

[First Reprint]  
ASSEMBLY, No. 2836

STATE OF NEW JERSEY

INTRODUCED MARCH 20, 1997

By Assemblywoman CRECCO, Assemblymen GARRETT,  
Caraballo and Stanley

1 AN ACT concerning the funding of public schools <sup>1</sup>[and] <sup>1</sup> amending  
2 P.L.1996, c.138 <sup>1</sup>and making an appropriation<sup>1</sup>.

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

6  
7 1. Section 10 of P.L.1996, c.138 (C.18A:7F-10) is amended to  
8 read as follows:

9 10. a. Notwithstanding any other provision of this act to the  
10 contrary, the total stabilized aid for each district shall not be increased  
11 by more than the district's stabilization aid growth limit. In the event  
12 that total stabilized aid exceeds the prebudget year total by a rate  
13 greater than the stabilization aid growth limit, the commissioner shall  
14 adjust the components of total stabilized aid so that they total exactly  
15 the prebudget year total increased by the stabilization aid growth limit.  
16 For the 1997-98 school year, the prebudget year total shall include  
17 foundation aid, transition aid, categorical aids for special education,  
18 bilingual education and county vocational education, and  
19 transportation aid paid for the 1996-97 school year. For the 1998-99  
20 school year and thereafter, the prebudget year total shall be the total  
21 for the same aid categories as included in total stabilized aid plus any  
22 stabilization aid the district has received pursuant to subsection b. of  
23 this section, as paid in the prebudget years. For the 1997-98 and  
24 1998-99 school years, total stabilized aid shall include core curriculum  
25 standards aid, categorical aids for special education programs,  
26 bilingual education programs, and county vocational programs,  
27 transportation aid, and aid for adult and postsecondary programs  
28 calculated pursuant to sections 15, 19, 20, 21, 25, and 28 of this act.  
29 For the 1999-2000 school year and thereafter, total stabilized aid shall  
30 include core curriculum standards aid, supplemental core curriculum

**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.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Assembly AED committee amendments adopted May 5, 1997.

1 standards aid, distance learning network aid, categorical aids for  
2 special education programs, bilingual education programs, county  
3 vocational programs, early childhood program aid, demonstrably  
4 effective program aid, instructional supplement aid, transportation aid,  
5 aid for adult and postsecondary programs, and academic achievement  
6 rewards calculated pursuant to sections 15 through 22, 25, 28 and 29  
7 of this act.

8 Notwithstanding any provision of this section to the contrary, the  
9 commissioner shall ensure that for any district with a stabilization  
10 reduction in 1997-98 that by the 1999-2000 school year and thereafter,  
11 the total stabilized aid for each school district reflects the actual pupil  
12 counts of the district.

13 b. Notwithstanding any other provision of this act to the contrary,  
14 the total of a district's stabilization aid, core curriculum standards aid,  
15 supplemental core curriculum standards aid, distance learning network  
16 aid, categorical aids for special education programs, bilingual  
17 education programs, county vocational programs, early childhood  
18 program aid, demonstrably effective program aid, transportation aid,  
19 aid for adult and postsecondary programs, and academic achievement  
20 rewards calculated pursuant to subsection a. of this section and  
21 sections 15 through 17, subsection a. of section 18, 19 through 22,  
22 25, 28 and 29 of this act, shall not be decreased by more than 10%  
23 below the amounts paid for these categories in the prebudget year. In  
24 the event that the sum of the formula entitlements calculated pursuant  
25 to those sections is less than 90% of the prebudget total, stabilization  
26 aid shall be paid in the amount of the difference between 90% of the  
27 prebudget year total and the sum of those entitlements. For the  
28 1997-98 school year, the prebudget year total shall include foundation  
29 aid, transition aid, aid for at-risk pupils, technology aid and categorical  
30 aids for special education, bilingual education and county vocational  
31 education, and transportation aid.

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

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

36 (2) resident enrollment projected for October 1997 exceeds 99  
37 percent of the resident enrollment for October 1991 or resident  
38 enrollment projected for October 1997 is less than resident enrollment  
39 for October 1991 by 35 or fewer pupils or the prebudget year  
40 equalized tax rate exceeded the Statewide average equalized school  
41 tax rate by 10% or more.

42 An eligible district shall be aided in the amount of its total aid  
43 decline, after offset by any stabilization aid provided pursuant to  
44 subsection b. of this section, or \$4,000,000, whichever is less. The  
45 commissioner, in consultation with the Commissioner of the  
46 Department of Community Affairs and the Director of the Division of

1 Local Government Services in the Department of Community Affairs,  
2 shall examine the fiscal ability of districts eligible for supplemental  
3 stabilization aid to absorb aid losses and shall make recommendations  
4 to the Legislature and the Governor regarding the continuation of  
5 supplemental stabilization aid. The commissioner shall not implement  
6 any of those recommendations until the recommendations are enacted  
7 into law.

8 d. Additional supplemental stabilization aid of \$500,000 per district  
9 shall be disbursed to any district which meets all of the following  
10 criteria:

11 (1) the district's projected resident enrollment for the 1997-98  
12 school year exceeds 10,000 pupils;

13 (2) the district's 1996-97 net budget is less than the sum of its  
14 maximum T&E budget calculated pursuant to section 13 of this act  
15 and early childhood program aid, demonstrably effective program aid,  
16 instructional supplement aid, transportation aid, and categorical  
17 program aid received pursuant to sections 19 through 22, 28, and 29  
18 of this act;

19 (3) the district's total aid payable for the categories listed in  
20 subsection b. of this section exceeds the prebudget year total for the  
21 same aids by no more than 10%;

22 (4) the district's original State aid notice for 1996-97 was not  
23 reduced pursuant to P.L.1995, c.236 (C.18A:7E-6 et seq.);

24 (5) the district's core curriculum standards aid as a percentage of  
25 its T&E budget is less than 50%; and

26 (6) the district was certified as of November 30, 1996.

27 e. For the 1997-98 school year, each district which had pupils  
28 placed in a county special services school district on October 15, 1995  
29 shall receive additional supplemental stabilization aid as follows:

30 (1) when the sum of the district's total aid payable for the  
31 categories listed in subsection b. of this section, aid payable pursuant  
32 to subsections c. and d. of this section, and aid payable pursuant to  
33 subsection c. of section 18 of this act exceeds the prebudget year total  
34 for the same aids pursuant to subsection b. of this section, the district  
35 shall receive an amount equal to the excess of the State aid generated  
36 by such placements in the county special services school district in  
37 1996-97 over the excess calculated pursuant to this paragraph; or

38 (2) when the district's prebudget year aid pursuant to subsection b.  
39 of this section equals or exceeds the sum of the total aid payable for  
40 the categories listed in subsection b. of this section, aid payable  
41 pursuant to subsections c. and d. of this section, and aid payable  
42 pursuant to subsection c. of section 18 of this act, the district shall  
43 receive an amount equal to the State aid generated by such placements  
44 in the county special services school district in 1996-97.

45 f. Supplemental school tax reduction aid shall be paid to any  
46 district which meets the following criteria:

1 (1) the district's 1996-97 net budget per pupil is less than 115% of  
2 the State average net budget per pupil;

3 (2) the district's 1996-97 equalized tax rate of the general fund is  
4 greater than 130% of the Statewide average equalized school tax rate;  
5 and

6 (3) the district does not receive any supplemental core curriculum  
7 standards aid[; and

8 (4) the district is not included within the Department of  
9 Education's district factor groups I or J based on the 1990 federal  
10 census data].

11 Each district which is determined to be eligible to receive aid  
12 pursuant to this subsection shall receive aid according to the  
13 following formula:

14  $.75 \times (\text{ESTR} - 1.30 \times \text{STESTR}) \times \text{EVAL}$

15 where

16 ESTR is the district's equalized tax rate of the general fund for the  
17 1996-97 school year;

18 STESTR is the Statewide average equalized school tax rate for the  
19 1996-97 school year; and

20 EVAL is the district October 1995 equalized valuation.

21 No district shall receive more than \$300,000 pursuant to this  
22 subsection.

23 g. Additional supplemental stabilization aid shall be paid to any  
24 district which is located in a municipality which has a population  
25 composed of more than 45% senior citizens age 65 or older according  
26 to the most recent federal decennial census. The aid shall equal \$200  
27 multiplied by the district's resident enrollment projected for October  
28 1997.

29 h. Any stabilization aid, supplemental stabilization aid, and  
30 supplemental school tax reduction aid paid pursuant to this section  
31 shall be applied toward the required local share of the school district  
32 or county vocational school district which receives the aid.

33 (cf: P.L.1996, c.138, s.10)

34

35 <sup>1</sup>2. There is appropriated from the General Fund to the Department  
36 of Education \$643,231 to effectuate the provisions of this act.<sup>1</sup>

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38 <sup>1</sup>[2.] 3.<sup>1</sup> This act shall take effect immediately and shall first apply  
39 to the 1997-98 school year.

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44 Permits certain district factor group I or J school districts to receive  
45 supplemental school tax reduction aid; appropriates \$643,231.