

ASSEMBLY, No. 253

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman GARCIA

1 AN ACT concerning State school aid and amending P.L.1990, c.52.

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

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6 1. Section 3 of P.L.1990, c.52 (C.18A:7D-3) is amended to read as
7 follows:

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

10 "Adjusted resident enrollment" means the average number of special
11 education services, at-risk and bilingual education pupils who, on the
12 last school day prior to October 16, December 15, March 1 and May
13 15 of the prebudget year, and the number of all other pupils who, on
14 the last school day prior to October 16 of the prebudget year, are
15 residents of the district and are enrolled in: (1) the public schools of
16 the district, except as a post-graduate or evening school pupil; or (2)
17 another school district to which the district of residence pays tuition
18 other than a county vocational school district in the same county or
19 county special services school district; provided that a district shall
20 count pupils in a shared-time vocational program who are regularly
21 attending both the schools of the district and of a county vocational
22 school district on an equated full-time basis in accordance with
23 procedures to be established by the commissioner. For purposes of
24 this section, resident enrollment shall include beginning in the 1992-93
25 school year and thereafter, regardless of nonresidence, the enrolled
26 children of teaching staff members of the school district who are
27 permitted, by contract or local district policy, to enroll their children
28 in the educational program of the school district without payment of
29 tuition.

30 For the purposes of notification of each district by the
31 commissioner, pursuant to section 21 of P.L.1990, c.52
32 (C.18A:7D-26), as to the maximum amount of aid for special

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

Matter underlined thus is new matter.

1 education, at-risk and bilingual programs payable to the district under
2 the provisions of P.L.1990, c.52 (C.18A:7D-1 et al.), the district's
3 State aid entitlement shall be calculated by using a projected adjusted
4 resident enrollment for special education services pupils, at-risk pupils
5 and bilingual education pupils based on pupil enrollments on the last
6 school day prior to October 16 of the prebudget year. Adjustments in
7 State school aid for the budget year based upon actual enrollment
8 counts for the prebudget year shall be made in the State school aid for
9 the year following the budget year.

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

12 "County vocational school, special education services pupil" means
13 a pupil who is attending a county vocational school and who is
14 receiving specific services pursuant to chapter 46 of Title 18A of the
15 New Jersey Statutes in special class programs when the pupil is
16 enrolled in a special class register.

17 "CPI" means the average annual increase, expressed as a decimal,
18 in the consumer price index for all urban consumers in the New York
19 City and Philadelphia areas during the three fiscal years preceding the
20 prebudget year as reported by the United States Department of Labor.

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

24 "Debt service" means and includes payments of principal and
25 interest upon school bonds and other obligations issued to finance the
26 acquisition of school sites and the acquisition, construction or
27 reconstruction of school buildings, including furnishings, equipment
28 and the costs of issuance of such obligations and shall include
29 payments of principal and interest upon bonds heretofore issued to
30 fund or refund such obligations, and upon municipal bonds and other
31 obligations which the commissioner approves as having been issued for
32 such purposes. Debt service pursuant to the provisions of P.L.1978,
33 c.74 (C.18A:58-33.22 et seq.), P.L.1971, c.10 (C.18A:58-33.6 et seq.)
34 and P.L.1968, c.177 (C.18A:58-33.2 et seq.) is excluded.

35 "District income" means the aggregate income of the residents of
36 the taxing district or taxing districts, based upon data provided by the
37 Bureau of the Census in the United States Department of Commerce
38 for the most recent year prior to the budget year.

39 With respect to regional districts and their constituent districts,
40 however, the district income as described above shall be allocated
41 among the regional and constituent districts in proportion to the
42 number of pupils in each of them. For the 1991-92 school year,
43 regional and constituent pupils shall include pupils attending the
44 schools of a county vocational school or a county special services
45 school district. Part-time post-secondary vocational pupils are to be
46 excluded from this calculation.

1 "Equalized valuation" means the equalized valuation of the taxing
2 district or taxing districts as certified by the Director of the Division
3 of Taxation on October 1 of the prebudget year.

4 With respect to regional districts and their constituent districts,
5 however, the equalized valuations as described above shall be
6 allocated among the regional and constituent districts in proportion to
7 the number of pupils in each of them. For the 1991-92 school year,
8 regional and constituent pupils shall include pupils attending the
9 schools of a county vocational school or a county special services
10 school district. Part-time post-secondary vocational pupils are to be
11 excluded from this calculation. With respect to certain operating
12 school districts, other than school districts that received funds through
13 a municipal budget in 1989 as determined pursuant to column 1 (c) of
14 Section C of the Abstract of Ratables, that are composed of one or
15 more taxing districts, where 20% or more of the land area of the
16 taxing district is situated within the development district subject to an
17 intermunicipal tax sharing agreement pursuant to P.L.1968, c.404
18 (C.13:17-1 et seq.), the equalized valuation shall equal the product of
19 .70 and the amount of equalized valuation certified by the director.

20 "Evening school pupils" means the equated full-time resident
21 enrollment of pupils enrolled in a public evening school established
22 pursuant to N.J.S.18A:48-1.

23 "Local levy budget" means the sum of the foundation aid and
24 transition aid received by a school district and the district's local levy
25 for the general fund.

26 "Maximum Statewide foundation aid" shall be determined annually
27 by subtracting the total State aid payable pursuant to sections 14, 16,
28 80 and 81 of P.L.1990, c.52 (C.18A:7D-16, 18A:7D-18, 18A:7D-20
29 and 18A:7D-21) and sections 26, 29, 30 and 31 of P.L.1991, c.62
30 (C.18A:7D-21.1 et al.) from the maximum State school aid, by
31 subtracting the funds appropriated pursuant to section 38 of P.L.1991,
32 c.62 (C.18A:7D-28.2), and by adding any additional State aid which
33 results from the provisions of section 27 of P.L.1991, c.62.

34 "Maximum State school aid" shall be determined for the 1992-93
35 school year and annually thereafter by adding 80% of the increase in
36 the State school aid inflator and the maximum State school aid for the
37 prebudget year. However, beginning in the 1993-94 school year, the
38 Governor may increase the maximum State school aid to an amount
39 not to exceed the value of the State school aid inflator.

40 The State school aid inflator shall be determined for the 1992-93
41 school year and annually thereafter by multiplying the value of the
42 school aid inflator for the prebudget year by the sum of 1.01 and the
43 PCI. For the 1991-92 school year, the value of the school aid inflator
44 is \$4,250,000,000.

45 "Net budget" means the sum of the foundation aid received by a
46 school district and the State aid received pursuant to sections 14, 16,

1 25, 80, and 81 of P.L.1990, c.52 (C18A:7D-16, 18A:7D-18,
2 18A:7D-33, 18A:7D-20, and 18A:7D-21) and sections 26 and 31 of
3 P.L.1991, c.62 (C.18A:7D-21.1 et al.) and the district's local levy for
4 the general fund. For a county special services school district, the net
5 budget shall also include tuition received by the district to provide
6 services pursuant to chapter 46 of Title 18A of the New Jersey
7 Statutes.

8 "Net debt service" means the balance after deducting all revenues
9 from the school debt service budget of the school district and the
10 school debt service amount included in the municipal budget, except
11 the amounts to be raised by local taxation and State aid.

12 "Postgraduate pupils" means pupils who have graduated from high
13 school and are enrolled in a secondary school for additional high
14 school level courses.

15 "Prebudget year" means the school year preceding the year in which
16 the school budget will be implemented.

17 "Pupils eligible for free meals or free milk" means those children
18 who have been determined to be eligible to receive a free meal or free
19 milk under the National School Lunch Act, 42 U.S.C. §1751 et seq.,
20 and the Child Nutrition Act of 1966, 42 U.S.C. §1771 et seq., as of
21 October 15 of the prebudget year.

22 "PCI" means the average annual percentage increase, expressed as
23 a decimal, in State per capita personal income over the four fiscal
24 years ending on June 30 prior to the prebudget year. The per capita
25 personal income for each of the four years shall be the average of the
26 per capita personal income for the four quarters in each fiscal year
27 utilizing the quarterly data for State personal income and State
28 population as published by the United States Department of
29 Commerce.

30 "Resident enrollment" means the average number of special
31 education services, at-risk and bilingual education pupils who, on the
32 last school day prior to October 16, December 15, March 1 and May
33 15 of the prebudget year, and the number of all other pupils who, on
34 the last school day prior to October 16 of the prebudget year, are
35 residents of the district and are enrolled in: (1) the public schools of
36 the district, including evening schools; (2) another school district,
37 other than a county vocational school district in the same county or
38 county special services school district on a full-time basis, State
39 college demonstration school or private school to which the district of
40 residence pays tuition; (3) a State facility; (4) are receiving home
41 instruction; or (5) are in a shared-time vocational program and are
42 regularly attending a school in the district and a county vocational
43 school district. Pupils in a shared-time vocational program shall be
44 counted on an equated full-time basis in accordance with procedures
45 to be established by the commissioner. For purposes of this section,
46 resident enrollment shall include, beginning in the 1992-93 school year

1 and thereafter, regardless of nonresidence, the enrolled children of
2 teaching staff members of the school district who are permitted, by
3 contract or local district policy, to enroll their children in the
4 educational program of the school district without payment of tuition.

5 Handicapped children between three and five years of age and
6 receiving programs and services pursuant to N.J.S.18A:46-6 shall be
7 included in the resident enrollment of the district.

8 For the purposes of notification of each district by the
9 commissioner, pursuant to section 21 of P.L.1990, c.52
10 (C.18A:7D-26), as to the maximum amount of aid for special
11 education, at-risk and bilingual programs payable to the district under
12 the provisions of P.L.1990, c.52 (C.18A:7D-1 et al.), the district's
13 State aid entitlement shall be calculated by using a projected adjusted
14 resident enrollment for special education services pupils, at-risk pupils
15 and bilingual education pupils based on pupil enrollments on the last
16 school day prior to October 16 of the prebudget year. Adjustments in
17 State school aid for the budget year based upon actual enrollment
18 counts for the prebudget year shall be made in the State school aid for
19 the year following the budget year.

20 "School district" means any local or regional school district
21 established pursuant to chapter 8 or chapter 13 of Title 18A of the
22 New Jersey Statutes and any county special services or county
23 vocational school districts established pursuant to chapter 46 or
24 chapter 54 of Title 18A of the New Jersey Statutes.

25 "Special education services pupil" means a pupil receiving specific
26 services pursuant to chapter 46 of Title 18A of the New Jersey
27 Statutes in special class programs when the pupil is enrolled in a
28 special class register.

29 "Special needs district" means any school district, other than a
30 school district in which the equalized valuation per pupil is more than
31 twice the average Statewide equalized valuation per pupil, which, as
32 of June 5, 1990: a. was classified by the Department of Education as
33 an urban school district and was included in the department's district
34 factor group A or B; or b. in which the quotient produced by dividing
35 the number of pupils eligible for AFDC by the resident enrollment, less
36 the number of preschool, evening school and post-graduate pupils, is
37 greater than or equal to 0.15 and the number of pupils eligible for
38 AFDC is greater than 1,000. For this calculation, pupils eligible for
39 AFDC means those children aged 5-17 and resident in the district who
40 are members of families which are eligible for "Aid to Families with
41 Dependent Children" pursuant to P.L.1959, c.86 (C.44:10-1 et seq.),
42 as of September 30 of the prebudget year.

43 "State facility" means a State residential facility for the retarded; a
44 day training center which is operated by or under contract with the
45 State and in which all the children have been placed by the State,
46 including a private school approved by the Department of Education

1 which is operated under contract with the Bureau of Special
2 Residential Services in the Division of Developmental Disabilities in
3 the Department of Human Services; a State residential youth center;
4 a State training school or correctional facility; a State child treatment
5 center or psychiatric hospital.

6 "Statewide average equalized school tax rate" means the amount
7 calculated by dividing the general fund tax levy for all school districts,
8 other than county vocational school and county special services school
9 districts, in the State for the prebudget year by the equalized
10 valuations of all taxing districts in the State except taxing districts for
11 which there are no school tax levies.

12 "Statewide equalized valuation" means the equalized valuation of
13 all taxing districts in the State as certified by the Director of the
14 Division of Taxation on October 1 of the prebudget year. In the event
15 that the equalized table certified by the Director of the Division of
16 Taxation shall be revised by the tax court after December 15 of the
17 prebudget year, the revised valuations shall be used in the
18 recomputation of aid for an individual school district filing an appeal,
19 but shall have no effect upon the calculation of the property value
20 multiplier.

21 "Total Statewide income" means the sum of the district incomes of
22 all taxing districts in the State.

23 (cf: P.L.1993, c.83, s.1)

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25 2. This act shall take effect immediately and shall first apply to
26 school aid for the 1995-96 school year.

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STATEMENT

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31 This bill provides that the pupil enrollment counts for special
32 education, at-risk education and bilingual education used in the
33 calculation of State school aid shall be based upon the average of such
34 pupils enrolled on October 16, December 15, March 1, and May 15 of
35 the prebudget year. However, the Commissioner of Education is
36 directed to use the October 16 enrollment count in calculating each
37 district's anticipated State aid entitlement for the purpose of the
38 preliminary aid notification. Adjustments based upon the actual
39 quarterly average enrollments for the prebudget year will be made in
40 State school aid for the year following the budget year.

41 Basing pupil enrollment for at-risk, bilingual and special education
42 will lead to a more accurate indication of actual pupil enrollments than
43 the current method of basing pupil enrollment on one date in October.

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3 Provides for pupil enrollment counts for calculation of State school aid
4 for at-risk, bilingual and special education to be determined by
5 averaging the enrollments on October 16, December 15, March 1, and
6 May 15.