

18A:7F-32.1

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LAWS OF: 1999 **CHAPTER:** 438

NJSA: 18A:7F-32.1 (Regionalization incentive)

BILL NO: A3290 (Substituted for S2101)

SPONSOR(S): Wolfe and Thompson

DATE INTRODUCED: June 17, 1999

COMMITTEE: **ASSEMBLY:** Appropriations; Education

SENATE: -----

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** January 10, 2000

SENATE: January 10, 2000

DATE OF APPROVAL: January 18, 2000

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL: Assembly Committee Substitute for A3290
(Amendments during passage denoted by superscript numbers)

A3290

SPONSORS STATEMENT: (Begins on 2 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** [Yes](#) [6-21-99 \(Education\)](#)
[Yes](#) [12-13-99 \(Appropriations\)](#)

SENATE: No

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: [Yes](#)

S2101

SPONSORS STATEMENT: (Begins on page 2 of original bill) [Yes](#)
Bill and Sponsors Statement identical to A3290

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: [Yes](#) [12-6-99](#)
Identical to Assembly Education Statement for A3290
[Yes](#) [1-6-00](#)
Identical to Assembly Appropriations Statement for A3290

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: [Yes](#)

VETO MESSAGE:

No

GOVERNOR'S PRESS RELEASE ON SIGNING:

No

FOLLOWING WERE PRINTED:

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REPORTS:

No

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No

NEWSPAPER ARTICLES:

No

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P.L. 1999, CHAPTER 438, *approved January 18, 2000*
Assembly Committee Substitute for
Assembly, No. 3290

1 AN ACT concerning State aid for certain school districts and
2 supplementing P.L.1996, c.138 (C.18A:7F-1 et seq.).

3

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

6

7 1. a. Regionalization incentive aid shall be paid to any K-12
8 school district which meets the following criteria:

9 (1) the district's October 1998 resident enrollment exceeds 10,000
10 pupils; and

11 (2) the district's 1998-99 net budget per pupil is less than \$9500.

12 b. For the 2000-2001 school year, regionalization incentive aid
13 shall be calculated as follows:

14 $Aid = STAB + BASE;$

15 provided, however that for any district in which the NOMINAL
16 AMOUNT - STAB is less than BASE, regionalization aid shall equal
17 $STAB + ((STAB + CCSA) \times CPI).$

18 where

19 BASE equals 10% of the sum of STAB and CCSA;

20 NOMINAL AMOUNT means \$550 x projected resident
21 enrollment;

22 STAB equals 1999-2000 stabilization aid calculated pursuant to
23 subsection b. of section 10 of P.L.1996, c.138 (C.18A:7F-10),
24 supplemental stabilization aid calculated pursuant to subsection c. of
25 section 10 of P.L.1996, c.138 (C.18A:7F-10), and stabilization aids II
26 and III received pursuant to the FY 2000 appropriations act; and

27 CCSA equals 1999-2000 core curriculum standards aid received
28 pursuant to section 15 of P.L.1996, c.138 (C.18A:7F-15);

29 c. For the 2001-2002 school year and for each school year
30 thereafter, regionalization incentive aid shall be calculated as follows:

31 $Aid = \text{Prior year regionalization aid} \times (1 + CPI) \times \text{projected}$
32 $\text{resident enrollment growth.}$

33 Projected resident enrollment growth shall be calculated by
34 dividing the projected enrollment by the current year enrollment, but
35 shall not be less than 1.0.

36 d. In any year that a school district receives regionalization
37 incentive aid pursuant to this section, the sum of its stabilization aids
38 shall be reduced by an amount equal to the sum of stabilization aids
39 received in school year 1999-2000; provided, however, the sum shall
40 not be reduced to an amount less than 0.

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42 2. This act shall take effect immediately and shall first apply to the
43 2000-2001 school year.

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3 Provides regionalization incentive aid for certain school districts.

ASSEMBLY, No. 3290

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED JUNE 17, 1999

Sponsored by:

Assemblyman DAVID W. WOLFE

District 10 (Monmouth and Ocean)

Assemblyman SAMUEL D. THOMPSON

District 13 (Middlesex and Monmouth)

Co-Sponsored by:

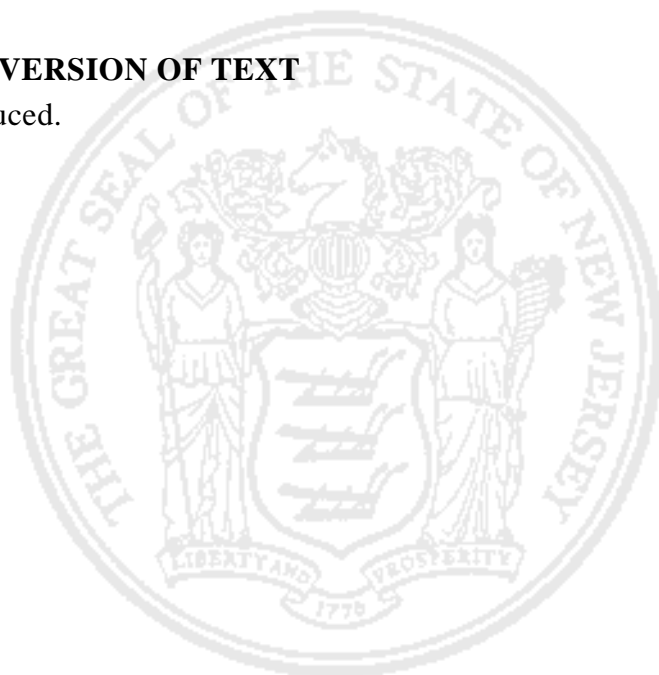
Assemblymen Moran, Azzolina, Wisniewski, Greenwald, Assemblywomen Wright, Friscia, Assemblymen Garcia, Luongo, Malone, Stanley, Assemblywoman Previte, Assemblymen Holzapfel, Blee, LeFevre, Barnes, Assemblywoman Buono and Assemblyman Kramer

SYNOPSIS

Provides regionalization incentive aid for certain school districts.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/19/1999)

1 AN ACT concerning State aid for certain school districts and
2 supplementing P.L.1996, c.138 (C.18A:7F-1 et seq.).

3

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

6

7 1. a. Regionalization incentive aid shall be paid to any K-12 school
8 district which meets the following criteria:

9 (1) the district's October 1998 resident enrollment exceeds 10,000
10 pupils; and

11 (2) the district's 1998-99 net budget per pupil is less than \$9500.

12 b. The aid shall be calculated as follows:

13 (1) Beginning in the 1999-2000 school year, each eligible school
14 district shall receive \$550 multiplied by the district's projected resident
15 enrollment for the budget year. In each subsequent year, the per pupil
16 aid amount shall be adjusted for inflation by the CPI.

17 (2) Beginning in the 2000-2001 school year, each eligible school
18 district shall, in addition to the aid received pursuant to paragraph 1
19 of this subsection, receive additional aid according to the following
20 formula:

21 $Aid = (BYE - PBYE) \times TE$ provided that Aid shall not be less than
22 0; and

23 where

24 BYE is the district's projected enrollment for the budget year;

25 PBYE is the district's actual enrollment for the prebudget year; and

26 TE is the T&E amount as established by the commissioner pursuant
27 to section 12 of P.L.1996, c.138 (C.18A:7F-12).

28 c. If the sum of a school district's core curriculum standards aid
29 calculated pursuant to section 15 of P.L.1996, c.138 (C.18A:7F-15)
30 plus regionalization incentive aid received by the district pursuant to
31 subsection b. of this section is less than the prebudget year total for
32 those aid categories, the budget year total for those aid categories
33 shall equal the prebudget year total adjusted by the CPI.

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35 2. This act shall take effect immediately.

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STATEMENT

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40 This bill establishes a State aid incentive program for certain school
41 districts. Under the program, any K-12 school district with an
42 October 1998 resident enrollment greater than 10,000 pupils and in
43 which the 1998-99 net budget per pupil is less than \$9500, will be
44 eligible to receive the following additional aid: beginning in the 1999-
45 2000 school year, \$550 multiplied by the district's projected resident
46 enrollment for the budget year with the per pupil aid amount adjusted

1 annually for inflation by the CPI; and beginning in the 2000-2001
2 school year, the T&E amount as established under CEIFA multiplied
3 by the increase in pupils between the prebudget and budget years. The
4 bill further provides that if the sum of the district's core curriculum
5 standards aid and regionalization incentive aid for the budget year is
6 less than the district's prebudget total for those aid categories, then the
7 district shall receive the prebudget year total adjusted by the CPI.

8 The purpose of this bill is to provide an incentive to school districts
9 which streamline their operations by forming K-12 districts with a
10 certain minimum level of enrollment. The bill also addresses the fact
11 that large districts which are currently experiencing significant
12 enrollment growth are not being adequately supported by the State in
13 terms of addressing the burdens which such rapid growth places upon
14 those districts. Since the State has supported in numerous reports the
15 concept of school district regionalization, it is only appropriate that it
16 provide additional funding to encourage the formation of larger
17 districts.

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3290

STATE OF NEW JERSEY

DATED: JUNE 21, 1999

The Assembly Education Committee favorably reports Assembly Bill No. 3290.

This bill establishes a State aid incentive program for certain school districts. Under the program, any K-12 school district with an October 1998 resident enrollment greater than 10,000 pupils and in which the 1998-99 net budget per pupil is less than \$9500, will be eligible to receive the following additional aid: beginning in the 1999-2000 school year, \$550 multiplied by the district's projected resident enrollment for the budget year with the per pupil aid amount adjusted annually for inflation by the CPI; and beginning in the 2000-2001 school year, the T&E amount as established under CEIFA multiplied by the increase in pupils between the prebudget and budget years. The bill further provides that if the sum of the district's core curriculum standards aid and regionalization incentive aid for the budget year is less than the district's prebudget year total for those aid categories, then the district shall receive the prebudget year total adjusted by the CPI.

The bill addresses the fact that large districts which are currently experiencing significant enrollment growth are not being adequately supported by the State in terms of addressing the burdens which such rapid growth places upon those districts.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 3290

STATE OF NEW JERSEY

DATED: DECEMBER 13, 1999

The Assembly Appropriations Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 3290.

This Assembly Committee Substitute for Assembly Bill No. 3290 establishes a State aid incentive program for certain school districts. Under the program, any K-12 school district with an October 1998 resident enrollment greater than 10,000 pupils and in which the 1998-1999 net budget per pupil is less than \$9500 will be eligible to receive additional aid under the provisions of a two-part formula.

For most of the eligible districts the amount of regional incentive aid for the 2000-2001 school year will equal the total of stabilization aids received in the prior year plus one-tenth of the sum of core curriculum standards aid and stabilization aids for the prior year. For the remaining eligible districts the amount of regionalization incentive aid will equal the sum of: (1) the stabilization aids plus the core curriculum standards aid received in the prior year times the consumer price index increase and (2) the amount of stabilization aids received in the prior year.

For the 2001-2002 school year and thereafter regionalization incentive aid shall be adjusted to reflect increases in enrollment and consumer price index. Any districts receiving regionalization incentive aid will have their stabilization aids reduced by the amount of regionalization aid received by the district in 1999-2000 school year.

FISCAL IMPACT:

Under the bill's provisions, seven school districts will qualify for regional incentive aid: Cherry Hill Township, Hamilton Township, Edison Township, Woodbridge Township, Middletown Township, Brick Township, and Toms River Regional. For the 2000-2001 school year, the provisions of this substitute will generate a net increase of \$6,937,976 in State aid. This amount would be expected to increase annually as the CPI increases and as the districts experience enrollment growth (if any).

LEGISLATIVE FISCAL ESTIMATE

ASSEMBLY, No. 3290

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: JANUARY 10, 2000

Assembly Bill No. 3290 of 1999 establishes a State aid incentive program for certain school districts. Under the program, any K-12 school district with an October 1998 resident enrollment greater than 10,000 pupils and in which the 1998-99 net budget per pupil is less than \$9500, will be eligible to receive the following additional aid: beginning in the 1999-2000 school year, \$550 multiplied by the district's projected resident enrollment for the budget year with the per pupil aid amount adjusted annually for inflation by the CPI; and beginning in the 2000-2001 school year, the T&E amount as established under the "Comprehensive Educational Improvement and Financing Act of 1996," (CEIFA) P.L.1996, c.138, multiplied by the increase in pupils between the prebudget and budget years. The bill further provides that if the sum of the district's core curriculum standards aid and regionalization incentive aid for the budget year is less than the district's prebudget year total for those aid categories, then the district shall receive the prebudget year total adjusted by the CPI.

Under the bill's provisions, seven school districts will qualify for the new aid program - Cherry Hill Township, Hamilton Township, Edison Township, Woodbridge Township, Middletown Township, Brick Township, and Toms River Regional. For the 1999-2000 school year, the aid program would generate an additional \$48,864,200 in State aid. However, three of the eligible school districts, Cherry Hill, Middletown, and Toms River Regional, received hold harmless State aid through the FY 2000 budget (stabilization aids II and III) and the Department of Education will reduce any additional State aid received by a school district by the amount of hold harmless aid which the district may have received through the budget. As a result, after the deduction of the above hold harmless aids, the bill would generate an additional \$38,020,627 in State aid for the seven school districts in the 1999-2000 school year. Also, a representative of the Department of Education indicates that it would be the department's intention to reduce the additional aid received under the bill by any stabilization aid I received by a school district under subsection b. of section 10 of CEIFA (N.J.S.A.18A:7F-10b.). While the Office of Legislative

Services (OLS) disputes the statutory authority for such a reduction given that the language in subsection b. of section 10 of CEIFA provides stabilization aid I to compensate for reductions in the specific aid categories listed in that subsection, in light of the stated intention of the department to reduce the additional aid available under A-3290 by the amount of any stabilization aid I received by those seven districts, OLS notes that the \$38,020,627 additional aid cited above would be further reduced to \$35,020,295 for the 1999-2000 school year, as the Middletown Township and Cherry Hill Township School Districts both received stabilization aid I.

OLS projects that the additional aid generated under the bill for the above seven school districts in the 2000-2001 school year will equal \$61,884,758. It is not possible to reduce this amount by any stabilization aid I that the districts might receive under CEIFA in the 2000-2001 school year as it cannot be calculated at this point; also any hold harmless aid that might be provided to school districts in the FY2001 budget to cover aid losses over the prior year would not appear to be an issue for these districts given that the increased aid they would receive under the provisions of this bill would appear to make hold harmless aid unnecessary.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

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

SENATE, No. 2101

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED SEPTEMBER 27, 1999

Sponsored by:

Senator ANDREW R. CIESLA
District 10 (Monmouth and Ocean)
Senator JOSEPH F. VITALE
District 19 (Middlesex)

Co-Sponsored by:

Senator Adler

SYNOPSIS

Provides regionalization incentive aid for certain school districts.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/26/1999)

1 AN ACT concerning State aid for certain school districts and
2 supplementing P.L.1996, c.138 (C.18A:7F-1 et seq.).

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

6
7 1. a. Regionalization incentive aid shall be paid to any K-12 school
8 district which meets the following criteria:

9 (1) the district's October 1998 resident enrollment exceeds 10,000
10 pupils; and

11 (2) the district's 1998-99 net budget per pupil is less than \$9500.

12 b. The aid shall be calculated as follows:

13 (1) Beginning in the 1999-2000 school year, each eligible school
14 district shall receive \$550 multiplied by the district's projected resident
15 enrollment for the budget year. In each subsequent year, the per pupil
16 aid amount shall be adjusted for inflation by the CPI.

17 (2) Beginning in the 2000-2001 school year, each eligible school
18 district shall, in addition to the aid received pursuant to paragraph 1
19 of this subsection, receive additional aid according to the following
20 formula:

21 $Aid = (BYE - PBYE) \times TE$ provided that Aid shall not be less than
22 0; and

23 where

24 BYE is the district's projected enrollment for the budget year;

25 PBYE is the district's actual enrollment for the prebudget year; and

26 TE is the T&E amount as established by the commissioner pursuant
27 to section 12 of P.L.1996, c.138 (C.18A:7F-12).

28 c. If the sum of a school district's core curriculum standards aid
29 calculated pursuant to section 15 of P.L.1996, c.138 (C.18A:7F-15)
30 plus regionalization incentive aid received by the district pursuant to
31 subsection b. of this section is less than the prebudget year total for
32 those aid categories, the budget year total for those aid categories
33 shall equal the prebudget year total adjusted by the CPI.

34
35 2. This act shall take effect immediately.

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STATEMENT

39

40 This bill establishes a State aid incentive program for certain school
41 districts. Under the program, any K-12 school district with an
42 October 1998 resident enrollment greater than 10,000 pupils and in
43 which the 1998-99 net budget per pupil is less than \$9500, will be
44 eligible to receive the following additional aid: beginning in the 1999-
45 2000 school year, \$550 multiplied by the district's projected resident
46 enrollment for the budget year with the per pupil aid amount adjusted

1 annually for inflation by the CPI; and beginning in the 2000-2001
2 school year, the T&E amount as established under CEIFA multiplied
3 by the increase in pupils between the prebudget and budget years. The
4 bill further provides that if the sum of the district's core curriculum
5 standards aid and regionalization incentive aid for the budget year is
6 less than the district's prebudget total for those aid categories, then the
7 district shall receive the prebudget year total adjusted by the CPI.

8 The purpose of this bill is to provide an incentive to school districts
9 which streamline their operations by forming K-12 districts with a
10 certain minimum level of enrollment. The bill also addresses the fact
11 that large districts which are currently experiencing significant
12 enrollment growth are not being adequately supported by the State in
13 terms of addressing the burdens which such rapid growth places upon
14 those districts. Since the State has supported in numerous reports the
15 concept of school district regionalization, it is only appropriate that it
16 provide additional funding to encourage the formation of larger
17 districts.

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, Nos. 2101 and 2200**

STATE OF NEW JERSEY

DATED: DECEMBER 6, 1999

The Senate Education Committee reports favorably a committee substitute for Senate Bill Nos. 2101 and 2200.

This committee substitute establishes a State aid incentive program for certain school districts. Under the program, any K-12 school district with an October 1998 resident enrollment greater than 10,000 pupils and in which the 1998-99 net budget per pupil is less than \$9500, will be eligible to receive the following additional aid: beginning in the 2000-2001 school year, \$550 multiplied by the district's projected resident enrollment for the budget year with the per pupil aid amount adjusted annually for inflation by the CPI; and beginning in the 2001-2002 school year, the T&E amount as established under CEIFA multiplied by the increase in pupils between the prebudget and budget years.

The substitute further provides that if the sum of the district's core curriculum standards aid and regionalization incentive aid for the budget year is less than the district's prebudget total for those aid categories, then the district shall receive the prebudget year total adjusted by the CPI.

Finally, the substitute stipulates that the additional State aid received by a school district pursuant to the bill's provisions in the 2000-2001 school year and in each subsequent school year shall not be reduced by the amount of any stabilization aid which the district is entitled to receive under subsection b. of section 10 of CEIFA.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, Nos. 2101 and 2200 (SCS)**

STATE OF NEW JERSEY

DATED: JANUARY 6, 2000

The Senate Budget and Appropriations Committee reports favorably a Senate Committee Substitute for Senate Bill Nos. 2101 and 2200 (SCS).

This substitute establishes a regionalization incentive aid program for certain school districts. Under the program, any K-12 school district with an October 1998 resident enrollment greater than 10,000 pupils and in which the 1998-1999 net budget per pupil is less than \$9500 will be eligible to receive additional State aid under the provisions of a two-part formula.

For most of the eligible districts, the amount of regionalization incentive aid for the 2000-2001 school year will equal the total of stabilization aids received in the prior year plus one-tenth of the sum of core curriculum standards aid and stabilization aids for the prior year. For the remaining eligible districts the amount of regionalization incentive aid will equal the sum of (1) the stabilization aids plus the core curriculum standards aid received in the prior year times the consumer price index increase, and (2) the amount of stabilization aids received in the prior year.

For the 2001-2002 school year and thereafter, regionalization incentive aid shall be adjusted to reflect increases in enrollment and the consumer price index. Districts receiving regionalization incentive aid will have their stabilization aids reduced by the amount of stabilization aids that they received in the 1999-2000 school year.

FISCAL IMPACT

Under the bill's provisions, seven school districts will qualify for regionalization incentive aid: Cherry Hill Township, Hamilton Township, Edison Township, Woodbridge Township, Middletown Township, Brick Township, and Toms River Regional. For the 2000-2001 school year, the provisions of this substitute will generate a net increase of \$6,937,976 in State aid. This amount would be expected to increase annually as the CPI increases and as the districts experience enrollment growth (if any).

LEGISLATIVE FISCAL ESTIMATE

SENATE, No. 2101

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: DECEMBER 2, 1999

Senate Bill No. 2101 of 1999 establishes a State aid incentive program for certain school districts. Under the program, any K-12 school district with an October 1998 resident enrollment greater than 10,000 pupils and in which the 1998-99 net budget per pupil is less than \$9500, will be eligible to receive the following additional aid: beginning in the 1999-2000 school year, \$550 multiplied by the district's projected resident enrollment for the budget year with the per pupil aid amount adjusted annually for inflation by the CPI; and beginning in the 2000-2001 school year, the T&E amount as established under the "Comprehensive Educational Improvement and Financing Act of 1996," (CEIFA) P.L.1996, c.138, multiplied by the increase in pupils between the prebudget and budget years. The bill further provides that if the sum of the district's core curriculum standards aid and regionalization incentive aid for the budget year is less than the district's prebudget year total for those aid categories, then the district shall receive the prebudget year total adjusted by the CPI.

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CEIFA (N.J.S.A.18A:7F-10b.). While the Office of Legislative Services (OLS) disputes the statutory authority for such a reduction given that the language in subsection b. of section 10 of CEIFA provides stabilization aid I to compensate for reductions in the specific aid categories listed in that subsection, in light of the stated intention of the department to reduce the additional aid available under S-2101 by the amount of any stabilization aid I received by those seven districts, OLS notes that the \$38,020,627 additional aid cited above would be further reduced to \$35,020,295 for the 1999-2000 school year, as the Middletown Township and Cherry Hill Township School Districts both received stabilization aid I.

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