, upon  
40 notice and verification of such inability, shall withhold from the  
41 sums then or thereafter available to said district as State building

42 aid a sum sufficient to pay the principal of and interest on such  
43 bonds. The State Treasurer shall pay ratably to the claimant  
44 holders of such bonds, or their agent, first the interest and then  
45 the principal due and owing to them by the school district or  
46 municipality, as the case may be, up to the amount of the building  
47 aid allowance then or thereafter available to such district or  
48 municipality.

1 35. N. J. S. 18A :58-26 is amended to read as follows :

2 18A :58-26. A school district may on November 1 or May 1 in  
3 any school year draw against its capital reserve fund, up to the  
4 amount of the balance therein, to the extent that such withdrawal  
5 is anticipated as a revenue in the school budget for the then current  
6 school year or it may be applied to a capital purpose authorized  
7 by ordinance or by vote of the electors of the school district [ ;  
8 provided, that such budget anticipation and withdrawal may not  
9 be greater than the amount by which capital outlay and debt service  
10 in such year exceed the State school building aid applicable  
11 thereto ]. Such withdrawal shall be paid by the State Treasurer  
12 to the board of education upon application duly made to the com-  
13 missioner and upon his certification and the warrant of the Director  
14 of the Division of Budget and Accounting.

1 36. R. S. 54 :4-49 is amended to read as follows :

2 54 :4-49. (a) Except as to any State tax at a fixed rate provided  
3 for in sections 54 :4-50 and 54 :4-51 of this Title, each county board  
4 of taxation, after having received the tax lists and duplicates of  
5 the assessors and having revised and corrected the same and having  
6 equalized the aggregate valuations of all the real property in the  
7 respective taxing districts, as required by R. S. 54 :3-17 to 54 :3-19,  
8 shall, after making adjustments for the debits and credits herein-  
9 after mentioned, apportion the amount to be raised in the respec-  
10 tive taxing districts for State, State school, county and free county  
11 library purposes and for purposes of [ regional and ] consolidated  
12 school districts and school districts comprising two or more taxing  
13 districts, on the basis of the total valuation so ascertained for each  
14 taxing district. The total valuation for each taxing district, so  
15 ascertained, shall be known as the "apportionment valuation."

16 (b) The amount to be apportioned among the respective taxing  
17 districts shall be the amount to be raised for the purposes specified  
18 in subsection (a), plus or minus the difference between the total  
19 debits and total credits of the taxing districts affected, determined  
20 as provided in subsection (c). The net amounts respectively to  
21 be raised, after making allowance to the affected districts for the

22 debits and credits, shall be equivalent to the amount required for  
23 each of the purposes specified in subsection (a).

24 (c) The net debit or credit of each taxing district shall be the  
25 amount by which the taxing district has overpaid or underpaid  
26 its share of the specific tax or taxes for the purposes specified in  
27 subsection (a) for the preceding year or years because of increases  
28 or decreases in the amount of the assessments of the district sub-  
29 sequent to the apportionment in the preceding year or years by  
30 reason of final judgments on appeals, complaints and applications,  
31 the correction of clerical errors under R. S. 54:4-53 and the  
32 allowance of additional veterans' exemptions or deductions during  
33 the prior tax year by the collector pursuant to law. When an  
34 assessment has been reduced or added to, or increased, on appeal,  
35 complaint or other application, and the judgment on that appeal,  
36 complaint or other application has been further appealed, no deduc-  
37 tion or increase as herein provided for shall be made with respect  
38 to the appealed assessment until the further appeal has been finally  
39 determined.

40 (d) So that there shall be uniformity of application and treat-  
41 ment under this section in all of the counties, the Director, Division  
42 of Taxation, shall issue regulations for the guidance of the county  
43 boards of taxation in the determination of the apportionment  
44 valuations, the amounts to be apportioned and the amounts of the  
45 debits and credits.

1 37. N. J. S. 18A:46-9 is amended to read as follows:

2 18A:46-9. Each child classified pursuant to section 18A:46-8 as  
3 mentally retarded shall be similarly further identified, examined  
4 and classified into one of the following subcategories:

5 a. Educable mentally retarded children, who are those who may  
6 be expected to succeed with a minimum of supervision in homes and  
7 schools and community life and are characterized particularly by  
8 reasonable expectation that at maturity they will be capable of  
9 vocational and social independence in competitive environment;

10 b. Trainable mentally retarded children, who are so **[severely]**  
11 retarded that they cannot be classified as educable but are,  
12 notwithstanding, potentially capable of self-help, of communicating  
13 satisfactorily, or participating in groups, of directing their  
14 behavior so as not to be dangerous to themselves or others and of  
15 achieving with training some degree of personal independence and  
16 social and economic usefulness within sheltered environments;

17 c. Children *eligible for day training*, who are *those so severely*  
18 mentally retarded as to be **[neither educable nor trainable]**

19 *incapable of giving evidence of understanding and responding in a*  
20 *positive manner to simple directions expressed in the child's pri-*  
21 *mary mode of communication and who cannot in some manner*  
22 *express basic wants and needs.*

1 38. N. J. S. 18A:46-13 is amended to read as follows:

2 18A:46-13. It shall be the duty of each board of education to  
3 provide suitable facilities and programs of education for all the  
4 children who are classified as handicapped under this chapter  
5 except those so mentally retarded as to be [neither educable or  
6 trainable.] *eligible for day training pursuant to N. J. S. 18A:46-9.*  
7 The absence or unavailability of a special class facility in any dis-  
8 trict shall not be construed as relieving a board of education of the  
9 responsibility for providing education for any child who qualifies  
10 under this chapter.

11 A board of education is not required to provide any further  
12 educational program for children who have been admitted to the  
13 Marie H. Katzenbach School for the Deaf but shall be required to  
14 furnish necessary daily transportation Monday through Friday  
15 to and from the school for nonboarding pupils when such trans-  
16 portation is approved by the county superintendent of schools in  
17 accordance with such rules and regulations as the State board shall  
18 promulgate for such transportation. Any special education facility  
19 or program authorized and provided for a child attaining age 20  
20 during a school year shall be continued for the remainder of that  
21 school year.

1 39. N. J. S. 18A:46-17 is amended to read as follows:

2 18A:46-17. The superintendent of schools, or the principal of a  
3 school in a district where there is no superintendent, may, upon the  
4 advice of the psychological examiner or examiners administering  
5 classification procedures required by this chapter, refuse to admit,  
6 or, having admitted, exclude, any child whose mental retardation  
7 is so severe that he has been diagnosed and classified as [not  
8 trainable] *eligible for day training* under this chapter.

9 Any child so refused admission or excluded shall be reexamined,  
10 upon the request of the parent or other person having custody and  
11 control of the child, after a period of 1 year shall have elapsed from  
12 the date of the last previous examination.

1 40. N. J. S. 18A:46-18 is amended to read as follows:

2 18A:46-18. The superintendent of schools or the principal of  
3 each school, as the case may be, shall forthwith report to the secre-  
4 tary of the board of education of the district the names of all  
5 children who have been refused admission or have been excluded

6 under this chapter, and the names and addresses of their parents  
 7 or persons having custody and control of them. Such refusal of  
 8 admission or exclusion shall continue unless and until set aside by  
 9 action of the board of education or lifted as a result of a reexamina-  
 10 tion. The superintendent or principal, as the case may be, shall  
 11 report the names of any other mentally retarded children in the  
 12 district known to him who are not in a private school or in a  
 13 residential institution and who are considered to be [uneducable  
 14-15 or untrainable] *eligible for day training*.

16 The secretary of the board of education, after the meeting of  
 17 the board next following the meeting at which the names of the  
 18 children not admitted or excluded are reported, shall report the  
 19 names and addresses to the county superintendent of schools of  
 20 the county in which the district is situate. The county super-  
 21 intendent shall furnish a list of such names and addresses to the  
 22 commissioner, who shall, in turn, transmit copies of all such lists  
 23 to the Commissioner of Institutions and Agencies. Such list shall  
 24 not be made public, but shall be open to the inspection of such  
 25 public and private agencies, only, as have a legitimate interest in it  
 26 and then only to the extent so necessary[; nor, shall the presence  
 27 of any such name on such list necessarily constitute eligibility for  
 28 admission to any of the institutions under the control of the Depart-  
 29 ment of Institutions and Agencies].

1 41. (New section) It shall be the duty of the State board in  
 2 concert with the Department of Institutions and Agencies to pro-  
 3 vide suitable facilities and programs for all the children who are  
 4 classified as eligible for day training.

1 42. N. J. S. 18A :4-24 is amended to read as follows :

2 18A :4-24. The commissioner shall[, by direction or with the  
 3 approval] *pursuant to rules and regulations* of the State board,  
 4 [whenever it is deemed to be advisable so to do,] inquire into and  
 5 ascertain the thoroughness and efficiency of operation of any of  
 6 the schools of the public school system of the State and of any  
 7 grades therein by such means[, tests and examinations] as to him  
 8 seem proper, and he shall report to the State board the results of  
 9 such inquiries and such other information with regard thereto as  
 10 the State board may require or as he shall deem proper, but nothing  
 11 in this section shall affect the right of each district to prescribe  
 12 its own rules for promotion.

1 43. N. J. S. 18A :58-11 is amended to read as follows :

2 18A :58-11. There shall be appropriated annually the sum of

3 ~~[\$350,000.00]~~ \$500,000.00 to be distributed by the commissioner,  
 4 upon the approval of the State board, to meet unforeseeable con-  
 5 ditions, *including substantial increases in enrollments*, in any school  
 6 district. The amount of such emergency aid shall be payable by  
 7 the State Treasurer upon the certificate of the commissioner and  
 8 the warrant of the Director of the Division of Budget and  
 9 Accounting.

1 44. (New section) Nothing in this act shall be construed to deny  
 2 the State board, commissioner or local boards of education powers  
 3 granted to them elsewhere in Title 18A of the New Jersey Statutes,  
 4 except as expressly provided herein.

1 45. (New section) The State Board of Education shall pro-  
 2 mulgate rules and adopt policies, subject to the "Administrative  
 3 Procedure Act." P. L. 1968, c. 410 (C. 52:14B-1 et seq.), make all  
 4 determinations and exercise such powers of visitation as are neces-  
 5 sary for the proper administration of this act.

1 46. (New section) The Joint Committee on the Public Schools  
 2 shall consider and recommend to the Legislature such other steps  
 3 as may be appropriate following the enactment of this act.

1 47. (New section) If any clause, sentence, subdivision, para-  
 2 graph, subsection or section of this act is held to be unconstitutional  
 3 or invalid, such judgment shall not affect, impair or invalidate the  
 4 remainder thereof, but shall be confined in its operation to the  
 5 clause, sentence, paragraph, subdivision, subsection or section  
 6 thereof directly involved in the controversy in which said judgment  
 7 shall have been rendered.

1 48. All acts and parts of acts inconsistent with this act are  
 2 repealed, and without limiting the general effect of this act in  
 3 repealing acts so inconsistent herewith, the following acts and  
 4 parts of acts together with all amendments and supplements thereto  
 5 are specifically repealed:

- 6 N. J. S. 18A:13-22
- 7 N. J. S. 18A:13-25
- 8 N. J. S. 18A:38-2.1
- 9 N. J. S. 18A:58-1 to 18A:58-5.4, inclusive
- 10 P. L. 1968, c. 340 (C. 18A:58-5.5)
- 10A P. L. 1973, c. 224 (C. 18A:58-5.6)
- 11 P. L. 1970, c. 234, § 9 (C. 18A:58-6.3)
- 12 N. J. S. 18A:58-8
- 13 N. J. S. 18A:58-10
- 14 N. J. S. 18A:58-13
- 15 P. L. 1970, c. 234, § 15 (C. 18A:58-18.1)

16 N. J. S. 18A :58-20 to 18A :58-24, inclusive

17 N. J. S. 18A :58-27

18 P. L. 1968, c. 289, § 1 (C. 18A :58-27.1)

19 N. J. S. 18A :58-29

20 N. J. S. 18A :58-30 to 18A :58-31, inclusive

21 N. J. S. 18A :58-33 to 18A :58-33.1, inclusive.

1 49. This act shall take effect July 1, 1975; provided that  
2 preparatory steps hereunder shall be taken as directed by the  
3 commissioner including, but not limited to, the submission of pupil  
4 enrollments and budgets of school districts.

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#### STATEMENT

This bill seeks to meet the constitutional requirement for education, which the Supreme Court of New Jersey has determined has not been fulfilled.

It provides for a thorough and efficient system of free public schools and a program of State aid to support it. Article I contains the legislative findings and definitions of terms used in the act. Article II states the legislative goal and guidelines for a thorough and efficient system of free public schools. It outlines a process of establishing State goals and standards, and then local goals, objectives, and standards. The third article provides for the allocation of State aid to the school districts, and amends and repeals sections of Title 18A affected by this act.



SENATE AMENDMENT TO  
**SENATE, No. 1516**

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**STATE OF NEW JERSEY**

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ADOPTED DECEMBER 12, 1974

Amend page 4, section 3, line 60, delete "1.4", insert "1.43".

[OFFICIAL COPY REPRINT]  
SENATE, No. 1516

STATE OF NEW JERSEY

INTRODUCED DECEMBER 10, 1974

By Senators WILEY, MARTINDELL, BUEHLER, DODD and  
DUMONT

(Without Reference)

AN ACT providing for a thorough and efficient system of free public schools, a State aid program implementing such system, revising parts of the statutory law and supplementing Title 18A of the New Jersey Statutes.

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

ARTICLE I. SHORT TITLE; LEGISLATIVE FINDINGS;  
DEFINITIONS

1 1. This act shall be known and may be cited as the "Public School  
2 Education Act of 1975."

1 2. a. The Legislature finds and declares that:

2 (1) The New Jersey Constitution provides that the maintenance  
3 and support of a thorough and efficient system of free public schools  
4 for the instruction of all the children in the State between the ages  
5 of 5 and 18 years is a legislative responsibility;

6 (2) It has been determined by the Supreme Court of New Jersey  
7 that the constitutional requirement has not been met and that action  
8 must be taken by December 31, 1974, to correct any deficiencies;

9 (3) Extensive efforts have been made by the Executive and  
10 Legislative branches of State Government and others since the  
11 Supreme Court's decision to determine the content of a thorough  
12 and efficient system of education and how it may be assured;

13 (4) Because the sufficiency of education is a growing and evolv-  
14 ing concept, the definition of a thorough and efficient system of  
15 education and the delineation of all the factors necessary to be in-  
16 cluded therein, depend upon the economic, historical, social and  
17 cultural context in which that education is delivered. The Legisla-  
18 ture must, nevertheless, make explicit provision for the design of  
19 State and local systems by which such education is delivered, and

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

20 should, therefore, explicitly provide after 4 years from the effec-  
21 tive date of this act for a major and comprehensive evaluation of  
22 both the State and local systems, and the sufficiency of education  
22A provided thereby;

23 (5) In order to encourage citizen involvement in educational  
24 matters, New Jersey should provide for free public schools in a  
25 manner which guarantees and encourages local participation con-  
26 sistent with the goal of a thorough and efficient system serving all of  
27 the children of the State;

28 (6) A thorough and efficient system of education includes local  
29 school districts in which decisions pertaining to the hiring and  
30 dismissal of personnel, the curriculum of the schools, the establish-  
31 ment of district budgets, and other essentially local questions are  
32 made democratically with a maximum of citizen involvement and  
33 self-determination and are consistent with Statewide goals, guide-  
34 lines and standards; and

35 (7) Such a system should be in part locally funded to encourage  
36 involvement of and assure the financial supervision by the residents  
37 of the local unit, and in part State funded, to equalize Statewide the  
38 tax effort required for a thorough and efficient system of free  
39 public schools.

40 b. The Legislature, therefore, hereby accepts the responsibility:

41 (1) To define the overall goal of a thorough and efficient system  
42 of free public schools in New Jersey;

43 (2) To establish guidelines within which such a system shall  
44 operate;

45 (3) To delegate to appropriate State and local agencies the  
46 authority:

47 (a) to establish goals and objectives consistent with legisla-  
48 tive guidelines, and

49 (b) to define standards of performance necessary to indicate  
50 achievement of the goals and objectives;

51 (4) To establish a funding structure which will ensure that  
52 adequate financial resources shall be available to enable a system  
53 of free public schools to operate throughout the State; and

54 (5) To monitor the system of free public schools and provide for  
55 corrective action when necessary to ensure adequate progress  
56 toward the achievement of goals and objectives.

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

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

5 educational progress within a reasonable period of time in meeting  
6 goals and standards.

7 "Approved special class pupil" means a pupil enrolled in any  
8 class for atypical pupils pursuant to chapter 46 of Title 18A of the  
9 New Jersey Statutes.

10 "Approved special education services pupil" means a pupil  
11 receiving specific services pursuant to chapter 46 of Title 18A of  
12 the New Jersey Statutes but excluding pupils attending county  
13 special services school districts.

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

16 "Budgeted capital outlay" means those capital outlay expendi-  
17 tures that are included in the annual school budget.

18 "Categorical programs" means those programs and services  
19 recognized in this act as requiring per pupil expenditures over and  
20 above those applicable to regular programs, as provided in section  
21 20 of this act.

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

26 "Debt service" means and includes payments of principal and  
27 interest upon school bonds and other obligations issued to finance  
28 the acquisition of school sites and the acquisition, construction or  
29 reconstruction of school buildings, including furnishings, equipment  
30 and the costs of issuance of such obligations and shall include pay-  
31 ments of principal and interest upon bonds heretofore issued to  
32 fund or refund such obligations, and upon municipal bonds and  
33 other obligations which the commissioner approves as having been  
34 issued for such purposes. Debt service pursuant to the provisions  
35 of P. L. 1971, c. 10 (C. 18A:58-33.6 et seq.) and P. L. 1968, c. 177  
36 (C. 18A:33.2 et seq.) is excluded.

37 "District equalized valuation per pupil" means the quotient  
38 resulting from dividing the total equalized valuations in the school  
39 district by the resident enrollment of the district; provided that in  
40 the determination of the equalized valuation per pupil of a county  
41 vocational school the total equalized valuations in the county shall  
42 be divided by the total resident enrollment in all school districts  
43 of the county to obtain the county vocational school equalized valua-  
44 tion per pupil.

45 "Equalized valuations" means the equalized valuation of the tax-  
46 ing district or taxing districts as certified by the Director of the  
47 Division of Taxation on October 1 of the pre-budget year.

48 With respect to regional districts and their constituent districts,  
49 however, the equalized valuations as described above shall be  
50 allocated among the regional and constituent districts in proportion  
51 to the number of pupils in each of them.

52 "Evening school pupils" means the equated full-time resident  
53 enrollment of pupils enrolled in an accredited evening high school,  
54 an evening vocational high school, and in other evening schools  
55 except schools offering programs for self-improvement and social  
56 enrichment.

57 "Goals" means a written statement of educational aspirations  
58 for learner achievement and the educational process stated in  
59 general terms.

60 "Guaranteed valuation per pupil" means \***[1.4]**\* \*1.43\* times the  
61 State average valuation per pupil, rounded to the nearest thousand  
62 dollars, for the year in which the calculation of aid is made.

63 "Joint Committee on the Public Schools" means the Committee  
64 created pursuant to P. L. 19... c. .... (now pending before the  
65 Legislature as Senate Bill No. 1437).

66 "Local vocational pupils" means the full-time equivalent of  
67 pupils enrolled in approved categorical vocational programs in  
68 school districts designated as local area vocational school districts.

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

71 "Net current expense budget" means the balance after deduct-  
72 ing (1) State support for categorical programs pursuant to section  
73 20 of this act, (2) the transportation amount in the current expense  
74 budget and (3) all other revenue in the current expense budget  
75 except the amount to be raised by local taxation, equalization State  
76 support, and State support for approved transportation.

77 "Net current expenses per pupil" means the quotient resulting  
78 from dividing the net current expense budget by the resident en-  
79 rollment.

80 "Net debt service and budgeted capital outlay" means the  
81 balance after deducting all revenues from the school debt service  
82 and budgeted capital outlay budgets of the school district and the  
83 school debt service amount included in the municipal budget, except  
84 the amount to be raised by local taxation and State support.

85 "Objective" means a written statement of the intended outcome  
86 of a specific educational process.

87 "Pre-budget year" means the school year preceding the year in  
88 which the school budget will be implemented.

89 "Resident enrollment" means the number of pupils who are resi-  
90 dent of the district and are enrolled in day or approved evening

91 schools on the last school day of September of the pre-budget year  
 92 and are attending the public schools of the district or a school  
 93 district or State college demonstration school to which the district  
 94 of residence pays tuition; provided that a district shall count  
 95 pupils regularly attending both the schools of the district and of a  
 96 county vocational school in the same county on an equated full-time  
 97 basis.

98 "Standards" means the process and stated levels of proficiency  
 99 used in determining the extent to which goals and objectives are  
 100 being met.

101 "State average valuation per pupil" means the quotient result-  
 102 ing from dividing the total equalized valuations in the State as  
 103 certified by the Director of the Division of Taxation on October 1  
 104 by the total resident enrollment in the State. In the event that the  
 105 equalized table certified by the Director of the Division of Taxation  
 106 shall be revised by the Division of Tax Appeals on or before  
 107 January 30 of the next succeeding year, such revised valuation shall  
 108 be used in any recomputation of aid for an individual district filing  
 109 such appeal but will have no effect upon the State average valua-  
 110 tion per pupil.

111 "State compensatory education pupil" means a pupil who is en-  
 112 rolled in preventive and remedial programs, approved by the State  
 113 board, supplemental to the regular programs and designed to assist  
 114 pupils who have academic, social, economic or environmental needs  
 115 that prevent them from succeeding in regular school programs.

ARTICLE II. GOALS, STANDARDS AND GUIDELINES; PROCEDURES  
 OF EVALUATION; ENFORCEMENT

1 4. The goal of a thorough and efficient system of free public  
 2 schools shall be to provide to all children in New Jersey, regardless  
 3 of socioeconomic status or geographic location, the educational  
 4 opportunity which will prepare them to function politically,  
 5 economically and socially in a democratic society.

1 5. A thorough and efficient system of free public schools shall  
 2 include the following major elements, which shall serve as guide-  
 3 lines for the achievement of the legislative goal and the implementa-  
 4 tion of this act:

5 a. Establishment of educational goals at both the State and local  
 6 levels;

7 b. Encouragement of public involvement in the establishment of  
 8 educational goals;

9 c. Instruction intended to produce the attainment of reasonable  
 10 levels of proficiency in the basic communications and computa-  
 11 tional skills;

12 d. A breadth of program offerings designed to develop the in-  
13 dividual talents and abilities of pupils;

14 e. Programs and supportive services for all pupils especially  
15 those who are educationally disadvantaged or who have special  
16 educational needs;

17 f. Adequately equipped, sanitary and secure physical facilities  
18 and adequate materials and supplies;

19 g. Qualified instructional and other personnel;

20 h. Efficient administrative procedures;

21 i. An adequate State program of research and development; and

22 j. Evaluation and monitoring programs at both the State and  
23 local levels.

1 6. The State board, after consultation with the commissioner  
2 and review by the Joint Committee on the Public Schools shall (a)  
3 establish goals and standards which shall be applicable to all public  
4 schools in the State, and which shall be consistent with the goals  
5 and guidelines established pursuant to sections 4 and 5 of this act,  
6 and (b) make rules concerning procedures for the establishment of  
7 particular educational goals, objectives and standards by local  
8 boards of education.

1 7. Each local board of education shall establish particular educa-  
2 tional goals, objectives and standards pursuant to rules prescribed  
3 by the State board.

1 8. The State board after consultation with the commissioner and  
2 review by the Joint Committee on the Public Schools shall, from  
3 time to time, but at least once every 5 years, review and update the  
4 State goals and standards established pursuant to this act. In  
5 reviewing and updating these goals and standards, the State board  
6 shall consult with, and be assisted by, (a) the Commissioner of  
7 Labor and Industry who, in consultation with employer and em-  
8 ployee groups, shall report annually to the State board projecting  
9 labor needs and describing employment qualifications in New  
10 Jersey, (b) the Chancellor of Higher Education who, in consulta-  
11 tion with the institutions of higher education in the State, shall  
12 report annually to the State board on entry requirements and  
13 anticipated enrollment levels, (c) the Commissioner of Health who  
14 shall report annually to the State board on the current and pro-  
15 jected health needs in New Jersey, (d) the Commissioner of In-  
16 stitutions and Agencies who shall report annually to the State  
17 board on the education of pupils under the jurisdiction of the de-  
18 partment, and (e) such other employees and officers of the State  
19 as may be able to assist the State board in its activities pursuant to  
20 this section.

1 9. The commissioner, in cooperation with local school districts,  
2 shall from time to time, but at least once every 5 years, direct a  
3 comprehensive needs assessment program of all pupils in the State  
4 in light of State goals and standards, and shall make the results of  
5 the needs assessment program available to local school districts,  
6 which districts shall review and update their particular educational  
7 goals, objectives and standards to meet those needs. All such  
8 results shall be made public.

1 10. For the purpose of evaluating the thoroughness and efficiency  
2 of all the public schools of the State, the commissioner, with the  
3 approval of the State board and after review by the Joint Com-  
4 mittee on the Public Schools, shall develop and administer a  
5 uniform, Statewide system for evaluating the performance of each  
6 school. Such a system shall be based in part on annual testing for  
7 achievement in basic skill areas, and in part on such other means  
8 as the commissioner deems proper in order to (a) determine pupil  
9 status and needs, (b) ensure pupil progress, and (c) assess the  
10 degree to which the educational objectives have been achieved.

1 11. Each school district shall make an annual report of its prog-  
2 ress in conforming to the goals, objectives and standards developed  
3 pursuant to this act. Each district's annual report shall include  
4 but not be limited to:

5 a. Demographic data related to each school;

6 b. Results of assessment programs, including Statewide and  
7 district testing conducted at each school;

8 c. Information on each school's fiscal operation, including the  
9 budget of each school;

10 d. Results of each school's effectiveness in achieving State,  
11 district and school goals and objectives applicable to the pupils;

12 e. Plans and programs for professional improvement;

13 f. Plans to carry out innovative or experimental educational pro-  
14 grams designed to improve the quality of education; and

15 g. Recommendations for school improvements during the ensu-  
16 ing year.

17 h. Additionally, the State Board of Education may from time to  
18 time require each district to submit a facilities survey, including  
19 current use practices and projected capital project needs, but not  
20 more frequently than once every 2 years.

21 The district reports shall be submitted to the commissioner by  
22 July 1 of each year and he shall make them the basis for an annual  
23 report to the Governor and the Legislature, describing the condi-  
24 tion of education in New Jersey, the efforts of New Jersey schools  
25 in meeting the standards of a thorough and efficient education, the



26 steps underway to correct deficiencies in school performance, and  
27 the progress of New Jersey schools in comparison to other state  
28 education systems in the United States.

1 12. In addition to the annual reports required by section 11 of  
2 this act, the State board shall, 4 years after the effective date of  
3 this act, make a comprehensive report to the Governor and the  
4 Legislature assessing the effectiveness of this act in producing a  
5 thorough and efficient system of free public schools. The report  
6 shall include an account of the progress of each local school district  
7 in meeting the goals, objectives and standards prescribed under  
8 sections 6 and 7 of this act, identify those districts and schools  
9 which fail to meet them, and make recommendations, if necessary,  
10 for hastening the elimination of any deficiencies.

1 13. Thereafter, the Governor shall deliver a biennial message to  
2 the Legislature on the progress of New Jersey's schools in provid-  
3 ing a thorough and efficient education and recommending legisla-  
4 tive action, if appropriate.

1 14. The commissioner shall review the results of the evaluations  
2 conducted and reports submitted pursuant to sections 10 and 11 of  
3 this act. If the commissioner shall find that a school or a school  
4 district has failed to show sufficient progress toward the goals,  
5 guidelines, objectives and standards established in and pursuant  
6 to this act, he shall advise the local board of education of such  
7 determination, and shall direct that a remedial plan be prepared  
8 and submitted to him for approval. If the commissioner approves  
9 the plan, he shall assure its implementation in a timely and effective  
10 manner. If the commissioner finds that the remedial plan prepared  
11 by the local board of education is insufficient, he shall order the  
12 local board to show cause why the corrective actions provided in  
13 section 15 of this act should not be utilized. The hearing upon said  
14 order to show cause shall be conducted in the manner prescribed by  
15 subdivision B of article 2 of chapter 6 of Title 18A of the New  
16 Jersey Statutes.

1 15. If, after a plenary hearing, the commissioner determines that  
2 it is necessary to take corrective action, he shall have the power to  
3 order necessary budgetary changes within the school district, to  
4 order in-service training programs for teachers and other school  
5 personnel, or both. If he determines that such corrective actions  
6 are insufficient, he shall have the power to recommend to the State  
7 board that it take appropriate action. The State board, on deter-  
8 mining that the school district is not providing a thorough and  
9 efficient education, notwithstanding any other provision of law to

10 the contrary, shall have the power to issue an administrative order  
11 specifying a remedial plan to the local board of education, which  
12 plan may include budgetary changes or other measures the State  
13 board determines to be appropriate. Nothing herein shall limit  
14 the right of any party to appeal the administrative order to the  
15 Superior Court.

1 16. Should the local board of education fail or refuse to comply  
2 with an administrative order issued pursuant to section 15 of this  
3 act, the State board shall apply to the Superior Court by a pro-  
4 ceeding in lieu of prerogative writ for an order directing the local  
5 school board to comply with such administrative order.

#### ARTICLE III. STATE SCHOOL AID

1 17. Annually, on or before October 5, the secretary of the board  
2 of education, with the approval of the superintendent of schools,  
3 or if there be no superintendent of schools, with the approval of  
4 the county superintendent of schools, shall file with the commis-  
5 sioner a report stating the number of pupils enrolled by grade and  
6 the number of these pupils in approved programs of (a) special  
7 education classes, (b) compensatory education, (c) bilingual educa-  
8 tion and (d) local vocational education on the last school day of  
9 September. In addition, districts shall file annual reports pro-  
10 viding such information as the commissioner may require for pupils  
11 receiving special education services.

1 18. Equalization support for current expenses of all school  
2 districts shall be paid in accordance with the following calculations:  
3 a. Divide the district equalized valuation per pupil by the  
4 guaranteed valuation per pupil and subtract the quotient from  
5 1.0000 to obtain the district's State support ratio.

6 b. Multiply the district's State support ratio by the smaller of  
7 (1) the net current expense budget for the pre-budget year or (2)  
8 the product of the resident enrollment and the Statewide sixty-fifth  
9 percentile net current expense budget per pupil for the pre-budget  
10 year when all district figures are ranked from low to high. The  
11 amount obtained is the current expense equalization support. If the  
12 State support ratio is zero or less than zero, no support shall be  
13 paid. The Statewide sixty-fifth percentile shall be calculated and  
14 applied separately for (a) limited purpose regional districts offer-  
15 ing grades 9 through 12, (b) limited purpose regional districts  
16 offering grades 7 through 12, provided, however, that the figure  
17 used for such districts shall be not less than 90% of the sixty-fifth  
18 percentile for limited purpose regional districts offering grades 9  
19 through 12, (c) constituent districts of limited purpose regional  
20 districts offering grades 9 through 12, (d) constituent districts of

21 limited purpose regional districts offering grades 7 through 12,  
 22 provided, however, that the figure used for such districts shall be  
 23 not less than 90% of the sixty-fifth percentile for constituent  
 24 districts of limited purpose regional districts offering grades 9  
 25 through 12, and (e) all other districts.

1 19. State support for debt service and budgeted capital outlay  
 2 shall equal the total of the net debt service and budgeted capital  
 3 outlay budgets for the pre-budget year multiplied by the district's  
 4 current expense State support ratio obtained in section 18 of this  
 5 act. If the product is less than zero, no support shall be paid.  
 6 Budgeted capital outlay used for the calculation of State support  
 7 shall be the smaller of (1) the budgeted capital outlay for the  
 8 pre-budget year, or (2) 1½% of the sum of the current expense and  
 9 budgeted capital outlay for the pre-budget year.

1 20. In addition to the equalization support authorized in section  
 2 18 of this act, categorical program support for 1975-76 and 1976-77  
 3 shall be paid in accordance with the following calculations:

4 a. The number of categorical aid units shall be determined by  
 5 adding the products obtained by multiplying the pupils in each  
 6 category by the following additional cost factors:

CATEGORICAL PROGRAMS

Special Education Classes	Additional Cost Factors
7 Educable .....	0.53
8 Trainable .....	0.95
9 Orthopedically handicapped .....	1.27
10 Neurologically impaired .....	1.06
11 Perceptually impaired .....	0.85
12 Visually handicapped .....	1.91
13 Auditorially handicapped .....	1.38
14 Communication handicapped .....	1.06
15 Emotionally disturbed .....	1.27
16 Socially maladjusted .....	0.95
17 Chronically ill .....	0.85
18 Multiply handicapped .....	1.27
Other Classes and Services	Additional Cost Factors
19 Approved private school tuition .....	0.09 based on the num-
20	ber of pupils actually
21	receiving such instruc-
22 Supplementary and speech instruction ..	tion in the prior school
23	year
24	1.0 plus the additional
25	cost factor of the handi-
26	cap

27	Bilingual education .....	0.16
28	State compensatory education .....	0.11
29	Approved local vocational education ...	0.53

30     b. The number of categorical aid units for home instruction shall  
 31 be determined by multiplying the number of hours of instruction  
 32 actually provided in the prior school year by 0.006.

33     c. For the purposes of this section, aid shall be paid to districts  
 34 in which the pupils reside except in the case of home, supplemen-  
 35 tary or speech instruction where aid shall be paid to the district  
 36 providing the service. No tuition may be charged for such home,  
 37 supplementary or speech instruction for costs covered by State  
 38 support as provided in this section.

39     d. Categorical program shall equal the number of units of ad-  
 40 ditional cost multiplied by the State average net current expense  
 41 budget per pupil for the prebudget year.

1     21. On or before April 1, 1976, and on or before April 1 of each  
 2 subsequent year, the Governor, after consultation with the Depart-  
 3 ment of Education, shall recommend to the Legislature any re-  
 4 vision in the schedule of additional cost factors which is deemed  
 5 proper, together with appropriate supporting information, and  
 6 such revised additional cost factors shall be deemed approved for  
 7 the fiscal year beginning 1 year from the subsequent July 1 at the  
 8 end of 60 calendar days after the date on which they are trans-  
 9 mitted to the Senate and General Assembly, or if the Legislature  
 10 is not in session on the sixtieth day, then on the next succeeding  
 11 day on which it shall be meeting in the course of a regular or special  
 12 session, unless between the date of transmittal and the end of the  
 13 above period, the Legislature passes a concurrent resolution stating  
 14 that the Legislature does not favor the revised schedule of addi-  
 15 tional cost factors, in which case the additional cost factors then  
 16 in effect shall continue in effect.

1     22. There is hereby established a compensatory education re-  
 2 search and development fund. For the 1975-76 fiscal year and  
 3 annually thereafter, there shall be appropriated to the fund an  
 4 amount equal to 3% of the amount calculated for State aid for  
 5 compensatory education pursuant to section 20 of this act. The  
 6 fund shall be used to support pilot and demonstration projects  
 7 which are designed to improve the education of compensatory  
 8 education pupils.

1     23. The commissioner is authorized to make grants to school  
 2 districts for the establishment of pilot and demonstration projects  
 3 for compensatory education pupils, to provide for the establish-

4 ment of appropriate evaluation procedures, and take any other  
5 action necessary to insure the implementation of such projects.

1 24. State support for county vocational school districts shall be  
2 paid in accordance with the following calculations:

3 a. Divide the county equalized valuations per pupil by the guar-  
4 anteed valuation per pupil and subtract the quotient from 1.0000  
5 to obtain the county vocational school's State support ratio.

6 b. Multiply the State support ratio by the smaller of (1) the  
7 net current expense budget for the prebudget year or (2) the  
8 product of the resident enrollment multiplied by 175% of the State-  
9 wide sixty-fifth percentile net current budget per pupil for the  
10 prebudget year when all district figures are ranked from low to  
11 high. The amount obtained is the current expense equalization  
12 support. If the State support ratio is zero or less than zero, no  
13 support shall be paid.

14 c. Debt service and budgeted capital outlay support for county  
15 vocational schools shall be calculated in accordance with section 19  
16 of this act.

1 25. A district which has a net current expense budget per pupil  
2 in the prebudget year of less than the State average net current  
3 expense budget per pupil may increase its net current expense  
4 budget per pupil in the following year by no more than an amount  
5 found by multiplying the latest annual percentage increase in the  
6 total State equalized valuation by the State average net current  
7 expense budget per pupil for the prebudget year, and multiplying  
8 the product by the quotient resulting from dividing the State  
9 average net current expense budget per pupil by the school  
9A district net current expense budget per pupil for the prebudget  
10 year; provided, however, that in no event shall the figure used  
11 for the latest annual percentage increase in the total State equalized  
12 valuation be less than the average of such percentage increases  
13 for the latest 3 years. Any other district may increase its net  
14 current expense budget per pupil by no more than an amount found  
15 by multiplying the latest annual percentage increase in the total  
16 State equalized valuation by the school district's net current  
17 expense budget per pupil for the prebudget year, and multiplying  
18 the product by the quotient resulting from dividing the State  
19 average net current expense budget per pupil by the school  
19A district net current expense budget per pupil for the prebudget  
20 year. For the purpose of these calculations, the enrollment of a  
21 district shall be assumed to remain constant between the prebudget  
22 year and the year during which the budget will be implemented.

23 Annually, on or before November 15, the commissioner shall  
24 certify to each local board of education the amount by which the

25 school district may increase its budget for the next year without  
26 exceeding the permissible rate of increase.

27 The commissioner may approve the request of a local board of  
28 education for a greater increase, having judged that (1) a realloca-  
29 tion of resources or any other action taken within the permissible  
30 level of spending would be insufficient to meet the goals, objectives  
31 and standards established pursuant to this act, or (2) an increased  
32 enrollment may reasonably be anticipated in the district.

1 26. The amounts payable to each school district pursuant to the  
2 act shall be paid by the State Treasurer upon the certification of the  
3 commissioner and warrant of the Director of Budget and Account-  
4 ing. Ten percent of the appropriation for current expense equaliza-  
5 tion and categorical program support shall be paid on the first of  
6 each month from September through June. If a local board of  
7 education requires funds prior to the first payment, the board shall  
8 file a written request with the Commissioner of Education stating  
9 the need for such funds. The commissioner shall review each  
10 request and forward those for which need has been demonstrated  
11 to the appropriate officials for payment.

12 Debt service funds shall be paid as required to meet due dates  
13 for payment of principal and interest, and budgeted capital outlay  
14 funds shall be paid as requested by the local district.

15 Each school district shall file an annual written request for debt  
16 service and budgeted capital outlay payments to the commissioner  
17 30 days prior to the beginning of the fiscal year for which the  
18 appropriation is made. Such request shall include the amount of  
19 interest bearing school debt, if any, of the municipality or district  
20 then remaining unpaid, together with the rate of interest payable  
21 thereon, the date or dates on which the bonds or other evidences  
22 of indebtedness were issued, and the date or dates upon which they  
23 fall due. In the case of Type I school districts, the board secretary  
24 shall secure such schedule of outstanding obligations from the  
25 clerk of the municipality.

1 27. On or before November 1 of each year, the commissioner shall  
2 determine the amount necessary to be appropriated by the State to  
3 carry out the provisions of this act for the succeeding school year  
4 and shall determine for local budget purposes the amounts payable  
5 to each of the counties and districts under this act for such succeed-  
6 ing year.

1 28. Annually, on or before December 1, local boards of education  
2 shall submit to the commissioner a copy of their proposed budgets  
3 for the next school year. The commissioner shall review each item

4 of appropriation within the current expense and budgeted capital  
 5 outlay budgets and shall determine the adequacy of the budgets  
 6 with regard to the annual reports submitted pursuant to section 11  
 7 of this act.

1 29. N. J. S. 18A :13-23 is amended to read as follows :

2 18A :13-23. The annual or special appropriations for regional  
 3 districts, **[exclusive of]** *including* the amounts to be raised for  
 4 interest upon, and the redemption of, bonds payable by the district,  
 5 shall be apportioned among the municipalities included within the  
 6 regional district **[as follows :**

7 a. In regional districts in which apportionment on the basis of  
 8 the number of pupils enrolled on the last school day of September  
 9 of the current school year is in effect, such apportionment shall be  
 10 made upon said basis ;

11 b. In all other regional districts**]** upon the basis of the **[**appor-  
 12 tionment valuations, as defined in R. S. 54:4-49 of the constituent  
 13 districts**]** *portion of each municipality's equalized valuation*  
 14 *allocated to the regional district, calculated as described in the*  
 15 *definition of equalized valuation in section 3 of this 1974 amenda-*  
 16 *tory and supplementary act.*

1 30. N. J. S. 18A :13-24 is amended to read as follows :

2 18A :13-24. The amounts to be raised for annual or special ap-  
 3 propriations and for interest upon, and the redemption of, bonds  
 4 for regional districts shall be certified by the regional board of  
 5 education to, and shall be apportioned among the municipalities  
 6 included within the regional district as follows :

7 a. When the regional district is located wholly within one county,  
 8 said amounts shall be certified to the county board of taxation of  
 9 the county and shall be apportioned by it among such municipalities  
 10 in the manner, and upon the basis, prescribed in this article ; or

11 b. When the regional district is located in more than one county,  
 12 said amount shall be certified to the county board of taxation of the  
 13 county**[**, in which the largest aggregate apportionment valuations  
 14 as established by the last published county abstract of ratables in  
 15 the regional district are found**]** *in which the largest number of*  
 16 *regional district pupils are resident*, and said amounts shall be ap-  
 17 portioned by said county board of taxation, among such municipal-  
 18 ities in the manner, and upon the basis, prescribed in this article.

19 **[**The apportionment valuations of each municipality included in  
 20 the regional district as defined in R. S. 54:4-49 of each constituent  
 21 district shall be certified to said county board of taxation by the  
 22 county boards of taxation of the county in which such constituent

23 district is located and the apportionments so made shall be certified  
 24 to each of the other county boards of taxation by the county board  
 25 making the same.】 *The share of the amount to be raised by taxa-*  
 26 *tion in each municipality included in a regional district shall be*  
 27 *certified to the appropriate county board of taxation by the Com-*  
 28 *missioner of Education.*

29 The amounts [thus] apportioned to each such included munici-  
 30 pality shall be assessed, levied and collected in the same manner  
 31 and at the same time as other school taxes are assessed, levied and  
 32 collected therein and shall be paid upon requisition as in other  
 33 Type II school districts.

1 31. N. J. S. 18A:39-15 is amended to read as follows:

2 18A:39-15. If the county superintendent of the county in which  
 3 the districts are situate shall approve the necessity, the cost, and  
 4 the method of providing such joint transportation and the agree-  
 5 ment whereby the same is to be provided, each such board of  
 6 education providing joint transportation shall be entitled to State  
 7 aid in an amount equal to [75%] 100% of its proportionate share  
 8 of the cost of such transportation pursuant to the terms of such  
 9 agreement.

1 32. N. J. S. 18A:46-23 is amended to read as follows:

2 18A:46-23. The board of education shall furnish daily trans-  
 3 portation within the State to all children found under this chapter  
 4 to be handicapped who shall qualify therefor pursuant to law  
 5 and it shall furnish such transportation for a lesser distance also  
 6 to any handicapped child, if it finds upon the advice of the examiner,  
 7 his handicap to be such as to make such transportation necessary  
 8 or advisable.

9 The school district shall be entitled to State aid for such daily  
 10 transportation in the amount of [75%] 100% of the cost to the  
 11 district of furnishing such transportation to a program approved  
 12 under this chapter in New Jersey when the necessity for such  
 13 transportation and the cost and method thereof have been ap-  
 14 proved by the county superintendent of the county in which the  
 15 district paying the cost of such transportation is situated.

1 33. N. J. S. 18A:58-7 is amended to read as follows:

2 18A:58-7. Each district shall also be paid [75%] 100% of the  
 3 cost to the district of transportation of pupils to a school when  
 4 the necessity for such transportation and the cost and method  
 5 thereof have been approved by the county superintendent of the  
 6 county in which the district paying the cost of such transportation  
 7 is situate. *Such aid shall be paid for elementary pupils who live*  
 8 *beyond 2 miles from their school of attendance and secondary*



9 *pupils who live beyond 2 1/2 miles from their school of attendance.*

1 34. N. J. S. 18A :58-25 is amended to read as follows :

2 18A :58-25. The State Treasurer shall **【establish】** *maintain* a  
3 school building aid capital reserve fund for each school district  
4 *having funds on deposit as of the effective date of this act.* **【The**  
5 State Treasurer, upon certification of the commissioner and  
6 warrant of the Director of the Division of Budget and Accounting,  
7 shall:

8 (1) If the Commissioner of Education and the Director of the  
9 Division of Local Finance have certified that any school district  
10 or municipality is unable to pay the principal or interest of any  
11 bonds hereafter issued for school purposes, apply the amount of  
12 the building aid allowance to the payment of interest and principal  
13 on such bonds as hereinafter set forth;

14 (2) Pay to each school district the amount of its building aid  
15 allowance less any amount thereof which may have been applied  
16 to the payment of bonds under subsection (1) hereof and less its  
17 net appropriation to its capital reserve fund, at the times and in  
18 the manner hereinafter provided; and

19 (3) Credit to the capital reserve fund of each district the  
20 remainder of the building aid allowance not so required to be paid,  
21 together with an additional amount to be withheld from any State  
22 aid moneys otherwise due the district, sufficient to make the total  
23 capital reserve appropriated by the district.】

24 The Director of the Division of Investment shall invest and  
25 reinvest such capital reserve funds in the same manner and subject  
26 to the same requirements as are prescribed for the investment of  
27 State funds generally. Income received upon the investment of  
28 the capital reserve funds shall be credited pro rata to the capital  
29 reserve funds of the respective school districts, semiannually on  
30 November 1 and May 1.

31 In the event that a school district or municipality anticipates that  
32 it will be unable to meet the payment of principal or interest of  
33 any bonds hereafter issued for school purposes, it shall certify  
34 such inability to the Commissioner of Education and the Director  
35 of the Division of Local **【Finance】** *Government Services* at least  
36 10 days prior to the date such payment is due. The State Treasurer,  
37 upon certification of such inability by said commissioner and  
38 director or, in the event any such district or municipality fails to  
39 certify its anticipated inability to meet any such payments, upon  
40 notice and verification of such inability, shall withhold from the  
41 sums then or thereafter available to said district as State building

42 paid a sum sufficient to pay the principal of and interest on such  
 43 bonds. The State Treasurer shall pay ratably to the claimant  
 44 holders of such bonds, or their agent, first the interest and then  
 45 the principal due and owing to them by the school district or  
 46 municipality; as the case may be, up to the amount of the building  
 47 aid allowance then or thereafter available to such district or  
 48 municipality.

1 35. N. J. S. 18A:58-26 is amended to read as follows:

2 18A:58-26. A school district may on November 1 or May 1 in  
 3 any school year draw against its capital reserve fund, up to the  
 4 amount of the balance therein, to the extent that such withdrawal  
 5 is anticipated as a revenue in the school budget for the then current  
 6 school year or it may be applied to a capital purpose authorized  
 7 by ordinance or by vote of the electors of the school district;  
 8 provided, that such budget anticipation and withdrawal may not  
 9 be greater than the amount by which capital outlay and debt service  
 10 in such year exceed the State school building aid applicable  
 11 thereto]. Such withdrawal shall be paid by the State Treasurer  
 12 to the board of education upon application duly made to the com-  
 13 missioner and upon his certification and the warrant of the Director  
 14 of the Division of Budget and Accounting.

1 36. R. S. 54:4-49 is amended to read as follows:

2 54:4-49. (a) Except as to any State tax at a fixed rate provided  
 3 for in sections 54:4-50 and 54:4-51 of this Title, each county board  
 4 of taxation, after having received the tax lists and duplicates of  
 5 the assessors and having revised and corrected the same and having  
 6 equalized the aggregate valuations of all the real property in the  
 7 respective taxing districts, as required by R. S. 54:3-17 to 54:3-19,  
 8 shall, after making adjustments for the debits and credits herein-  
 9 after mentioned, apportion the amount to be raised in the respec-  
 10 tive taxing districts for State, State school, county and free county  
 11 library purposes and for purposes of [regional and] consolidated  
 12 school districts and school districts comprising two or more taxing  
 13 districts, on the basis of the total valuation so ascertained for each  
 14 taxing district. The total valuation for each taxing district, so  
 15 ascertained, shall be known as the "apportionment valuation."

16 (b) The amount to be apportioned among the respective taxing  
 17 districts shall be the amount to be raised for the purposes specified  
 18 in subsection (a), plus or minus the difference between the total  
 19 debits and total credits of the taxing districts affected, determined  
 20 as provided in subsection (c). The net amounts respectively to  
 21 be raised, after making allowance to the affected districts for the

22 debits and credits, shall be equivalent to the amount required for  
23 each of the purposes specified in subsection (a).

24 (c) The net debit or credit of each taxing district shall be the  
25 amount by which the taxing district has overpaid or underpaid  
26 its share of the specific tax or taxes for the purposes specified in  
27 subsection (a) for the preceding year or years because of increases  
28 or decreases in the amount of the assessments of the district sub-  
29 sequent to the apportionment in the preceding year or years by  
30 reason of final judgments on appeals, complaints and applications,  
31 the correction of clerical errors under R. S. 54:4-53 and the  
32 allowance of additional veterans' exemptions or deductions during  
33 the prior tax year by the collector pursuant to law. When an  
34 assessment has been reduced or added to, or increased, on appeal,  
35 complaint or other application, and the judgment on that appeal,  
36 complaint or other application has been further appealed, no deduc-  
37 tion or increase as herein provided for shall be made with respect  
38 to the appealed assessment until the further appeal has been finally  
39 determined.

40 (d) So that there shall be uniformity of application and treat-  
41 ment under this section in all of the counties, the Director, Division  
42 of Taxation, shall issue regulations for the guidance of the county  
43 boards of taxation in the determination of the apportionment  
44 valuations, the amounts to be apportioned and the amounts of the  
45 debits and credits.

1 37. N. J. S. 18A:46-9 is amended to read as follows:

2 18A:46-9. Each child classified pursuant to section 18A:46-8 as  
3 mentally retarded shall be similarly further identified, examined  
4 and classified into one of the following subcategories:

5 a. Educable mentally retarded children, who are those who may  
6 be expected to succeed with a minimum of supervision in homes and  
7 schools and community life and are characterized particularly by  
8 reasonable expectation that at maturity they will be capable of  
9 vocational and social independence in competitive environment;

10 b. Trainable mentally retarded children, who are so **[severely]**  
11 retarded that they cannot be classified as educable but are,  
12 notwithstanding, potentially capable of self-help, of communicating  
13 satisfactorily, or participating in groups, of directing their  
14 behavior so as not to be dangerous to themselves or others and of  
15 achieving with training some degree of personal independence and  
16 social and economic usefulness within sheltered environments;

17 c. Children *eligible for day training*, who are *those so severely*  
18 mentally retarded as to be **[neither educable nor trainable]**

19 *incapable of giving evidence of understanding and responding in a*  
20 *positive manner to simple directions expressed in the child's pri-*  
21 *mary mode of communication and who cannot in some manner*  
22 *express basic wants and needs.*

1 38. N. J. S. 18A:46-13 is amended to read as follows:

2 18A:46-13. It shall be the duty of each board of education to  
3 provide suitable facilities and programs of education for all the  
4 children who are classified as handicapped under this chapter  
5 except those so mentally retarded as to be [neither educable or  
6 trainable.] *eligible for day training pursuant to N. J. S. 18A:46-9.*  
7 The absence or unavailability of a special class facility in any dis-  
8 trict shall not be construed as relieving a board of education of the  
9 responsibility for providing education for any child who qualifies  
10 under this chapter.

11 A board of education is not required to provide any further  
12 educational program for children who have been admitted to the  
13 Marie H. Katzenbach School for the Deaf but shall be required to  
14 furnish necessary daily transportation Monday through Friday  
15 to and from the school for nonboarding pupils when such trans-  
16 portation is approved by the county superintendent of schools in  
17 accordance with such rules and regulations as the State board shall  
18 promulgate for such transportation. Any special education facility  
19 or program authorized and provided for a child attaining age 20  
20 during a school year shall be continued for the remainder of that  
21 school year.

1 39. N. J. S. 18A:46-17 is amended to read as follows:

2 18A:46-17. The superintendent of schools, or the principal of a  
3 school in a district where there is no superintendent, may, upon the  
4 advice of the psychological examiner or examiners administering  
5 classification procedures required by this chapter, refuse to admit,  
6 or, having admitted, exclude, any child whose mental retardation  
7 is so severe that he has been diagnosed and classified as [not  
8 trainable] *eligible for day training* under this chapter.

9 Any child so refused admission or excluded shall be reexamined,  
10 upon the request of the parent or other person having custody and  
11 control of the child, after a period of 1 year shall have elapsed from  
12 the date of the last previous examination.

1 40. N. J. S. 18A:46-18 is amended to read as follows:

2 18A:46-18. The superintendent of schools or the principal of  
3 each school, as the case may be, shall forthwith report to the secre-  
4 tary of the board of education of the district the names of all  
5 children who have been refused admission or have been excluded

6 under this chapter, and the names and addresses of their parents  
 7 or persons having custody and control of them. Such refusal of  
 8 admission or exclusion shall continue unless and until set aside by  
 9 action of the board of education or lifted as a result of a reexamina-  
 10 tion. The superintendent or principal, as the case may be, shall  
 11 report the names of any other mentally retarded children in the  
 12 district known to him who are not in a private school or in a  
 13 residential institution and who are considered to be [uneducable  
 14-15 or untrainable] *eligible for day training*.

16 The secretary of the board of education, after the meeting of  
 17 the board next following the meeting at which the names of the  
 18 children not admitted or excluded are reported, shall report the  
 19 names and addresses to the county superintendent of schools of  
 20 the county in which the district is situate. The county super-  
 21 intendent shall furnish a list of such names and addresses to the  
 22 commissioner, who shall, in turn, transmit copies of all such lists  
 23 to the Commissioner of Institutions and Agencies. Such list shall  
 24 not be made public, but shall be open to the inspection of such  
 25 public and private agencies, only, as have a legitimate interest in it  
 26 and then only to the extent so necessary; nor, shall the presence  
 27 of any such name on such list necessarily constitute eligibility for  
 28 admission to any of the institutions under the control of the Depart-  
 29 ment of Institutions and Agencies].

1 41. (New section) It shall be the duty of the State board in  
 2 concert with the Department of Institutions and Agencies to pro-  
 3 vide suitable facilities and programs for all the children who are  
 4 classified as eligible for day training.

1 42. N. J. S. 18A:4-24 is amended to read as follows:

2 18A:4-24. The commissioner shall, by direction or with the  
 3 approval] *pursuant to rules and regulations* of the State board,  
 4 [whenever it is deemed to be advisable so to do,] inquire into and  
 5 ascertain the thoroughness and efficiency of operation of any of  
 6 the schools of the public school system of the State and of any  
 7 grades therein by such means[, tests and examinations] as to him  
 8 seem proper, and he shall report to the State board the results of  
 9 such inquiries and such other information with regard thereto as  
 10 the State board may require or as he shall deem proper, but nothing  
 11 in this section shall affect the right of each district to prescribe  
 12 its own rules for promotion.

1 43. N. J. S. 18A:58-11 is amended to read as follows:

2 18A:58-11. There shall be appropriated annually the sum of

3 ~~[\$350,000.00]~~ \$500,000.00 to be distributed by the commissioner,  
 4 upon the approval of the State board, to meet unforeseeable con-  
 5 ditions, *including substantial increases in enrollments*, in any school  
 6 district. The amount of such emergency aid shall be payable by  
 7 the State Treasurer upon the certificate of the commissioner and  
 8 the warrant of the Director of the Division of Budget and  
 9 Accounting.

1 44. (New section) Nothing in this act shall be construed to deny  
 2 the State board, commissioner or local boards of education powers  
 3 granted to them elsewhere in Title 18A of the New Jersey Statutes,  
 4 except as expressly provided herein.

1 45. (New section) The State Board of Education shall pro-  
 2 mulgate rules and adopt policies, subject to the "Administrative  
 3 Procedure Act." P. L. 1968, c. 410 (C. 52:14B-1 et seq.), make all  
 4 determinations and exercise such powers of visitation as are neces-  
 5 sary for the proper administration of this act.

1 46. (New section) The Joint Committee on the Public Schools  
 2 shall consider and recommend to the Legislature such other steps  
 3 as may be appropriate following the enactment of this act.

1 47. (New section) If any clause, sentence, subdivision, para-  
 2 graph, subsection or section of this act is held to be unconstitutional  
 3 or invalid, such judgment shall not affect, impair or invalidate the  
 4 remainder thereof, but shall be confined in its operation to the  
 5 clause, sentence, paragraph, subdivision, subsection or section  
 6 thereof directly involved in the controversy in which said judgment  
 7 shall have been rendered.

1 48. All acts and parts of acts inconsistent with this act are  
 2 repealed, and without limiting the general effect of this act in  
 3 repealing acts so inconsistent herewith, the following acts and  
 4 parts of acts together with all amendments and supplements thereto  
 5 are specifically repealed:

6 N. J. S. 18A:13-22

7 N. J. S. 18A:13-25

8 N. J. S. 18A:38-2.1

9 N. J. S. 18A:58-1 to 18A:58-5.4, inclusive

10 P. L. 1968, c. 340 (C. 18A:58-5.5)

10A P. L. 1973, c. 224 (C. 18A:58-5.6)

11 P. L. 1970, c. 234, § 9 (C. 18A:58-6.3)

12 N. J. S. 18A:58-8

13 N. J. S. 18A:58-10

14 N. J. S. 18A:58-13

15 P. L. 1970, c. 234, § 15 (C. 18A:58-18.1)

16 N. J. S. 18A :58-20 to 18A :58-24, inclusive

17 N. J. S. 18A :58-27

18 P. L. 1968, c. 289, § 1 (C. 18A :58-27.1)

19 N. J. S. 18A :58-29

20 N. J. S. 18A :58-30 to 18A :58-31, inclusive

21 N. J. S. 18A :58-33 to 18A :58-33.1, inclusive.

1 49. This act shall take effect July 1, 1975; provided that  
2 preparatory steps hereunder shall be taken as directed by the  
3 commissioner including, but not limited to, the submission of pupil  
4 enrollments and budgets of school districts.

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#### STATEMENT

This bill seeks to meet the constitutional requirement for education, which the Supreme Court of New Jersey has determined has not been fulfilled.

It provides for a thorough and efficient system of free public schools and a program of State aid to support it. Article I contains the legislative findings and definitions of terms used in the act. Article II states the legislative goal and guidelines for a thorough and efficient system of free public schools. It outlines a process of establishing State goals and standards, and then local goals, objectives, and standards. The third article provides for the allocation of State aid to the school districts, and amends and repeals sections of Title 18A affected by this act.

SENATE AMENDMENTS TO  
**SENATE, No. 1516**  
[OFFICIAL COPY REPRINT]

—♦—  
**STATE OF NEW JERSEY**  
—♦—

ADOPTED DECEMBER 27, 1974

Amend page 22, section 48, after line 21, insert two new sections as follows:

“49. (New section) For the school year 1975-76, no district shall receive less in State aid in the aggregate for equalization support, categorical program support, debt service and budgeted capital outlay support and transportation support pursuant to this act than the aggregate amount of State aid received during the 1974-75 school year pursuant to N. J. S. 18A:58-5, 18A:58-6, P. L. 1970, c. 234, s. 9 (C. 18A:58-6.3), N. J. S. 18A:58-7, 18A:58-8, 18A:58-10 and 18A:58-30.

50. (New section) For the school year 1976-77, any district receiving less in State aid in the aggregate for equalization support, categorical program support, debt service and budgeted capital outlay support and transportation support pursuant to this act than the aggregate amount of State aid received during the 1974-75 school year pursuant to N. J. S. 18A:58-5, 18A:58-6, P. L. 1970, c. 234, s. 9 (C. 18A:58-6.3), N. J. S. 18A:58-7, 18A:58-8, 18A:58-10 and 18A:58-30 shall be entitled to the amount calculated under this act for such support plus one-half of the difference between that amount and the amount received during the 1974-75 school year pursuant to the above sections.”

Amend page 22, section 49, line 1, omit “49.”, insert “51.”



FISCAL NOTE TO  
**SENATE, No. 1516**  
[OFFICIAL COPY REPRINT]

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**STATE OF NEW JERSEY**

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DATED: JANUARY 6, 1975

The Official Copy Reprint of Senate Bill No. 1516 seeks to meet the constitutional requirement for education, which the Supreme Court of New Jersey has determined has not been fulfilled.

It provides for a thorough and efficient system of free public schools and a program of State aid to support it. Article I contains the legislative findings and definitions of terms used in the act. Article II states the legislative goal and guidelines for a thorough and efficient system of free public schools. It outlines a process of establishing State goals and standards, and then local goals, objectives, and standards. The third article provides for the allocation of State aid to the school districts, and amends and repeals sections of Title 18A affected by this act.

This bill also provides 40% State support of education on a continuing basis. An annual increase of \$300,000,000.00 in school expenditures was assumed based on recent experience. Current law provides \$604,000,000.00 of comparable State aid in 1974-75.

The Division of Budget and Accounting estimates that enactment of this legislation would require an increased State expenditure of \$288,500,000.00 in fiscal 1975-76 and \$395,600,000.00 in fiscal 1976-77.

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The fiscal note is based on an estimate of costs rather than actual cost information.

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In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1962, c. 27.

[SECOND OFFICIAL COPY REPRINT]

SENATE, No. 1516

STATE OF NEW JERSEY

INTRODUCED DECEMBER 10, 1974

By Senators WILEY, MARTINDELL, BUEHLER, DODD and  
DUMONT

(Without Reference)

AN ACT providing for a thorough and efficient system of free public schools, a State aid program implementing such system, revising parts of the statutory law and supplementing Title 18A of the New Jersey Statutes.

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

ARTICLE I. SHORT TITLE; LEGISLATIVE FINDINGS;  
DEFINITIONS

1 1. This act shall be known and may be cited as the "Public School  
2 Education Act of 1975."

1 2. a. The Legislature finds and declares that:

2 (1) The New Jersey Constitution provides that the maintenance  
3 and support of a thorough and efficient system of free public schools  
4 for the instruction of all the children in the State between the ages  
5 of 5 and 18 years is a legislative responsibility;

6 (2) It has been determined by the Supreme Court of New Jersey  
7 that the constitutional requirement has not been met and that action  
8 must be taken by December 31, 1974, to correct any deficiencies;

9 (3) Extensive efforts have been made by the Executive and  
10 Legislative branches of State Government and others since the  
11 Supreme Court's decision to determine the content of a thorough  
12 and efficient system of education and how it may be assured;

13 (4) Because the sufficiency of education is a growing and evol-  
14 ing concept, the definition of a thorough and efficient system of  
15 education and the delineation of all the factors necessary to be in-  
16 cluded therein, depend upon the economic, historical, social and  
17 cultural context in which that education is delivered. The Legisla-  
18 ture must, nevertheless, make explicit provision for the design of  
19 State and local systems by which such education is delivered, and

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

20 should, therefore, explicitly provide after 4 years from the effec-  
21 tive date of this act for a major and comprehensive evaluation of  
22 both the State and local systems, and the sufficiency of education  
22A provided thereby;

23 (5) In order to encourage citizen involvement in educational  
24 matters, New Jersey should provide for free public schools in a  
25 manner which guarantees and encourages local participation con-  
26 sistent with the goal of a thorough and efficient system serving all of  
27 the children of the State;

28 (6) A thorough and efficient system of education includes local  
29 school districts in which decisions pertaining to the hiring and  
30 dismissal of personnel, the curriculum of the schools, the establish-  
31 ment of district budgets, and other essentially local questions are  
32 made democratically with a maximum of citizen involvement and  
33 self-determination and are consistent with Statewide goals, guide-  
34 lines and standards; and

35 (7) Such a system should be in part locally funded to encourage  
36 involvement of and assure the financial supervision by the residents  
37 of the local unit, and in part State funded, to equalize Statewide the  
38 tax effort required for a thorough and efficient system of free  
39 public schools.

40 b. The Legislature, therefore, hereby accepts the responsibility:

41 (1) To define the overall goal of a thorough and efficient system  
42 of free public schools in New Jersey;

43 (2) To establish guidelines within which such a system shall  
44 operate;

45 (3) To delegate to appropriate State and local agencies the  
46 authority:

47 (a) to establish goals and objectives consistent with legisla-  
48 tive guidelines, and

49 (b) to define standards of performance necessary to indicate  
50 achievement of the goals and objectives;

51 (4) To establish a funding structure which will ensure that  
52 adequate financial resources shall be available to enable a system  
53 of free public schools to operate throughout the State; and

54 (5) To monitor the system of free public schools and provide for  
55 corrective action when necessary to ensure adequate progress  
56 toward the achievement of goals and objectives.

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

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

5 educational progress within a reasonable period of time in meeting  
6 goals and standards.

7 "Approved special class pupil" means a pupil enrolled in any  
8 class for atypical pupils pursuant to chapter 46 of Title 18A of the  
9 New Jersey Statutes.

10 "Approved special education services pupil" means a pupil  
11 receiving specific services pursuant to chapter 46 of Title 18A of  
12 the New Jersey Statutes but excluding pupils attending county  
13 special services school districts.

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

16 "Budgeted capital outlay" means those capital outlay expendi-  
17 tures that are included in the annual school budget.

18 "Categorical programs" means those programs and services  
19 recognized in this act as requiring per pupil expenditures over and  
20 above those applicable to regular programs, as provided in section  
21 20 of this act.

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

26 "Debt service" means and includes payments of principal and  
27 interest upon school bonds and other obligations issued to finance  
28 the acquisition of school sites and the acquisition, construction or  
29 reconstruction of school buildings, including furnishings, equipment  
30 and the costs of issuance of such obligations and shall include pay-  
31 ments of principal and interest upon bonds heretofore issued to  
32 fund or refund such obligations, and upon municipal bonds and  
33 other obligations which the commissioner approves as having been  
34 issued for such purposes. Debt service pursuant to the provisions  
35 of P. L. 1971, c. 10 (C. 18A :58-33.6 et seq.) and P. L. 1968, c. 177  
36 (C. 18A :33.2 et seq.) is excluded.

37 "District equalized valuation per pupil" means the quotient  
38 resulting from dividing the total equalized valuations in the school  
39 district by the resident enrollment of the district; provided that in  
40 the determination of the equalized valuation per pupil of a county  
41 vocational school the total equalized valuations in the county shall  
42 be divided by the total resident enrollment in all school districts  
43 of the county to obtain the county vocational school equalized valua-  
44 tion per pupil.

45 "Equalized valuations" means the equalized valuation of the tax-  
46 ing district or taxing districts as certified by the Director of the  
47 Division of Taxation on October 1 of the pre-budget year.

48 With respect to regional districts and their constituent districts,  
49 however, the equalized valuations as described above shall be  
50 allocated among the regional and constituent districts in proportion  
51 to the number of pupils in each of them.

52 "Evening school pupils" means the equated full-time resident  
53 enrollment of pupils enrolled in an accredited evening high school,  
54 an evening vocational high school, and in other evening schools  
55 except schools offering programs for self-improvement and social  
56 enrichment.

57 "Goals" means a written statement of educational aspirations  
58 for learner achievement and the educational process stated in  
59 general terms.

60 "Guaranteed valuation per pupil" means \***[1.4]**\* \*1.43\* times the  
61 State average valuation per pupil, rounded to the nearest thousand  
62 dollars, for the year in which the calculation of aid is made.

63 "Joint Committee on the Public Schools" means the Committee  
64 created pursuant to P. L. 19... c. ... (now pending before the  
65 Legislature as Senate Bill No. 1437).

66 "Local vocational pupils" means the full-time equivalent of  
67 pupils enrolled in approved categorical vocational programs in  
68 school districts designated as local area vocational school districts.

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

71 "Net current expense budget" means the balance after deduct-  
72 ing (1) State support for categorical programs pursuant to section  
73 20 of this act, (2) the transportation amount in the current expense  
74 budget and (3) all other revenue in the current expense budget  
75 except the amount to be raised by local taxation, equalization State  
76 support, and State support for approved transportation.

77 "Net current expenses per pupil" means the quotient resulting  
78 from dividing the net current expense budget by the resident en-  
79 rollment.

80 "Net debt service and budgeted capital outlay" means the  
81 balance after deducting all revenues from the school debt service  
82 and budgeted capital outlay budgets of the school district and the  
83 school debt service amount included in the municipal budget, except  
84 the amount to be raised by local taxation and State support.

85 "Objective" means a written statement of the intended outcome  
86 of a specific educational process.

87 "Pre-budget year" means the school year preceding the year in  
88 which the school budget will be implemented.

89 "Resident enrollment" means the number of pupils who are resi-  
90 dent of the district and are enrolled in day or approved evening

91 schools on the last school day of September of the pre-budget year  
 92 and are attending the public schools of the district or a school  
 93 district or State college demonstration school to which the district  
 94 of residence pays tuition; provided that a district shall count  
 95 pupils regularly attending both the schools of the district and of a  
 96 county vocational school in the same county on an equated full-time  
 97 basis.

98 "Standards" means the process and stated levels of proficiency  
 99 used in determining the extent to which goals and objectives are  
 100 being met.

101 "State average valuation per pupil" means the quotient result-  
 102 ing from dividing the total equalized valuations in the State as  
 103 certified by the Director of the Division of Taxation on October 1  
 104 by the total resident enrollment in the State. In the event that the  
 105 equalized table certified by the Director of the Division of Taxation  
 106 shall be revised by the Division of Tax Appeals on or before  
 107 January 30 of the next succeeding year, such revised valuation shall  
 108 be used in any recomputation of aid for an individual district filing  
 109 such appeal but will have no effect upon the State average valua-  
 110 tion per pupil.

111 "State compensatory education pupil" means a pupil who is en-  
 112 rolled in preventive and remedial programs, approved by the State  
 113 board, supplemental to the regular programs and designed to assist  
 114 pupils who have academic, social, economic or environmental needs  
 115 that prevent them from succeeding in regular school programs.

ARTICLE II. GOALS, STANDARDS AND GUIDELINES; PROCEDURES  
 OF EVALUATION; ENFORCEMENT

1 4. The goal of a thorough and efficient system of free public  
 2 schools shall be to provide to all children in New Jersey, regardless  
 3 of socioeconomic status or geographic location, the educational  
 4 opportunity which will prepare them to function politically,  
 5 economically and socially in a democratic society.

1 5. A thorough and efficient system of free public schools shall  
 2 include the following major elements, which shall serve as guide-  
 3 lines for the achievement of the legislative goal and the implementa-  
 4 tion of this act:

5 a. Establishment of educational goals at both the State and local  
 6 levels;

7 b. Encouragement of public involvement in the establishment of  
 8 educational goals;

9 c. Instruction intended to produce the attainment of reasonable  
 10 levels of proficiency in the basic communications and computa-  
 11 tional skills;

12 d. A breadth of program offerings designed to develop the in-  
13 dividual talents and abilities of pupils;

14 e. Programs and supportive services for all pupils especially  
15 those who are educationally disadvantaged or who have special  
16 educational needs;

17 f. Adequately equipped, sanitary and secure physical facilities  
18 and adequate materials and supplies;

19 g. Qualified instructional and other personnel;

20 h. Efficient administrative procedures;

21 i. An adequate State program of research and development; and

22 j. Evaluation and monitoring programs at both the State and  
23 local levels.

1 6. The State board, after consultation with the commissioner  
2 and review by the Joint Committee on the Public Schools shall (a)  
3 establish goals and standards which shall be applicable to all public  
4 schools in the State, and which shall be consistent with the goals  
5 and guidelines established pursuant to sections 4 and 5 of this act,  
6 and (b) make rules concerning procedures for the establishment of  
7 particular educational goals, objectives and standards by local  
8 boards of education.

1 7. Each local board of education shall establish particular educa-  
2 tional goals, objectives and standards pursuant to rules prescribed  
3 by the State board.

1 8. The State board after consultation with the commissioner and  
2 review by the Joint Committee on the Public Schools shall, from  
3 time to time, but at least once every 5 years, review and update the  
4 State goals and standards established pursuant to this act. In  
5 reviewing and updating these goals and standards, the State board  
6 shall consult with, and be assisted by, (a) the Commissioner of  
7 Labor and Industry who, in consultation with employer and em-  
8 ployee groups, shall report annually to the State board projecting  
9 labor needs and describing employment qualifications in New  
10 Jersey, (b) the Chancellor of Higher Education who, in consulta-  
11 tion with the institutions of higher education in the State, shall  
12 report annually to the State board on entry requirements and  
13 anticipated enrollment levels, (c) the Commissioner of Health who  
14 shall report annually to the State board on the current and pro-  
15 jected health needs in New Jersey, (d) the Commissioner of In-  
16 stitutions and Agencies who shall report annually to the State  
17 board on the education of pupils under the jurisdiction of the de-  
18 partment, and (e) such other employees and officers of the State  
19 as may be able to assist the State board in its activities pursuant to  
20 this section.

1 9. The commissioner, in cooperation with local school districts,  
2 shall from time to time, but at least once every 5 years, direct a  
3 comprehensive needs assessment program of all pupils in the State  
4 in light of State goals and standards, and shall make the results of  
5 the needs assessment program available to local school districts,  
6 which districts shall review and update their particular educational  
7 goals, objectives and standards to meet those needs. All such  
8 results shall be made public.

1 10. For the purpose of evaluating the thoroughness and efficiency  
2 of all the public schools of the State, the commissioner, with the  
3 approval of the State board and after review by the Joint Com-  
4 mittee on the Public Schools, shall develop and administer a  
5 uniform, Statewide system for evaluating the performance of each  
6 school. Such a system shall be based in part on annual testing for  
7 achievement in basic skill areas, and in part on such other means  
8 as the commissioner deems proper in order to (a) determine pupil  
9 status and needs, (b) ensure pupil progress, and (c) assess the  
10 degree to which the educational objectives have been achieved.

1 11. Each school district shall make an annual report of its prog-  
2 ress in conforming to the goals, objectives and standards developed  
3 pursuant to this act. Each district's annual report shall include  
4 but not be limited to:

5 a. Demographic data related to each school;

6 b. Results of assessment programs, including Statewide and  
7 district testing conducted at each school;

8 c. Information on each school's fiscal operation, including the  
9 budget of each school;

10 d. Results of each school's effectiveness in achieving State,  
11 district and school goals and objectives applicable to the pupils;

12 e. Plans and programs for professional improvement;

13 f. Plans to carry out innovative or experimental educational pro-  
14 grams designed to improve the quality of education; and

15 g. Recommendations for school improvements during the ensu-  
16 ing year.

17 h. Additionally, the State Board of Education may from time to  
18 time require each district to submit a facilities survey, including  
19 current use practices and projected capital project needs, but not  
20 more frequently than once every 2 years.

21 The district reports shall be submitted to the commissioner by  
22 July 1 of each year and he shall make them the basis for an annual  
23 report to the Governor and the Legislature, describing the condi-  
24 tion of education in New Jersey, the efforts of New Jersey schools  
25 in meeting the standards of a thorough and efficient education, the



26 steps underway to correct deficiencies in school performance, and  
27 the progress of New Jersey schools in comparison to other state  
28 education systems in the United States.

1 12. In addition to the annual reports required by section 11 of  
2 this act, the State board shall, 4 years after the effective date of  
3 this act, make a comprehensive report to the Governor and the  
4 Legislature assessing the effectiveness of this act in producing a  
5 thorough and efficient system of free public schools. The report  
6 shall include an account of the progress of each local school district  
7 in meeting the goals, objectives and standards prescribed under  
8 sections 6 and 7 of this act, identify those districts and schools  
9 which fail to meet them, and make recommendations, if necessary,  
10 for hastening the elimination of any deficiencies.

1 13. Thereafter, the Governor shall deliver a biennial message to  
2 the Legislature on the progress of New Jersey's schools in provid-  
3 ing a thorough and efficient education and recommending legisla-  
4 tive action, if appropriate.

1 14. The commissioner shall review the results of the evaluations  
2 conducted and reports submitted pursuant to sections 10 and 11 of  
3 this act. If the commissioner shall find that a school or a school  
4 district has failed to show sufficient progress toward the goals,  
5 guidelines, objectives and standards established in and pursuant  
6 to this act, he shall advise the local board of education of such  
7 determination, and shall direct that a remedial plan be prepared  
8 and submitted to him for approval. If the commissioner approves  
9 the plan, he shall assure its implementation in a timely and effective  
10 manner. If the commissioner finds that the remedial plan prepared  
11 by the local board of education is insufficient, he shall order the  
12 local board to show cause why the corrective actions provided in  
13 section 15 of this act should not be utilized. The hearing upon said  
14 order to show cause shall be conducted in the manner prescribed by  
15 subdivision B of article 2 of chapter 6 of Title 18A of the New  
16 Jersey Statutes.

1 15. If, after a plenary hearing, the commissioner determines that  
2 it is necessary to take corrective action, he shall have the power to  
3 order necessary budgetary changes within the school district, to  
4 order in-service training programs for teachers and other school  
5 personnel, or both. If he determines that such corrective actions  
6 are insufficient, he shall have the power to recommend to the State  
7 board that it take appropriate action. The State board, on deter-  
8 mining that the school district is not providing a thorough and  
9 efficient education, notwithstanding any other provision of law to

10 the contrary, shall have the power to issue an administrative order  
11 specifying a remedial plan to the local board of education, which  
12 plan may include budgetary changes or other measures the State  
13 board determines to be appropriate. Nothing herein shall limit  
14 the right of any party to appeal the administrative order to the  
15 Superior Court.

1 16. Should the local board of education fail or refuse to comply  
2 with an administrative order issued pursuant to section 15 of this  
3 act, the State board shall apply to the Superior Court by a pro-  
4 ceeding in lieu of prerogative writ for an order directing the local  
5 school board to comply with such administrative order.

#### ARTICLE III. STATE SCHOOL AID

1 17. Annually, on or before October 5, the secretary of the board  
2 of education, with the approval of the superintendent of schools,  
3 or if there be no superintendent of schools, with the approval of  
4 the county superintendent of schools, shall file with the commis-  
5 sioner a report stating the number of pupils enrolled by grade and  
6 the number of these pupils in approved programs of (a) special  
7 education classes, (b) compensatory education, (c) bilingual educa-  
8 tion and (d) local vocational education on the last school day of  
9 September. In addition, districts shall file annual reports pro-  
10 viding such information as the commissioner may require for pupils  
11 receiving special education services.

1 18. Equalization support for current expenses of all school  
2 districts shall be paid in accordance with the following calculations:

3 a. Divide the district equalized valuation per pupil by the  
4 guaranteed valuation per pupil and subtract the quotient from  
5 1.0000 to obtain the district's State support ratio.

6 b. Multiply the district's State support ratio by the smaller of  
7 (1) the net current expense budget for the pre-budget year or (2)  
8 the product of the resident enrollment and the Statewide sixty-fifth  
9 percentile net current expense budget per pupil for the pre-budget  
10 year when all district figures are ranked from low to high. The  
11 amount obtained is the current expense equalization support. If the  
12 State support ratio is zero or less than zero, no support shall be  
13 paid. The Statewide sixty-fifth percentile shall be calculated and  
14 applied separately for (a) limited purpose regional districts offer-  
15 ing grades 9 through 12, (b) limited purpose regional districts  
16 offering grades 7 through 12, provided, however, that the figure  
17 used for such districts shall be not less than 90% of the sixty-fifth  
18 percentile for limited purpose regional districts offering grades 9  
19 through 12, (c) constituent districts of limited purpose regional  
20 districts offering grades 9 through 12, (d) constituent districts of

21 limited purpose regional districts offering grades 7 through 12,  
 22 provided, however, that the figure used for such districts shall be  
 23 not less than 90% of the sixty-fifth percentile for constituent  
 24 districts of limited purpose regional districts offering grades 9  
 25 through 12, and (e) all other districts.

1 19. State support for debt service and budgeted capital outlay  
 2 shall equal the total of the net debt service and budgeted capital  
 3 outlay budgets for the pre-budget year multiplied by the district's  
 4 current expense State support ratio obtained in section 18 of this  
 5 act. If the product is less than zero, no support shall be paid.  
 6 Budgeted capital outlay used for the calculation of State support  
 7 shall be the smaller of (1) the budgeted capital outlay for the  
 8 pre-budget year, or (2) 1½% of the sum of the current expense and  
 9 budgeted capital outlay for the pre-budget year.

1 20. In addition to the equalization support authorized in section  
 2 18 of this act, categorical program support for 1975-76 and 1976-77  
 3 shall be paid in accordance with the following calculations:

4 a. The number of categorical aid units shall be determined by  
 5 adding the products obtained by multiplying the pupils in each  
 6 category by the following additional cost factors:

CATEGORICAL PROGRAMS

Special Education Classes	Additional Cost Factors
7 Educable .....	0.53
8 Trainable .....	0.95
9 Orthopedically handicapped .....	1.27
10 Neurologically impaired .....	1.06
11 Perceptually impaired .....	0.85
12 Visually handicapped .....	1.91
13 Auditorially handicapped .....	1.38
14 Communication handicapped .....	1.06
15 Emotionally disturbed .....	1.27
16 Socially maladjusted .....	0.95
17 Chronically ill .....	0.85
18 Multiply handicapped .....	1.27
Other Classes and Services	Additional Cost Factors
19 Approved private school tuition .....	1.0 plus the additional
20	cost factor of the handi-
21	cap
22 Supplementary and speech instruction ..	0.09 based on the num-
23	ber of pupils actually
24	receiving such instruc-
25	tion in the prior school
26	year

27	Bilingual education .....	0.16
28	State compensatory education .....	0.11
29	Approved local vocational education .....	0.53

30 b. The number of categorical aid units for home instruction shall  
 31 be determined by multiplying the number of hours of instruction  
 32 actually provided in the prior school year by 0.006.

33 c. For the purposes of this section, aid shall be paid to districts  
 34 in which the pupils reside except in the case of home, supplemen-  
 35 tary or speech instruction where aid shall be paid to the district  
 36 providing the service. No tuition may be charged for such home,  
 37 supplementary or speech instruction for costs covered by State  
 38 support as provided in this section.

39 d. Categorical program shall equal the number of units of ad-  
 40 ditional cost multiplied by the State average net current expense  
 41 budget per pupil for the prebudget year.

1 21. On or before April 1, 1976, and on or before April 1 of each  
 2 subsequent year, the Governor, after consultation with the Depart-  
 3 ment of Education, shall recommend to the Legislature any re-  
 4 vision in the schedule of additional cost factors which is deemed  
 5 proper, together with appropriate supporting information, and  
 6 such revised additional cost factors shall be deemed approved for  
 7 the fiscal year beginning 1 year from the subsequent July 1 at the  
 8 end of 60 calendar days after the date on which they are trans-  
 9 mitted to the Senate and General Assembly, or if the Legislature  
 10 is not in session on the sixtieth day, then on the next succeeding  
 11 day on which it shall be meeting in the course of a regular or special  
 12 session, unless between the date of transmittal and the end of the  
 13 above period, the Legislature passes a concurrent resolution stating  
 14 that the Legislature does not favor the revised schedule of addi-  
 15 tional cost factors, in which case the additional cost factors then  
 16 in effect shall continue in effect.

1 22. There is hereby established a compensatory education re-  
 2 search and development fund. For the 1975-76 fiscal year and  
 3 annually thereafter, there shall be appropriated to the fund an  
 4 amount equal to 3% of the amount calculated for State aid for  
 5 compensatory education pursuant to section 20 of this act. The  
 6 fund shall be used to support pilot and demonstration projects  
 7 which are designed to improve the education of compensatory  
 8 education pupils.

1 23. The commissioner is authorized to make grants to school  
 2 districts for the establishment of pilot and demonstration projects  
 3 for compensatory education pupils, to provide for the establish-

4 ment of appropriate evaluation procedures, and take any other  
5 action necessary to insure the implementation of such projects.

1 24. State support for county vocational school districts shall be  
2 paid in accordance with the following calculations:

3 a. Divide the county equalized valuations per pupil by the guar-  
4 anteed valuation per pupil and subtract the quotient from 1.0000  
5 to obtain the county vocational school's State support ratio.

6 b. Multiply the State support ratio by the smaller of (1) the  
7 net current expense budget for the prebudget year or (2) the  
8 product of the resident enrollment multiplied by 175% of the State-  
9 wide sixty-fifth percentile net current budget per pupil for the  
10 prebudget year when all district figures are ranked from low to  
11 high. The amount obtained is the current expense equalization  
12 support. If the State support ratio is zero or less than zero, no  
13 support shall be paid.

14 c. Debt service and budgeted capital outlay support for county  
15 vocational schools shall be calculated in accordance with section 19  
16 of this act.

1 25. A district which has a net current expense budget per pupil  
2 in the prebudget year of less than the State average net current  
3 expense budget per pupil may increase its net current expense  
4 budget per pupil in the following year by no more than an amount  
5 found by multiplying the latest annual percentage increase in the  
6 total State equalized valuation by the State average net current  
7 expense budget per pupil for the prebudget year, and multiplying  
8 the product by the quotient resulting from dividing the State  
9 average net current expense budget per pupil by the school  
9A district net current expense budget per pupil for the prebudget  
10 year; provided, however, that in no event shall the figure used  
11 for the latest annual percentage increase in the total State equalized  
12 valuation be less than the average of such percentage increases  
13 for the latest 3 years. Any other district may increase its net  
14 current expense budget per pupil by no more than an amount found  
15 by multiplying the latest annual percentage increase in the total  
16 State equalized valuation by the school district's net current  
17 expense budget per pupil for the prebudget year, and multiplying  
18 the product by the quotient resulting from dividing the State  
19 average net current expense budget per pupil by the school  
19A district net current expense budget per pupil for the prebudget  
20 year. For the purpose of these calculations, the enrollment of a  
21 district shall be assumed to remain constant between the prebudget  
22 year and the year during which the budget will be implemented.

23 Annually, on or before November 15, the commissioner shall  
24 certify to each local board of education the amount by which the

25 school district may increase its budget for the next year without  
26 exceeding the permissible rate of increase.

27 The commissioner may approve the request of a local board of  
28 education for a greater increase, having judged that (1) a realloca-  
29 tion of resources or any other action taken within the permissible  
30 level of spending would be insufficient to meet the goals, objectives  
31 and standards established pursuant to this act, or (2) an increased  
32 enrollment may reasonably be anticipated in the district.

1 26. The amounts payable to each school district pursuant to the  
2 act shall be paid by the State Treasurer upon the certification of the  
3 commissioner and warrant of the Director of Budget and Account-  
4 ing. Ten percent of the appropriation for current expense equaliza-  
5 tion and categorical program support shall be paid on the first of  
6 each month from September through June. If a local board of  
7 education requires funds prior to the first payment, the board shall  
8 file a written request with the Commissioner of Education stating  
9 the need for such funds. The commissioner shall review each  
10 request and forward those for which need has been demonstrated  
11 to the appropriate officials for payment.

12 Debt service funds shall be paid as required to meet due dates  
13 for payment of principal and interest, and budgeted capital outlay  
14 funds shall be paid as requested by the local district.

15 Each school district shall file an annual written request for debt  
16 service and budgeted capital outlay payments to the commissioner  
17 30 days prior to the beginning of the fiscal year for which the  
18 appropriation is made. Such request shall include the amount of  
19 interest bearing school debt, if any, of the municipality or district  
20 then remaining unpaid, together with the rate of interest payable  
21 thereon, the date or dates on which the bonds or other evidences  
22 of indebtedness were issued, and the date or dates upon which they  
23 fall due. In the case of Type I school districts, the board secretary  
24 shall secure such schedule of outstanding obligations from the  
25 clerk of the municipality.

1 27. On or before November 1 of each year, the commissioner shall  
2 determine the amount necessary to be appropriated by the State to  
3 carry out the provisions of this act for the succeeding school year  
4 and shall determine for local budget purposes the amounts payable  
5 to each of the counties and districts under this act for such succeed-  
6 ing year.

1 28. Annually, on or before December 1, local boards of education  
2 shall submit to the commissioner a copy of their proposed budgets  
3 for the next school year. The commissioner shall review each item

4 of appropriation within the current expense and budgeted capital  
5 outlay budgets and shall determine the adequacy of the budgets  
6 with regard to the annual reports submitted pursuant to section 11  
7 of this act.

1 29. N. J. S. 18A :13-23 is amended to read as follows :

2 18A :13-23. The annual or special appropriations for regional  
3 districts, [exclusive of] *including* the amounts to be raised for  
4 interest upon, and the redemption of, bonds payable by the district,  
5 shall be apportioned among the municipalities included within the  
6 regional district [as follows :

7 a. In regional districts in which apportionment on the basis of  
8 the number of pupils enrolled on the last school day of September  
9 of the current school year is in effect, such apportionment shall be  
10 made upon said basis ;

11 b. In all other regional districts] upon the basis of the [appor-  
12 tionment valuations, as defined in R. S. 54:4-49 of the constituent  
13 districts] *portion of each municipality's equalized valuation*  
14 *allocated to the regional district, calculated as described in the*  
15 *definition of equalized valuation in section 3 of this 1974 amenda-*  
16 *tory and supplementary act.*

1 30. N. J. S. 18A :13-24 is amended to read as follows :

2 18A :13-24. The amounts to be raised for annual or special ap-  
3 propriations and for interest upon, and the redemption of, bonds  
4 for regional districts shall be certified by the regional board of  
5 education to, and shall be apportioned among the municipalities  
6 included within the regional district as follows :

7 a. When the regional district is located wholly within one county,  
8 said amounts shall be certified to the county board of taxation of  
9 the county and shall be apportioned by it among such municipalities  
10 in the manner, and upon the basis, prescribed in this article ; or

11 b. When the regional district is located in more than one county,  
12 said amount shall be certified to the county board of taxation of the  
13 county[, in which the largest aggregate apportionment valuations  
14 as established by the last published county abstract of ratables in  
15 the regional district are found] *in which the largest number of*  
16 *regional district pupils are resident*, and said amounts shall be ap-  
17 portioned by said county board of taxation, among such municipal-  
18 ities in the manner, and upon the basis, prescribed in this article.

19 [The apportionment valuations of each municipality included in  
20 the regional district as defined in R. S. 54:4-49 of each constituent  
21 district shall be certified to said county board of taxation by the  
22 county boards of taxation of the county in which such constituent

23 district is located and the apportionments so made shall be certified  
 24 to each of the other county boards of taxation by the county board  
 25 making the same.】 *The share of the amount to be raised by taxa-*  
 26 *tion in each municipality included in a regional district shall be*  
 27 *certified to the appropriate county board of taxation by the Com-*  
 28 *missioner of Education.*

29 The amounts [thus] apportioned to each such included munici-  
 30 pality shall be assessed, levied and collected in the same manner  
 31 and at the same time as other school taxes are assessed, levied and  
 32 collected therein and shall be paid upon requisition as in other  
 33 Type II school districts.

1 31. N. J. S. 18A :39-15 is amended to read as follows :

2 18A :39-15. If the county superintendent of the county in which  
 3 the districts are situate shall approve the necessity, the cost, and  
 4 the method of providing such joint transportation and the agree-  
 5 ment whereby the same is to be provided, each such board of  
 6 education providing joint transportation shall be entitled to State  
 7 aid in an amount equal to [75%] 100% of its proportionate share  
 8 of the cost of such transportation pursuant to the terms of such  
 9 agreement.

1 32. N. J. S. 18A :46-23 is amended to read as follows :

2 18A :46-23. The board of education shall furnish daily trans-  
 3 portation within the State to all children found under this chapter  
 4 to be handicapped who shall qualify therefor pursuant to law  
 5 and it shall furnish such transportation for a lesser distance also  
 6 to any handicapped child, if it finds upon the advice of the examiner,  
 7 his handicap to be such as to make such transportation necessary  
 8 or advisable.

9 The school district shall be entitled to State aid for such daily  
 10 transportation in the amount of [75%] 100% of the cost to the  
 11 district of furnishing such transportation to a program approved  
 12 under this chapter in New Jersey when the necessity for such  
 13 transportation and the cost and method thereof have been ap-  
 14 proved by the county superintendent of the county in which the  
 15 district paying the cost of such transportation is situated.

1 33. N. J. S. 18A :58-7 is amended to read as follows :

2 18A :58-7. Each district shall also be paid [75%] 100% of the  
 3 cost to the district of transportation of pupils to a school when  
 4 the necessity for such transportation and the cost and method  
 5 thereof have been approved by the county superintendent of the  
 6 county in which the district paying the cost of such transportation  
 7 is situate. *Such aid shall be paid for elementary pupils who live*  
 8 *beyond 2 miles from their school of attendance and secondary*



9 *pupils who live beyond 2 1/2 miles from their school of attendance.*

1 34. N. J. S. 18A :58-25 is amended to read as follows:

2 18A :58-25. The State Treasurer shall **[establish]** *maintain* a  
3 school building aid capital reserve fund for each school district  
4 *having funds on deposit as of the effective date of this act.* **[The**  
5 State Treasurer, upon certification of the commissioner and  
6 warrant of the Director of the Division of Budget and Accounting,  
7 shall:

8 (1) If the Commissioner of Education and the Director of the  
9 Division of Local Finance have certified that any school district  
10 or municipality is unable to pay the principal or interest of any  
11 bonds hereafter issued for school purposes, apply the amount of  
12 the building aid allowance to the payment of interest and principal  
13 on such bonds as hereinafter set forth;

14 (2) Pay to each school district the amount of its building aid  
15 allowance less any amount thereof which may have been applied  
16 to the payment of bonds under subsection (1) hereof and less its  
17 net appropriation to its capital reserve fund, at the times and in  
18 the manner hereinafter provided; and

19 (3) Credit to the capital reserve fund of each district the  
20 remainder of the building aid allowance not so required to be paid,  
21 together with an additional amount to be withheld from any State  
22 aid moneys otherwise due the district, sufficient to make the total  
23 capital reserve appropriated by the district.]

24 The Director of the Division of Investment shall invest and  
25 reinvest such capital reserve funds in the same manner and subject  
26 to the same requirements as are prescribed for the investment of  
27 State funds generally. Income received upon the investment of  
28 the capital reserve funds shall be credited pro rata to the capital  
29 reserve funds of the respective school districts, semiannually on  
30 November 1 and May 1.

31 In the event that a school district or municipality anticipates that  
32 it will be unable to meet the payment of principal or interest of  
33 any bonds hereafter issued for school purposes, it shall certify  
34 such inability to the Commissioner of Education and the Director  
35 of the Division of Local **[Finance]** *Government Services* at least  
36 10 days prior to the date such payment is due. The State Treasurer,  
37 upon certification of such inability by said commissioner and  
38 director or, in the event any such district or municipality fails to  
39 certify its anticipated inability to meet any such payments, upon  
40 notice and verification of such inability, shall withhold from the  
41 sums then or thereafter available to said district as State building

42 aid a sum sufficient to pay the principal of and interest on such  
43 bonds. The State Treasurer shall pay ratably to the claimant  
44 holders of such bonds, or their agent, first the interest and then  
45 the principal due and owing to them by the school district or  
46 municipality, as the case may be, up to the amount of the building  
47 aid allowance then or thereafter available to such district or  
48 municipality.

1 35. N. J. S. 18A :58-26 is amended to read as follows:

2 18A :58-26. A school district may on November 1 or May 1 in  
3 any school year draw against its capital reserve fund, up to the  
4 amount of the balance therein, to the extent that such withdrawal  
5 is anticipated as a revenue in the school budget for the then current  
6 school year or it may be applied to a capital purpose authorized  
7 by ordinance or by vote of the electors of the school district[;]  
8 provided, that such budget anticipation and withdrawal may not  
9 be greater than the amount by which capital outlay and debt service  
10 in such year exceed the State school building aid applicable  
11 thereto]. Such withdrawal shall be paid by the State Treasurer  
12 to the board of education upon application duly made to the com-  
13 missioner and upon his certification and the warrant of the Director  
14 of the Division of Budget and Accounting.

1 36. R. S. 54 :4-49 is amended to read as follows:

2 54 :4-49. (a) Except as to any State tax at a fixed rate provided  
3 for in sections 54 :4-50 and 54 :4-51 of this Title, each county board  
4 of taxation, after having received the tax lists and duplicates of  
5 the assessors and having revised and corrected the same and having  
6 equalized the aggregate valuations of all the real property in the  
7 respective taxing districts, as required by R. S. 54 :3-17 to 54 :3-19,  
8 shall, after making adjustments for the debits and credits herein-  
9 after mentioned, apportion the amount to be raised in the respec-  
10 tive taxing districts for State, State school, county and free county  
11 library purposes and for purposes of [regional and] consolidated  
12 school districts and school districts comprising two or more taxing  
13 districts, on the basis of the total valuation so ascertained for each  
14 taxing district. The total valuation for each taxing district, so  
15 ascertained, shall be known as the "apportionment valuation."

16 (b) The amount to be apportioned among the respective taxing  
17 districts shall be the amount to be raised for the purposes specified  
18 in subsection (a), plus or minus the difference between the total  
19 debits and total credits of the taxing districts affected, determined  
20 as provided in subsection (c). The net amounts respectively to  
21 be raised, after making allowance to the affected districts for the

22 debits and credits, shall be equivalent to the amount required for  
23 each of the purposes specified in subsection (a).

24 (c) The net debit or credit of each taxing district shall be the  
25 amount by which the taxing district has overpaid or underpaid  
26 its share of the specific tax or taxes for the purposes specified in  
27 subsection (a) for the preceding year or years because of increases  
28 or decreases in the amount of the assessments of the district sub-  
29 sequent to the apportionment in the preceding year or years by  
30 reason of final judgments on appeals, complaints and applications,  
31 the correction of clerical errors under R. S. 54:4-53 and the  
32 allowance of additional veterans' exemptions or deductions during  
33 the prior tax year by the collector pursuant to law. When an  
34 assessment has been reduced or added to, or increased, on appeal,  
35 complaint or other application, and the judgment on that appeal,  
36 complaint or other application has been further appealed, no deduc-  
37 tion or increase as herein provided for shall be made with respect  
38 to the appealed assessment until the further appeal has been finally  
39 determined.

40 (d) So that there shall be uniformity of application and treat-  
41 ment under this section in all of the counties, the Director, Division  
42 of Taxation, shall issue regulations for the guidance of the county  
43 boards of taxation in the determination of the apportionment  
44 valuations, the amounts to be apportioned and the amounts of the  
45 debits and credits.

1 37. N. J. S. 18A:46-9 is amended to read as follows:

2 18A:46-9. Each child classified pursuant to section 18A:46-8 as  
3 mentally retarded shall be similarly further identified, examined  
4 and classified into one of the following subcategories:

5 a. Educable mentally retarded children, who are those who may  
6 be expected to succeed with a minimum of supervision in homes and  
7 schools and community life and are characterized particularly by  
8 reasonable expectation that at maturity they will be capable of  
9 vocational and social independence in competitive environment;

10 b. Trainable mentally retarded children, who are so **[severely]**  
11 retarded that they cannot be classified as educable but are,  
12 notwithstanding, potentially capable of self-help, of communicating  
13 satisfactorily, or participating in groups, of directing their  
14 behavior so as not to be dangerous to themselves or others and of  
15 achieving with training some degree of personal independence and  
16 social and economic usefulness within sheltered environments;

17 c. Children *eligible for day training*, who are *those so severely*  
18 mentally retarded as to be **[neither educable nor trainable]**

19 *incapable of giving evidence of understanding and responding in a*  
20 *positive manner to simple directions expressed in the child's pri-*  
21 *mary mode of communication and who cannot in some manner*  
22 *express basic wants and needs.*

1 38. N. J. S. 18A :46-13 is amended to read as follows :

2 18A :46-13. It shall be the duty of each board of education to  
3 provide suitable facilities and programs of education for all the  
4 children who are classified as handicapped under this chapter  
5 except those so mentally retarded as to be [neither educable or  
6 trainable.] *eligible for day training pursuant to N. J. S. 18A :46-9.*  
7 The absence or unavailability of a special class facility in any dis-  
8 trict shall not be construed as relieving a board of education of the  
9 responsibility for providing education for any child who qualifies  
10 under this chapter.

11 A board of education is not required to provide any further  
12 educational program for children who have been admitted to the  
13 Marie H. Katzenbach School for the Deaf but shall be required to  
14 furnish necessary daily transportation Monday through Friday  
15 to and from the school for nonboarding pupils when such trans-  
16 portation is approved by the county superintendent of schools in  
17 accordance with such rules and regulations as the State board shall  
18 promulgate for such transportation. Any special education facility  
19 or program authorized and provided for a child attaining age 20  
20 during a school year shall be continued for the remainder of that  
21 school year.

1 39. N. J. S. 18A :46-17 is amended to read as follows :

2 18A :46-17. The superintendent of schools, or the principal of a  
3 school in a district where there is no superintendent, may, upon the  
4 advice of the psychological examiner or examiners administering  
5 classification procedures required by this chapter, refuse to admit,  
6 or, having admitted, exclude, any child whose mental retardation  
7 is so severe that he has been diagnosed and classified as [not  
8 trainable] *eligible for day training* under this chapter.

9 Any child so refused admission or excluded shall be reexamined,  
10 upon the request of the parent or other person having custody and  
11 control of the child, after a period of 1 year shall have elapsed from  
12 the date of the last previous examination.

1 40. N. J. S. 18A :46-18 is amended to read as follows :

2 18A :46-18. The superintendent of schools or the principal of  
3 each school, as the case may be, shall forthwith report to the secre-  
4 tary of the board of education of the district the names of all  
5 children who have been refused admission or have been excluded

6 under this chapter, and the names and addresses of their parents  
 7 or persons having custody and control of them. Such refusal of  
 8 admission or exclusion shall continue unless and until set aside by  
 9 action of the board of education or lifted as a result of a reexamina-  
 10 tion. The superintendent or principal, as the case may be, shall  
 11 report the names of any other mentally retarded children in the  
 12 district known to him who are not in a private school or in a  
 13 residential institution and who are considered to be [uneducable  
 14-15 or untrainable] *eligible for day training*.

16 The secretary of the board of education, after the meeting of  
 17 the board next following the meeting at which the names of the  
 18 children not admitted or excluded are reported, shall report the  
 19 names and addresses to the county superintendent of schools of  
 20 the county in which the district is situate. The county super-  
 21 intendent shall furnish a list of such names and addresses to the  
 22 commissioner, who shall, in turn, transmit copies of all such lists  
 23 to the Commissioner of Institutions and Agencies. Such list shall  
 24 not be made public, but shall be open to the inspection of such  
 25 public and private agencies, only, as have a legitimate interest in it  
 26 and then only to the extent so necessary[; nor, shall the presence  
 27 of any such name on such list necessarily constitute eligibility for  
 28 admission to any of the institutions under the control of the Depart-  
 29 ment of Institutions and Agencies].

1 41. (New section) It shall be the duty of the State board in  
 2 concert with the Department of Institutions and Agencies to pro-  
 3 vide suitable facilities and programs for all the children who are  
 4 classified as eligible for day training.

1 42. N. J. S. 18A:4-24 is amended to read as follows:

2 18A:4-24. The commissioner shall[, by direction or with the  
 3 approval] *pursuant to rules and regulations* of the State board,  
 4 [whenever it is deemed to be advisable so to do,] inquire into and  
 5 ascertain the thoroughness and efficiency of operation of any of  
 6 the schools of the public school system of the State and of any  
 7 grades therein by such means[, tests and examinations] as to him  
 8 seem proper, and he shall report to the State board the results of  
 9 such inquiries and such other information with regard thereto as  
 10 the State board may require or as he shall deem proper, but nothing  
 11 in this section shall affect the right of each district to prescribe  
 12 its own rules for promotion.

1 43. N. J. S. 18A:58-11 is amended to read as follows:

2 18A:58-11. There shall be appropriated annually the sum of

3 ~~[\$350,000.00]~~ \$500,000.00 to be distributed by the commissioner,  
 4 upon the approval of the State board, to meet unforeseeable con-  
 5 ditions, *including substantial increases in enrollments*, in any school  
 6 district. The amount of such emergency aid shall be payable by  
 7 the State Treasurer upon the certificate of the commissioner and  
 8 the warrant of the Director of the Division of Budget and  
 9 Accounting.

1 44. (New section) Nothing in this act shall be construed to deny  
 2 the State board, commissioner or local boards of education powers  
 3 granted to them elsewhere in Title 18A of the New Jersey Statutes,  
 4 except as expressly provided herein.

1 45. (New section) The State Board of Education shall pro-  
 2 mulgate rules and adopt policies, subject to the "Administrative  
 3 Procedure Act." P. L. 1968, c. 410 (C. 52:14B-1 et seq.), make all  
 4 determinations and exercise such powers of visitation as are neces-  
 5 sary for the proper administration of this act.

1 46. (New section) The Joint Committee on the Public Schools  
 2 shall consider and recommend to the Legislature such other steps  
 3 as may be appropriate following the enactment of this act.

1 47. (New section) If any clause, sentence, subdivision, para-  
 2 graph, subsection or section of this act is held to be unconstitutional  
 3 or invalid, such judgment shall not affect, impair or invalidate the  
 4 remainder thereof, but shall be confined in its operation to the  
 5 clause, sentence, paragraph, subdivision, subsection or section  
 6 thereof directly involved in the controversy in which said judgment  
 7 shall have been rendered.

1 48. All acts and parts of acts inconsistent with this act are  
 2 repealed, and without limiting the general effect of this act in  
 3 repealing acts so inconsistent herewith, the following acts and  
 4 parts of acts together with all amendments and supplements thereto  
 5 are specifically repealed:

6 N. J. S. 18A:13-22

7 N. J. S. 18A:13-25

8 N. J. S. 18A:38-2.1

9 N. J. S. 18A:58-1 to 18A:58-5.4, inclusive

10 P. L. 1968, c. 340 (C. 18A:58-5.5)

10A P. L. 1973, c. 224 (C. 18A:58-5.6)

11 P. L. 1970, c. 234, § 9 (C. 18A:58-6.3)

12 N. J. S. 18A:58-8

13 N. J. S. 18A:58-10

14 N. J. S. 18A:58-13

15 P. L. 1970, c. 234, § 15 (C. 18A:58-18.1)

16 N. J. S. 18A:58-20 to 18A:58-24, inclusive

17 N. J. S. 18A:58-27

18 P. L. 1968, c. 289, § 1 (C. 18A:58-27.1)

19 N. J. S. 18A:58-29

20 N. J. S. 18A:58-30 to 18A:58-31, inclusive

21 N. J. S. 18A:58-33 to 18A:58-33.1, inclusive.

1     \*\*49. (New section) For the school year 1975-76, no district  
2 shall receive less in State aid in the aggregate for equalization  
3 support, categorical program support, debt service and budgeted  
4 capital outlay support and transportation support pursuant to this  
5 act than the aggregate amount of State aid received during the  
6 1974-75 school year pursuant to N. J. S. 18A:58-5, 18A:58-6, P. L.  
7 1970, c. 234, s. 9 (C. 18A:58-6.3), N. J. S. 18A:58-7, 18A:58-8,  
8 18A:58-10 and 18A:58-30.

1     50. (New section) For the school year 1976-77, any district  
2 receiving less in State aid in the aggregate for equalization support,  
3 categorical program support, debt service and budgeted capital  
4 outlay support and transportation support pursuant to this act  
5 than the aggregate amount of State aid received during the 1974-75  
6 school year pursuant to N. J. S. 18A:58-5, 18A:58-6, P. L. 1970,  
7 c. 234, s. 9 (C. 18A:58-6.3), N. J. S. 18A:58-7, 18A:58-8, 18A:58-10  
8 and 18A:58-30 shall be entitled to the amount calculated under  
9 this act for such support plus one-half of the difference between  
10 that amount and the amount received during the 1974-75 school  
11 year pursuant to the above sections.\*\*

1     \*\*[49.]\*\* \*\*51.\*\* This act shall take effect July 1, 1975; provided  
2 that preparatory steps hereunder shall be taken as directed by the  
3 commissioner including, but not limited to, the submission of pupil  
4 enrollments and budgets of school districts.

SENATE AMENDMENTS TO  
**SENATE, No. 1516**  
[SECOND OFFICIAL COPY REPRINT]

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**STATE OF NEW JERSEY**

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ADOPTED MAY 19, 1975

Amend page 1, section 1, line 8, delete "by December 31, 1974,".

Amend page 4, section 3, line 60, delete "1.43", and insert "for the calculation of State support for the school year 1976-77, 1.3 times the State average valuation per pupil, and for all school years thereafter, 1.35".

Amend page 4, section 3, line 62, after "made", add "except as modified pursuant to section 48 hereof".

Amend page 4, section 3, line 64, delete "19... c. ... (now pending before the Legislature as Senate Bill No. 1437)", and insert "P. L. 1975, c. 16, (C. 52:9R-1, et seq.)".

Amend page 5, section 3, line 100, insert new paragraph:

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

Amend page 5, section 3, after line 115, insert " 'State support limit' means the sixty-fifth percentile net current expense budget per pupil for the prebudget year when all district figures are ranked from low to high. The State support limit shall be calculated and applied separately for (a) limited purpose regional districts offering grades 9 through 12, (b) limited purpose regional districts offering grades 7 through 12, provided, however, that the figure used for such districts shall be not less than 90% of the sixty-fifth percentile for limited purpose regional districts offering grades 9 through 12, (c) constituent districts of limited purpose regional districts offering grades 9 through 12, (d) constituent districts of limited purpose regional districts offering grades 7 through 12, provided, however, that the figure used for such districts shall be not less than 90% of the sixty-fifth percentile for constituent districts of limited purpose regional districts offering grades 9 through 12, and (e) all other districts. "

Amend page 9, section 18, line 8, after "resident enrollment", delete "and the Statewide sixty-fifth".

Amend page 9, section 18, lines 9-20, omit.



Amend page 10, section 18, lines 21-25, omit; insert "and the State support limit. The amount obtained is the current expense equalization support."

c. Notwithstanding any other provision of this section, no district shall receive less in current expense equalization support than 10% of the State support limit."

Amend page 11, section 20, line 39, after "program", insert "support".

Amend page 11, section 21, line 1, delete "1976", and insert "1977".

Amend page 11, section 22, line 2, delete "1975-76", and insert "1976-77".

Amend page 12, section 25, line 5, after "multiplying", insert "three-fourths of".

Amend page 12, section 25, line 15, after "multiplying", insert "three-fourths of".

Amend page 13, section 26, line 1, after "pursuant to", delete "the", insert "this".

Amend page 15, section 30, line 33, add new sections 31 and 32 as follows:

"31. N. J. S. 18A:23-2 is amended to read as follows:

18A:23-2. Each annual audit shall include an audit of the books, accounts and moneys, and a verification of all cash and bank balances, of the board and of any officer or employee thereof and of moneys derived from athletic events or the activities of any organization of public school pupils conducted under the auspices of the board, from the date of the last annual audit to the date of the audit in question. *Such audit shall also include a determination of the extent to which the school board has used contracts entered into by the State Division of Purchase and Property pursuant to P. L. 1969, c. 104 (C. 52:25-16.1 et seq.) in the purchase of materials, supplies or equipment for the school district.*

32. N. J. S. 18A:23-3 is amended to read as follows:

18A:23-3. The report of each annual audit shall be filed, by the public school accountant making the same, with his recommendations with the board of education of the district, and such accountant shall within 5 days thereafter file two duplicate copies thereof certified under his signature in the office of the commissioner. *The commissioner annually shall publish a summary of such recommendations as made for each school district and the steps which have been taken in each district for their implementation.*"

Amend pages 15-21, sections 31-46, renumber as sections 33 through 47.

Amend page 21, section 46, lines 1-3, delete section in entirety and insert new sections 48 to 52 as follows:

“48. Beginning in 1976, the Joint Committee on the Public Schools, by October 15 of each year, shall recommend to the Legislature for enactment any changes in the method or basis of financial support which appear desirable from the experience under this act. The committee, at the same time shall also recommend whether the level of State support provided by this act should be retained or increased in the direction of equal State - local sharing of costs. The committee shall consider and recommend to the Legislature for enactment such other steps as may be appropriate.

49. There is hereby established a Task Force on Business Efficiency of the Public Schools, to consist of eight members, four of whom shall be members of the Joint Committee on the Public Schools to be appointed by the chairman, and four of whom shall be other persons to be appointed by the Governor. All members shall serve without compensation and vacancies in the membership of the Task Force shall be filled in the same manner as the original appointments are made.

50. Within 6 months of the effective date of this act, the task force shall report to the Legislature and the Governor its recommendations for improving the business efficiency of local school districts. The task force shall be discharged upon submission of its report.

51. The task force shall be entitled to call to its assistance and avail itself of the services of such employees of any State, county or municipal department, board, bureau, commission or agency as it may require and as may be available to it for said purpose, and to employ such professional, stenographic and clerical assistants and incur such traveling and other miscellaneous expenses as it may deem necessary, in order to perform its duties, and as may be within the limits of funds appropriated or otherwise made available to it for said purposes.

52. There is hereby appropriated from the General State Fund for the purposes of the task force the sum of \$20,000.00.”

Amend pages 21, 22, lines 47-51, renumber as sections 53 through 57.

Amend page 22, section 49, line 1, delete “1975-76”, and insert “1976-77”.

Amend page 22, section 50, line 1, delete “1976-77”, and insert “1977-78”.

Amend page 22, section 51, line 1, delete “This act shall take effect July 1, 1975;” and insert “Articles I and II and sections 44 and 46 through 54 of Article III of this act shall take effect July 1, 1975. The remaining sections of this act shall take effect July 1, 1976;”.



State of New Jersey  
DEPARTMENT OF EDUCATION  
225 WEST STATE STREET  
P.O. BOX 2019  
TRENTON, NEW JERSEY 08625

September 24, 1975

MEMORANDUM

TO: Division Heads

FROM: Bruce Campbell *BC*  
Assistant Legislative Liaison

SUBJECT: Vote on S 1516

Enclosed for your information is a copy of the vote tally on Senate  
Bill No. 1516 last night.

T + E Bill

BT

Encl:

cc: Dr. Fred G. Burke

ROLL CALL

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AUTHOR \_\_\_\_\_

SUBJECT *S 1516*

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Phone (1-804) 333-9272 Intersessional ROLL CALL @ Chambersburg, Maryland, Vol. 23320