

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
ASSEMBLY, No. 20

STATE OF NEW JERSEY

ADOPTED DECEMBER 12, 1996

Sponsored by Assemblymen STUHLTRAGER and ROCCO

1 AN ACT providing for the maintenance and support of a thorough and  
2 efficient system of free public schools and revising parts of the  
3 statutory law.

4

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

7

8 1. (New section) This act shall be known and may be cited as the  
9 "Comprehensive Educational Improvement and Financing Act of  
10 1996."

11

12 2. (New section) a. The Legislature finds and declares that:

13 (1) Each child in New Jersey must be guaranteed access to a free  
14 public education based on rigorous standards which define the  
15 knowledge and skills all children must have in order to function in the  
16 contemporary setting as a citizen and competitor in the labor market,  
17 and each school district must be guaranteed access to resources to  
18 provide that education in an efficient manner;

19 (2) The New Jersey Constitution requires the Legislature to  
20 provide for the maintenance and support of a thorough and efficient  
21 system of free public schools for the instruction of all the children in  
22 the State between the ages of 5 and 18 years;

23 (3) Prior school funding laws have not succeeded in ensuring that  
24 every child has access to a constitutionally sufficient system of schools  
25 regardless of where the child resides, or that public funds expended in  
26 support of schools are appropriately directed, in part because of the  
27 lack of specific definition of what constitutes a thorough and efficient  
28 education;

29 (4) Prior laws have also led to funding systems which have  
30 permitted high spending levels in many districts without reference to  
31 specific educational results, required State and local governments to  
32 seek ever-increasing levels of taxation and funding in order to keep

**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 pace with high spending districts, and failed to generate measurable  
2 improvement in parity of academic achievement even in those districts  
3 in which funding has been increased to higher levels; and

4 (5) Existing school budget development, approval and appeal  
5 processes, and incorporation of local goals into State approval  
6 procedures for review of thoroughness and efficiency have further  
7 encouraged a system that defines a thorough and efficient education  
8 as the sum of whatever elements each district determines to include in  
9 its own individual budget.

10 b. It is, therefore, necessary for the Legislature to provide, and the  
11 Legislature does hereby establish:

12 (1) A process for the establishment, and the periodic review and  
13 revision, of a clear and comprehensive definition of the substantive  
14 elements of a thorough and efficient system of education as required  
15 by the New Jersey Constitution, uniformly applicable to districts  
16 Statewide, specifying what students ought to learn and what academic  
17 standards they should meet in order to function as citizens and  
18 competitors in the contemporary world and workplace, as well as the  
19 types of programs and services that will accomplish these ends in a  
20 thorough and efficient manner;

21 (2) The level of fiscal support necessary to provide those  
22 programs and services;

23 (3) A funding mechanism that will ensure such support, shared by  
24 the State and local school districts in a fair and equitable manner;

25 (4) A system which directs that expenditure of public funds for the  
26 maintenance and support of a thorough and efficient system of  
27 education will be undertaken with prudence and sound management;

28 (5) A degree of flexibility for local school districts in achieving  
29 standards established for the provision of a thorough and efficient  
30 education; and

31 (6) A system of accountability with mechanisms for enforcement  
32 when districts fail to meet these standards.

33

34 3. (New section) As used in this act, unless the context clearly  
35 requires a different meaning:

36 "Abbott district" means one of the 28 urban districts in district  
37 factor groups A and B specifically identified in the appendix to  
38 Raymond Abbott, et al. v. Fred G. Burke, et al. decided by the New  
39 Jersey Supreme Court on June 5, 1990 (119 N.J. 287, 394);

40 "Area cost allowance" means, commencing annually with January  
41 1996, an average determined by multiplying the average estimated  
42 five-city historical cost index for construction in New Jersey reported  
43 by the R. S. Means Company, Inc. (Means Index ) for January of each  
44 year by \$ 88 and dividing by 121.5;

45 "Average monthly allowable increase in the area cost allowance for

1 the prior year" means the amount determined for the 1997 calendar  
2 year and each calendar year annually thereafter by subtracting the area  
3 cost allowance for January of the prior calendar year from the area  
4 cost allowance for January of the current calendar year and dividing  
5 the result by twelve;

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

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

13 "Commissioner" means the Commissioner of Education;

14 "Concentration of low-income pupils" shall be based on prebudget  
15 year pupil data and means, for a school district or a county vocational  
16 school district, the number of low-income pupils among those counted  
17 in modified district enrollment, divided by modified district enrollment.  
18 For a school, it means the number of low-income pupils recorded in  
19 the registers at that school, divided by the total number of pupils  
20 recorded in the school's registers;

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

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

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

31 "County vocational school, special education services pupil" means  
32 a pupil who is attending a county vocational school and who is  
33 receiving specific services pursuant to chapter 46 of Title 18A of the  
34 New Jersey Statutes;

35 "Debt service" means and includes payments of principal and  
36 interest upon school bonds and other obligations issued to finance the  
37 purchase or construction of school facilities, additions to school  
38 facilities, or the reconstruction, remodeling, alteration, modernization,  
39 renovation or repair of school facilities, including furnishings,  
40 equipment, architect fees and the costs of issuance of such obligations  
41 and shall include payments of principal and interest upon bonds  
42 heretofore issued to fund or refund such obligations, and upon  
43 municipal bonds and other obligations which the commissioner  
44 approves as having been issued for such purposes. Debt service  
45 pursuant to the provisions of P.L.1978, c.74 (C.18A:58-33.22 et seq.),

1 P.L.1971, c.10 (C.18A:58-33.6 et seq.) and P.L.1968, c.177  
2 (C.18A:58-33.2 et seq.) and for the acquisition of a site is excluded;

3 "District factor group A district" means a school district, other  
4 than a school district in which the equalized valuation per pupil is  
5 more than twice the average Statewide equalized valuation per pupil  
6 and in which resident enrollment exceeds 2,000 pupils, which based on  
7 the 1990 federal census data is included within the Department of  
8 Education's district factor group A;

9 "District income" for the 1997-98 school year means the aggregate  
10 income of the residents of the taxing district or taxing districts, based  
11 upon data provided by the Bureau of the Census in the United States  
12 Department of Commerce for 1989. Beginning with the 1998-99  
13 school year and thereafter, district income means the aggregate  
14 income of the residents of the taxing district or taxing districts, based  
15 upon data provided by the Division of Taxation in the New Jersey  
16 Department of the Treasury and contained on the New Jersey State  
17 Income Tax forms for the calendar year ending prior to the prebudget  
18 year. The commissioner may supplement data contained on the State  
19 Income Tax forms with data available from other State or federal  
20 agencies in order to better correlate the data to that collected on the  
21 federal census. With respect to regional districts and their constituent  
22 districts, however, the district income as described above shall be  
23 allocated among the regional and constituent districts in proportion to  
24 the number of pupils resident in each of them;

25 "Estimated minimum equalized tax rate" for a school district means  
26 the district's required local share divided by its equalized valuation; for  
27 the State it means the sum of the required local shares of all school  
28 districts in the State, excluding county vocational and county special  
29 services school districts as defined pursuant to this section, divided by  
30 the sum of the equalized valuations for all the school districts in the  
31 State except those for which there is no required local share;

32 "Equalized valuation" means the equalized valuation of the taxing  
33 district or taxing districts, as certified by the Director of the Division  
34 of Taxation on October 1, or subsequently revised by the tax court by  
35 January 15, of the prebudget year. With respect to regional districts  
36 and their constituent districts, however, the equalized valuations as  
37 described above shall be allocated among the regional and constituent  
38 districts in proportion to the number of pupils resident in each of them.  
39 In the event that the equalized table certified by the director shall be  
40 revised by the tax court after January 15 of the prebudget year, the  
41 revised valuations shall be used in the recomputation of aid for an  
42 individual school district filing an appeal, but shall have no effect upon  
43 the calculation of the property value multiplier, Statewide equalized  
44 valuation per pupil, estimated minimum equalized tax rate for the  
45 State, or Statewide average equalized school tax rate;

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

4 "Household income" means income as defined in 7CFR 245.2 and  
5 245.6 or any subsequent superseding federal law or regulation;

6 "Lease purchase payment" means and includes payments of  
7 principal and interest for lease purchase agreements in excess of five  
8 years approved pursuant to subsection f. of N.J.S.18A:20-4.2 to  
9 finance the purchase or construction of school facilities, additions to  
10 school facilities, or the reconstruction, remodeling, alteration,  
11 modernization, renovation or repair of school facilities, including  
12 furnishings, equipment, architect fees and issuance costs. Approved  
13 lease purchase agreements in excess of five years shall be accorded the  
14 same accounting treatment as school bonds. Lease purchase  
15 agreement principal and interest for the acquisition of a site is  
16 excluded;

17 "Low-income pupils" means those pupils from households with a  
18 household income at or below the most recent federal poverty  
19 guidelines available on October 15 of the prebudget year multiplied by  
20 1.30;

21 "Maintenance" means expenditures which are approved by the  
22 commissioner for repairs and replacements for the purpose of keeping  
23 a school facility open, comfortable and safe for use or in its original  
24 condition, including repairs and replacements to a school facility's  
25 heating, lighting, ventilation, security and other fixtures to keep the  
26 facility or fixtures in effective working condition. Maintenance shall  
27 not include contracted custodial or janitorial services, expenditures for  
28 the cleaning of a school facility or its fixtures, the care and upkeep of  
29 grounds or parking lots, and the cleaning of, or repairs and  
30 replacements to, movable furnishings or equipment, or other  
31 expenditures as determined by the commissioner which are not  
32 required to maintain the original condition over the facility's useful life;

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

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

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

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

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

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

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

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

29 "Projected area cost allowance" means the amount determined  
30 annually for each month of the twelve month period commencing on  
31 January 1 of each calendar year by adding the area cost allowance for  
32 January of that calendar year and the average monthly allowable  
33 increase in the area cost allowance for the prior year. The projected  
34 area cost allowance for each subsequent month shall be determined by  
35 adding the projected area cost allowance for the previous month and  
36 the average monthly allowable increase in the area cost allowance for  
37 the prior year. For the purposes of determining approved costs of  
38 school facilities projects, the projected area cost allowance shall be  
39 that of the month of issuance of facilities bonds or certificates of  
40 participation;

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

44 "Resident enrollment" means the number of pupils other than  
45 preschool pupils, post-graduate pupils, and post-secondary vocational

1 pupils who, on the last school day prior to October 16 of the current  
2 school year, are residents of the district and are enrolled in: (1) the  
3 public schools of the district, excluding evening schools, (2) another  
4 school district, other than a county vocational school district in the  
5 same county on a full-time basis, or a State college demonstration  
6 school or private school to which the district of residence pays tuition,  
7 or (3) a State facility in which they are placed by the district; or are  
8 residents of the district and are: (1) receiving home instruction, or (2)  
9 in a shared-time vocational program and are regularly attending a  
10 school in the district and a county vocational school district. In  
11 addition, resident enrollment shall include the number of pupils who,  
12 on the last school day prior to October 16 of the prebudget year, are  
13 residents of the district and in a State facility in which they were  
14 placed by the State. Pupils in a shared-time vocational program shall  
15 be counted on an equated full-time basis in accordance with  
16 procedures to be established by the commissioner. Resident  
17 enrollment shall include regardless of nonresidence, the enrolled  
18 children of teaching staff members of the school district or county  
19 vocational school district who are permitted, by contract or local  
20 district policy, to enroll their children in the educational program of  
21 the school district or county vocational school district without  
22 payment of tuition. Handicapped children between three and five  
23 years of age and receiving programs and services pursuant to  
24 N.J.S.18A:46-6 shall be included in the resident enrollment of the  
25 district.

26 Beginning in 1997-98 and thereafter, resident enrollment shall also  
27 include those nonresident children who are permitted to enroll in the  
28 educational program without payment of tuition as part of a voluntary  
29 program of interdistrict public school choice approved by the  
30 commissioner;

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

34 "School enrollment" means the number of pupils other than  
35 preschool pupils, evening school pupils, post-graduate pupils, and  
36 post-secondary vocational pupils who, on the last school day prior to  
37 October 16 of the current school year, are recorded in the registers of  
38 the school;

39 "School facilities" means and includes any structure, building or  
40 facility used wholly or in part for academic purposes by a school  
41 district, county vocational school district or county special services  
42 school district and shall exclude athletic stadiums and grandstands and  
43 any structure, building or facility used wholly for school  
44 administration;

45 "Special education services pupils" means a pupil receiving specific

1 services pursuant to chapter 46 of Title 18A of the New Jersey  
2 Statutes;

3 "Spending growth limitation" means the annual rate of growth  
4 permitted in the net budget of a school district, county vocational  
5 school district or county special services school district as measured  
6 between the net budget of the prebudget year and the net budget of the  
7 budget year as calculated pursuant to subsection d. of section 5 of this  
8 act;

9 "Stabilization aid growth limit" means 10% or the rate of growth  
10 in the district's projected resident enrollment over the prebudget year,  
11 whichever is greater. For the 1997-98 school year, this means 8% or  
12 one-half the rate of growth in the district's projected resident  
13 enrollment and preschool enrollment between the October 1991  
14 enrollment report as contained on the district's Application for State  
15 School Aid for 1992-93 and the 1997-98 school year, whichever is  
16 greater. For the 1998-99 and 1999-2000 school years, this means the  
17 greatest of the following: 10%, one-half the district's rate of growth  
18 in projected resident enrollment and preschool enrollment over the  
19 October 1991 enrollment report as contained on the district's  
20 Application for State School Aid for 1992-93, or the district's  
21 projected rate of growth in resident enrollment over the prebudget  
22 year;

23 "State facility" means a State developmental center; a State  
24 Division of Youth and Family Services' residential center; a State  
25 residential mental health center; a DHS Regional Day School; a State  
26 training school / Secure care facility; a State juvenile community  
27 program; a juvenile detention center or a boot camp under the  
28 supervisory authority of the Juvenile Justice Commission pursuant to  
29 P.L.1995, c.284 (C.52:17B-169 et seq.); or an institution operated by  
30 or under contract with the Departments of Corrections or Human  
31 Services, or the Juvenile Justice Commission;

32 "Statewide average equalized school tax rate" means the amount  
33 calculated by dividing the general fund tax levy for all school districts,  
34 which excludes county vocational school districts and county special  
35 services school districts as defined pursuant to this section, in the  
36 State for the prebudget year by the equalized valuations certified in the  
37 year prior to the prebudget year of all taxing districts in the State  
38 except taxing districts for which there are no school tax levies;

39 "Statewide equalized valuation per pupil" means the equalized  
40 valuations of all taxing districts having resident enrollment in the  
41 State, divided by the resident enrollment for the State;

42 "T&E amount" means the cost per elementary pupil of delivering  
43 the core curriculum content standards and extracurricular and  
44 cocurricular activities necessary for a thorough regular education  
45 under the assumptions of reasonableness and efficiency contained in

1 the Report on the Cost of Providing a Thorough and Efficient  
2 Education;

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

5 "T&E program budget" means the sum of core curriculum  
6 standards aid, supplemental core curriculum standards aid,  
7 stabilization aid, designated general fund balance, miscellaneous local  
8 general fund revenue and that portion of the district's local levy that  
9 supports the district's T&E budget;

10 "T&E range" means the range of regular education spending which  
11 shall be considered thorough and efficient. The range shall be  
12 expressed in terms of T&E budget spending per elementary pupil, and  
13 shall be delineated by alternatively adding to and subtracting from the  
14 T&E amount the T&E flexible amount;

15 "Total Statewide income" means the sum of the district incomes of  
16 all taxing districts in the State;

17 "Unhoused students" means the number of students who are  
18 projected to be enrolled in five years in preschool handicapped,  
19 preschool, kindergarten, grades one through twelve, and special  
20 education services pupil educational programs, located and currently  
21 being provided in a school district, county vocational school district  
22 or county special services school district or which will be located and  
23 provided in a school district, county vocational school district or  
24 county special services school district within five years, which are in  
25 excess of the functional capacity of the district's current school  
26 facilities or the functional capacity of the school facilities which will  
27 be available within five years other than the school facilities for which  
28 the approved cost is determined, based upon a long range facilities  
29 plan as prescribed by the commissioner. The plan shall be submitted  
30 to and approved by the commissioner and shall include a cohort  
31 survival enrollment projection in which special education services  
32 students shall be considered part of the grade level to which the  
33 students' chronological age corresponds. For the purposes of  
34 calculating unhoused students, for districts which do not qualify for  
35 early childhood program aid pursuant to section 16 of this act,  
36 unhoused preschool students shall not be counted, and unhoused  
37 kindergarten students shall be counted at 50% of the actual count of  
38 unhoused kindergarten students. For districts that qualify for early  
39 childhood program aid pursuant to section 16 of this act, unhoused  
40 preschool students shall be counted at 50%, and unhoused  
41 kindergarten students shall be counted at 100%, of the actual count of  
42 unhoused preschool and kindergarten pupils.

43

44 4. (New section) a. The State Board of Education shall review  
45 each core curriculum content standard no later than three years after

1 the school year in which the standard is implemented. In conducting  
2 its review, the State board shall examine the curricula and programs  
3 offered in high performing schools and school districts. Thereafter,  
4 the State board shall review and update the core curriculum content  
5 standards every five years. The standards shall ensure that all children  
6 are provided the educational opportunity needed to equip them for the  
7 role of citizen and labor market competitor in the contemporary  
8 setting.

9 b. The Commissioner of Education shall develop and establish,  
10 through the report issued pursuant to subsection c. of this section,  
11 efficiency standards which define the types of programs, services,  
12 activities, and materials necessary to achieve an efficient education.  
13 The efficiency standards shall be reviewed biennially and revised as  
14 appropriate.

15 As part of the periodic review process for the standards established  
16 pursuant to this subsection and subsection a. of this section, the State  
17 board and commissioner shall review the portions of districts' local  
18 levies which are above the districts' maximum T & E budgets  
19 submitted in the intervening years to assess whether elements included  
20 in those portions should be incorporated into the revised standards.  
21 The Commissioner of Education shall also review the advisory cost  
22 benchmarks for the provision of non-instructional services by school  
23 districts as developed by the Commission on Business Efficiency in the  
24 Public Schools pursuant to subsection d. of this section and shall  
25 consider the cost benchmarks in the development of the efficiency  
26 standards.

27 c. Biennially by March 15 of each even numbered year, the  
28 Governor, after consultation with the commissioner, shall recommend  
29 to the Legislature through the issuance of the Report on the Cost of  
30 Providing a Thorough and Efficient Education:

31 (1) the per pupil T&E amount, based upon the thoroughness and  
32 efficiency standards established pursuant to subsections a. and b. of  
33 this section;

34 (2) the T&E range as calculated pursuant to section 12 of this act;  
35 and

36 (3) additional per pupil amounts for the following aid programs:  
37 special education;  
38 early childhood programs;  
39 demonstrably effective programs;  
40 instructional supplement;  
41 bilingual education;  
42 county vocational schools; and  
43 distance learning network.

44 The amounts, adjusted for inflation by the CPI in the second year  
45 to which the report applies, shall be deemed approved for the two

1 successive fiscal years beginning one year from the subsequent July 1,  
2 unless between the date of transmittal and the subsequent October 15,  
3 the Legislature adopts a concurrent resolution stating that the  
4 Legislature is not in agreement with all or any part of the report. The  
5 concurrent resolution shall advise the Governor of the Legislature's  
6 specific objections to the report and shall direct the Commissioner of  
7 Education to submit to the Legislature a revised report which responds  
8 to those objections by December 1.

9 d. The Commission on Business Efficiency in the Public Schools  
10 shall develop advisory cost benchmarks for the efficient provision of  
11 non-instructional services by school districts including, but not limited  
12 to, food services, transportation, operation and maintenance of plant  
13 services, purchasing, extracurricular and cocurricular activities, health  
14 and guidance services, and other support services. The cost  
15 benchmarks developed by the commission shall incorporate factors  
16 which reflect the actual costs of similarly situated school districts  
17 throughout the State in the provision of those services. The  
18 commission shall make information on the cost benchmarks available  
19 to school districts.

20

21 5. (New section) a. Biennially, within 30 days following the  
22 approval of the Report on the Cost of Providing a Thorough and  
23 Efficient Education, the commissioner shall notify each district of the  
24 T&E amount, the T&E flexible amount, the T&E range, early  
25 childhood program amount, demonstrably effective program amount,  
26 instructional supplement amount, and categorical amounts per pupil  
27 for the subsequent two fiscal years.

28 Annually, within two days following the transmittal of the State  
29 budget message to the Legislature by the Governor pursuant to section  
30 11 of P.L.1944, c.112 (C.52:27B-20), the commissioner shall notify  
31 each district of the maximum amount of aid payable to the district in  
32 the succeeding school year pursuant to the provisions of this act, and  
33 shall notify each district of the district's T&E budget, maximum T&E  
34 budget, and minimum permissible T&E budget for the succeeding  
35 school year.

36 Beginning in the 1998-99 school year, unless otherwise specified  
37 within this act, aid amounts payable for the budget year shall be based  
38 on budget year pupil counts, which shall be projected by the  
39 commissioner using data from prior years. Adjustments for the actual  
40 pupil counts of the budget year shall be made to State aid amounts  
41 payable during the school year succeeding the budget year. Additional  
42 amounts payable shall be reflected as revenue and an account  
43 receivable for the budget year.

44 Notwithstanding any other provision of this act to the contrary,  
45 each district's State aid payable for the 1997-98 school year, with the

1 exception of transportation and facilities aids pursuant to sections 25,  
2 26, and 27 of this act, shall be based on simulations employing the  
3 various formulas and State aid amounts contained in this act using  
4 projections based on the October 1995 pupil counts, December 1995  
5 special education census data and October 1995 equalized valuations.  
6 Transportation aid shall be calculated based on the provisions of this  
7 act using pupil data used for the 1996-97 school year and adjusted to  
8 reflect the total amount of State aid disbursed in the 1996-97 school  
9 year. The commissioner shall prepare a report reflecting the State aid  
10 amounts payable by category for each district and shall submit the  
11 report to the Legislature prior to the adoption of this act. The  
12 amounts contained in the commissioner's report shall be the final  
13 amounts payable and shall not be subsequently adjusted because of  
14 changes in pupil counts or equalized valuations. The projected pupil  
15 counts and equalized valuations used for the calculation of State aid  
16 shall also be used for the calculation of maximum T&E budget,  
17 minimum T&E budget, local share, and required local share.

18 Any school district which enrolls students who reside on federal  
19 property which were not included in the calculation of core curriculum  
20 standards aid for 1997-98 shall have its core curriculum standards aid  
21 recalculated for these additional enrollments through the 1997-98  
22 school year using the property value multiplier, income value  
23 multiplier, equalized valuation, and district income which were used  
24 in the original Statewide calculation of core curriculum standards aid.  
25 The additional aid resulting from the recalculations shall be divided by  
26 20 and the product shall be added to each of the remaining core  
27 curriculum standards aid payments for the 1997-98 school year.  
28 Additionally, the core curriculum standards aid calculation and  
29 payment schedule for 1998-99 shall be adjusted for such enrollments  
30 arriving after the last school day prior to October 16, 1997.

31 b. Each district shall have a required local share. For Abbott  
32 districts, the required local share for the purpose of determining its  
33 estimated minimum equalized tax rate and supplemental core  
34 curriculum standards aid shall equal the district's local share calculated  
35 at the middle of the T&E range (T&E amount x WENR, where WENR  
36 is the district's weighted enrollment pursuant to section 13 of this act).

37 Notwithstanding the above provision, no Abbott district shall raise  
38 a general fund tax levy which is less than the prior year general fund  
39 tax levy unless the sum of the levy and the other components of the  
40 T&E program budget equals or exceeds its maximum T&E budget  
41 calculated pursuant to section 13 of this act.

42 For district factor group A districts, the required local share shall  
43 equal the district's local share calculated at its minimum T&E budget  
44 pursuant to section 13 of this act.

45 For all other districts, the required local share shall equal the lesser

1 of the local share calculated at the district's minimum T&E budget  
2 pursuant to section 13 of this act, or the district's budgeted local share  
3 for the prebudget year.

4 In order to meet this requirement, each district shall raise a general  
5 fund tax levy which, when added to the general fund balance  
6 designated for the budget year, miscellaneous local general fund  
7 revenues estimated consistent with GAAP to be realized during the  
8 budget year, supplemental core curriculum standards aid calculated  
9 pursuant to section 17 of this act and stabilization aid calculated  
10 pursuant to section 10 of this act, equals its required local share or, for  
11 Abbott districts, the amount required when the calculation of required  
12 local share would result in a general fund tax levy which is less than  
13 the general fund tax levy of the prebudget year. For 1997-98, the  
14 budgeted local share for the prebudget year shall be the district's  
15 general fund tax levy.

16 For the 1997-98 school year, any tax increase which would be  
17 required of an Abbott district or district factor group A district to  
18 meet its required local share, after consideration of supplemental core  
19 curriculum standards aid and stabilization aid, shall be fully funded by  
20 the State and recorded as supplemental core curriculum standards aid.  
21 The commissioner, in consultation with the Commissioner of the  
22 Department of Community Affairs and the Director of the Division of  
23 Local Government Services in the Department of Community Affairs,  
24 shall examine the fiscal ability of the Abbott districts and the district  
25 factor group A districts eligible for supplemental core curriculum  
26 standards aid to absorb any reduction in such aid and shall make  
27 recommendations to the Legislature and the Governor regarding the  
28 continuation of supplemental core curriculum standards aid to those  
29 districts. In making those recommendations, the commissioner shall  
30 consider the ratable base of the municipality or municipalities in which  
31 the district is located, the tax burden placed upon the local community  
32 due to other required municipal services, and the fiscal ability of the  
33 school district to raise its required local share. The commissioner shall  
34 not implement any of those recommendations until the  
35 recommendations are enacted into law.

36 c. Annually, on or before March 4, each district board of  
37 education shall adopt, and submit to the commissioner for approval,  
38 together with such supporting documentation as the commissioner may  
39 prescribe, a budget that provides no less than the minimum permissible  
40 T&E budget, plus categorical amounts required for a thorough and  
41 efficient education as established pursuant to the report, special  
42 revenue funds and debt service funds.

43 d. (1) A district proposing a budget which includes spending  
44 which exceeds the maximum T&E budget established pursuant to  
45 section 13 of this act shall submit, as appropriate, to the board of

1 school estimate or to the voters of the district at the annual school  
2 budget election conducted pursuant to the provisions of P.L.1995,  
3 c.278 (C.19:60-1 et seq.), a general fund tax levy which when added  
4 to the other components of its net budget does not exceed the  
5 prebudget year net budget by more than the spending growth  
6 limitation calculated as follows: the sum of three percent or the CPI,  
7 whichever is greater, multiplied by the prebudget year net budget, and  
8 adjustments for changes in enrollment, certain capital outlay  
9 expenditures, certain expenditures for pupil transportation services  
10 provided pursuant to N.J.S. 18A:39-1.1, and special education costs  
11 per pupil in excess of \$40,000. The adjustment for special education  
12 costs shall equal any increase in the sum of per pupil amounts in excess  
13 of \$40,000 for the budget year less the sum of per pupil amounts in  
14 excess of \$40,000 for the prebudget year indexed by the CPI or three  
15 percent, whichever is greater. The adjustment for enrollments shall  
16 equal the increase in unweighted resident enrollments between the  
17 prebudget year and budget year multiplied by the per pupil general  
18 fund tax levy amount for the prebudget year indexed by the CPI or  
19 three percent, whichever is greater. The adjustment for capital outlay  
20 shall equal any increase between the capital outlay portion of the  
21 general fund budget for the budget year less any withdrawals from the  
22 capital reserve account and the capital outlay portion of the general  
23 fund budget for the prebudget year indexed by the CPI or three  
24 percent, whichever is greater. Any district with a capital outlay  
25 adjustment to its spending growth limitation shall be restricted from  
26 transferring any funds from capital outlay accounts to current expense  
27 accounts. The adjustment for capital outlay shall not become part of  
28 the prebudget year net budget for purposes of calculating the spending  
29 growth limitation of the subsequent year. The adjustment for pupil  
30 transportation costs provided pursuant to N.J.S.18A:39-1.1 shall equal  
31 any increase or decrease between the cost of providing such pupil  
32 transportation services for the budget year and the cost of providing  
33 such pupil transportation services in the prebudget year, indexed by  
34 the CPI or three percent, whichever is greater.

35 (2) A district proposing a budget set at or below the minimum  
36 T&E budget established pursuant to section 13 of this act shall submit,  
37 as appropriate, to the board of school estimate or to the voters of the  
38 district at the annual school budget election conducted pursuant to the  
39 provisions of P.L.1995, c.278 (C.19:60-1 et seq.), a general fund tax  
40 levy which when added to the other components of the net T&E  
41 budget shall not exceed the prebudget year net T&E budget or in  
42 1997-98 the prebudget year net budget by more than the spending  
43 growth limitation calculated as follows: the sum of three percent or the  
44 CPI, whichever is greater, multiplied by the prebudget year net budget,  
45 and adjustments for changes in enrollment, certain capital outlay

1 expenditures, certain expenditures for pupil transportation services  
2 provided pursuant to N.J.S.18A:39-1.1, and special education costs  
3 per pupil in excess of \$40,000. The enrollment adjustment shall equal  
4 the increase in weighted resident enrollment between the prebudget  
5 year and the budget year multiplied by the T&E amount less the T&E  
6 flexible amount. The adjustments for special education costs, pupil  
7 transportation services, and capital outlay expenditures shall be  
8 calculated pursuant to the provisions of paragraph 1 of this subsection.

9 Notwithstanding the provisions of this paragraph, no district shall  
10 raise a net budget which is less than the local share required under the  
11 required local share provisions of this act plus the other components  
12 of its net budget.

13 (3) A district proposing a budget set at or below the maximum  
14 T&E budget, but including amounts in excess of the minimum T&E  
15 budget established pursuant to section 13 of this act, shall submit, as  
16 appropriate, to the board of school estimate or to the voters at the  
17 annual school budget election conducted pursuant to the provisions of  
18 P.L.1995, c.278 (C.19:60-1 et seq.), a general fund tax levy which  
19 when added to the other components of its net T&E budget does not  
20 exceed the prebudget year net T&E budget or in 1997-98 the  
21 prebudget year net budget by more than the spending growth  
22 limitation calculated as follows: the sum of three percent or the CPI,  
23 whichever is greater, and adjustments for changes in enrollment,  
24 certain capital outlay expenditures, certain expenditures for pupil  
25 transportation services provided pursuant to N.J.S.18A:39-1.1, and  
26 special education costs per pupil in excess of \$40,000 per pupil. The  
27 enrollment adjustment shall equal the increase in the unweighted  
28 resident enrollment between the prebudget year and the budget year  
29 multiplied by the prebudget year T&E program budget per pupil  
30 indexed by the CPI or three percent, whichever is greater. For the  
31 1997-98 school year, the T&E program budget for the prebudget year  
32 shall equal the sum of the general fund tax levy, foundation aid, and  
33 transition aid. The adjustment for special education costs, pupil  
34 transportation services, and capital outlay expenditures shall be made  
35 pursuant to the provisions of paragraph 1 of this subsection.

36 (4) For the purpose of determining a district's spending growth  
37 limitation for the 1997-98 school year, a district may apply to the  
38 commissioner to add all or a part of the district's original designated  
39 general fund balance for 1996-97 to the spending growth limitation if  
40 it can demonstrate through current accounting records that the fund  
41 balance will actually be spent in the budget year.

42 (5) Any district whose budget does not exceed the maximum T&E  
43 budget after application of the spending growth limitation may submit  
44 at the annual school budget election a separate proposal or proposals  
45 for additional funds which will be added to the T&E program budget

1 at the spending growth limitation, including interpretive statements,  
2 specifically identifying the program purposes for which the proposed  
3 funds shall be used, to the voters, who may, by voter approval,  
4 authorize the raising of additional general fund tax levy for such  
5 purposes. In the case of a district with a board of school estimate, one  
6 proposal for the additional spending shall be submitted to the board of  
7 school estimate. Any proposal or proposals rejected by the voters shall  
8 be submitted to the municipal governing body or bodies for a  
9 determination as to the amount, if any, that should be expended  
10 notwithstanding voter rejection. The decision of the municipal  
11 governing body or bodies or board of school estimate, as appropriate,  
12 shall be final and no appeals shall be made to the commissioner.

13 (6) Notwithstanding any provision of law to the contrary, if a  
14 district proposes a budget which exceeds the maximum T&E budget,  
15 the following statement shall be published in the legal notice of public  
16 hearing on the budget pursuant to N.J.S.18A:22-28, posted at the  
17 public hearing held on the budget pursuant to N.J.S.18A:22-29, and  
18 printed on the sample ballot required pursuant to section 10 of  
19 P.L.1995, c.278 (C.19:60-10):

20 "Your school district has proposed programs and services in  
21 addition to the core curriculum content standards adopted by the State  
22 Board of Education. Information on this budget and the programs and  
23 services it provides is available from your local school district."

24 e. (1) Any general fund tax levy rejected by the voters for a  
25 proposed budget in excess of the maximum T&E budget shall be  
26 submitted to the governing body of each of the municipalities included  
27 within the district for determination of the amount that should be  
28 expended notwithstanding voter rejection. In the case of a district  
29 having a board of school estimate, the general fund tax levy shall be  
30 submitted to the board for determination of the amount that should be  
31 expended. If the governing body or bodies or board of school  
32 estimate, as appropriate, reduce the district's proposed net budget  
33 below the prebudget year net budget, the district may appeal any  
34 portion of the reductions up to the prebudget year net budget level  
35 on the grounds that the reductions will negatively impact on the  
36 stability of the district given the need for long term planning and  
37 budgeting. In considering the appeal, the commissioner shall consider  
38 enrollment increases or decreases within the district; the history of  
39 voter approval or rejection of district budgets; the impact on the local  
40 levy; and whether the reductions will impact on the ability of the  
41 district to fulfill its contractual obligations. A district may not appeal  
42 any reductions on the grounds that the amount is necessary for a  
43 thorough and efficient education.

44 (2) Any general fund tax levy rejected by the voters for a  
45 proposed budget at or below the maximum T&E budget shall be

1 submitted to the governing body of each of the municipalities included  
2 within the district for determination of the amount that should be  
3 expended notwithstanding voter rejection. In the case of a district  
4 having a board of school estimate, the general fund tax levy shall be  
5 submitted to the board for determination. Any reductions may be  
6 appealed to the commissioner on the grounds that the amount is  
7 necessary for a thorough and efficient education or that the reductions  
8 will negatively impact on the stability of the district given the need for  
9 long term planning and budgeting. In considering the appeal, the  
10 commissioner shall also consider the factors outlined in paragraph 1 of  
11 this subsection.

12 In the case of a school district in which the proposed budget is  
13 below, or after a reduction made by the municipal governing body or  
14 board of school estimate is below, the minimum T&E budget  
15 calculated pursuant to section 13 of this act, any reductions made by  
16 the municipal governing body or board of school estimate shall be  
17 automatically reviewed by the commissioner. In reviewing the budget,  
18 the commissioner shall also consider the factors outlined in paragraph  
19 1 of this subsection. In addition, the municipal governing body or  
20 board of school estimate shall be required to demonstrate clearly to the  
21 commissioner that the proposed budget reductions shall not adversely  
22 affect the ability of the school district to provide a thorough and  
23 efficient education or the stability of the district given the need for  
24 long term planning and budgeting.

25 (3) In lieu of any budget reduction appeal provided for pursuant  
26 to paragraphs 1 and 2 of this subsection, the State board may establish  
27 pursuant to the "Administrative Procedure Act," P.L.1968, c.410  
28 (C.52:14B-1 et seq.), an expedited budget review process based on a  
29 district's application to the commissioner for an order to restore a  
30 budget reduction.

31 (4) When the voters, municipal governing body or bodies, or the  
32 board of school estimate authorize the general fund tax levy, the  
33 district shall submit the resulting budget to the commissioner within 15  
34 days of the action of the voters or municipal governing body or bodies,  
35 whichever is later, or of the board of school estimate as the case may  
36 be.

37 f. Any district which is not an Abbott district but which was  
38 classified as a special needs district under the "Quality Education Act  
39 of 1990," P.L.1990, c.52 (C.18A:7D-1 et al.), may appeal any budget  
40 reduction made by the municipal governing body or board of school  
41 estimate, as appropriate, to the commissioner.

42

43 6. (New section) a. The commissioner shall not approve any  
44 budget submitted pursuant to subsection c. of section 5 of this act  
45 unless he is satisfied that the district has adequately implemented

1 within the budget the thoroughness and efficiency standards set forth  
2 pursuant to section 4 of this act. In those instances in which a district  
3 submits a budget set at less than its minimum T&E budget, the  
4 commissioner may, when he deems it necessary to ensure  
5 implementation of standards, direct additional expenditures, in specific  
6 accounts and for specific purposes, up to the district's T&E budget.  
7 A district which submits a budget set at less than its minimum T&E  
8 budget and which fails to meet core curriculum content standards in  
9 any school year shall be required to increase expenditures so as to  
10 meet at least the minimum T&E budget within the next two budget  
11 years. In those instances in which a district submits a budget at or  
12 above its minimum T&E budget, the commissioner may likewise, when  
13 he deems it necessary to ensure implementation of standards, direct  
14 additional expenditures, in specific accounts and for specific purposes,  
15 up to the T&E budget. In all cases, including those instances in which  
16 a district submits a budget above its T&E budget, up to and including  
17 its maximum T&E budget, the commissioner may direct such  
18 budgetary reallocations and programmatic adjustments, or take such  
19 other measures, as he deems necessary to ensure implementation of  
20 the required thoroughness and efficiency standards.

21 b. In addition, whenever the commissioner determines, through the  
22 results of Statewide assessments conducted pursuant to law and  
23 regulation, or during the course of an evaluation of school  
24 performance conducted pursuant to section 10 of P.L.1975, c.212  
25 (C.18A:7A-10), that a district, or one or more schools within the  
26 district, is failing to achieve the core curriculum content standards, the  
27 commissioner may summarily take such action as he deems necessary  
28 and appropriate, including but not limited to:

- 29 (1) directing the restructuring of curriculum or programs;
- 30 (2) directing staff retraining or reassignment;
- 31 (3) conducting a comprehensive budget evaluation;
- 32 (4) redirecting expenditures;
- 33 (5) enforcing spending at the full per pupil T&E amount; and
- 34 (6) notwithstanding any provisions of the "New Jersey  
35 Employer-Employee Relations Act," P.L.1941, c.100 (C. 34:13A-1 et  
36 seq.), to the contrary, reviewing and approving the terms of future  
37 collective bargaining agreements.

38 For the purpose of evaluating a district's results on Statewide  
39 assessments pursuant to this subsection, the commissioner shall limit  
40 the use of these actions to those instances in which a school in a  
41 district has experienced at least three consecutive years of failing test  
42 scores.

43 Any action taken by the commissioner with respect to a collective  
44 bargaining agreement shall be subject to the prior approval of the State  
45 Board of Education, and any other action taken under this subsection

1 shall be reported to the State board within 30 days. A board of  
2 education may appeal a determination that the district is failing to  
3 achieve the core curriculum content standards and any action of the  
4 commissioner to the State board.

5 Nothing in this section shall be construed to limit such general or  
6 specific powers as are elsewhere conferred upon the commissioner  
7 pursuant to law.

8 Nothing in this act shall be deemed to restrict or limit any rights  
9 established pursuant to the "New Jersey Public Employer-Employee  
10 Relations Act," P.L. 1941, c.100 (C.34:13A-1 et seq.), nor shall the  
11 commissioner's powers under this act be construed to permit the  
12 commissioner to restrict, limit, interfere with, participate, or be  
13 directly involved in collective negotiations, contract administration, or  
14 processing of grievances, or in relation to any terms and conditions of  
15 employment. This provision shall not apply to a State-operated school  
16 district.

17 c. Each Abbott district shall submit its proposed budget for the  
18 next school year to the commissioner seven days prior to the  
19 submission date for all other school district budgets. The review of  
20 the budget shall include, but not be limited to, an assessment of efforts  
21 to reduce class sizes, increase the breadth of program offerings, and  
22 direct funds into the classroom. If the commissioner determines  
23 during the review of an Abbott district budget that funds are not  
24 appropriately directed so that students in the districts are provided the  
25 educational opportunity to meet the core curriculum content  
26 standards, the commissioner shall direct the reallocation of funds  
27 within the budget. The commissioner shall approve any transfer of  
28 funds from instructional accounts to non-instructional accounts. In  
29 addition, if the commissioner directs the reallocation of funds from or  
30 between instructional accounts or from or between non-instructional  
31 accounts in the proposed budget, the district shall not transfer any  
32 funds to or from those accounts that were subject to reallocation  
33 without the prior approval of the commissioner. The commissioner  
34 shall, for any Abbott district, when he deems it necessary to ensure  
35 implementation of the thoroughness standards, direct additional  
36 expenditures above the T&E budget in specific accounts and for  
37 specific purposes, up to the maximum T&E budget without approval  
38 of the local voters or board of school estimate, as applicable.

39 d. In addition to the audit required of school districts pursuant to  
40 N.J.S.18A:23-1, the accounts and financial transactions of any school  
41 district in which the State aid equals 80% or more of its net budget for  
42 the budget year shall be directly audited by the Office of the State  
43 Auditor on an annual basis.

44 e. Notwithstanding any provision of law to the contrary, in the  
45 review of a school district's budget pursuant to subsections c. or e. of

1 section 5 of this act, the commissioner shall not eliminate, reduce, or  
2 reallocate funds contained within the budget for pupil transportation  
3 services provided pursuant to N.J.S.18A:39-1.1 nor require the district  
4 to eliminate these funds from the base budget and to submit a separate  
5 proposal to the voters or board of school estimate pursuant to  
6 paragraph 5 of subsection d. of section 5 of this act for the inclusion  
7 of the funds within the proposed budget. The decision to provide  
8 such pupil transportation services shall be made by the board of  
9 education of the school district. In the case of a school budget that is  
10 defeated by the voters or a budget that is not approved by the board  
11 of school estimate, that decision shall be made in consultation with  
12 the municipal governing body or board of school estimate, as  
13 appropriate, or, in the case of a regional district, the municipal  
14 governing bodies.

15

16 7. (New section) a. If the amount of the budgeted general fund  
17 for the prebudget year is \$100 million or less, an undesignated general  
18 fund balance in excess of 6% of that amount or \$75,000, whichever is  
19 greater, shall be appropriated by a school district or county vocational  
20 school district for the purpose of the budget prepared pursuant to  
21 section 5 of this act. If the amount of the budgeted general fund for  
22 the prebudget year exceeds \$100 million, an undesignated general fund  
23 balance in excess of 6% of the first \$100 million and in excess of 3%  
24 of the amount which exceeds \$100 million shall be appropriated by a  
25 school district or county vocational school district for the purpose of  
26 the budget prepared pursuant to section 5 of this act.

27 b. Notwithstanding the provisions of subsection a. of this section,  
28 if the district has a formal plan to expand, renovate or construct school  
29 facilities, join a distance learning network, or make a major  
30 replacement or acquisition of instructional equipment within the  
31 subsequent five years, the district may, with the approval of the  
32 commissioner, transfer the excess undesignated general fund balance  
33 to the capital reserve account established pursuant to N.J.S.18A:21-3  
34 for that purpose.

35 c. If it is determined that the undesignated general fund balances  
36 at June 30 of any school year exceed those permitted under subsection  
37 a. of this section, the excess undesignated general fund balances shall  
38 be reserved and designated in the subsequent year's budget submitted  
39 to the commissioner pursuant to subsection c. of section 5 of this act.

40 d. The commissioner may withhold State aid in an amount not to  
41 exceed the excess undesignated general fund balances for failure to  
42 comply with subsection c. of this section.

43

44 8. (New section) The amounts payable to each school district and  
45 county vocational school district pursuant to this act shall be paid by

1 the State Treasurer upon the certification of the commissioner and  
2 warrant of the Director of the Division of Budget and Accounting.  
3 Five percent of the appropriation for core curriculum standards aid,  
4 supplemental core curriculum standards aid, special education,  
5 transportation, early childhood programs, demonstrably effective  
6 programs, instructional supplement, bilingual, county vocational  
7 education program, distance learning network, and other aid pursuant  
8 to this act shall be paid on the first and fifteenth of each month from  
9 September through June. If a local board of education requires funds  
10 prior to the first payment, the board shall file a written request with  
11 the commissioner stating the need for the funds. The commissioner  
12 shall review each request and forward for payment those for which  
13 need has been demonstrated.

14 Facilities funds shall be paid as required to meet due dates for  
15 payment of principal and interest. Each school district, county  
16 vocational school district, and county special services school district  
17 shall file an annual report regarding facilities payments to the  
18 commissioner. The report shall include the amount of interest bearing  
19 school debt, if any, of the municipality or district then remaining  
20 unpaid, together with the rate of interest payable thereon, the date or  
21 dates on which the bonds or other evidences of indebtedness were  
22 issued, and the date or dates upon which they fall due. In the case of  
23 a Type I school district, the board secretary shall secure the schedule  
24 of outstanding obligations from the clerk of the municipality.

25  
26 9. (New section) In order to receive any State aid pursuant to this  
27 act, a school district, county vocational school district, or county  
28 special services school district shall comply with the rules and  
29 standards for the equalization of opportunity which have been or may  
30 hereafter be prescribed by law or formulated by the commissioner  
31 pursuant to law, including those implementing this act or related to the  
32 core curriculum content standards required by this act, and shall  
33 further comply with any directive issued by the commissioner pursuant  
34 to section 6 of this act. The commissioner is hereby authorized to  
35 withhold all or part of a district's State aid for failure to comply with  
36 any rule, standard or directive. No State aid shall be paid to any  
37 district which has not provided public school facilities for at least 180  
38 days during the preceding school year, but the commissioner, for good  
39 cause shown, may remit the penalty.

40  
41 10. (New section) a. Notwithstanding any other provision of this  
42 act to the contrary, the total stabilized aid for each district shall not be  
43 increased by more than the district's stabilization aid growth limit. In  
44 the event that total stabilized aid exceeds the prebudget year total by  
45 a rate greater than the stabilization aid growth limit, the commissioner

1 shall adjust the components of total stabilized aid so that they total  
2 exactly the prebudget year total increased by the stabilization aid  
3 growth limit. For the 1997-98 school year, the prebudget year total  
4 shall include foundation aid, transition aid, categorical aids for special  
5 education, bilingual education and county vocational education, and  
6 transportation aid paid for the 1996-97 school year. For the 1998-99  
7 school year and thereafter, the prebudget year total shall be the total  
8 for the same aid categories as included in total stabilized aid plus any  
9 stabilization aid the district has received pursuant to subsection b. of  
10 this section, as paid in the prebudget years. For the 1997-98 and  
11 1998-99 school years, total stabilized aid shall include core curriculum  
12 standards aid, categorical aids for special education programs,  
13 bilingual education programs, and county vocational programs,  
14 transportation aid, and aid for adult and postsecondary programs  
15 calculated pursuant to sections 15, 19, 20, 21, 25, and 28 of this act.  
16 For the 1999-2000 school year and thereafter, total stabilized aid shall  
17 include core curriculum standards aid, supplemental core curriculum  
18 standards aid, distance learning network aid, categorical aids for  
19 special education programs, bilingual education programs, county  
20 vocational programs, early childhood program aid, demonstrably  
21 effective program aid, instructional supplement aid, transportation aid,  
22 aid for adult and postsecondary programs, and academic achievement  
23 rewards calculated pursuant to sections 15 through 22, 25, 28 and 29  
24 of this act.

25 Notwithstanding any provision of this section to the contrary, the  
26 commissioner shall ensure that by the 1999-2000 school year and  
27 thereafter, the total stabilized aid for each school district reflects the  
28 actual pupil counts of the district.

29 b. Notwithstanding any other provision of this act to the contrary,  
30 the total of a district's stabilization aid, core curriculum standards aid,  
31 supplemental core curriculum standards aid, distance learning network  
32 aid, categorical aids for special education programs, bilingual  
33 education programs, county vocational programs, early childhood  
34 program aid, demonstrably effective program aid, transportation aid,  
35 aid for adult and postsecondary programs, and academic achievement  
36 rewards calculated pursuant to subsection a. of this section and  
37 sections 15 through 22, 25, 28 and 29 of this act, shall not be  
38 decreased by more than 10% below the amounts paid for these  
39 categories in the prebudget year. In the event that the sum of the  
40 formula entitlements calculated pursuant to those sections is less than  
41 90% of the prebudget total, stabilization aid shall be paid in the  
42 amount of the difference between 90% of the prebudget year total and  
43 the sum of those entitlements. For the 1997-98 school year, the  
44 prebudget year total shall include foundation aid, transition aid, aid for  
45 at-risk pupils, technology aid and categorical aids for special

1 education, bilingual education and county vocational education, and  
2 transportation aid.

3 c. For the 1997-98 school year, supplemental stabilization aid shall  
4 be paid to any district in which:

5 (1) the total aid payable for the categories listed in subsection b.  
6 of this section is less than the prebudget year total for the same aids;  
7 and

8 (2) resident enrollment projected for October 1997 exceeds 99  
9 percent of the resident enrollment for October 1991 or resident  
10 enrollment projected for October 1997 is less than resident enrollment  
11 for October 1991 by 35 or fewer pupils or the prebudget year  
12 equalized tax rate exceeded the Statewide average equalized school  
13 tax rate by 10% or more.

14 An eligible district shall be aided in the amount of its total aid  
15 decline, after offset by any stabilization aid provided pursuant to  
16 subsection b. of this section, or \$4,000,000, whichever is less. The  
17 commissioner, in consultation with the Commissioner of the  
18 Department of Community Affairs and the Director of the Division of  
19 Local Government Services in the Department of Community Affairs,  
20 shall examine the fiscal ability of districts eligible for supplemental  
21 stabilization aid to absorb aid losses and shall make recommendations  
22 to the Legislature and the Governor regarding the continuation of  
23 supplemental stabilization aid. The commissioner shall not implement  
24 any of those recommendations until the recommendations are enacted  
25 into law.

26 d. Any stabilization aid and supplemental stabilization aid paid  
27 pursuant to this section shall be applied toward the required local  
28 share of the school district or county vocational school district which  
29 receives the aid.

30

31 11. (New section) The State's core curriculum standards aid  
32 contribution for the 1997-98 school year shall be \$2,620,200,000. In  
33 subsequent years, the State's core curriculum standards aid  
34 contribution shall be the total Statewide core curriculum standards aid  
35 calculated pursuant to section 15 of this act for the prebudget year and  
36 prior to the application of section 10 indexed by the sum of 1.0, the  
37 CPI, and the State average enrollment growth percentage between the  
38 prebudget year and the budget year as projected by the commissioner.

39

40 12. (New section) The commissioner shall establish, based on the  
41 standards issued pursuant to section 4 of this act, a basic per pupil  
42 T&E amount, and shall develop appropriate weights reflecting the  
43 differing costs of providing education at the kindergarten, elementary  
44 school, middle school, and high school levels, which weights shall be  
45 applied in determining a district's T&E budget as set forth in section

1 13 of this act. The T&E amount for the 1997-1998 school year shall  
 2 be \$ 6,720, which shall be adjusted for inflation by the CPI for the  
 3 1998-1999 school year. The weights for kindergarten, elementary  
 4 (grades 1-5), middle (grades 6-8), and high school (grades 9-12) levels  
 5 for the 1997-98 school year shall be 0.5, 1.0, 1.12 and 1.20  
 6 respectively. In subsequent years, the T&E amount and the school  
 7 level weights shall be established biennially in the Report on the Cost  
 8 of Providing a Thorough and Efficient Education, with the T&E  
 9 amount adjusted for inflation by the CPI in the second year to which  
 10 the report applies.

11 For the 1997-98 school year, the T&E flexible amount shall be  
 12 \$336, and the T&E range shall be from \$ 6,384 to \$ 7,056. These  
 13 figures shall be adjusted by the CPI for the 1998-99 school year. In  
 14 subsequent years, the T&E range shall be established biennially in the  
 15 Report on the Cost of Providing a Thorough and Efficient Education,  
 16 with the T&E range adjusted for inflation by the CPI in the second  
 17 year to which the report applies.

18

19 13. (New section) a. The weighted enrollment for each school  
 20 district and each county vocational school district shall be calculated  
 21 as follows:

$$22 \text{ WENR} = \text{PW} \times \text{PENR} + \text{EW} \times \text{EENR} + \text{MW} \times \text{MENR} + \text{HW} \times \text{HENR}$$

23 where

- 24 PW is the T&E weight for kindergarten enrollment;
- 25 EW is the T&E weight for elementary enrollment;
- 26 MW is the T&E weight for middle school enrollment;
- 27 HW is the T&E weight for high school enrollment;
- 28 PENR is the resident enrollment for kindergarten;
- 29 EENR is the resident enrollment for grades 1-5;
- 30 MENR is the resident enrollment for grades 6 - 8; and
- 31 HENR is the resident enrollment for grades 9 - 12.

32 For the purposes of this section, ungraded pupils shall be counted in  
 33 their age-equivalent grade.

34 b. The maximum T&E budget for each school district and each  
 35 county vocational school district shall be calculated as follows:

$$36 \text{ MAXBUD} = (\text{TE} + \text{FL}) \times \text{WENR}$$

37 where

- 38 TE is the T&E amount; and
- 39 FL is the T&E flexible amount.

40 c. The minimum T&E budget for each school district and each  
 41 county vocational school district shall be calculated as follows:

$$42 \text{ MINBUD} = (\text{TE} - \text{FL}) \times \text{WENR}$$

43 except in the case of Abbott districts, in which the minimum T&E  
 44 budget shall equal the maximum T&E budget as calculated pursuant  
 45 to subsection b. of this section

1 where

2 TE is the T&E amount;

3 FL is the T&E flexible amount; and

4 WENR is the district's weighted enrollment.

5 d. The T&E budget for each school district and each county  
6 vocational school district shall be calculated for 1997-98 as follows:

7  $TEBUD = PBNB \times (1 + CPI) - (CAT + DEP + ECP + IS)$ ;

8 provided that TEBUD shall be neither less than MINBUD nor greater  
9 than MAXBUD and where

10 PBNB is the district's prebudget year net budget;

11 CAT is the sum of aids calculated in accordance with sections  
12 19, 20, 21, 22, 25, 28 and 29 of this act;

13 DEP is the aid calculated in accordance with section 18 of this  
14 act;

15 ECP is the aid calculated in accordance with section 16 of this  
16 act; and

17 IS is the aid calculated in accordance with section 18 of this  
18 act.

19 In subsequent years, T&E budget shall be calculated as follows:

20  $TEBUD = (WENR \times PBNB / PBWENR) \times (1 + CPI) -$   
21  $(CAT + DEP + ECP + IS)$ ;

22 provided that CPI shall not be less than .03 and

23 provided that TEBUD shall be neither less than MINBUD nor greater  
24 than MAXBUD and where

25 PBNB is the district's prebudget year net T&E budget;

26 CAT is the sum of aids payable in accordance with sections 19,  
27 20, 21, 22, 25, 28 and 29 of this act;

28 DEP is the aid payable in accordance with section 18 of this  
29 act;

30 ECP is the aid payable in accordance with section 16 of this  
31 act; and

32 IS is the aid payable in accordance with section 18 of this act;

33 WENR is the district's weighted enrollment; and

34 PBWENR is the district's weighted enrollment for the  
35 prebudget year.

36

37 14. (New section) Each school district and each county  
38 vocational school district shall receive core curriculum standards aid  
39 predicated on a local share determined by district property wealth and  
40 district income.

41 a. Each district's local share shall be calculated as follows:

42  $LSHARE = (TEBUD / LSBASE) \times (WRT \times EQVAL + IRT \times INC) / 2$

43 where

44 TEBUD is the T&E budget as determined pursuant to  
45 subsection d. of section 13 of this act;

1           LSBASE = (TE - FL) x WENR

2           WRT is the Statewide property value multiplier determined  
3 pursuant to subsection c. of this section;

4           IRT is the Statewide income multiplier determined pursuant to  
5 subsection c. of this section;

6           EQVAL is the district's prebudget year equalized valuation;  
7 and,

8           INC is the district's income.

9        b. The local share for each county vocational school district shall  
10 be calculated as follows:

11        LSHARE= (COLSHARE/COTEBUD) x TEBUD

12 where

13        COLSHARE is the sum of the local shares for all school  
14 districts in the county calculated pursuant to subsection a. of this  
15 section;

16        COTEBUD is the sum of the T&E budgets for all school  
17 districts in the county calculated pursuant to subsection d. of section  
18 13 of this act; and

19        TEBUD is the county vocational district's T&E budget  
20 calculated pursuant to subsection d. of section 13 of this act.

21        c. The values for the property value multiplier and the income  
22 multiplier shall be annually determined by the commissioner as follows:

23        The property value multiplier shall be determined such that core  
24 curriculum standards aid equals the Statewide available core  
25 curriculum standards aid for all districts determined according to this  
26 act had each school district's and county vocational school district's  
27 local share equaled the product of the property value multiplier and the  
28 district's equalized valuation, and had each district's general fund levies  
29 equaled its local share.

30        The income multiplier shall be determined such that core  
31 curriculum standards aid equals the Statewide available core  
32 curriculum standards aid for all districts determined according to this  
33 act had each school district's and county vocational school district's  
34 local share equaled the product of the income multiplier and the  
35 district's income, and had each district's general fund levies equaled its  
36 local share.

37        In the event that these multipliers, when used in accordance with  
38 the provisions of this section and assuming that each district's general  
39 fund levy is equal to its local share, do not result in core curriculum  
40 standards aid for all districts equal to the Statewide available core  
41 curriculum standards aid, the commissioner shall adjust these  
42 multipliers appropriately, giving equal weight to each.

43

44        15. (New section) Each district's core curriculum standards aid  
45 shall be calculated as follows:

1       CCSAID= TEBUD - LSHARE provided that CCSAID shall not be  
2 less than zero; and  
3 where

4       LSHARE is the district's local share calculated pursuant to section  
5 14 of this act; and

6       TEBUD is the district's T&E budget calculated pursuant to  
7 subsection d. of section 13 of this act.

8       Each district's core curriculum standards aid for general fund  
9 expenses shall be expended to provide a thorough and efficient system  
10 of education consistent with the standards established pursuant to  
11 section 4 of this act.

12       A school district may make an appeal to the commissioner on the  
13 amount of its core curriculum standards aid on the basis that the  
14 calculation of income within the local share formula under section 14  
15 of this act does not accurately reflect the district's income wealth.

16

17       16. (New section) Early childhood program aid shall be  
18 distributed to all school districts with high concentrations of  
19 low-income pupils, for the purpose of providing full-day kindergarten  
20 and preschool classes and other early childhood programs and  
21 services.

22       For districts in which the concentration of low income pupils is  
23 equal to or greater than 20% and less than 40%, aid shall be  
24 distributed according to the following formula:

25       Aid       =     A1     x     Modified District Enrollment.

26       For districts in which the concentration of low income pupils is  
27 equal to or greater than 40 %, aid shall be distributed according to the  
28 following formula for the purpose of expanding instructional services  
29 previously specified to 3 year olds, or of providing, in addition to the  
30 instructional services previously specified, transition and social  
31 services to primary grade students:

32       Aid       =     A2     X     Modified District Enrollment

33 where

34       A1       =     \$465; and

35       A2       =     \$750.

36       For the 1998-1999 school year, the per pupil funding amounts shall  
37 be these amounts multiplied by the CPI. For subsequent years, the  
38 amounts shall be established biennially in the Report on the Cost of  
39 Providing a Thorough and Efficient Education and shall be derived  
40 from cost analyses of appropriate programmatic applications of these  
41 funds as identified in the report. The amounts shall be adjusted for  
42 inflation by the CPI in the second year of the period to which the  
43 report applies.

44       County vocational school districts and limited purpose regional  
45 high school districts meeting the eligibility criteria of this section shall

1 receive aid payable under this section as demonstrably effective  
2 program aid in addition to amounts received pursuant to section 18 of  
3 this act.

4 Each district which receives early childhood program aid shall  
5 submit to the commissioner for approval an operational plan that shall  
6 be a subset of the district's comprehensive strategic plan, to establish  
7 preschool and full-day kindergarten for all four and five year olds by  
8 the 2001-2002 school year and to maintain them thereafter. Districts  
9 shall appropriate the aid in a special revenue fund for expenditure, but  
10 may place all or a portion of the aid in a capital reserve account during  
11 the first four years to establish facilities for these purposes. Districts  
12 may use early childhood program aid for the purpose of constructing  
13 new school facilities or enlarging existing school facilities for use by  
14 pupils other than those enrolled in early childhood programs, provided  
15 the new or enlarged facilities are adequate to house the planned early  
16 childhood programs. Districts which maintain progress consistent with  
17 the implementation plan may also use the funds for demonstrably  
18 effective programs pursuant to section 18 prior to establishing the  
19 programs required pursuant to this section. The commissioner shall  
20 establish guidelines to track the specific purposes of expenditures  
21 under this section.

22

23 17. (New section) a. Each school district and county vocational  
24 school district which meets the following criteria shall be eligible to  
25 receive supplemental core curriculum standards aid:

26 (1) the district's concentration of low-income pupils, relative to  
27 modified district enrollment, equals or exceeds 40%; and

28 (2) the district's estimated minimum equalized tax rate exceeds  
29 that estimated for the State as a whole by more than 10%; and

30 (3) in any district with a resident enrollment in excess of 2,000  
31 pupils the district's equalized valuation per resident pupil is not more  
32 than twice the Statewide equalized valuation per pupil.

33 b. Each school district and county vocational school district which  
34 is determined to be eligible to receive aid pursuant to subsection a. of  
35 this section shall receive aid according to the following formula if the  
36 calculated result is greater than zero:

37  $(MEQTXRT - 1.10 \times STEQTXRT) \times EQVAL$

38 where

39 MEQTXRT is the district's estimated minimum equalized tax rate;

40 STEQTXRT is the estimated minimum equalized tax rate for the  
41 State; and

42 EQVAL is the district's equalized valuation.

43

44 18. (New section) a. Demonstrably effective program aid shall be  
45 generated by individual schools and distributed to districts for the

1 purpose of providing instructional, school governance, and health and  
 2 social service programs to students enrolled in the generating school  
 3 according to the following formulas:

4 Aid shall be distributed to districts with schools in which the  
 5 concentration of low-income pupils is equal to or greater than 20%  
 6 and less than 40% as follows:

$$7 \quad \text{Aid} = B1 \times \text{SENR1}$$

8 where

9 SENR1 is the sum of school enrollments for all schools in the  
 10 district enrolling low-income pupils at rates equal to or greater than  
 11 20% but less than 40%.

12 Aid shall be distributed to districts with schools in which the  
 13 concentration of low-income pupils is equal to or greater than 40% as  
 14 follows:

$$15 \quad \text{Aid} = B2 \times \text{SENR2}$$

16 where

17 SENR2 is the sum of the school enrollments for all schools in the  
 18 district enrolling low-income pupils at rates equal to or greater than  
 19 40%;

20 where

$$21 \quad B1 = \$300; \text{ and}$$

$$22 \quad B2 = \$425.$$

23 For the 1998-1999 school year, the per pupil funding amounts shall  
 24 be these amounts multiplied by the CPI. For subsequent years, the  
 25 amounts shall be established biennially in the Report on the Cost of  
 26 Providing a Thorough and Efficient Education and be derived from  
 27 cost analyses of appropriate programmatic applications as identified in  
 28 the report. The amounts shall be adjusted for inflation by the CPI in  
 29 the second year of the period to which the report applies.

30 b. The State Board of Education, upon the recommendation of the  
 31 commissioner, shall adopt regulations governing the use of  
 32 demonstrably effective program aid and an accounting mechanism to  
 33 ensure that use. The rules shall provide for:

34 (1) Programs. A definition as recommended by the commissioner  
 35 shall be established of the demonstrably effective programs and  
 36 services which shall qualify for aid. The definition shall include for  
 37 1997-98, but not be limited to: alternative schools; community  
 38 schools; class size reduction programs; parent education programs; job  
 39 training programs; training institutes to improve homework response;  
 40 telephone tutorial programs; teleconference and video tutoring  
 41 programs; and HSPT/Early Warning test before school/after school  
 42 preparation programs. The commissioner shall establish the per-pupil  
 43 cost of providing these effective programs and services in the Report  
 44 on the Cost of Providing a Thorough and Efficient Education.

45 (2) Accountability. A recipient district shall be required to obtain

1 the approval of the Department of Education for the planned uses of  
2 demonstrably effective program funds. A periodic public process shall  
3 be established by which specific programmatic uses for the funds shall  
4 be identified and approved. A district failing to use the funds in the  
5 prescribed manner shall be subject to rescission of aid and additional  
6 monetary penalties as established by the commissioner.

7 (3) Monitoring. To facilitate State monitoring of the uses of the  
8 funds, districts shall be required to maintain separate program and  
9 service accounts in the special revenue section of district budgets and  
10 financial records in accordance with GAAP and specifications  
11 prescribed by the commissioner.

12 c. Instructional supplement aid shall be generated by school  
13 districts and county vocational school districts and distributed to  
14 districts for the purposes of providing supplemental services for  
15 students from low-income families. Aid shall be distributed to districts  
16 in which the concentration of low-income pupils is equal to or greater  
17 than 5% and less than 20%. Districts will receive \$339 for each pupil  
18 from low-income families. For the 1998-99 school year, the per pupil  
19 funding amount shall be this amount multiplied by the CPI. For  
20 subsequent years, the amount shall be established biennially in the  
21 Report on the Cost of Providing a Thorough and Efficient Education  
22 and be derived from cost analyses of appropriate programmatic  
23 applications as identified in the report. The amount shall be adjusted  
24 for inflation by the CPI in the second year of the period to which the  
25 report applies. Instructional supplement aid shall be accounted for in  
26 a special revenue fund.

27 d. The Department of Education shall develop, in collaboration  
28 with the Departments of Human Services and Health and Senior  
29 Services, as well as other appropriate State departments and agencies,  
30 mechanisms necessary to coordinate the provision of programs and  
31 services at the local level.

32  
33 19. (New section) a. Special education categorical aid for each  
34 school district and county vocational school district shall be calculated  
35 for the 1997-98 school year as follows:

36 Tier I is the number of pupils classified for other than speech  
37 correction services resident in the district which receive related  
38 services including, but not limited to, occupational therapy, physical  
39 therapy, speech and counseling. Aid shall equal 0.0223 of the T&E  
40 amount rounded to the nearest whole dollar for each of the four  
41 service categories provided per classified pupil.

42 Tier II is the number of pupils resident in the district meeting the  
43 classification definitions for perceptually impaired, neurologically  
44 impaired, educable mentally retarded and preschool handicapped; all  
45 classified pupils in shared time county vocational programs in a county

1 vocational school which does not have a child study team receiving  
2 services pursuant to chapter 46 of Title 18A of the New Jersey  
3 Statutes; and nonclassified pupils in State training schools or secure  
4 care facilities. For the purpose of calculating State aid for 1997-98,  
5 each district, other than a county vocational school district, shall have  
6 its pupil count for perceptually impaired reduced by perceptually  
7 impaired classifications in excess of one standard deviation above the  
8 State average classification rate at December 1995 or 9.8 percent of  
9 the district's resident enrollment. The perceptually impaired limitation  
10 shall be phased down to the State average of the prebudget year over  
11 a five year period by adjusting the standard deviation as follows: 75  
12 percent in 1998-99, 50 percent in 1999-2000, 25 percent in 2000-2001  
13 and the State average in year five. No reduction in aid shall be  
14 assessed against any district in which the perceptually impaired  
15 classification rate is 6.5% or less of resident enrollment. Aid shall  
16 equal 0.4382 of the T&E amount rounded to the nearest whole dollar  
17 for each student meeting the Tier II criteria.

18 The commissioner shall develop a system to provide that each  
19 school district submits data to the department on the number of the  
20 district's pupils with a classification definition of perceptually impaired  
21 who are enrolled in a county vocational school. Such pupils shall be  
22 counted in the district of residence's resident enrollment for the  
23 purpose of calculating the limit on perceptually impaired classifications  
24 for Tier II State aid.

25 Tier III is the number of classified pupils resident in the district in  
26 categories other than speech correction services, perceptually  
27 impaired, neurologically impaired, educable mentally retarded, socially  
28 maladjusted, preschool handicapped, and who do not meet the criteria  
29 of Tier IV, intensive services; and nonclassified pupils in juvenile  
30 community programs. Aid shall equal 0.8847 of the T&E amount for  
31 each pupil meeting the Tier III criteria.

32 Tier IV is the number of classified pupils resident in the district  
33 receiving intensive services. For 1997-98, intensive services are  
34 defined as those provided in a county special services school district  
35 and services provided for pupils who meet the classification definitions  
36 for autistic, chronically ill, day training eligible, or visually  
37 handicapped, or are provided for pupils who meet the classification  
38 definition for multiply handicapped and are in a private school for the  
39 handicapped, educational services commission, or jointure commission  
40 placement in the 1996-97 school year. The commissioner shall collect  
41 data and conduct a study to determine intensive service criteria and the  
42 appropriate per pupil cost factor to be universally applied to all service  
43 settings, beginning in the 1998-99 school year. Aid shall equal 1.2277  
44 of the T&E amount for each pupil meeting the Tier IV criteria.

45 Classified pupils in Tiers II through IV shall be eligible for Tier I

1 aid. Classified pupils shall be eligible to receive aid for up to four  
2 services under Tier I.

3 For the 1998-99 school year, these cost factors shall remain in  
4 effect and special education aid growth shall be limited by the CPI  
5 growth rate applied to the T&E amount and changes in classified pupil  
6 counts. For subsequent years, the additional cost factors shall be  
7 established biennially in the Report on the Cost of Providing a  
8 Thorough and Efficient Education.

9 For the purposes of this section, classified pupil counts shall  
10 include pupils attending State developmental centers, DHS Regional  
11 Day Schools, State Division of Youth and Family Services' residential  
12 centers, State residential mental health centers, and institutions  
13 operated by or under contract with the Department of Human  
14 Services. Classified pupils of elementary equivalent age shall include  
15 classified preschool handicapped and kindergarten pupils.

16 b. In those instances in which the cost of providing education for  
17 an individual classified pupil exceeds \$40,000, after an assessment by  
18 the review panel of placements and placement costs for the applicable  
19 school year; in those cases in which the district must educate an  
20 extraordinary number of classified pupils; or in those instances in  
21 which the district is ordered to make a high cost placement by a  
22 tribunal of competent jurisdiction, the district may apply to the  
23 commissioner for additional aid. A panel established by the  
24 commissioner for this purpose shall review the district's application  
25 and determine whether to grant the district's request based on factors  
26 including, but not limited to: an assessment of whether the district is  
27 spending appropriate amounts of regular and special education funds  
28 on special education pupils; the facts of the particular case or cases at  
29 issue; the district's level of compliance with regulatory requirements;  
30 and the impact of the extraordinary costs on the district's budget.  
31 Additional State aid awarded for extraordinary special education costs  
32 shall be recorded by the district as revenue in the current school year  
33 and paid to the district in the subsequent school year.

34  
35 20. (New section) Bilingual education categorical aid for each  
36 school district and each county vocational school district shall be  
37 calculated as follows:

$$38 \quad \text{BAID} = \text{BACF} \times \text{B}$$

39 where

40 BACF is the additional cost factor for bilingual education  
41 categorical aid; and

42 B is the number of bilingual education pupils enrolled in the  
43 district.

44

45 21. (New section) County vocational categorical aid for each

1 county vocational school district shall be calculated as follows:

2 
$$\text{CVAID} = \text{CVACF} \times \text{CV}$$

3 where

4 CVACF is the additional cost factor for county vocational  
5 categorical aid; and

6 CV is the number of county vocational pupils enrolled in the  
7 district. Pupils attending shared-time secondary programs shall be  
8 counted as 0.5.

9

10 22. (New section) a. Distance learning network aid shall be  
11 calculated for each school district and county vocational school district  
12 as follows:

13 
$$\text{TECHAID} = \text{TECHACF} \times \text{RES}$$

14 where

15 TECHACF is the additional cost factor for distance learning  
16 network aid; and

17 RES is the district's resident enrollment.

18 b. Statewide distance learning networks shall be established and  
19 each district shall be a member by the 2001-2002 school year. The  
20 distance learning networks shall be used to create a Statewide  
21 infrastructure for the delivery of voice, video and data, and shall  
22 provide all districts with the opportunity to share curricular offerings  
23 so as to expand the scope, quality, richness and diversity of curricula  
24 in all school districts and contribute to the redefining of teaching and  
25 learning in the contemporary setting. Distance learning network aid  
26 shall be accounted for in a special revenue fund.

27 c. Each county special services school district shall receive a grant  
28 of \$15,000 annually for the purposes of subsection b. of this section.

29 d. All funds from loan repayments into the Public School Facilities  
30 Code Compliance Loan Fund established under section 4 of P.L.1993,  
31 c.102 (C.34:1B-7.23) and the Public School Facilities Loan Assistance  
32 Fund established under section 5 of P.L.1993, c.102 (C.34:1B-7.24)  
33 shall be dedicated for school district technology capital projects as  
34 required pursuant to subsection b. of this section.

35

36 23. (New section) The following additional cost factors shall be  
37 in effect for the purpose of calculating aid for the 1997-98 school year  
38 pursuant to sections 20 through 22 of this act:

39 
$$\text{BACF} = \$1,073;$$

40 
$$\text{CVACF} = \$1,662; \text{ and}$$

41 
$$\text{TECHACF} = \$40.$$

42 For the 1998-99 school year, the additional cost factors shall be  
43 these cost factors inflated by the CPI.

44 For subsequent years, the additional cost factors shall be  
45 established biennially in the Report on the Cost of Providing a

1 Thorough and Efficient Education and adjusted for inflation by the  
2 CPI for the second year of the period to which the report applies.

3  
4 24. (New section) Annually by December 15, the Department of  
5 Corrections, the Department of Human Services, and the Juvenile  
6 Justice Commission shall each submit to the commissioner for  
7 approval, with respect to the facilities under their operational or  
8 supervisory authority, a budget for educational programs as set forth  
9 in section 8 of P.L.1979, c.207 (C.18A:7B-4) for the subsequent year,  
10 together with enrollments and per pupil costs. For the purposes of  
11 calculating a per pupil cost, enrollment shall be based on the number  
12 of pupils in the State facility on the last school day prior to October 16  
13 of the prebudget year. In the subsequent year, pursuant to P.L.1979,  
14 c.207 (C.18A:7B-1 et seq.) for students resident in a district, approved  
15 per pupil amounts shall be deducted from each school district's State  
16 aid and remitted to the appropriate agency, except that for county  
17 juvenile detention centers, no deduction shall be made until Fiscal Year  
18 1999; in that year and thereafter, 50% of approved per pupil amounts  
19 shall be deducted and remitted to the Juvenile Justice Commission.

20  
21 25. (New section) a. Each school district's and county vocational  
22 school district's State aid for transportation shall consist of base aid  
23 (BA) and an incentive factor (IF) determined as follows:

$$24 \quad BA = (BA1 \times IF) + BA2$$

25 where

$$26 \quad BA1 = CP1 \times P1 + CD1 \times P1 \times D1; \text{ and}$$

$$27 \quad BA2 = CP2 \times P2 + CD2 \times P2 \times D2;$$

28 P1 is the total number of regular education public pupils and  
29 regular nonpublic pupils eligible for transportation pursuant to  
30 N.J.S.18A:39-1, excluding preschool pupils except in districts that  
31 qualify for early childhood aid pursuant to section 16 of this act, and  
32 of special education pupils eligible for transportation pursuant to  
33 N.J.S.18A:46-23 with no special transportation requirements, who are  
34 resident in the district as of the last school day prior to October 16 of  
35 the prebudget year;

36 D1 is the average home-to-school mileage for P1 pupils;

37 P2 is the total number of special education pupils eligible for  
38 transportation pursuant to N.J.S.18A:46-23 with special transportation  
39 requirements who are resident in the district as of the as of the last  
40 school day prior to October 16 of the prebudget year;

41 D2 is the average home-to-school mileage for P2 pupils; and

42 CP1, CD1, CP2 and CD2 are cost coefficients with values set  
43 forth in subsection b. of this section.

44 IF is the incentive factor, which modifies base aid paid for  
45 pupils transported on regular vehicles according to each district's

1 percentile rank in regular vehicle capacity utilization. For the school  
2 year 1997-98, IF = 1. The Governor shall submit to the Legislature at  
3 least 60 days prior to the 1998 budget address proposed transportation  
4 incentive factors applicable to the 1998-99 school year and thereafter  
5 along with supporting data. The incentive factors shall be deemed  
6 approved by the Legislature unless a concurrent resolution is passed  
7 within 60 days of the date of submission.

8 b. For 1997-98, the cost coefficients in subsection a. of this  
9 section shall have the following values:

10 CP1 = \$ 280.24;

11 CD1 = \$ 28.75;

12 CP2 = \$1,192.69; and

13 CD2 = \$ 80.12.

14 For 1998-99, the coefficients shall be inflated by the CPI.

15 In subsequent years, the coefficients shall be revised by the  
16 commissioner on a biennial basis and similarly adjusted by the CPI in  
17 intervening years.

18 c. For the 1997-1998 school year, each district's base aid shall be  
19 prorated such that the overall distribution of base aid does not exceed  
20 that distributed Statewide in the 1996-1997 school year.

21  
22 26. (New section) State aid for school facilities shall be distributed  
23 to each school district, county special services school district and  
24 county vocational school district according to the following formula:

25 Aid is the sum of A for each issuance of facilities bonds or  
26 certificates of participation for lease purchase agreements authorized  
27 after July 1, 1997,

28 where

29  $A = B \times AC/P \times CCSAID/TEBUD \times M$ , with  $AC/P = 1$   
30 whenever  $AC/P$  would otherwise yield a number greater than one,

31 and where

32 B is the district's debt service or lease purchase payment for the  
33 individual issuance for the fiscal year;

34 AC is the total approved costs for facilities projects for which  
35 the individual issuance is made, determined pursuant to subsection a.  
36 of this section;

37 P is the principal of the individual issuance plus any other  
38 funding sources approved for the project;

39 CCSAID is the district's core curriculum standards aid amount,  
40 determined pursuant to section 15 of this act;

41 TEBUD is the district's T&E budget, determined pursuant to  
42 section 13 of this act; and

43 M is a factor representing the degree to which a district has  
44 fulfilled maintenance requirements, determined pursuant to subsection  
45 f. of this section.

1 For county special services school districts, CCSAID and TEBUD  
 2 shall equal those of the county vocational school district of the same  
 3 county.

4 a. Approved costs for facilities shall be determined according to  
 5 the following formulas where:

6 EA is the percentage allowance for equipment and furnishings,  
 7 determined pursuant to subsection c. of this section;

8 AA is the percentage allowance for architect/engineering fees,  
 9 determined pursuant to subsection d. of this section; and

10 IA is the percentage allowance for issuance costs, determined  
 11 pursuant to subsection e. of this section.

12 (1) Construction of new facilities and additions to facilities,  
 13 characterized by an increase in the square footage of the facility, shall  
 14 generate State aid only if necessary for reasons of unhoused students.

15 
$$\text{Approved costs} = AU \times C \times (1 + EA + AA + IA)$$

16 where

17 AU is the approved area for unhoused students, determined  
 18 pursuant to subsection b. of this section; and

19 C is the projected area cost allowance.

20 (2) For reconstruction, remodeling, alteration, modernization,  
 21 renovation or repair of school facilities which were originally  
 22 constructed by the district or which the district purchased more than  
 23 five years previous to the date of issuance:

24 
$$\text{Approved costs} = R \times A$$

25 where  $R = \text{the replacement costs of the facility} = GA \times C \times$   
 26  $(1 + EA + AA + IA)$  and where

27 GA is the gross area (square footage) of the existing school  
 28 facility being reconstructed, remodeled, altered, modernized,  
 29 renovated or repaired;

30 C is the projected area cost allowance; and

31 A is a factor determined by the age of the school facility  
 32 according to the following table:

33

<u>Age of the School Facility</u>	<u>A</u>
34 Less than 20 years	35 zero
36 20 years or more and less than 30 years	37 80%
38 30 years or more and less than 40 years	39 60%
40 40 years or more and less than 50 years	41 40%
42 Greater than 50 years	43 <del>20%</del>

44 For the purposes of this section the age of the school facility shall  
 45 be a composite measure of the age of individual sections of the  
 building determined in accordance with a method approved by the  
 commissioner. The commissioner may adjust A if the district  
 demonstrates that renovating the building is the only means by which  
 the district is able to address health and safety conditions or

1    obsolescence.

2       (3) New construction done in lieu of renovations shall be aided as  
 3    new construction, with approved costs determined pursuant to  
 4    paragraph (1) of subsection a. of this section, only when the age of the  
 5    building being replaced is 50 years or greater or in the case of  
 6    extraordinary circumstances, to be determined by the commissioner.  
 7    When new construction done in lieu of renovations qualifies for aid as  
 8    new construction, the approved area for unhoused students shall be  
 9    determined by the commissioner, with consideration of the existing  
 10   facilities in the district.

11       New construction done in lieu of renovations for facilities less than  
 12   50 years of age shall be aided in accordance with the methodology for  
 13   aiding renovations, with the approved costs determined pursuant to  
 14   paragraph (2) of subsection a. of this section.

15       (4) For purchase of an existing facility, and renovations made to  
 16   a purchased facility within five years of purchase: (a) purchase of an  
 17   existing facility shall be aided as new construction, with approved  
 18   costs determined pursuant to paragraph (1) of subsection a. of this  
 19   section; and (b) the approved costs of any reconstruction, remodeling,  
 20   alteration, modernization, renovation or repair made to the purchased  
 21   facility within five years of purchase shall be determined as follows:

22       Approved Costs = (APC-PC) x (C/CP)

23    where

24       APC is Approved costs for facilities purchase pursuant to (a) of  
 25   this paragraph;

26       PC is Purchase cost for the facility;

27       C is Projected area cost allowance at the time of issuance; and

28       CP is Projected area cost allowance at the time of issuance for the  
 29   purchase.

30       Approved costs so calculated shall not be less than zero.

31       b. The approved area for unhoused students shall be determined  
 32   according to the following formula:

33       AU           = (UE x SE) + (UM x SM) + (UH x SH)

34    where

35       UE, UM, UH are the numbers of unhoused students at the  
 36   elementary, middle, and high school levels, respectively; and

37       SE, SM, SH are the area allowances per student at the elementary,  
 38   middle, and high school grade cohorts, respectively.

39       In fiscal years 1997-98 and 1998-99, the area allowance per  
 40   student shall be as follows:

<u>Grade Cohorts</u>	<u>A r e a</u>
<u>Allowance Per Student</u>	
43    Elementary/	
44    Grades Kindergarten-5 (E)	80 square feet (SE)
45    Middle: Grades 6-8 (M)	100 square feet (SM)

1 High: Grades 9-12 (H) 120 square feet (SH)

2 The commissioner shall develop for the Report on the Cost of  
 3 Providing a Thorough and Efficient Education, models of an  
 4 elementary, middle, and high school consistent with the core  
 5 curriculum school delivery models in the report and sufficient for the  
 6 achievement of the core curriculum content standards. The space  
 7 allowances per student in subsequent years shall be derived from these  
 8 models.

9 c. Determination of the percentage allowance for equipment and  
 10 furnishing (EA) shall be made according to the following table:

11 <u>Type of School</u>	<u>Allowance (EA)</u>
12 Elementary School (Grades K-5)	2.3 %
13 Middle School (Grades 6-8)	3.2 %
14 High School (Grades 9-12)	4.1 %
15 Special Education Services Pupils Only	5.0 %

16 For the purposes of this section, in the event that the school shall  
 17 house students in more than one of the first three categories listed  
 18 above, the percentages shall be applied based upon the proportionate  
 19 number of students in each category in accordance with a method  
 20 approved by the commissioner.

21 d. Determination of the percentage allowance for  
 22 architect/engineering fees (AA) shall be made according to the  
 23 following table:

24 For new construction and additions:

25 <u>Approved Area for Unhoused Students</u> 26 <u>(AU)</u>	<u>Allowance (AA)</u>
27 Under 3,700	10.00 %
28 3,700	9.00 %
29 7,350	8.75 %
30 11,000	8.50 %
31 14,650	8.25 %
32 18,300	8.00 %
33 25,700	7.75 %
34 36,700	7.50 %
35 55,000	7.25 %
36 73,400	7.00 %
37 101,000	6.75 %
38 128,450	6.50 %
39 156,000	6.25 %
40 183,500 and above	6.00 %

41 For the purposes of this section, when the approved area for  
 42 unhoused students is between any two successive amounts listed  
 43 above, the allowance for architect/engineering fees shall be determined  
 44 by summing the two amounts obtained by first applying the greater  
 45 percentage to the lesser approved area amount on the list and then

1 applying the lower percentage to the amount of the approved area in  
 2 excess of the lesser amount on the list, and then dividing the sum by  
 3 the actual approved area for unhoused students. For reconstruction,  
 4 remodeling, alteration, modernization, renovation or repair, the  
 5 allowance shall be one and one-half of the percentages calculated  
 6 pursuant to this paragraph.

7 e. The percentage allowance for issuance costs (IA) for projects  
 8 financed from the proceeds of school bonds shall be one and one-half  
 9 percent, except that IA shall be neither less than  $\$50,000/(AU \times C)$  or  
 10  $\$50,000/(GA \times C)$ , whichever is applicable, nor greater than  
 11  $\$150,000/(AU \times C)$  or  $\$150,000/(GA \times C)$ , whichever is applicable.

12 The allowance for issuance costs for projects financed by a lease  
 13 purchase agreement shall be three and one-half percent, except that IA  
 14 for these projects shall be neither less than  $\$50,000/(AU \times C)$  or  
 15  $\$50,000/(GA \times C)$ , whichever is applicable, nor greater than  
 16  $\$350,000/(AU \times C)$  or  $\$350,000/(GA \times C)$ , whichever is applicable.

17 f. The maintenance factor (M) shall be 1.0 except when one of the  
 18 following conditions applies, in which case the maintenance factor  
 19 shall be as specified:

20 (1) Effective ten years from the date of the enactment of this act,  
 21 the maintenance factor for aid for reconstruction, remodeling,  
 22 alteration, modernization, renovation or repair, shall be zero for all  
 23 issuances for work performed on a facility for which the district fails  
 24 to demonstrate a net investment over the previous ten years in  
 25 maintenance of the facility of at least two percent of the replacement  
 26 cost of the facility, determined pursuant to paragraph (2) of subsection  
 27 a. of this section using the projected area cost allowance of the month  
 28 ten years preceding the month in which the school bonds are  
 29 authorized or in which a lease purchase agreement is approved;

30 (2) For new construction, or additions approved or authorized  
 31 after July 1, 1997, beginning in the fourth year after occupancy of the  
 32 facility, the maintenance factor shall be reduced according to the  
 33 following schedule for all issuances for which the district fails to  
 34 demonstrate in the prior fiscal year an investment in maintenance of  
 35 the facility or facilities for which the issuance generated funding of at  
 36 least two-tenths of one percent of the replacement cost of the facility,  
 37 determined pursuant to paragraph (2) of subsection a. of this section.

38 <u>Maintenance Percentage</u>	<u>Maintenance Factor (M)</u>
39 .199% - .151%	75%
40 .150% - .100%	50%
41 Less than .100%	Zero

42 Nothing in this section shall restrict the size and types of facilities  
 43 which a school district may construct; however a district shall only be  
 44 eligible to receive facilities aid pursuant to the provisions of this  
 45 subsection.

1       27. (New section) For each issuance of facilities bonds or  
2 certificates of participation in a lease purchase project authorized  
3 before July 1, 1997,

4       Aid = the sum of A

5 where

6        $A = B \times \text{CCSAID/TEBUD}$

7 and where

8       B is the school district's, county special services district's or  
9 county vocational school district's total principal and interest payment  
10 for the individual issuance for the fiscal year;

11       CCSAID is the district's core curriculum standards aid amount,  
12 determined pursuant to section 15 of this act; and

13       TEBUD is the district's T&E budget determined pursuant to  
14 section 13 of this act.

15  
16  
17       28. (New section) For the 1997-98 school year, State aid shall be  
18 distributed on an unweighted per pupil basis for pupils enrolled in  
19 approved adult high schools, post-graduate programs and approved  
20 full-time post-secondary programs of county vocational schools. For  
21 1997-98, districts will receive \$1,345 for each adult pupil. The  
22 commissioner shall conduct a review of existing programs to  
23 determine programmatic definitions and establish appropriate per pupil  
24 amounts which shall recognize the higher costs of post-secondary  
25 programs at county vocational schools. For the 1998-99 school year,  
26 these amounts shall be distributed as inflated by the CPI. Thereafter,  
27 per pupil funding amounts shall be established in a supplement to the  
28 Report on the Cost of Providing a Thorough and Efficient Education.

29  
30       29. (New section) a. There is hereby established in the  
31 Department of Education the Academic Achievement Reward  
32 Program. The purpose of the program shall be to provide rewards to  
33 districts having one or more schools that meet criteria for attaining  
34 absolute success in or significant progress towards high student  
35 academic achievement, pursuant to subsection b. of this section.  
36 Rewards shall be based on performance as measured by the Statewide  
37 assessments of the most recent year with results available at the time  
38 of State aid notification. For the purposes of this section, schools  
39 shall be sorted into three groupings by enrollment for each of the  
40 Statewide assessments established pursuant to the provisions of  
41 P.L.1979, c.241 (C.18A:7C-1 et seq.).

42       b. Schools with 90% of student enrollment performing at or above  
43 the passing scores on one or more of the Statewide assessments as  
44 provided in subsection a. of this section shall qualify for the absolute  
45 success reward. Schools that do not qualify for the absolute success

1 reward shall be eligible for the significant progress reward. All eligible  
2 schools shall be grouped into five bands based on the initial passing  
3 rate for each of the three Statewide assessments. The 10% in each  
4 band with the highest level of improvement from the previous year's  
5 passing rate shall qualify for the significant progress reward.

6 c. The Legislature shall make an annual appropriation to effectuate  
7 the purposes of this section. The amount appropriated shall be divided  
8 proportionally according to the average size of schools within each  
9 enrollment grouping among all districts with schools determined to  
10 qualify for either the absolute success or the significant progress  
11 reward. Funds awarded shall be payable to the school district or  
12 county vocational school district in which the school is located.

13  
14 30. (New section) The Commissioner of Education shall establish  
15 a Consolidation of Services Grant Program in the 1997-98 school year.  
16 The goal of the grant program shall be to utilize the county special  
17 services school districts to promote shared services and regionalization  
18 of such services as transportation, child study teams, related and other  
19 specialized services, programs of professional development, legal and  
20 arbitration services, technology, and purchasing.

21 A county special services school district which elects to participate  
22 in the grant program shall submit an application to the Department of  
23 Education based upon a request for proposal developed by the  
24 department in consultation with the county special services school  
25 districts. Three grants shall be awarded by the commissioner in the  
26 first year of the program and an additional two grants in the second  
27 year. The total grants awarded by the department in the first year of  
28 the program shall be in the amount of \$600,000.

29  
30 31. (New section) A Regionalization Advisory Panel shall be  
31 created to conduct a study and to develop recommendations regarding  
32 ways to encourage school districts to regionalize or share services.  
33 The panel shall determine the feasibility of regionalizing at the county  
34 level such education administration services as overall administration,  
35 purchasing, transportation, budgeting and accounting while  
36 maintaining local control at the school district or building level for  
37 curriculum, instruction, personnel, and management of instructional  
38 processes. In addition, the panel shall study site-based management,  
39 use of local parent advisory councils, maintenance of local tax bases,  
40 and other issues related to regionalization of districts and services.

41 The panel shall consist of 12 members as follows: five public  
42 members appointed by the Governor, no more than three of whom  
43 shall be of the same political party; three members appointed by the  
44 President of the Senate, no more than two of whom shall be of the  
45 same political party; three members appointed by the Speaker of the

1 General Assembly, no more than two of whom shall be of the same  
2 political party; and the Commissioner of Education, ex officio, or a  
3 designee.

4 Appointments to the panel shall be made no later than February 1,  
5 1997. The panel shall issue its report to the Governor and the  
6 Legislature no later than February 1, 1998, and shall expire 30 days  
7 after that date.

8

9 32. (New section) a. When State aid is calculated for any year  
10 and a part of any district becomes a new school district or a part of  
11 another school district, or comes partly under the authority of a  
12 regional board of education, the commissioner shall adjust the State  
13 aid calculations among the districts affected, or between the district  
14 and the regional board, as the case may be, on an equitable basis in  
15 accordance with the intent of this act.

16 Whenever an all-purpose regional school district is approved by the  
17 voters during any calendar year, the regional district shall become  
18 effective on the succeeding July 1 for the purpose of calculating State  
19 aid, and the commissioner shall request supplemental appropriations  
20 for such additional State aid as may be required. After a regional  
21 school district becomes entitled to State aid, it shall continue to be  
22 entitled to aid as calculated for a regional district notwithstanding the  
23 subsequent consolidation of the constituent municipalities of the  
24 regional school district.

25 b. For a period of five years following regionalization, each  
26 regional school district formed after the effective date of this act shall  
27 be eligible to receive supplemental State aid equal to the difference  
28 between the regional district's core curriculum standards aid calculated  
29 pursuant to section 15 of this act for the budget year and the sum of  
30 core curriculum standards aid received by each constituent district of  
31 that regional school district in the year prior to regionalization,  
32 multiplied by the transition weight. For the purpose of this section,  
33 the transition weight shall equal 1.0 for the first year following  
34 regionalization, .80 for the second year following regionalization, .60  
35 for the third year following regionalization, .40 for the fourth year  
36 following regionalization, and .20 for the fifth year following  
37 regionalization.

38

39 33. (New section) Annually, on or before October 20, the  
40 secretary of the board of education, with approval of the  
41 superintendent of schools, or if there is no superintendent of schools,  
42 with the approval of the county superintendent of schools, shall file  
43 with the commissioner a report prescribed by the commissioner  
44 containing all data necessary to effectuate the aid provisions of this  
45 act, which shall include but not be limited to, the number of pupils

1 enrolled by grade, the number of these pupils classified as eligible for  
2 special education services other than speech corrections services, the  
3 number of pupils in approved programs for bilingual education, the  
4 number of low-income pupils, and the number of pupils in State  
5 facilities, county vocational schools, State college demonstration  
6 schools, evening schools, other public or private schools to which the  
7 district is paying tuition, or who are receiving home instruction on the  
8 last school day prior to October 16. In addition, districts shall file  
9 annual reports providing such information as the commissioner may  
10 require for pupils receiving special education services.

11

12 34. Section 3 of P.L.1975, c.212 (C.18A:7A-3) is amended to  
13 read as follows:

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

16 "Administrative order" means a written directive ordering specific  
17 corrective action by a district which has shown insufficient educational  
18 progress within a reasonable period of time in meeting goals and  
19 standards.

20 ["Goals" means a written statement of educational aspirations for  
21 learner achievement and the educational process stated in general  
22 terms.]

23 "Joint Committee on the Public Schools" means the committee  
24 created pursuant to P.L.1975, c.16 (C.52:9R-1 et seq.).

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

27 "Objective" means a written statement of the intended outcome of  
28 a specific educational process.

29 "Standards" means the process and stated levels of proficiency  
30 used in determining the extent to which goals and objectives are being  
31 met.]

32 (cf: P.L.1990, c.52, s.30)

33

34 35. Section 10 of P.L.1975, c.212 (C:18A:7A-10) is amended to  
35 read as follows:

36 10. For the purpose of evaluating the thoroughness and efficiency  
37 of all the public schools of the State, the commissioner, with the  
38 approval of the State board and after review by the Joint Committee  
39 on the Public Schools, shall develop and administer a uniform,  
40 Statewide system for evaluating the performance of each school. [Such  
41 a] The system shall be based [in part on annual testing for achievement  
42 in basic skill areas, and in part] on such [other] means as the  
43 commissioner deems proper in order to (a) determine pupil status and  
44 needs, (b) ensure pupil progress, and (c) assess the degree to which  
45 the [educational objectives have been] thoroughness and efficiency

1 standards established pursuant to section 4 of P.L. , c. (C. )  
2 (now pending before the Legislature as this bill) are being achieved.  
3 (cf: P.L.1975, c.212, s.10)

4

5 36. Section 11 of P.L.1975, c.212 (C.18A:7A-11) is amended to  
6 read as follows:

7 11. Each school district and county vocational school district shall  
8 make an annual report of its progress in conforming to the [goals,  
9 objectives and standards developed pursuant to this act] standards for  
10 the evaluation of school performance adopted pursuant to section 10  
11 of P.L.1975, c.212 (C.18A:7A-10). Each district's annual report shall  
12 include but not be limited to:

13 a. Demographic data related to each school;

14 b. Results of designated assessment programs, including Statewide  
15 [and district testing conducted at each school, and the result of the  
16 district evaluation of pupil proficiency in basic communication and  
17 computational skills] assessment programs established pursuant to law  
18 and regulation;

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

21 d. [Results of each school's effectiveness in achieving State,  
22 district and school goals and objectives applicable to the pupils,  
23 including the effectiveness of any "basic skills improvement plan";]  
24 (Deleted by amendment, P.L. , c. ).

25 e. Plans and programs for professional improvement;

26 f. Plans to carry out innovative [or experimental] educational  
27 programs designed to improve the quality of education; [and]

28 g. Recommendations for school improvements during the ensuing  
29 year ;and

30 h. Such additional information as may be prescribed by the  
31 commissioner.

32 Additionally, the State Board of Education may [from time to  
33 time] require each district to submit a facilities survey, including  
34 current use practices and projected capital project needs[, but not  
35 more frequently than once every 2 years].

36 The district reports shall be submitted to the commissioner [by July  
37 1 of each year and he] annually on a date to be prescribed by the  
38 commissioner, who shall make them the basis for an annual report to  
39 the Governor and the Legislature, describing the condition of  
40 education in New Jersey, the efforts of New Jersey schools in meeting  
41 the standards of a thorough and efficient education, the steps  
42 underway to correct deficiencies in school performance, and the  
43 progress of New Jersey schools in comparison to other state education  
44 systems in the United States.

45 [In addition to such annual report the commissioner shall, 4 years

1 from the effective date of this amendatory act, report to the Governor  
2 and the Joint Committee on the Public Schools assessing the  
3 effectiveness of this amendatory act in improving the proficiency of the  
4 pupils of this State in basic communications and computational skills.  
5 Within 6 months of receiving such report the Joint Committee on the  
6 Public Schools shall recommend to the Legislature any necessary or  
7 desirable changes or modifications in this amendatory act.]

8 (cf: P.L.1976, c.97, s.4)

9

10 37. Section 14 of P.L.1975, c.212 (C.18A:7A-14) is amended to  
11 read as follows:

12 14. a. (1) The commissioner shall review the results of the  
13 evaluations conducted and reports submitted pursuant to sections 10  
14 and 11 of P.L.1975, c.212 (C.18A:7A-10 and 18A:7A-11). The  
15 commissioner shall establish a mechanism for parent, school employee  
16 and community resident input into the review process. If the  
17 commissioner shall find that a school district or county vocational  
18 school district satisfies the evaluation criteria, the commissioner shall  
19 recommend that the State board certify the school district for a period  
20 of seven years as providing a thorough and efficient system of  
21 education, contingent on continued progress in meeting the standards.  
22 If the commissioner finds that a school district can correct the  
23 deficiency or deficiencies without additional diagnostic monitoring or  
24 technical assistance, the commissioner may certify the school district  
25 with the condition that the district correct the deficiency within a  
26 period of time to be determined by the commissioner. If the  
27 commissioner shall find that a school district has failed to show  
28 sufficient progress toward achieving the [goals, guidelines, objectives  
29 and standards, including the State goals and any local interim goals  
30 concerning pupil proficiency in reading, writing, mathematics, science  
31 and health, geography, history, civics, physical education and the arts  
32 established in and pursuant to this act] thoroughness and efficiency  
33 standards established pursuant to section 4 of P.L. .,c. (C. )  
34 (now pending before the Legislature as this bill), the commissioner  
35 shall advise the local board of education of [such] that determination,  
36 and shall direct that the district enter level II monitoring, as defined  
37 pursuant to law and regulation. Nothing herein shall preclude the  
38 commissioner from taking the steps set forth in section 6 of P.L. .,  
39 c. (C. ) (now pending before the Legislature as this bill) upon a  
40 finding that the district is failing to meet core curriculum content  
41 standards.

42 (2) The board of education of a school district which is directed  
43 to enter level II monitoring may appeal that decision to the State  
44 Board of Education. The State board may refer the hearing of that  
45 appeal to a committee of not less than three of its members, which

1 committee shall hear the appeal and report thereon, recommending its  
2 conclusions, to the board and the board shall decide the appeal by  
3 resolution in open meeting. A determination of the appeal by the State  
4 board shall be considered final.

5 b. (1) When a district enters level II monitoring, the  
6 commissioner shall establish procedures whereby parents, school  
7 employees and community residents may meet with the commissioner  
8 or the commissioner's designee to discuss their concerns and the  
9 county superintendent shall appoint an external review team whose  
10 members shall be qualified by training and experience to examine the  
11 conditions in the specific district. In conjunction with the Department  
12 of Education, the team, at the direction of the commissioner, shall  
13 either examine only those aspects of the district's operations bearing  
14 on the areas of deficiency, or shall examine all aspects of the district's  
15 operation, including but not limited to education, governance,  
16 management and finance. In addition, the team shall examine  
17 conditions in the community which may adversely affect the ability of  
18 the pupils to learn and the team may recommend measures to mitigate  
19 the effects of those conditions. The team shall report its findings and  
20 conclusions, including directives to be utilized by the district in the  
21 preparation of a corrective action plan to achieve certification and  
22 recommendations as to the technical assistance which the district will  
23 require in order to effectively implement the corrective action plan, to  
24 the commissioner. The commissioner shall direct the district to  
25 respond to the report of the external review team in establishing a  
26 corrective action plan. The corrective action plan shall be submitted  
27 to and approved by the commissioner. The commissioner shall assure  
28 that the local district's budget provides the resources necessary to  
29 implement the approved plan, including the necessary technical  
30 assistance. The entire cost of those activities associated with the  
31 review team shall be paid by the Department of Education. The  
32 commissioner shall also have the authority to order necessary  
33 budgetary reallocations within the district, or such other measures as  
34 he deems necessary and appropriate. Further, nothing herein shall  
35 preclude the commissioner from taking the steps set forth in section 6  
36 of P.L. , c. (C. ) (now pending before the Legislature as this bill)  
37 upon a finding that the district is failing to meet core curriculum  
38 content standards.

39 (2) If the commissioner finds that the district is unsuccessful in  
40 correcting the deficiencies noted in the evaluation process, the  
41 commissioner shall direct that the district enter level III monitoring, as  
42 defined pursuant to law and regulation. However, if the commissioner  
43 determines that a district is making reasonable progress toward  
44 correcting deficiencies, the commissioner may grant an extension for  
45 a specific period of time. During this extension the district will remain

1 under level II monitoring. At the end of the extension the  
2 commissioner shall determine whether the district is eligible for  
3 certification or if the district must be directed to enter level III  
4 monitoring.

5 c. (1) When a district which has had a comprehensive examination  
6 of all aspects of the district's operations by an external review team  
7 pursuant to subsection b. of this section is directed to enter level III  
8 monitoring the commissioner shall prepare an administrative order  
9 directing the corrective actions which shall be taken by the district  
10 based upon the findings and conclusions of the level II external review  
11 team and the department's monitoring of the level II plan. The  
12 commissioner shall insure that technical assistance is provided to the  
13 district in order to implement those actions. The commissioner shall  
14 also have the power to order necessary budgetary reallocations within  
15 the district, or such other measures as the commissioner deems  
16 necessary and appropriate. Further, nothing herein shall preclude the  
17 commissioner from taking the steps set forth in section 6 of P.L. , c.  
18 (C. ) (now pending before the Legislature as this bill) upon a finding  
19 that the district is failing to meet core curriculum content standards.

20 (2) When a district which has not had a comprehensive  
21 examination of all aspects of the district's operations by an external  
22 review team pursuant to subsection b. of this section is directed to  
23 enter level III monitoring, the commissioner shall designate the county  
24 superintendent to appoint an external review team whose members  
25 shall be qualified by training and experience to examine the conditions  
26 in the specific district. In conjunction with the Department of  
27 Education, the team shall examine all aspects of the district's  
28 operations including but not limited to education, governance,  
29 management and finance. The team shall report its findings and  
30 conclusions, including directives to be utilized in the preparation of a  
31 corrective action plan to achieve certification, to the commissioner.  
32 The commissioner shall prepare an administrative order directing the  
33 corrective actions which shall be taken by the district based upon the  
34 findings and conclusions of the level III external review team and the  
35 department's monitoring of the level II plan. The commissioner shall  
36 insure that technical assistance is provided to the district in order to  
37 implement those actions. The commissioner shall also have the power  
38 to order necessary budgetary reallocations within the district, or such  
39 other measures as the commissioner deems necessary and appropriate.  
40 Further, nothing herein shall preclude the commissioner from taking  
41 the steps set forth in section 6 of P.L. , c. (C. ) (now pending  
42 before the Legislature as this bill) upon a finding that the district is not  
43 meeting core curriculum content standards.

44 (3) The board of education of a school district which is directed  
45 to enter level III monitoring may appeal that decision to the State

1 Board of Education. The State board may refer the hearing of that  
2 appeal to a committee of not less than three of its members, which  
3 committee shall hear the appeal and report thereon, recommending its  
4 conclusions, to the board and the board shall decide the appeal by  
5 resolution in open meeting. A determination of the appeal by the State  
6 board shall be considered final.

7 (4) If the commissioner finds, based upon the findings and  
8 directives of the level II or level III review team and the Department  
9 of Education, that conditions within the district may preclude the  
10 successful implementation of a corrective action plan or that the  
11 district has failed to make reasonable progress in the implementation  
12 of a corrective action plan to achieve certification, the commissioner  
13 shall direct that a comprehensive compliance investigation be  
14 conducted by the Department of Education. If the commissioner  
15 directs that a comprehensive compliance investigation be conducted,  
16 the commissioner may order any necessary action to insure the security  
17 of the books, papers, vouchers and records of the district.

18 d. Whenever a district in level II monitoring is directed to  
19 establish a corrective action plan or whenever a district in level III  
20 monitoring shall be required to implement an approved corrective  
21 action plan pursuant to this section, the commissioner shall determine  
22 the cost to the district of implementation of those portions of the  
23 corrective action plan which are directly responsive to the district's  
24 deficiencies as identified in the report of the external review team or,  
25 where applicable, by the commissioner. In making this fiscal  
26 assessment, the commissioner shall identify those aspects of the  
27 corrective action plan which are already contained in the district's  
28 current expense budget. Where appropriate, the commissioner shall  
29 reallocate funds within the district's budget to support the corrective  
30 action plan. Once reallocated, any transfers among line items of the  
31 district's budget may occur only with the commissioner's approval.  
32 The commissioner shall further determine the amount of additional  
33 revenue, if any, needed to implement the corrective action plan and  
34 shall recertify a budget for the district.

35 e. A comprehensive compliance investigation shall entail a  
36 thorough and detailed examination of a district's educational programs,  
37 fiscal practices, governance and management. Based on the  
38 investigation, the commissioner shall issue a report which will  
39 document any irregularities and list all those aspects of the corrective  
40 action plan established pursuant to subsections b. and c. of this section  
41 which have not been successfully implemented by the district or the  
42 conditions which would preclude the district from successfully  
43 implementing a plan. A copy of this report shall be given to the  
44 district. The commissioner shall also order the local board to show  
45 cause why an administrative order, subject to the provisions of section

1 15 of P.L.1975, c.212 (C.18A:7A-15) and section 1 of P.L.1987,  
2 c.399 (C.18A:7A-34) should not be implemented. The plenary hearing  
3 before a judge of the Office of Administrative Law, pursuant to the  
4 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
5 seq.), upon said order to show cause shall be conducted in the manner  
6 prescribed by subdivision B of article 2 of chapter 6 of Title 18A of  
7 the New Jersey Statutes.

8 In the proceeding the State shall have the burden of showing that  
9 the recommended administrative order is not arbitrary, unreasonable  
10 or capricious.

11 (cf: P.L.1991, c.3, s.3)

12  
13 38. Section 1 of P.L.1991, c.3 (C.18A:7A-14.1) is amended to  
14 read as follows:

15 1. The Legislature finds and declares that:

16 a. It is the constitutional obligation of the Legislature to provide  
17 all children in New Jersey with a thorough and efficient system of free  
18 public schools;

19 b. The breadth and scope of such a system ~~[were]~~ are defined by  
20 the Legislature ~~[in P.L.1975, c.212]~~ through the commissioner and the  
21 State board pursuant to P.L. , c. (C. ) (now pending before  
22 the Legislature as this bill) so as to insure quality educational  
23 programs for all children;

24 c. ~~[In the rapidly changing educational and occupational~~  
25 ~~environment of the 1990s it]~~ It is imperative that the program in every  
26 school district in this State includes all of the major elements identified  
27 as essential for that system consistent with standards adopted pursuant  
28 to section 10 of P.L.1975, c.212.(C.18A:7A-10);

29 d. It is the responsibility of the State to insure that any school  
30 district which is shown to be deficient in one or more of these major  
31 elements takes corrective actions without delay in order to remedy  
32 those deficiencies;

33 e. This responsibility can ~~[best]~~ be fulfilled, in addition to the  
34 mechanisms for ensuring compliance established pursuant to section  
35 6 of P.L. , c. (C. ) (now pending before the Legislature as this  
36 bill), through an effective and efficient system of evaluation and  
37 monitoring which will insure quality and comprehensive instructional  
38 programming in every school district and provide for immediate and  
39 direct corrective action to insure that identified deficiencies do not  
40 persist, and which does so within the context of the maximum of local  
41 governance and management and the minimum of paperwork and  
42 unnecessary procedural requirements.

43 (cf: P.L.1991, c.3, s.1)

44  
45 39. Section 17 of P.L.1987, c.399 (C.18A:7A-50) is amended to

1 read as follows:

2 17. The State district superintendent of a State-operated school  
3 district shall develop a budget on or before March 22 and shall present  
4 this budget to the board of education to elicit the board's comments  
5 and recommendations. This budget shall conform in all respects with  
6 the requirements of chapter 22 of Title 18A of the New Jersey Statutes  
7 and shall be subject to the limitations on spending by local school  
8 districts otherwise required by [P.L.1990, c.52 (C.18A:7D-1 et al.)]  
9 P.L. , c. (C. ) (now pending before the Legislature as this bill).  
10 (cf: P.L.1995 ,c.278, s.38)

11

12 40. Section 19 of P.L.1987, c.399 (18A:7A-52) is amended to  
13 read as follows:

14 19. a. After the public hearing provided for by section 18 of [this  
15 amendatory and supplementary act] P.L.1987, c.399 (C.18A:7A-51)  
16 but not later than April 8, the State district superintendent shall fix and  
17 determine the amount of money necessary to be appropriated for the  
18 ensuing school year and shall certify the amounts to be raised by  
19 special district tax for school purposes as well as the sum necessary for  
20 interest and debt redemption, if any, to the county board of taxation  
21 and the amount or amounts so certified shall be included in the taxes  
22 assessed, levied and collected in the municipality or municipalities  
23 comprising the district. [Within 15 days after the certification by the  
24 State district superintendent, the governing body of the municipality  
25 or municipalities comprising the district shall notify the State district  
26 superintendent of its intent to appeal to the commissioner the amount  
27 determined to be necessary to be appropriated for each item appearing  
28 in the proposed budget. The commissioner, upon receipt of the appeal  
29 from the governing body of the municipality or municipalities  
30 comprising the district and upon completion of the hearing process,  
31 shall determine the amount necessary for the district to provide a  
32 thorough and efficient educational program including the  
33 implementation of the plan to correct deficiencies] The State district  
34 superintendent shall follow the procedures established pursuant to  
35 section 5 of P.L. , c. (C. ) (now pending before the  
36 Legislature as this bill) .

37 b.[Notwithstanding that the State-operated district shall receive  
38 State education aid for its budget as prepared by the State district  
39 superintendent and as approved by the commissioner pursuant to  
40 subsection a. of this section, the governing body of the municipality or  
41 municipalities comprising the district may apply to the Director of the  
42 Division of Local Government Services in the Department of  
43 Community Affairs for a determination that the local share of revenues  
44 needed to support the district's budget results in an unreasonable tax  
45 burden. The director's findings of an unreasonable tax burden in a

1 State-operated school district may be based on the overall school,  
2 county and municipal tax rates including any overlapping obligation of  
3 the community, cash deficit, insufficient percentage of tax collections,  
4 insufficient collection of other revenues, over anticipation of the  
5 revenues of prior years, nonliquidation of interfund transfers, reliance  
6 on emergency authorizations, continual rollover of tax anticipation  
7 notes, or other factors indicating a constrained ability to raise  
8 sufficient revenues to meet its budgetary requirements. In addition,  
9 the director's review may include but need not be limited to an analysis  
10 of the ratable base of the community, the per capita income of the  
11 residents of the district and the percentage of residents on a fixed  
12 income, cash reserves and receivables of the district including the  
13 availability of any deferred tax, the ability of the community to dispose  
14 of property for which no public purpose is anticipated and all other  
15 current revenue raising capacity including procedures for collection  
16 which may permit greater anticipation of revenue.](Deleted by  
17 amendment, P.L. , c. ).

18 c. [Based upon his review, the director shall certify the amount of  
19 revenues which can be raised locally to support the budget of the  
20 State-operated district. Any difference between the amount which the  
21 director certifies and the total amount of local revenues required by  
22 the budget approved by the commissioner shall be paid by the State in  
23 the fiscal year in which the expenditures are made, subject to the  
24 availability of appropriations.] (Deleted by amendment, P.L. , c. ).  
25 (cf: P.L.1992, c.159, s.8)

26  
27 41. Section 6 of P.L.1979, c.207 (C.18A:7B-2) is amended to  
28 read as follows:

29 6. a. For each State-placed child who is resident in a district and  
30 in a State facility on the last school day prior to October 16 of the  
31 prebudget year, and for each district-placed child who is resident in a  
32 district and in a State facility on the last school day prior to October  
33 16 of the budget year, the Commissioner of Education shall deduct  
34 from the State aid payable to [such] that district an amount equal to  
35 the [State foundation amount plus the appropriate special education  
36 aid] approved per pupil cost established pursuant to the provisions of  
37 P.L. , c. (C ) (now pending before the Legislature as this bill);  
38 except that for a child in a county juvenile detention center, no  
39 deduction shall be made until Fiscal Year 1999, in which year and  
40 thereafter 50% of the per pupil cost shall be deducted.

41 b. If, for any district, the amount to be deducted pursuant to  
42 subsection a. of this section is greater than State aid payable to the  
43 district, the district shall pay to the Department of Education the  
44 difference between the amount to be deducted and the State aid  
45 payable to the district.

1 c. The amount deducted pursuant to subsection a. of this section  
2 and the amount paid to the Department of Education pursuant to  
3 subsection b. of this section shall be forwarded to the Department of  
4 Human Services if the facility is operated by or under contract with  
5 that department, or to the Department of Corrections if the facility is  
6 operated by or under contract with that department, or to the Juvenile  
7 Justice Commission established pursuant to section 2 of P.L.1995,  
8 c.284 (C.52:17B-170) if the facility is operated by or under contract  
9 with that commission, and shall serve as payment by the district of  
10 tuition for the child. [This amount] In the case of county juvenile  
11 detention centers, the tuition shall be deemed to supplement funds  
12 currently provided by the county for this purpose under chapter 10 and  
13 chapter 11 of Title 9 of the Revised Statutes. In Fiscal Year 1998, a  
14 county shall not decrease its level of contribution as a result of the  
15 payment of tuition pursuant to this section. In Fiscal Year 1999 and  
16 thereafter, a county shall be required to pay 50% of the approved per  
17 pupil costs for the purpose of implementing chapters 10 and 11 of  
18 Title 9 of the Revised Statutes. Amounts so deducted shall be used  
19 solely for the support of educational programs and shall be maintained  
20 in a separate account for that purpose. No district shall be responsible  
21 for the tuition of any child admitted by the State to a State facility  
22 after the last school day prior to October 16 of the prebudget year.  
23 (cf: P.L.1995, c.280, s.24)

24

25 42. Section 9 of P.L.1979, c.207 (C.18A:7B-5) is amended to  
26 read as follows:

27 9. The Commissioner of Education, with the approval of the State  
28 Board of Education, shall promulgate rules and regulations to ensure  
29 a thorough and efficient education, consistent with the provisions of  
30 P.L. , c. (C. ) (now pending before the Legislature as this bill),  
31 for the children in State facilities. In the case of county juvenile  
32 detention centers, the Office of Education in the Juvenile Justice  
33 Commission shall develop, in consultation with the commissioner,  
34 appropriate standards, to be effective for Fiscal Year 1999, for the  
35 provision of a thorough and efficient education by the county for  
36 facilities established under chapter 10 and chapter 11 of Title 9 of the  
37 Revised Statutes.

38 The commissioner shall continually review the operation of  
39 educational programs in State facilities. If he finds that the operation  
40 of any of these programs does not meet the educational standard  
41 required by the regulations, he shall direct that a remedial plan be  
42 prepared by the education director of the facility in which the program  
43 is located, together with the director of educational services of the  
44 department which is operating or contracting with the facility. The  
45 plan shall be submitted to the Commissioner of Education for his

1 approval. If he approves the plan, it shall be implemented in a timely  
2 and effective manner. If he finds the plan or its implementation to be  
3 insufficient, he may, until the insufficiency is corrected, withhold and  
4 place in a special account any State aid funds which otherwise would  
5 have been forwarded pursuant to section 6 of this act.

6 (cf: P.L.1979, c.207, s.9)

7

8 43. Section 11 of P.L.1979, c.207 (C.18A:7B-7) is amended to  
9 read as follows:

10 11. a. Any parent or guardian of a pupil in a State facility and any  
11 pupil in a State facility between 18 and 20 years of age, may request  
12 an administrative review on matters of educational classification or  
13 educational program.

14 b. The administrative review process shall include the following  
15 sequence:

16 (1) A conference with teaching staff members or child study team  
17 personnel;

18 (2) A conference with the Director of Educational Services of the  
19 Department of Human Services [or] the Department of Corrections,  
20 or the Juvenile Justice Commission, whichever is appropriate;

21 (3) A hearing by the Commissioner of Education pursuant to law  
22 and regulation.

23 c. The due process rights available to children, parents and  
24 guardians in the public schools on matters of educational classification  
25 or educational program shall be available to children, parents and  
26 guardians in State facilities.

27 d. The placement of a child in a particular State facility shall not  
28 be subject to an administrative review or hearing pursuant to this  
29 section.

30 (cf: P.L.1979, c.207, s.11)

31

32 44. Section 19 of P.L.1979, c.207(C.18A:7B-12) is amended to  
33 read as follows:

34 19. For school funding purposes, the Commissioner of Education  
35 shall determine district of residence as follows:

36 a. The district of residence for children in foster homes shall be the  
37 district in which the foster parents reside. If a child in a foster home  
38 is subsequently placed in a State facility or by a State agency, the  
39 district of residence of the child shall then be determined as if no such  
40 foster placement had occurred.

41 b. The district of residence for children who are in residential  
42 State facilities, or who have been placed by State agencies in group  
43 homes, private schools or out-of-State facilities, shall be the present  
44 district of residence of the parent or guardian with whom the child  
45 lived prior to his most recent admission to a State facility or most

1 recent placement by a State agency.

2 If this cannot be determined, the district of residence shall be the  
3 district in which the child resided prior to such admission or  
4 placement.

5 c. The district of residence for children whose parent or guardian  
6 temporarily moves from one school district to another as the result of  
7 being homeless shall be the district in which the parent or guardian last  
8 resided prior to becoming homeless. For the purpose of this  
9 amendatory and supplementary act, "homeless" shall mean an  
10 individual who temporarily lacks a fixed, regular and adequate  
11 residence.

12 d. If the district of residence cannot be determined according to  
13 the criteria contained herein, or if the criteria contained herein identify  
14 a district of residence outside of the State, the State shall assume fiscal  
15 responsibility for the tuition of the child. The tuition shall equal the  
16 [State foundation amount plus the appropriate special education aid,  
17 if any] approved per pupil cost established pursuant to P.L. , c.  
18 (C. ) (now pending before the Legislature as this bill). This  
19 amount shall be appropriated in the same manner as other State aid  
20 under this act. The Department of Education shall pay the amount to  
21 the Department of Human Services, the Department of Corrections or  
22 the Juvenile Justice Commission established pursuant to section 2 of  
23 P.L.1995, c.284 (C.52:17B-170) or, in the case of a homeless child,  
24 the Department of Education shall pay the appropriate T&E amount  
25 and any appropriate additional cost factor for special education  
26 pursuant to section 19 of P.L. .c. (C. )(now pending before the  
27 Legislature as this bill) to the school district in which the child is  
28 enrolled.

29 (cf: P.L.1995, c.280, s.26)

30

31 45. Section 20 of P.L.1979, c.207 (C.18A:7B-13) is amended to  
32 read as follows:

33 20. Beginning in the school year [1981-82] 1997-98, the  
34 Commissioner of Education shall annually report to the Legislature,  
35 describing the condition of educational programs in State facilities, the  
36 efforts of the Departments of Corrections and Human Services and the  
37 Juvenile Justice Commission in meeting the standards of a thorough  
38 and efficient education in these facilities, the steps underway to  
39 correct any deficiencies in their educational programs, and the  
40 progress of the educational programs in New Jersey State facilities in  
41 comparison with those in the State facilities of other states. At that  
42 time the commissioner shall recommend to the Legislature any

1 necessary or desirable changes or modifications in [this act] P.L.1979,  
2 c.207 (C.18A:7B-1 et seq.).  
3 (cf: P.L.1979, c.207, s.20)

4

5 46. Section 2 of P.L.1979, c.241 (C.18A:7C-2) is amended to  
6 read as follows:

7 2. [By July 1, 1981, pursuant] Pursuant to guidelines established  
8 by the Commissioner of Education, each board of education shall  
9 establish standards for graduation from its secondary schools. [Said]  
10 The standards shall [be appropriate to local goals and objectives and  
11 shall] include, but need not be limited to:

12 a. Satisfactory performance on the Statewide assessment test as  
13 provided for in section 1 of [this act] P.L.1979, c.241 (C.18A:7C-1);

14 b. Demonstration of proficiencies in those subject areas and skills  
15 identified by the board as necessary for graduation other than those  
16 assessed by the Statewide assessment tests.

17 The Commissioner of Education shall monitor local plans for the  
18 assessment of proficiencies required for graduation including  
19 techniques and instruments to be used to determine pupil proficiency;  
20 required programs designed to provide the opportunity for pupils to  
21 progress toward the mastery of proficiencies required for graduation;  
22 and remediation programs for pupils who fail to meet graduation  
23 proficiency standards in order to assure compliance with the  
24 requirement of [this act] P.L.1979, c.241 (C.18A:7C-1 et seq.).

25 The Commissioner of Education shall, upon request of the local  
26 board, provide such technical assistance as may be necessary to aid a  
27 district in the planning, implementation and evaluation of graduation  
28 standards.

29 (cf: P.L.1979, c.241, s.2)

30

31 47. N.J.S.18A:13-17 is amended to read as follows:

32 18A:13-17. The regional board of education shall, at each annual  
33 school election, submit to the voters of the regional district the amount  
34 of money fixed and determined in its budget to be voted upon for the  
35 use of the regional schools of the district for the ensuing school year  
36 and may submit thereat any other question authorized by this law to be  
37 submitted at such an election. The board shall follow the procedures  
38 established in section 5 of P.L. , c. (C. )(now pending before the  
39 Legislature as this bill) and N.J.S. 18A:22-33.

40 (cf: N.J.S.18A:13-17)

41

42 48. N.J.S. 18A:13-19 is amended to read as follows:

43 18A:13-19. If the voters reject any of the items submitted at the  
44 annual election, within two days thereafter the board of education of  
45 the regional district shall certify to the governing body of each

1 municipality, included within the regional district, the item or items so  
2 rejected, and such governing bodies, after consultation with the board,  
3 and no later than May 19 shall determine the amount or amounts  
4 [which they deem necessary to provide a thorough and efficient system  
5 of schools in the regional district] for the ensuing school year and  
6 cause the same to be certified by the respective municipal clerks to the  
7 board of education of the regional district. The board and the  
8 governing bodies shall follow the procedures established in section 5  
9 of P.L. , c. (C. )(now pending before the Legislature as this bill)  
10 and N.J.S. 18A:22-37.

11 (cf: P.L.1995, c.94, s.1)

12

13 49. N.J.S.18A:13-20 is amended to read as follows:

14 18A:13-20. Should said governing bodies fail to so certify or fail  
15 to agree and certify different amounts for said purposes, then the  
16 commissioner shall determine and certify the amount or amounts  
17 [which in his judgment shall be necessary to provide a thorough and  
18 efficient system of schools in such regional district,] to the board of  
19 education of the regional district. The commissioner shall follow the  
20 procedures established in N.J.S. 18A:22-38.

21 (cf: N.J.S.18A:13-20)

22

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

24 18A:13-23. The annual or special appropriations for regional  
25 districts, including the amounts to be raised for interest upon, and the  
26 redemption of, bonds payable by the district, shall be apportioned  
27 among the municipalities included within the regional district, as may  
28 be approved by the voters of each municipality at the annual school  
29 election or a special school election, upon the basis of:

30 a. the portion of each municipality's equalized valuation allocated  
31 to the regional district, calculated as described in the definition of  
32 equalized valuation in section 3 of [P.L.1990, c.52 (C.18A:7D-3)]  
33 P.L. , c. (C. )(now pending before the Legislature as this bill);

34 b. the proportional number of pupils enrolled from each  
35 municipality on the 15th day of October of the prebudget year in the  
36 same manner as would apply if each municipality comprised separate  
37 constituent school districts; or

38 c. any combination of apportionment based upon equalized  
39 valuations pursuant to subsection a. of this section or pupil  
40 enrollments pursuant to subsection b. of this section.

41 (cf: P.L.1993, c.67, s.1)

42

43 51. N.J.S.18A:21-3 is amended to read as follows:

44 18:A:21-3. [Such] The account shall be established by resolution  
45 of the board of school estimate or the board of education, as the case

1 may be, in such form as shall be prescribed by the commissioner, a true  
2 copy of which shall be filed with the department. For any school year  
3 an amount not to exceed 1.5 percent of the amount of [foundation aid  
4 anticipated in the capital outlay budget] core curriculum standards aid,  
5 as calculated pursuant to section [10 of P.L.1990, c.52  
6 (C.18A:7D-10)]15 of P.L. , c. (C. ) (now pending before the  
7 Legislature as this bill), plus any additional sum expressly approved by  
8 the voters of the district or the board of school estimate, and any  
9 [free] undesignated general fund balance amount, authorized under  
10 section [3 of P.L.1993, c.80 (C.18A:7D-27.1)]7 of P.L. , c.  
11 (C. ) (now pending before the Legislature as this bill), may be  
12 appropriated to the account. The account shall also include the  
13 earnings attributable to the investment of the assets of the account.  
14 (cf: P.L.1993, c.80, s.2)

15

16 52. N.J.S.18A:21-4 is amended to read as follows:

17 18A:21-4. A board of education may in any school year draw  
18 against its capital reserve account, up to the amount of the balance  
19 therein, to the extent that [such] the withdrawal is anticipated as a  
20 revenue in the school budget for the then current school year or  
21 approved by the commissioner for good cause; provided, that no  
22 money drawn from the account may be used for current expenses of  
23 the general fund or debt service payments but shall be used exclusively  
24 for capital expenses of the general fund or capital projects fund when  
25 expressly authorized as part of a referendum.

26 (cf: P.L.1990, c.52, s.40)

27

28 53. N.J.S.18A:22-8 is amended to read as follows:

29 18A:22-8. The budget shall be prepared in such detail and upon  
30 such forms as shall be prescribed by the commissioner and to it shall  
31 be annexed a statement so itemized as to make the same readily  
32 understandable, in which shall be shown:

33 a. In tabular form there shall be set forth the following:

34 (1) The total expenditure for each item for the preceding school  
35 year, the amount appropriated for the current school year adjusted for  
36 transfers as of February 1 of the current school year, and the amount  
37 estimated to be necessary to be appropriated for the ensuing school  
38 year, indicated separately for each item as determined by the  
39 commissioner;

40 (2) The amount of the surplus account available at the beginning  
41 of the preceding school year, at the beginning of the current school  
42 year and the amount anticipated to be available for the ensuing school  
43 year; (3) The amount of revenue available for budget purposes for the  
44 preceding school year, the amount available for the current school year  
45 as of February 1 of the current school year and the amount anticipated

- 1 to be available for the ensuing school year in the following categories:
- 2 (a) Total to be raised by local property taxes
- 3 (b) Total State aid
- 4 (i) [Foundation]Core curriculum standards aid
- 5 (ii) Special education aid
- 6 (iii) Transportation aid
- 7 (iv) [At-risk aid
- 8 (v) Bilingual aid
- 9 (vi)Early childhood program aid
- 10 (v) Demonstrably effective program aid
- 11 (vi) Instructional supplement aid
- 12 (vii) Supplemental core curriculum standards aid
- 13 (viii) Distance learning network aid
- 14 (ix) Bilingual aid
- 15 (x) Other (detailed at the discretion of the commissioner)
- 16 [(vii) Transition aid]
- 17 (c) Total federal aid
- 18 (i) Elementary and Secondary Education Act of 1965 (20 U.S.C.
- 19 §2701 et seq.)
- 20 (ii) Handicapped
- 21 (iii) Impact Aid
- 22 (iv) Vocational
- 23 (v) Other (detailed at the discretion of the commissioner)
- 24 (d) Other sources (detailed at the discretion of the commissioner).
- 25 [(4) Transfers between current expense and capital outlay for the
- 26 preceding school year, the current school year as of February 1 of that
- 27 year and transfers anticipated for the ensuing school year.]
- 28 b. (Deleted by amendment, P.L.1993, c.117).
- 29 c. In the event that the total expenditure for any item of
- 30 appropriation is equal to \$0.00 for: (1) the preceding school year, (2)
- 31 the current school year, and (3) the amount estimated to be necessary
- 32 to be appropriated for the ensuing school year, that item shall not be
- 33 required to be published pursuant to N.J.S.18A:22-11.
- 34 d. The instruction function of the budget shall be divided at a
- 35 minimum into elementary (K-5), middle school (6-8), and high school
- 36 (9-12) cost centers, each of which shall be further divided by the core
- 37 curriculum content areas. The commissioner shall phase in these
- 38 requirements as soon as practicable.
- 39 (cf: P.L.1993, c.117, s.1)
- 40
- 41 54. Section 3 of P.L.1979, c.294 (C.18A:22-8.2) is amended to
- 42 read as follows:
- 43 3. No transfer may be made under this section from appropriations
- 44 or surplus accounts for:
- 45 a. Interest and debt redemption charges;

1 b. Capital reserve account;

2 c. Items classified as general fund expenses except to other items  
3 so classified, or to the capital projects fund to supplement the  
4 proceeds from a bond authorization or lease purchase agreement upon  
5 application to and a formal finding by the commissioner that the  
6 transfer is in the best interests of both the students and taxpayers of  
7 the district after consideration of alternative corrective actions.

8 (cf: P.L.1993, c.83, s.5)

9

10 55. N.J.S.18A:22-14 is amended to read as follows:

11 18A:22-14. At or after [said] the public hearing but not later than  
12 April 8, the board of school estimate of a type I district shall fix and  
13 determine by official action taken at a public meeting of the board the  
14 amount of money necessary to be appropriated for the use of the  
15 public schools in the district for the ensuing school year pursuant to  
16 section 5 of P.L. , c. (C. ) (now pending before the  
17 Legislature as this bill), exclusive of the amount which shall have been  
18 apportioned to it by the commissioner and shall make two certificates  
19 of [such] the amount signed by at least three members of the board,  
20 one of which shall be delivered to the board of education and the other  
21 to the governing body of the district. Within 15 days after receiving  
22 [such] the certificate the board of education shall notify the board of  
23 school estimate and governing body of the district if it intends to  
24 appeal to the commissioner the board of school estimate's  
25 determination as to the amount of money requested pursuant to the  
26 provisions of section 5 of P.L. , c. (C. ) (now pending before  
27 the Legislature as this bill), necessary to be appropriated for the use  
28 of the public schools of the district for the ensuing school year.

29 (cf: P.L.1992, c.159, s.14)

30

31 56. N.J.S.18A:22-26 is amended to read as follows:

32 18A:22-26. At or after [said] the public hearing but not later than  
33 April 8, the board of school estimate of a type II district having a  
34 board of school estimate shall fix and determine by a recorded roll call  
35 majority vote of its full membership the amount of money necessary to  
36 be appropriated for the use of the public schools in [such] the district  
37 for the ensuing school year, exclusive of the amount which shall be  
38 apportioned to it by the commissioner for [said] the year pursuant to  
39 the provisions of section 5 of P.L. , c. (C. ) (now pending before  
40 the Legislature as this bill) and shall make a certificate of [such] the  
41 amount signed by at least a majority of all members of [such] the  
42 board, which shall be delivered to the board of education and a copy  
43 thereof, certified under oath to be correct and true by the secretary of  
44 the board of school estimate, shall be delivered to the county board of  
45 taxation on or before April 15 in each year and a duplicate of [such]

1 the certificate shall be delivered to the board or governing body of  
2 each of the municipalities within the territorial limits of the district  
3 having the power to make appropriations of money raised by taxation  
4 in the municipalities or political subdivisions and to the county  
5 superintendent of schools and [such] the amount shall be assessed,  
6 levied and raised under the procedure and in the manner provided by  
7 law for the levying and raising of special school taxes voted to be  
8 raised at an annual or special election of the legal voters in type II  
9 districts and shall be paid to the treasurer of school moneys of the  
10 district for such purposes.

11 Within 15 days after receiving [such] the certificate the board of  
12 education shall notify the board of school estimate [and], the  
13 governing body of each municipality within the territorial limits of the  
14 school district, and the commissioner if it intends to appeal to the  
15 commissioner the board of school estimate's determination as to the  
16 amount of money requested pursuant to the provisions of section 5 of  
17 P.L. , c. (C. ) (now pending before the Legislature as this bill),  
18 necessary to be appropriated for the use of the public schools of the  
19 district for the ensuing school year.

20 (cf: P.L.1992, c.159, s.15)

21

22 57. N.J.S. 18A:22-32 is amended to read as follows:

23 18A:22-32. At or after the public hearing on the budget but not  
24 later than 18 days prior to the election, the board of education of each  
25 type II district having no board of school estimate shall fix and  
26 determine by a recorded roll call majority vote of its full membership  
27 the amount of money to be raised pursuant to section 5 of P.L. ,  
28 c. (C. ) (now pending before the Legislature as this bill) and any  
29 additional amounts to be voted upon by the legal voters of the district  
30 at the annual election pursuant to section 5 of that act, which sum or  
31 sums shall be designated in the notice calling [such] the election as  
32 required by law.

33 (cf: P.L.1995, c.278, s.42)

34

35 58. N.J.S. 18A:22-33 is amended to read as follows:

36 18A:22-33. The board of education of each type II district not  
37 having a board of school estimate shall at each annual school election,  
38 submit to the voters of the district, the amount of money fixed and  
39 determined in its budget pursuant to section 5 of P.L. , c.  
40 (C. )(now pending before the Legislature as this bill), excluding  
41 therefrom the sum or sums stated therein to be used for interest and  
42 debt redemption charges, in the manner provided by law, to be voted  
43 upon for the use of the public schools of the district for the ensuing  
44 school year, which amount shall be stated in the notice of the election,  
45 and the legal voters of the district shall determine at [such] the

1 election, by a majority vote of those voting upon the proposition, the  
2 sum or sums, not exceeding those stated in the notice of the election,  
3 to be raised by special district tax for said purposes, in the district  
4 during the ensuing school year and the secretary of the board of  
5 education shall certify the amount so determined upon, if any, and the  
6 sums so stated for interest and debt redemption charges, to the county  
7 board of taxation of the county within two days following the [date]  
8 certification of the election results and the amount or amounts so  
9 certified shall be included in the taxes assessed, levied and collected in  
10 the municipality or municipalities comprising the district for such  
11 purposes.

12 (cf: P.L.1993, c.83, s.9)

13

14 59. N.J.S.18A:22-37 is amended to read as follows:

15 18A:22-37. If the voters reject any of the items submitted at the  
16 annual school election, the board of education shall deliver the  
17 proposed school budget pursuant to section 5 of P.L. \_\_\_\_\_, c. \_\_\_\_\_  
18 (C. \_\_\_\_\_)(now pending before the Legislature as this bill) to the  
19 governing body of the municipality, or of each of the municipalities  
20 included in the district within two days thereafter. The governing  
21 body of the municipality, or of each of the municipalities, included in  
22 the district shall, after consultation with the board, and by May 19,  
23 determine the amount which, in the judgment of [said] the body or  
24 bodies, is necessary to be appropriated for each item appearing in  
25 [such] the budget, [to provide a thorough and efficient system of  
26 schools in the district,]pursuant to section 5 of P.L. \_\_\_\_\_, c. \_\_\_\_\_  
27 (C. \_\_\_\_\_)(now pending before the Legislature as this bill) and certify to  
28 the county board of taxation the totals of the amount so determined to  
29 be necessary for each of the following:

30 a. General fund expenses of schools; or

31 b. Appropriations to capital reserve account.

32 Within 15 days after the governing body of the municipality or of  
33 each of the municipalities included in the district shall make [such] the  
34 certification to the county board of taxation, the board of education  
35 shall notify [such] the governing body or bodies if it intends to appeal  
36 to the commissioner pursuant to section 5 of P.L. \_\_\_\_\_, c. \_\_\_\_\_ (C. \_\_\_\_\_)  
37 (now pending before the Legislature as this bill) the [amounts] amount  
38 which [said] the body or bodies determined to be necessary to be  
39 appropriated for each item appearing in the proposed school budget.

40 (cf: P.L.1995, c.94, s.2)

41

42 60. N.J.S.18A:22-38 is amended to read as follows:

43 18A:22-38. If [said] the governing body or bodies [shall] fail [so]  
44 to certify any amount determined [by them] to be necessary pursuant  
45 to section 5 of P.L. \_\_\_\_\_, c. \_\_\_\_\_ (C. \_\_\_\_\_)(now pending before the Legislature

1 as this bill for any item rejected at the annual school election, or in  
2 the event that the governing bodies of the municipalities comprising a  
3 school district, shall certify different amounts, then the commissioner  
4 shall determine the amount or amounts which in his judgment, are  
5 necessary to be appropriated, for each of the items appearing in the  
6 budget, submitted to [such] the governing body or bodies [to provide  
7 a thorough and efficient system of public schools in the district], and  
8 certify to the county board of taxation the totals of the amount [so]  
9 determined to be necessary for each of the following:

10 a. General fund expenses of schools; or

11 b. Appropriations to capital reserve account;

12 and the amounts [so] certified shall be included in the taxes to be  
13 assessed, levied and collected in [such] the municipality or  
14 municipalities for [such] those purposes. For any district submitting  
15 a budget in excess of the maximum T&E budget, the commissioner  
16 shall certify a general fund tax levy pursuant to paragraph 1 of  
17 subsection e. of section 5 of P.L. , c. (C. ) (now pending  
18 before the Legislature as this bill).

19 (cf: P.L.1993, c.83, s.11)

20

21 61. Section 2 of P.L.1976, c.39 (C.18A:24-87) is amended to read  
22 as follows:

23 2. For the purposes of this act, unless the context clearly requires  
24 a different meaning:

25 a. "Commissioner" means the Commissioner of Education of the  
26 State of New Jersey;

27 b. "Debt service" means and includes payments of principal and  
28 interest upon qualified bonds issued pursuant to the terms of this act  
29 or amounts required in order to satisfy sinking fund payment  
30 requirements with respect to such bonds;

31 c. "Local Finance Board" means the Local Finance Board in the  
32 Division of Local Government Services in the Department of  
33 Community Affairs, established pursuant to P.L.1974, c.35  
34 (C.52:27D-18.1);

35 d. "Paying agent" means any bank, trust company or national  
36 banking association having the power to accept and administer trusts,  
37 named or designated in any qualified bond of a school district or  
38 municipality as the agent for the payment of the principal of and  
39 interest thereon and shall include the holder of any sinking fund  
40 established for the payment of such bonds;

41 e. "Qualified bonds" means those bonds of a school district or  
42 municipality authorized and issued in conformity with the provisions  
43 of this act;

44 f. "State board" means the State Board of Education of the State  
45 of New Jersey;

1 g. "School district" means a Type I, Type II, regional, or  
2 consolidated school district as defined in Title 18A of the New Jersey  
3 Statutes;

4 h. "State school aid" means the funds made available to local  
5 school districts pursuant to [section 4 of P.L.1990, c.52  
6 (C.18A:7D-4)]sections 15 and 17 of P.L. , c. (C. ) (now  
7 pending before the Legislature as this bill) .  
8 (cf: P.L.1990, c.52, s.47)

9

10 62. Section 7 of P.L.1985, c.321 (C.18A:29-5.6) is amended to  
11 read as follows:

12 7. a. The actual salary paid to each teacher under each district's  
13 or educational services commission's 1984-85 approved salary guide  
14 shall be considered a base salary for purposes of this act.

15 b. In addition to all other funds to which the local district or  
16 educational services commission is entitled under the provisions of  
17 [P.L.1990, c.52 (C.18A:7D-1 et al.)]P.L. , c. (C. ) (now pending  
18 before the Legislature as this bill) and other pertinent statutes, each  
19 board of education or board of directors of an educational services  
20 commission shall receive from the State during the 1985-86 academic  
21 year and for two years thereafter an amount equal to the sum of the  
22 amounts by which the actual salary prescribed for each current  
23 full-time teaching staff member under the salary schedule adopted by  
24 the local board of education or board of directors for the 1984-85  
25 academic year in the manner prescribed by law is less than \$18,500.00,  
26 provided that the teaching staff member has been certified by the local  
27 board of education or board of directors as performing his duties in an  
28 acceptable manner for the 1984-85 school year pursuant to  
29 N.J.A.C.6:3-1.19 and 6:3-1.21. Each local board of education or  
30 board of directors shall receive from the State on behalf of the newly  
31 employed full-time teaching staff members for the 1985-86 academic  
32 year and for two years thereafter an amount equal to the sum of the  
33 amounts by which the actual salary prescribed for each newly  
34 employed full-time teaching staff member under the salary schedule  
35 adopted by the local board of education or board of directors for the  
36 1984-85 academic year is less than \$18,500.00. All adjustments for  
37 teachers who are hired or who leave employment during the school  
38 year and who make less than \$18,500.00 shall be made in the school  
39 year following the year in which they were hired or left employment.

40 c. For the 1988-89 academic year and thereafter, this act shall be  
41 funded in accordance with the recommendations of the State and Local  
42 Expenditure and Revenue Policy Commission created pursuant to  
43 P.L.1984, c.213. If the commission's recommendations for funding  
44 this program are not enacted into law, this act shall be funded in  
45 accordance with subsection d. of this section and sections 9 and 10 of

1 this act.

2 d. For the purpose of funding this act in the 1988-89 academic  
3 year as determined pursuant to this section, each teacher's salary based  
4 on the 1984-85 salary guide shall be increased by the product of the  
5 base salary multiplied by 21%.

6 e. In each subsequent year the product of the base salary times 7%  
7 shall be cumulatively added to each teacher's salary as calculated in  
8 subsection d. of this section in determining the aid payable. In any  
9 year subsequent to the 1987-88 academic year in which the base salary  
10 plus the cumulative increases under this section exceed \$18,500.00,  
11 aid will no longer be payable.

12 (cf: P.L.1990, c.52, s.48)

13

14 63. Section 3 of P.L. 1988, c.12 (C.18A:38-7.9) is amended to  
15 read as follows:

16 3. a. In the event the designated district is composed of more than  
17 one municipality, when allocating equalized valuations or district  
18 incomes, pursuant to the provisions of section 3 of [P.L.1990, c.52  
19 (C.18A:7D-3)]P.L. , c. (C. ) (now pending before the  
20 Legislature as this bill), for the purpose of calculating State aid,  
21 persons attending schools in the designated district pursuant to section  
22 2 of this act shall be assigned to each municipality comprising the  
23 designated district in direct proportion to the number of persons  
24 ordinarily attending school from each municipality in the designated  
25 district without considering the persons attending pursuant to this act.

26 b. In the event the designated district is a constituent district of a  
27 limited purpose regional district, when allocating equalized valuations  
28 or district incomes, pursuant to the provisions of section 3 of  
29 [P.L.1990, c.52 (C.18A:7D-3)]P.L. , c. (C. ) (now pending  
30 before the Legislature as this bill) , for the purpose of apportioning the  
31 amounts to be raised by taxes for the limited purpose regional district  
32 of which the designated district is a constituent district, persons  
33 attending schools in the designated district pursuant to section 2 of  
34 this act shall not be counted.

35 (cf: P.L.1990, c.52, s.49)

36

37 64. Section 4 of P.L.1988, c.105 (C.18A:38-7.13) is amended to  
38 read as follows:

39 4. The county superintendent of schools shall, within 120 days of  
40 the effective date of this act, certify to the Commissioner of Education  
41 which local school district shall be the designated district for persons  
42 of school age residing in a multi-district federal enclave. The district  
43 certified as the designated district shall count all pupils who reside in  
44 a multi-district federal enclave in the resident enrollment of the district  
45 for all State aid purposes and shall be designated by the commissioner

1 to receive State aid and all federal funds provided under  
2 Pub.L.81-874, (20 U.S.C. §236 et seq.)

3 For the purposes of calculating State aid pursuant to [P.L.1990,  
4 c.52 (C.18A:7D-1 et al.)]P.L. , c. (C. ) (now pending before the  
5 Legislature as this bill), whenever pupils residing in one district are  
6 attending the schools of the designated district, the district income of  
7 the resident district shall be allocated between the resident district and  
8 the designated district in proportion to the number of pupils residing  
9 in the resident district attending the schools of the resident district and  
10 designated district.

11 (cf: P.L.1990, c.52, s.82)

12

13 65. Section 2 of P.L.1995, c.8 (C.18A:38-8.2 ) is amended to read  
14 as follows:

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

18 a. (1) If the pupils of the sending district comprise less than 10  
19 percent of the total enrollment of the pupils in the grades of the  
20 receiving district in which the pupils of the sending district will be  
21 enrolled, the sending district shall have no representation on the  
22 receiving district board of education.

23 (2) If the pupils of the sending district comprise at least 10 percent  
24 of the total enrollment of the pupils in the grades of the receiving  
25 district in which the pupils of the sending district will be enrolled, the  
26 sending district shall have one representative on the receiving district  
27 board of education.

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

38 c. Notwithstanding the provisions of subsections a. and b. of this  
39 section, the number of representatives designated by the sending  
40 districts to be additional members shall not exceed three additional  
41 members on a receiving board with originally nine or more members,  
42 two additional members on a receiving board with originally seven or  
43 eight members, and one additional member on a receiving board with  
44 originally less than seven members. In the event that this restriction  
45 results in an unequal representation of sending districts, the annual

1 designation of the representative or representatives shall be rotated  
2 among the boards of education of the sending districts according to a  
3 schedule determined by the joint agreement of the boards.

4 d. A representative of a sending district board of education shall  
5 be designated at the meeting of the board which is closest in time to  
6 the annual organizational meeting of the receiving district board of  
7 education and shall serve a one-year term beginning with the  
8 organizational meeting of the receiving district board. The  
9 representative shall be subject to the rules and procedures of the  
10 receiving district board of education.

11 e. The calculation of percentages required under this section shall  
12 be based on the number of pupils reported as of [October 15] the last  
13 school day prior to October 16 of each prebudget year.

14 (cf: P.L.1995, c.8, s.2)

15

16 66. Section 2 of P.L.1981, c.57 (C.18A:39-1a) is amended to read  
17 as follows:

18 2. Beginning in the [1993-1994] 1998-99 school year and in each  
19 subsequent year, the maximum amount of nonpublic school  
20 transportation costs per pupil provided for in N.J.S.18A:39-1 shall be  
21 increased or decreased in direct proportion to the increase or decrease  
22 in the State transportation aid per pupil in the year prior to the  
23 prebudget year compared to the amount for the prebudget year. As  
24 used in this section, State transportation aid per pupil shall equal the  
25 total State transportation aid payments made pursuant to section [16  
26 of P.L.1990, c.52 (C.18A:7D-18)]25 of P.L. , c. (C. ) (now  
27 pending before the Legislature as this bill) divided by the number of  
28 pupils eligible for transportation.

29 (cf: P.L.1992, c.33, s.2)

30

31 67. N.J.S.18A:39-1.1 is amended to read as follows:

32 18A:39-1.1. In addition to the provision of transportation for  
33 pupils pursuant to N.J.S.18A:39-1 and N.J.S.18A:46-23, the board of  
34 education of any district may provide, by contract or otherwise, in  
35 accordance with law and the rules and regulations of the State board,  
36 for the transportation of other pupils to and from school.

37 Districts shall not receive State transportation aid pursuant to  
38 section [16 of P.L.1990, c.52 (C.18A:7D-18)]25 of P.L. , c. (C. ) (now  
39 pending before the Legislature as this bill) for the  
40 transportation of pupils pursuant to this section.

41 (cf: P.L.1990, c.52, s.52)

42

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

44 18A:39-15. If the county superintendent of the county in which  
45 the districts are situate shall approve the necessity, the cost, and the

1 method of providing [such] joint transportation and the agreement  
2 whereby the same is to be provided, each [such] board of education  
3 providing joint transportation shall be entitled to State transportation  
4 aid pursuant to section [16 of P.L.1990, c.52 (C.18A:7D-18)]25 of  
5 P.L. \_\_\_\_\_, c. \_\_\_\_\_ (C. \_\_\_\_\_) (now pending before the Legislature as this  
6 bill).

7 (cf: P.L.1990, c.52, s.53)

8

9 69. Section 9 of P.L.1991, c.226 ( C.18A:40-31 ) is amended to  
10 read as follows:

11 9. a. The support limit for the [1991-92] 1997-98 school year  
12 shall be[~~\$60~~] \$61.44. For each school year thereafter the  
13 commissioner shall determine the support limit by multiplying the  
14 support limit for the previous school year times the sum of 1.0 plus the  
15 average annual percentage increase in [State per capital personal  
16 income as determined pursuant to section 3 of P.L.1990, c.52  
17 (C.18A:7D-3)] the consumer price index for the New York and  
18 Philadelphia areas during the fiscal year preceding the prebudget year  
19 as reported by the United States Department of Labor.

20 b. On or before November 5 of each year, each board of  
21 education shall forward to the commissioner an estimate of the cost of  
22 providing, during the next school year, the services required pursuant  
23 to this act and the number of pupils attending nonpublic schools  
24 located within the district as of the last school day of October of the  
25 current school year, excluding those pupils who have refused nursing  
26 services pursuant to section 8 of this act. The commissioner shall  
27 provide State aid to each school district in an amount equal to the  
28 number of nonpublic school pupils within the district identified by the  
29 district on or before November 5 multiplied by the State support limit.  
30 In the event that the expenditure incurred by any district is less than  
31 the amount of State aid received, the district shall refund the  
32 unexpended State aid after the completion of the school year, but not  
33 later than December 1 of the following school year.

34 c. If in any year, the amount of State aid appropriated is  
35 insufficient to carry out in full the provisions of this act, the  
36 commissioner shall apportion that appropriation among the districts in  
37 proportion to the State aid each district would have received had the  
38 full amount of State aid been appropriated. In any year, no district  
39 shall be required to make expenditures for the purposes of this act in  
40 excess of the amount of State aid received for these purposes.

41 [d. Any State aid provided to a school district pursuant to this  
42 section shall not be included in the calculation of the spending

1 limitations established pursuant to section 85 of P.L.1990, c.52  
2 (C.18A:7D-28).]

3 (cf: P.L.1991, c.226, s.9)

4

5 70. Section 11 of P.L.1987, c.387, (C.18A:40A-18) is amended  
6 to read as follows:

7 11. The Commissioner of Education, in consultation with the  
8 Commissioner of Health, shall develop and administer a program  
9 which provides for the employment of substance awareness  
10 coordinators in certain school districts.

11 a. Within 90 days of the effective date of this act, the  
12 Commissioner of Education shall forward to each local school board  
13 a request for a proposal for the employment of a substance awareness  
14 coordinator. A board which wants to participate in the program shall  
15 submit a proposal to the commissioner which outlines the district's  
16 plan to provide substance abuse prevention, intervention and treatment  
17 referral services to students through the employment of a substance  
18 awareness coordinator. Nothing shall preclude a district which  
19 employs a substance awareness coordinator at the time of the effective  
20 date of this act from participating in this program. The commissioner  
21 shall select school districts to participate in the program through a  
22 competitive grant process. The participating districts shall include  
23 urban, suburban and rural districts from the north, central and southern  
24 geographic regions of the State with at least one school district per  
25 county. In addition to all other State aid to which the local district is  
26 entitled under the provisions of [P.L.1990, c.52 (C.18A:7D-1 et al.)]  
27 P.L. , c. (C. ) (now pending before the Legislature as this bill)  
28 and other pertinent statutes, each board of education participating in  
29 the program shall receive from the State, for a three year period, the  
30 amount necessary to pay the salary of its substance awareness  
31 coordinator.

32 b. The position of substance awareness coordinator shall be  
33 separate and distinct from any other employment position in the  
34 district, including, but not limited to district guidance counselors,  
35 school social workers and school psychologists. The State Board of  
36 Education shall approve the education and experience criteria  
37 necessary for employment as a substance awareness coordinator. The  
38 criteria shall include a requirement for certification by the State Board  
39 of Examiners. In addition to the criteria established by the State board,  
40 the Department of Education and the Department of Health shall  
41 jointly conduct orientation and training programs for substance  
42 awareness coordinators, and shall also provide for continuing  
43 education programs for coordinators.

44 c. It shall be the responsibility of substance awareness  
45 coordinators to assist local school districts in the effective

1 implementation of this act. Coordinators shall assist with the in service  
2 training of school district staff concerning substance abuse issues and  
3 the district program to combat substance abuse; serve as an  
4 information resource for substance abuse curriculum development and  
5 instruction; assist the district in revising and implementing substance  
6 abuse policies and procedures; develop and administer intervention  
7 services in the district; provide counseling services to pupils regarding  
8 substance abuse problems; and, where necessary and appropriate,  
9 cooperate with juvenile justice officials in the rendering of substance  
10 abuse treatment services.

11 d. The Commissioner of Education, in consultation with the  
12 Commissioner of Health, shall implement a plan to collect data on the  
13 effectiveness of the program in treating problems associated with  
14 substance abuse and in reducing the incidence of substance abuse in  
15 local school districts. Six months prior to the expiration of the  
16 program authorized pursuant to this section, the Commissioner of  
17 Education shall submit to the Governor and the Legislature an  
18 evaluation of the program and a recommendation on the advisability  
19 of its continuation or expansion to all school districts in the State.

20 (cf: P.L.1990, c.52, s.54)

21

22 71. N.J.S.18A:44-1 is amended to read as follows:

23 18A:44-1. The board of education of any district may establish a  
24 [nursery] preschool school or [a nursery] department in any school  
25 under its control, and shall admit to such [nursery] preschool school  
26 or department any child who is under the age at which children are  
27 admitted to other schools or classes in such district.

28 (cf: N.J.S.18A:44-1)

29

30 72. N.J.S.18A:44-2 is amended to read as follows:

31 18A:44-2. The board of education of any district may establish a  
32 kindergarten school or kindergarten department, which in order to  
33 receive State aid shall be a one-year program in advance of or in  
34 preparation for entrance to first grade, in any school under its control,  
35 and may admit to such kindergarten school or department any child  
36 over the age of four and under the age of five and shall admit to such  
37 kindergarten school or department any child over the age of five and  
38 under the age of six years who is a resident of the district.

39 (cf:N.J.S.18A:44-2)

40

41 73. N.J.S.18A:44-4 is amended to read as follows:

42 18A:44-4. The expenses of [nursery] preschool schools or  
43 departments and of kindergarten schools or departments shall be paid  
44 out of any moneys available for the general fund expenses of the  
45 schools, and in the same manner and under the same restrictions as the

1 expenses of other schools or departments are paid, except when  
2 wholly or partly subsidized by restricted funding sources or restricted  
3 endowments.

4 (cf: P.L.1993,c.83,s.18)

5

6 74. N.J.S.18A:46-14 is amended to read as follows:

7 18A:46-14. The facilities and programs of education required  
8 under this chapter shall be provided by one or more of the following:

9 a. A special class or classes in the district, including a class or  
10 classes in hospitals, convalescent homes, or other institutions;

11 b. A special class in the public schools of another district in this  
12 State or any other state in the United States;

13 c. Joint facilities including a class or classes in hospitals,  
14 convalescent homes or other institutions to be provided by agreement  
15 between one or more school districts;

16 d. A jointure commission program;

17 e. A State of New Jersey operated program;

18 f. Instruction at school supplementary to the other programs in the  
19 school, whenever, in the judgment of the board of education with the  
20 consent of the commissioner, the handicapped pupil will be best served  
21 thereby;

22 g. Sending children capable of benefiting from a day school  
23 instructional program to privately operated day classes, in New Jersey  
24 or, with the approval of the commissioner to meet particular  
25 circumstances, in any other state in the United States, the services of  
26 which are nonsectarian whenever in the judgment of the board of  
27 education with the consent of the commissioner it is impractical to  
28 provide services pursuant to subsection a., b., c., d., e. or f. otherwise;

29 h. Individual instruction at home or in school whenever in the  
30 judgment of the board of education with the consent of the  
31 commissioner it is impracticable to provide a suitable special education  
32 program for a child pursuant to subsection a., b., c., d., e., f. or g.  
33 otherwise.

34 Whenever a child study team determines that a suitable special  
35 education program for a child cannot be provided pursuant to  
36 subsection a., b., c., d., e., f., g. or h. of this section, and that the most  
37 appropriate placement for that child is in an academic program in an  
38 accredited nonpublic school within the State or, to meet particular  
39 circumstances, in any other state in the United States, the services of  
40 which are nonsectarian, and which is not specifically approved for the  
41 education of handicapped pupils, that child may be placed in that  
42 academic program by the board of education, with the consent of the  
43 commissioner, or by order of a court of competent jurisdiction. An  
44 academic program which meets the requirements of the child's  
45 Individual Education Plan as determined by the child study team and

1 which provides the child with a thorough and efficient education, shall  
2 be considered an approved placement for the purposes of [Chapter]  
3 chapter 46 of this Title, and the board of education shall be entitled to  
4 receive State aid for that child as provided pursuant to [P.L.1990, c.52  
5 (C.18A:7D-1 et al.)]P.L. , c. (C. ) (now pending before the  
6 Legislature as this bill), and all other pertinent statutes.

7 Whenever any child shall be confined to a hospital, convalescent  
8 home, or other institution in New Jersey or in any other state in the  
9 United States and is enrolled in an education program approved under  
10 this article, or shall be placed in any other State facility as defined in  
11 section 3 of [P.L.1990, c.52 (C.18A:7D-3)]P.L. , c. (C. ) (now  
12 pending before the Legislature as this bill), the board of education of  
13 the district in which the child resides shall pay the tuition of [said] that  
14 child. The board of education may also furnish (a) the facilities or  
15 programs provided in this article to any person over the age of 20 who  
16 does not hold a diploma of a high school approved in this State or in  
17 any other state in the United States, (b) suitable approved facilities and  
18 programs for children under the age of 5.

19 (cf: P.L.1990, c.52, s.58)

20

21 75. Section 14 of P.L.1977, c.193 (C.18A:46-19.8) is amended to  
22 read as follows:

23 14. On November 5 of each year, each board of education shall  
24 [forward to the commissioner an estimate of the cost of providing,  
25 during the next school year, examination, classification and speech  
26 correction services to]report the number of nonpublic school children  
27 who [attend] attended a nonpublic school located within the district  
28 who were identified as eligible to receive [each of these] examination,  
29 classification, and speech correction services pursuant to this act  
30 during the previous school year. The number of these pupils requiring  
31 an initial evaluation or reevaluation for examination and classification  
32 shall be multiplied by \$990.73. The number of these pupils requiring  
33 an annual review for examination and classification shall be multiplied  
34 by \$297.06. The number requiring speech correction shall be  
35 multiplied by \$786.70. These products shall be added to determine the  
36 estimated cost for providing examination, classification, and speech  
37 corrections services to nonpublic school children during the next  
38 school year. Each board of education shall report the number of  
39 nonpublic school children who attended a nonpublic school located  
40 within the district, who were identified as eligible for supplementary  
41 instruction services during the preceding school year. The number of  
42 these pupils shall be multiplied by [the appropriate cost factor from  
43 section 14 of P.L.1990, c.52 (C.18A:7D-16) and by the State  
44 foundation amount as defined in section 6 of P.L.1990, c.52  
45 (C.18A:7D-6)]\$752.41. This product shall be added to the estimated

1 cost for providing examination, classification and speech correction  
2 services.

3 In preparing its annual budget, each board of education shall  
4 include as an expenditure the estimated cost of providing services to  
5 nonpublic school children pursuant to P.L.1977, c.193 (C.18A:46-19.1  
6 et al.).

7 In preparing its annual budget, each board of education shall  
8 include as a revenue State aid in an amount equal to [such] the  
9 estimated cost of providing services to nonpublic school children  
10 pursuant to P.L.1977, c.193 (C.18A:46-19.1 et al.).

11 During each school year, each district shall receive an amount of  
12 State aid equal to 10% of [such] the estimated cost on the first day in  
13 September and on the first day of each month during the remainder of  
14 the school year. If a board of education requires funds prior to  
15 September, the board shall file a written request with the  
16 Commissioner of Education stating the need for the funds. The  
17 commissioner shall review each request and forward those for which  
18 need has been demonstrated to the appropriate officials for payment.

19 In the event the expenditures incurred by any district are less than  
20 the amount of State aid received, the district shall refund the  
21 unexpended State aid after completion of the school year. The refunds  
22 shall be paid no later than December 1. In any year, a district may  
23 submit a request for additional aid pursuant to P.L.1977, c.193  
24 (C.18A:46-19.1 et al.). If the request is approved and funds are  
25 available from refunds of the prior year, payment shall be made in the  
26 current school year.

27 (cf: P.L.1991, c.128, s.5)

28

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

30 18A:46-23. The board of education shall furnish transportation to  
31 all children found under this chapter to be handicapped who shall  
32 qualify therefor pursuant to law and it shall furnish [such] the  
33 transportation for a lesser distance also to any handicapped child, if it  
34 finds upon the advice of the examiner, [his] the handicap to be such as  
35 to make transportation necessary or advisable.

36 The board of education shall furnish transportation to all children  
37 being sent by local boards of education to an approved 12-month  
38 program pursuant to N.J.S.18A:46-14, or any other program approved  
39 pursuant to N.J.S.18A:46-14 and who qualify therefor pursuant to  
40 law, during the entire time the child is attending [such a] the program.  
41 The board shall furnish [such] transportation for a lesser distance also  
42 to [such] a handicapped child, if it finds upon the advice of the  
43 examiner, his handicap to be such as to make [such] the transportation  
44 necessary or advisable.

45 The school district shall be entitled to State aid for [such] the

1 transportation pursuant to section [16 of P.L.1990, c.52  
2 (C.18A:7D-18)]25 of P.L. , c. (C. ) (now pending before the  
3 Legislature as this bill) when the necessity for [such] the  
4 transportation and the cost and method thereof have been approved by  
5 the county superintendent of the county in which the district paying  
6 the cost of [such] the transportation is situated.  
7 (cf: P.L.1990, c.52, s.59)

8

9 77. Section 3 of P.L.1971, c.271 (C.18A:46-31) is amended to  
10 read as follows:

11 3. a. Any school established pursuant to P.L.1971, c.271  
12 (C.18A:46-29 et seq.) shall accept all eligible pupils within the county,  
13 so far as facilities permit. Pupils residing outside the county may be  
14 accepted should facilities be available only after provision has been  
15 made for all eligible pupils within the county. Any child accepted shall  
16 be classified pursuant to chapter 46 of Title 18A of the New Jersey  
17 Statutes.

18 b. The board of education of any county special services school  
19 district may receive such funds as may be appropriated by the county  
20 pursuant to section 13 of P.L.1971, c.271 (C.18A:46-41) and shall be  
21 entitled to collect and receive from the sending districts in which the  
22 pupils attending the county special services school reside, for the  
23 tuition of [such] those pupils, a sum not to exceed the actual cost per  
24 pupil as determined for each special education [category] program or  
25 for the special services school district, according to rules prescribed  
26 by the commissioner and approved by the State board. Whenever  
27 funds have been appropriated by the county, the county special  
28 services school district may charge a fee in addition to tuition for any  
29 pupils who are not residents of the county. The fee shall not exceed  
30 the amount of the county's per pupil appropriation to the county  
31 special services school district. For each special education  
32 [category]program or for the special services school district, the  
33 tuition shall be at the same rate per pupil for each sending district  
34 whether within or without the county. Ten percent of the tuition  
35 amount and the nonresident fee amount, if any, shall be paid on the  
36 first of each month from September to June to the receiving district by  
37 each sending district. The annual aggregate amount of all tuition may  
38 be anticipated by the board of education of the county special services  
39 school district with respect to the annual budget of the county special  
40 services school district. The amounts of all annual payments or tuition  
41 to be paid by any [such] other school district shall be raised in each  
42 year in the annual budget of [such] the other school district and paid  
43 to the county special services school district.

44 Tuition charged to the resident district shall be deducted from the  
45 resident district's State aid and transferred directly to the county

1 special services district by the Department of Education according to  
2 procedures established by the commissioner. The transfers shall equal  
3 1/20th of the tuition charged and shall occur on the same schedule of  
4 State aid payments for the resident districts. Beginning in May of the  
5 preceding year the county special services district shall report to the  
6 department and the resident districts the current enrollments and  
7 tuition rates by district. Enrollment changes reported at least 30 days  
8 in advance of a scheduled transfer shall be honored.

9 Unless specifically designated, county special services school  
10 districts shall not receive State aid under the provisions of P.L. ,  
11 c. (C. )(now pending before the Legislature as this bill). The  
12 county special services general fund budget, exclusive of any county  
13 contribution, shall not exceed the general fund budget, exclusive of  
14 any county contribution, in the prebudget year adjusted by the CPI or  
15 three percent, whichever is greater, plus an enrollment factor.

16 An undesignated general fund balance of 10 percent of the general  
17 fund budget exclusive of tuition adjustments of prior years may be  
18 maintained. For the years 1997-98 through 2001-2002, State aid shall  
19 be provided to fund tuition losses when placements drop by more than  
20 five percent between the budget year and prebudget year. State aid  
21 shall equal the difference between 95 percent of the prebudget year  
22 enrollment on May 1 preceding the prebudget year multiplied by the  
23 budget year tuition rate and actual enrollments on May 1 preceding the  
24 budget year multiplied by the budget year tuition rate.

25 c. The board of education of any county special services school  
26 district, with the approval of the board of chosen freeholders of the  
27 county, may provide for the establishment, maintenance and operation  
28 of dormitory and other boarding care facilities for pupils in  
29 conjunction with any one or more of its schools for special services,  
30 and the board shall provide for the establishment, maintenance and  
31 operation of such health care services and facilities for the pupils as  
32 the board shall deem necessary.

33 d. (Deleted by amendment, P.L.1991, c.62).

34 (cf: P.L.1991, c.62, s.23)

35  
36 78. Section 9 of P.L.1977, c.192 (C.18A:46A-9) is amended to  
37 read as follows:

38 9. The apportionment of State aid among local school districts  
39 shall be calculated by the commissioner as follows:

40 a. The per pupil aid amount for providing the equivalent service  
41 to children of limited English-speaking ability enrolled in the public  
42 schools, shall be [determined by multiplying the bilingual program  
43 weight from section 81 of P.L.1990, c.52 (C.18A:7D-21) or the  
44 appropriate cost factor from section 14 of P.L.1990, c.52  
45 (C.18A:7D-16) by the State foundation amount as defined in section

1 6 of P.L.1990, c.52 (C.18A:7D-6)]\$1274.03. The appropriate per  
2 pupil aid amount for compensatory education shall be [determined by  
3 multiplying the per pupil amount of compensatory education aid in the  
4 prebudget year by the PCIs as defined by section 3 of P.L.1990, c.52  
5 (C.18A:7D-3)]\$628.71.

6 b. The appropriate per pupil aid amount shall then be multiplied  
7 by the number of auxiliary services received for each pupil enrolled in  
8 the nonpublic schools who were identified as eligible to receive each  
9 auxiliary service as of the last school day of June of the prebudget  
10 year, to obtain each district's State aid for the next school year.

11 c. The per pupil aid amount for home instruction shall be  
12 determined by multiplying the [State foundation amount as defined in  
13 section 6 of P.L.1990 c.52 (C.18A:7D-6)]T&E amount by a cost  
14 factor of 0.0037 by the number of hours of home instruction actually  
15 provided in the prior school year.

16 (cf: P.L.1991, c.128, s.3)

17

18 79. N.J.S.18A:51-7 is amended to read as follows:

19 18A:51-7. The commission shall assess against the participating  
20 school districts a sum which, together with any anticipated State aid  
21 and private donations, shall be required for the establishment and  
22 maintenance of the county educational audiovisual aids center during  
23 the first year and for the maintenance and operation of the same,  
24 during each year thereafter, which total annual assessment shall be  
25 apportioned among the participating school districts in the proportion  
26 which the resident enrollment of the pupils for the prebudget year of  
27 each such district shall bear to the total resident enrollment of the  
28 pupils for the prebudget year of all of the participating school districts  
29 as determined by the commissioner.

30 (cf: P.L.1990, c.52, s.70)

31

32 80. N.J.S. 18A:54-28 is amended to read as follows:

33 18A:54-28. On or before the fourth Tuesday in March in each year  
34 the board of education of a county vocational school district shall  
35 prepare and deliver to each member of the board of school estimate an  
36 itemized statement of the amount of money estimated to be necessary  
37 for the general fund expenses of the county vocational school district  
38 for the ensuing school year. The board of education shall follow the  
39 procedures established in section 5 of P.L. .c. (C. )(now pending  
40 before the Legislature as this bill).

41 (cf: P.L.1993, c.83, s.24)

42

43 81. N.J.S.18A:54-29 is amended to read as follows:

44 18A:54-29. Between the fourth Tuesday in March and April 8 in  
45 each year the board of school estimate shall fix and determine by

1 action taken at a public meeting of the board the amount of money  
2 necessary to be appropriated for the use of the county vocational  
3 school district for the ensuing school year exclusive of the amount to  
4 be received from the State as provided in section 18A:54-32. The  
5 board of education of the county vocational school district and the  
6 board of school estimate shall follow the procedures established in  
7 section 5 of P.L. ,c. (C. )(now pending before the Legislature  
8 as this bill).

9 (cf: P.L. 1992, c.159, s.22)

10  
11 82. N.J.S. 18A:55-2 is amended to read as follows:

12 18A:55-2. The commissioner shall[, with the approval of the state  
13 board,]direct the State treasurer to withhold funds payable by the  
14 State from any district which fails to obey the law or the rules or  
15 directions of the State board or the commissioner.

16 The county superintendent with the approval of the commissioner  
17 may direct the [custodian] treasurer of the school moneys of a school  
18 district to withhold all moneys received by him from the State  
19 treasurer and then remaining in his hands to the credit to the district,  
20 whenever the board of education of the district, or any officer thereof,  
21 or the legal voters of any school district, or any board or officer of the  
22 municipality in which any such school districts is situate, shall neglect  
23 or refuse to perform any duty imposed upon such board, officer, or  
24 legal voters by this title or by the rules of the State board. The  
25 [custodian] treasurer shall withhold such moneys until he shall receive  
26 notice from the county superintendent that the board, officer, or legal  
27 voters have performed such duty.

28 (cf: N.J.S.18A:55-2)

29  
30 83. Section 6 of P.L.1974, c.79 (C.18A:58-37.6) is amended to  
31 read as follows:

32 6. State aid provided pursuant to [P.L.1990, c.52 (C.18A:7D-1 et  
33 al.)]P.L. ,c. (C. )(now pending before the Legislature as this  
34 bill) may be expended for the purchase and loan of textbooks for  
35 public school pupils in an amount which shall not exceed the State  
36 average budgeted textbook expense for the prebudget year per pupil  
37 in resident enrollment. Nothing contained herein shall prohibit a board  
38 of education in any district from purchasing textbooks in excess of the  
39 amounts provided pursuant to this act.

40 (cf: P.L.1990, c.52, s.77)

41  
42 84. (New section) The State Board of Education shall adopt,  
43 pursuant to the "Administrative Procedure Act," P.L.1968, c.410  
44 (C.52:14B-1 et seq.), rules and regulations necessary to effectuate the  
45 provisions of this act.

1       85. The following acts and parts of acts are hereby repealed:  
2       P.L.1990, c.84 (C.18A:6-33.15 through 18A:6-33.17)  
3       Sections 1, 2, 4 through 9, 12 and 48 of P.L.1975, c.212  
4 (C.18A:7A-1, 18A:7A-2, 18A:7A-4 through 18A:7A-9, 18A:7A-12  
5 and 18A:7A-31);  
6       Section 5 of P.L.1991, c.3 (C.18A:7A-6.1);  
7       Section 6 of P.L.1991, c.3 (C.18A:7A-14.2);  
8       Sections 1 through 4, 6 through 10, 11 through 17, 80, 81, 18, 84,  
9 19 through 22, 85, 23, 24, 87, 89, and 25 through 28 of P.L.1990,  
10 c.52 (C. 18A:7D-1 through 18A:7D-4, 18A:7D-6 through 18A:7D-10  
11 and 18A:7D-13 through 18A:7D-36);  
12       Section 3 of P.L.1993, c.67 (C.18A:7D-37);  
13       P.L.1995, c.236 (C.18A:7E-6 through 18A:7E-9);  
14       Section 26 of P.L.1991, c.62 (C.18A:7D-21.1);  
15       Section 4 of P.L. 1979, c.294 (C.18A:22-8.3);  
16       Section 3 of P.L.1993, c.80 (C.18A:7D-27.1);  
17       Sections 33, 38, 34 and 36 of P.L.1991, c.62 (C.18A:7D-28.1  
18 through 18A:7D-28.4);  
19       N.J.S.18A:17-44;  
20       Sections 8 through 11, 13 and 14 of P.L.1985, c.321 (C.18A:29-  
21 5.7 through 18A:29-5.12);  
22       Section 73 of P.L.1990, c. 52 (C.18A:54-20.2);  
23       N.J.S. 18A:54-32;  
24       N.J.S.18A:58-9;  
25       P.L.1984, c.226 (C.18A:58-68 through 18A:58-76); and  
26       Section 3 of P.L.1996, c. 48 (C.34:1B-7.23a).

27  
28       86. This act shall take effect immediately and shall first apply to  
29 the 1997-98 school year.

30

31

32

33

34       The "Comprehensive Educational Improvement and Financing Act of  
35 1996."