

ASSEMBLY, No. 3777

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED APRIL 5, 2018

Sponsored by:

Assemblywoman BETTYLOU DECROCE

District 26 (Essex, Morris and Passaic)

SYNOPSIS

Provides school district tax levy cap adjustment for certain special education costs; limits sending district per pupil tuition increase to 2%; and provides increased representation on receiving board of education for certain sending districts.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning school districts and amending P.L.2007, c.62,
2 N.J.S.18A:38-19, and P.L.1995, c.8.

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

6
7 1. Section 3 of P.L.2007, c.62 (C.18A:7F-38) is amended to
8 read as follows:

9 3. a. Notwithstanding the provisions of any other law to the
10 contrary, a school district shall not adopt a budget pursuant to
11 sections 5 and 6 of P.L.1996, c.138 (C.18A:7F-5 and 18A:7F-6)
12 with an increase in its adjusted tax levy that exceeds, except as
13 provided in subsection e. of section 4 of P.L.2007, c.62 (C.18A:7F-
14 39), the tax levy growth limitation calculated as follows: the sum of
15 the prebudget year adjusted tax levy and the adjustment for
16 increases in enrollment multiplied by 2.0 percent, and adjustments
17 for an increase in health care costs, an increase in special education
18 costs over \$40,000 per pupil, and increases in amounts for certain
19 normal and accrued liability pension contributions set forth in
20 sections 1 and 2 of P.L.2009, c.19 amending section 24 of
21 P.L.1954, c.84 (C.43:15A-24) and section 15 of P.L.1944, c.255
22 (C.43:16A-15) for the year set forth in those sections.

23 b. (1) The allowable adjustment for increases in enrollment
24 authorized pursuant to subsection a. of this section shall equal the
25 per pupil prebudget year adjusted tax levy multiplied by EP, where
26 EP equals the sum of:

27 (a) 0.50 for each unit of weighted resident enrollment that
28 constitutes an increase from the prebudget year over 1%, but not
29 more than 2.5%;

30 (b) 0.75 for each unit of weighted resident enrollment that
31 constitutes an increase from the prebudget year over 2.5%, but not
32 more than 4%; and

33 (c) 1.00 for each unit of weighted resident enrollment that
34 constitutes an increase from the prebudget year over 4%.

35 (2) A school district may request approval from the
36 commissioner to calculate EP equal to 1.00 for any increase in
37 weighted resident enrollment if it can demonstrate that the
38 calculation pursuant to paragraph (1) of this subsection would result
39 in an average class size that exceeds 10% above the facilities
40 efficiency standards established pursuant to P.L.2000, c.72
41 (C.18A:7G-1 et al.).

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

43 d. (1) The allowable adjustment for increases in health care
44 costs authorized pursuant to subsection a. of this section shall equal

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

Matter underlined thus is new matter.

1 that portion of the actual increase in total health care costs for the
2 budget year, less any withdrawals from the current expense
3 emergency reserve account for increases in total health care costs,
4 that exceeds 2.0 percent of the total health care costs in the
5 prebudget year, but that is not in excess of the product of the total
6 health care costs in the prebudget year multiplied by the average
7 percentage increase of the State Health Benefits Program,
8 P.L.1961, c.49 (C.52:14-17.25 et seq.), as annually determined by
9 the Division of Pensions and Benefits in the Department of the
10 Treasury.

11 (2) The allowable adjustment for increases in the amount of
12 normal and accrued liability pension contributions authorized
13 pursuant to subsection a. of this section shall equal that portion of
14 the actual increase in total normal and accrued liability pension
15 contributions for the budget year that exceeds 2.0 percent of the
16 total normal and accrued liability pension contributions in the
17 prebudget year.

18 (3) The allowable adjustment for an increase in special
19 education costs over \$40,000 per pupil authorized pursuant to
20 subsection a. of this section shall equal any increase in the sum of
21 per pupil amounts in excess of \$40,000 for the budget year less the
22 sum of per pupil amounts in excess of \$40,000 for the prebudget
23 year indexed by 2.0 percent.

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

25 f. The adjusted tax levy shall be increased or decreased
26 accordingly whenever the responsibility and associated cost of a
27 school district activity is transferred to another school district or
28 governmental entity.

29 (cf: P.L.2010, c.44, s.4)

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31 2. N.J.S.18A:38-19 is amended to read as follows:

32 18A:38-19. a. Whenever the pupils of any school district are
33 attending public school in another district, within or without the
34 State, pursuant to this article, the board of education of the
35 receiving district shall determine a tuition rate to be paid by the
36 board of education of the sending district to an amount not in excess
37 of the actual cost per pupil as determined under rules prescribed by
38 the commissioner and approved by the State board, and such tuition
39 shall be paid by the board secretary or treasurer of school moneys,
40 as appropriate, of the sending district out of any moneys in his
41 hands available for current expenses of the district upon order
42 issued by the board of education of the sending district, signed by
43 its president and secretary, in favor of the board secretary or
44 treasurer of school moneys, as appropriate, of the receiving district.

45 b. Notwithstanding the provisions of subsection a. of this
46 section to the contrary, whenever the pupils of a school district are
47 attending public school in another district within the State, any

1 increase in the per pupil tuition amount between the prebudget and
2 budget years shall not exceed 2%.

3 (cf: P.L.2010, c.39, s.26)

4
5 3. Section 2 of P.L.1995, c.8 (C.18A:38-8.2) is amended to
6 read as follows:

7 2. A school district which is sending pupils to another school
8 district pursuant to N.J.S.18A:38-8 shall have representation on the
9 board of education of the receiving school district as follows:

10 a. (1) If the pupils of the sending district comprise less than
11 10 percent of the total enrollment of the pupils in the grades of the
12 receiving district in which the pupils of the sending district will be
13 enrolled, the sending district shall have no representation on the
14 receiving district board of education.

15 (2) If the pupils of the sending district comprise at least 10
16 percent of the total enrollment of the pupils in the grades of the
17 receiving district in which the pupils of the sending district will be
18 enrolled, the sending district shall have **【one representative】** two
19 representatives on the receiving district board of education.

20 b. If the total number of pupils of two or more sending
21 districts, which do not qualify for representation under subsection a.
22 of this section, comprise at least 15 percent of the total enrollment
23 of the pupils in the grades of the receiving district in which the
24 pupils of the sending districts will be enrolled, they shall have
25 collectively two representatives on the receiving district board of
26 education. The annual designation of the representatives, in the
27 event more than two districts collectively qualify under this
28 subsection, shall be rotated among the boards of education of the
29 sending districts according to a schedule determined by the joint
30 agreement of the boards.

31 c. Notwithstanding the provisions of subsections a. and b. of
32 this section, the number of representatives designated by the
33 sending districts to be additional members shall not exceed three
34 additional members on a receiving board with originally nine or
35 more members, two additional members on a receiving board with
36 originally seven or eight members, and one additional member on a
37 receiving board with originally less than seven members. In the
38 event that this restriction results in an unequal representation of
39 sending districts, the annual designation of the representative or
40 representatives shall be rotated among the boards of education of
41 the sending districts according to a schedule determined by the joint
42 agreement of the boards.

43 d. A representative of a sending district board of education
44 shall be designated at the meeting of the board which is closest in
45 time to the annual organizational meeting of the receiving district
46 board of education and shall serve a one-year term beginning with
47 the organizational meeting of the receiving district board. The

1 representative shall be subject to the rules and procedures of the
2 receiving district board of education.

3 e. The calculation of percentages required under this section
4 shall be based on the number of pupils reported as of the last school
5 day prior to October 16 of each prebudget year.
6 (cf: P.L.1996, c.138, s.65)

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8 4. This act shall take effect immediately.

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STATEMENT

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13 This bill authorizes an adjustment to the school district tax levy
14 cap for the amount of the increase in special education costs over
15 \$40,000 per pupil that exceeds the amount of such costs in the prior
16 year by more than 2%. This adjustment reflects the fact that the
17 cost of providing programs and services to some special education
18 students is significant, and having to accommodate these costs
19 within the base 2% cap would have a detrimental effect on the
20 district's ability to provide appropriate educational services to other
21 students enrolled in the district.

22 The bill also limits the annual increase in the per pupil amount of
23 tuition charged to a sending district by a receiving district to 2%.
24 The purpose of this provision is to have the allowable increase in
25 per pupil tuition cost reflect the allowable annual increase in a
26 sending school district's tax levy.

27 Finally, the bill amends current law concerning the
28 representation of a sending school district on the board of education
29 of the receiving school district. Under current law, if the students
30 of the sending district comprise at least 10% of the total enrollment
31 in the grades of the receiving district in which the students of the
32 sending district are enrolled, the sending district has one
33 representative on the receiving district board of education. This bill
34 provides that such sending districts will have two representatives on
35 the receiving district board of education.