

SENATE, No. 2372

STATE OF NEW JERSEY
217th LEGISLATURE

INTRODUCED JUNE 16, 2016

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Senator M. TERESA RUIZ

District 29 (Essex)

Co-Sponsored by:

Senator Turner

SYNOPSIS

Establishes State School Aid Funding Fairness Commission.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/21/2016)

1 AN ACT establishing the State School Aid Funding Fairness
2 Commission.

3

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

6

7 1. a. There is established the State School Aid Funding
8 Fairness Commission. The commission shall consist of four public
9 members appointed as follows: two members appointed by the
10 Governor; one member appointed by the Senate President; and one
11 member appointed by the Speaker of the General Assembly. The
12 members shall have knowledge and experience in public school
13 finance or knowledge and experience in State budgeting and
14 finance.

15 b. Appointments to the commission shall be made within 30
16 days of the effective date of this act. Vacancies in the membership
17 of the commission shall be filled in the same manner as the original
18 appointments were made. Members of the commission shall serve
19 without compensation but shall be reimbursed for necessary
20 expenses incurred in the performance of their duties within the
21 limits of funds made available to the commission for its purposes.

22 c. The commission shall organize within 30 days after the
23 appointment of its members and shall select a chairperson from
24 among its members and a secretary who need not be a member of
25 the commission. The commission shall meet at the call of its
26 chairperson at the times and places it may deem appropriate and
27 necessary to fulfill its duties, and shall conduct at least two public
28 hearings to elicit the testimony of interested groups and members of
29 the public.

30 d. The Department of Education and the Department of the
31 Treasury shall provide such staff and related support services as the
32 commission requires to carry out its work. The commission shall
33 also be entitled to call to its assistance and avail itself of the
34 services of the employees of any State, county, or municipal
35 department, board, bureau, commission, or agency as it may require
36 and as may be available to it for its purposes.

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38 2. a. It shall be the duty of the commission to study:

39 (1) the adjustment aid and State aid growth limit provisions of
40 the "School Funding Reform Act of 2008" (SFRA), P.L.2007, c.260
41 (C.18A:7F-43 et al.), to determine recommendations for revising
42 those provisions in order to bring all school districts to their
43 adequacy budgets as calculated pursuant to section 9 of that act
44 over a period of five school years;

45 (2) the tax levy growth limitation as established and calculated
46 pursuant to section 3 of P.L.2007, c.62 (C.18A:7F-38) and its
47 impact on the ability of school districts to adequately fund operating
48 expenses;

1 (3) the per pupil administrative costs limit as established
2 pursuant to paragraphs (1) and (2) of subsection c. of section 5 of
3 P.L.1996, c.138 (C.18A:7F-5) and the impact of the limit on school
4 district staffing and operations; and

5 (4) the equalized valuation and income measures used to
6 determine a school district's local share of its adequacy budget as
7 calculated pursuant to section 10 of P.L.2007, c.260 (C.18A:7F-52),
8 and the impact of property tax abatements on that local share.

9 b. The recommendations made by the commission shall
10 conform with the responsibility of the Legislature under Article
11 VIII, section IV, paragraph 1 of the New Jersey Constitution to
12 provide a thorough and efficient system of free public schools.

13
14 3. The commission shall issue a report within one year of its
15 organization on its findings and recommendations to the Governor,
16 the President of the Senate, and the Speaker of the General
17 Assembly. The report shall be accompanied by proposed legislation
18 to implement the commission's recommendations.

19
20 4. The proposed legislation submitted pursuant to section 3 of
21 this act shall be introduced in the Senate by the Senate President
22 and in the General Assembly by the Speaker of the General
23 Assembly. The bill shall not be referred to committee in either
24 House, shall receive second reading without committee
25 consideration, and shall then be placed on third reading. The bill
26 must either be approved on final passage or rejected, without
27 change or amendment, before the full membership of the House.

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29 5. This act shall take effect immediately, and the commission
30 shall expire 30 days after the submission of its report.

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33 STATEMENT

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35 This bill establishes the State School Aid Funding Fairness
36 Commission, which will consist of four public members appointed
37 as follows: two members appointed by the Governor; one member
38 appointed by the Senate President; and one member appointed by
39 the Speaker of the General Assembly. The members must have
40 knowledge and experience in public school finance or knowledge
41 and experience in State budgeting and finance.

42 The commission is charged with studying the following issues:

43 1) the adjustment aid and State aid growth limit provisions of
44 the State's school funding law, the "School Funding Reform Act of
45 2008" (SFRA), P.L.2007, c.260 (C.18A:7F-43 et al.), to determine
46 recommendations for revising those provisions in order to bring all
47 school districts to their adequacy budgets over a period of five
48 school years. A school district's adequacy budget is calculated

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1 under section 9 of SFRA and represents the amount needed to
2 provide district students with a thorough and efficient education;

3 2) the tax levy cap and its impact on the ability of school
4 districts to adequately fund operating expenses;

5 (3) the per pupil administrative costs limit and the impact of the
6 limit on school district staffing and operations; and

7 (4) the equalized valuation and income measures used to
8 determine a school district's local share of its adequacy budget, and
9 the impact of property tax abatements on that local share.

10 The bill stipulates that the recommendations made by the
11 commission must comport with the Legislature's responsibility
12 under the State Constitution to provide a thorough and efficient
13 education to all students.

14 The commission must complete its work within one year of its
15 organization through the issuance of a report to the Governor, the
16 Senate President, and the Speaker of the General Assembly. The
17 report must be accompanied by proposed legislation to implement
18 the recommendations. The proposed legislation will be introduced
19 in the Senate by the Senate President and in the General Assembly
20 by the Speaker of the General Assembly. The bill will not be
21 referred to committee in either House, will receive second reading
22 without committee consideration, and will then be placed on third
23 reading. The bill must either be approved on final passage or
24 rejected, without changes or amendments.