

SENATE, No. 40

STATE OF NEW JERSEY

INTRODUCED JUNE 27, 1996

By Senators MARTIN and EWING

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
33 pace with high spending districts, and failed to generate measurable
34 improvement in parity of academic achievement even in those districts

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 in which funding has been increased to higher levels; and

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

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

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

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

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

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

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

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

31

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

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

38 "Area cost allowance" means, commencing annually with January
39 1996, an average determined by multiplying the average estimated
40 five-city historical cost index for construction in New Jersey reported
41 by the R. S. Means Company, Inc. (Means Index) for January of each
42 year by \$ 88 and dividing by 121.5;

43 "Average monthly allowable increase in the area cost allowance for
44 the prior year" means the amount determined for the 1997 calendar
45 year and each calendar year annually thereafter by subtracting the area
46 cost allowance for January of the prior calendar year from the area

1 cost allowance for January of the current calendar year and dividing
2 the result by twelve;

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

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

10 "Capacity utilization" means the number of pupils eligible for
11 transportation aid actually transported on regular vehicles divided by
12 the number of regular vehicles utilized;

13 "Commissioner" means the Commissioner of Education;

14 "Concentration of low income pupils" means, for a school district
15 or a county vocational school district, the number of low income
16 pupils among those counted in modified district enrollment, divided by
17 modified district enrollment. For a school, it means the number of low
18 income pupils enrolled at that school, divided by the school's total
19 enrollment;

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

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

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

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

34 "Debt service" means and includes payments of principal and
35 interest upon school bonds and other obligations issued to finance the
36 purchase or construction of school facilities, additions to school
37 facilities, or the reconstruction, remodeling, alteration, modernization,
38 renovation or repair of school facilities, including furnishings,
39 equipment, architect fees and the costs of issuance of such obligations
40 and shall include payments of principal and interest upon bonds
41 heretofore issued to fund or refund such obligations, and upon
42 municipal bonds and other obligations which the commissioner
43 approves as having been issued for such purposes. Debt service
44 pursuant to the provisions of P.L.1978, c.74 (C.18A:58-33.22 et seq.),
45 P.L.1971, c.10 (C.18A:58-33.6 et seq.) and P.L.1968, c.177
46 (C.18A:58-33.2 et seq.) and for the acquisition of a site is excluded;

1 "District income" for the 1997-98 school year means the aggregate
2 income of the residents of the taxing district or taxing districts, based
3 upon data provided by the Bureau of the Census in the United States
4 Department of Commerce for the most recent year prior to the budget
5 year. Beginning with the 1998-99 school year and thereafter, district
6 income means the aggregate taxable income of the residents of the
7 taxing district or taxing districts, based upon data provided by the
8 Division of Taxation in the New Jersey Department of the Treasury
9 and contained on the New Jersey State Income Tax forms for the
10 calendar year ending prior to the prebudget year. With respect to
11 regional districts and their constituent districts, however, the district
12 income as described above shall be allocated among the regional and
13 constituent districts in proportion to the number of pupils in each of
14 them;

15 "Estimated minimum equalized tax rate" means a school district's
16 required local share divided by its equalized valuation;

17 "Equalized valuation" means the equalized valuation of the taxing
18 district or taxing districts expressed in units of \$100, as certified by
19 the Director of the Division of Taxation on October 1 of the prebudget
20 year. With respect to regional districts and their constituent districts,
21 however, the equalized valuations as described above shall be
22 allocated among the regional and constituent districts in proportion to
23 the number of pupils in each of them;

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

27 "Household income" means income as defined in 7CFR 245.2 and
28 245.6 or any subsequent superseding federal law or regulation;

29 "Lease purchase payment" means and includes payments of
30 principal and interest for lease purchase agreements in excess of five
31 years approved pursuant to subsection f. of N.J.S.18A:20-4.2 to
32 finance the purchase or construction of school facilities, additions to
33 school facilities, or the reconstruction, remodeling, alteration,
34 modernization, renovation or repair of school facilities, including
35 furnishings, equipment, architect fees and issuance costs. Approved
36 lease purchase agreements shall be accorded the same accounting
37 treatment as school bonds. Lease purchase agreement principal and
38 interest for the acquisition of a site is excluded;

39 "Local leeway budget" means that portion of the district's local levy
40 that is above the maximum T&E budget and therefore used to support
41 educational expenditures that are not necessary to deliver the
42 substantive elements of a thorough and efficient education;

43 "Low-income pupils" means those pupils from households with a
44 household income at or below the most recent federal poverty
45 guidelines available on December 30 of the prebudget year multiplied
46 by 1.30;

1 "Maintenance" means expenditures which are approved by the
2 commissioner for repairs and replacements for the purpose of keeping
3 a school facility open, comfortable and safe for use or in its original
4 condition, including repairs and replacements to a school facility's
5 heating, lighting, ventilation, security and other built-in furnishings or
6 equipment to keep the furnishings or equipment in effective working
7 condition. Maintenance shall not include any salaries or contracted
8 custodial or janitorial services, expenditures for the cleaning of a
9 school facility or its built-in furnishings or equipment, the care and
10 upkeep of grounds or parking lots, and the cleaning of, or repairs and
11 replacements to, movable furnishings or equipment;

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

15 "Modified district enrollment" means the number of pupils who, on
16 the last school day prior to October 16 of the current school year, are
17 enrolled in the school district or county vocational school district; or
18 are resident in the school district or county vocational school district
19 and are: (1) receiving home instruction, (2) enrolled in an approved
20 private school for the handicapped, (3) enrolled in a regional day
21 school, or (4) enrolled in a county special services school district;

22 "Net budget" means the sum of the net T&E budget and the local
23 leeway budget;

24 "Net T&E budget" means the sum of the T&E program budget,
25 early childhood program aid, demonstrably effective program aid,
26 transportation aid, and categorical program aid received pursuant to
27 sections 19 through 22, 24, 28, and 29 of this act;

28 "Prebudget year" means the school year preceding the year in which
29 the school budget is implemented;

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

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

45 "Resident enrollment" means the number of pupils who, on the last
46 school day prior to October 16 of the current school year, are

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

19 For purposes of calculating State aid pursuant to this act unless
20 otherwise specified within the act, the commissioner shall utilize
21 enrollment data from prior years, any available data on births, and a
22 cohort survival methodology to project current resident enrollment.
23 The commissioner shall adjust aid calculations as soon as practicable
24 after the availability of actual resident enrollment data. Beginning in
25 1997-98 and thereafter, resident enrollment shall also include those
26 nonresident children who are permitted to enroll in the educational
27 program without payment of tuition as part of a voluntary program of
28 interdistrict public school choice approved by the commissioner;

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

32 "School enrollment" means the number of pupils enrolled at the
33 school for the purpose of calculating demonstrably effective program
34 aid, and for determining eligibility for academic achievement rewards
35 pursuant to sections 18 and 29 of this act;

36 "School facilities" means and includes any structure, building or
37 facility used wholly or in part for academic purposes by a school
38 district and shall exclude athletic stadiums and grandstands and any
39 structure, building or facility used wholly for school administration;

40 "Special education services pupils" means a pupil receiving specific
41 services pursuant to chapter 46 of Title 18A of the New Jersey
42 Statutes;

43 "Stabilization aid growth limit" means 10% or the district's rate of
44 growth in the district's projected resident enrollment over the
45 prebudget year, whichever is greater. For the 1997-98 school year,
46 this means 10% or one-half the district's rate of growth in the district's

1 projected resident enrollment between the October 1991 enrollment
2 report as contained on the district's Application for State School Aid
3 for 1992-93 and the 1997-98 school year, whichever is greater. For
4 the 1998-99 school year, this means the greatest of the following:
5 10%, one-half the district's rate of growth in projected resident
6 enrollment over the October 1991 enrollment report as contained on
7 the district's Application for State School Aid for 1992-93, or the
8 district's projected rate of growth in resident enrollment over the
9 prebudget year;

10 "State facility" means a State developmental center; a day training
11 center which is operated by or under contract with the State and in
12 which all the children have been placed by the State, including a
13 private school approved by the Department of Education which is
14 operated under contract with the Bureau of Special Residential
15 Services in the Division of Developmental Disabilities in the
16 Department of Human Services; a State Division of Youth and Family
17 Services' residential center; a State residential mental health center; a
18 State training school secure care facility; a State juvenile community
19 program; or a county juvenile detention center under the supervisory
20 authority of the Juvenile Justice Commission pursuant to P.L.1995,
21 c.284 (C.52:17B-169 et seq.);

22 "Statewide average equalized school tax rate" means the amount
23 calculated by dividing the general fund tax levy for all school districts,
24 other than county vocational school and county special services school
25 districts, in the State for the prebudget year by the equalized
26 valuations of all taxing districts in the State except taxing districts for
27 which there are no school tax levies;

28 "Statewide equalized valuation" means the equalized valuation of
29 all taxing districts in the State, expressed in units of \$100, as certified
30 by the Director of the Division of Taxation in the Department of the
31 Treasury on October 1 of the prebudget year. In the event that the
32 equalized table certified by the director shall be revised by the tax
33 court after December 15 of the prebudget year, the revised valuations
34 shall be used in the recomputation of aid for an individual school
35 district filing an appeal, but shall have no effect upon the calculation
36 of the property value multiplier;

37 "T&E amount" means the cost per elementary pupil of delivering
38 the core curriculum content standards and extracurricular and
39 cocurricular activities necessary for a thorough regular education
40 under the assumptions of reasonableness and efficiency contained in
41 the Report on the Cost of Providing a Thorough and Efficient
42 Education;

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

45 "T&E program budget" means the sum of core curriculum
46 standards aid, supplemental core curriculum standards aid,

1 stabilization aid, designated general fund balance, miscellaneous local
2 revenue and that portion of the district's local levy that supports the
3 district's T&E budget;

4 "T&E range" means the range of regular education spending which
5 shall be considered thorough and efficient. The range shall be
6 expressed in terms of T&E budget spending per elementary pupil, and
7 shall be delineated by alternatively adding to and subtracting from the
8 T&E amount the T&E flexible amount;

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

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

34
35 4. (New section) a. The State Board of Education shall adopt,
36 and shall review and update every five years, core curriculum content
37 standards which define the substance of a thorough education as
38 guaranteed by the State Constitution. The standards shall ensure that
39 all children are provided the educational opportunity needed to equip
40 them for the role of citizen and labor market competitor in the
41 contemporary setting.

42 b. The Commissioner of Education shall develop and establish,
43 through the report issued pursuant to subsection c. of this section,
44 efficiency standards which define the types of programs, services,
45 activities, and materials necessary to achieve an efficient education.
46 The efficiency standards shall be reviewed biennially and revised as

1 appropriate.

2 As part of the periodic review process for the standards established
3 pursuant to this subsection and subsection a. of this section, the State
4 board and commissioner shall review local leeway budgets submitted
5 in the intervening years to assess whether elements included in those
6 budgets should be incorporated into the revised standards.

7 c. Biennially in each even numbered year, in conjunction with
8 transmittal of the State budget message pursuant to section 11 of
9 P.L.1944, c.112 (C.52:27B-20), the Governor, after consultation with
10 the commissioner, shall recommend to the Legislature through the
11 issuance of the Report on the Cost of Providing a Thorough and
12 Efficient Education:

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

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

18 (3) additional per pupil amounts for the following aid programs:
19 special education;
20 early childhood programs;
21 demonstrably effective programs;
22 bilingual education;
23 county vocational schools; and
24 distance learning network.

25 The amounts, adjusted for inflation by the CPI in the second year
26 to which the report applies, shall be deemed approved for the two
27 successive fiscal years beginning one year from the subsequent July 1,
28 unless between the date of transmittal and the subsequent July 1, the
29 Legislature adopts a concurrent resolution stating that the Legislature
30 is not in agreement with all or any part of the report, in which case the
31 amounts then in effect shall continue in effect.

32

33 5. (New section) a. Biennially, within 30 days following the
34 approval of the Report on the Cost of Providing a Thorough and
35 Efficient Education, the commissioner shall notify each district of the
36 T&E amount, the T&E flexible amount, the T&E range, early
37 childhood program amount, demonstrably effective program amount,
38 and categorical amounts per pupil for the subsequent two fiscal years.

39 Annually, within two days following the transmittal of the State
40 budget message to the Legislature by the Governor pursuant to section
41 11 of P.L.1944, c.112 (C.52:27B-20), the commissioner shall notify
42 each district of the maximum amount of aid payable to the district in
43 the succeeding school year pursuant to the provisions of this act, and
44 shall notify each district of the district's T&E budget, maximum T&E
45 budget, and minimum permissible T&E budget for the succeeding
46 school year.

1 b. Each district shall have a required local share. In order to meet
2 this requirement, each district shall raise a tax levy which, when added
3 to the general fund balance designated for the budget year,
4 miscellaneous revenues estimated consistent with GAAP to be
5 realized during the budget year, supplemental core curriculum
6 standards aid calculated pursuant to section 17 of this act and
7 stabilization aid calculated pursuant to section 10 of this act, equals no
8 less than the lesser of the local share calculated at the district's
9 minimum T&E budget pursuant to section 13 of this act, or the
10 district's budgeted local share for the prebudget year; except that for
11 an Abbott District, it shall equal no less than the district's local share
12 calculated at its minimum T&E budget pursuant to section 13 of this
13 act. For 1997-98, the budgeted local share for the prebudget year
14 shall not include miscellaneous revenues and general fund balance.

15 For the 1997-98 school year, any tax increase which would be
16 required of an Abbott District to meet its required local share, after
17 consideration of supplemental core curriculum standards aid and
18 stabilization aid shall be fully funded by the State and recorded as
19 supplemental core curriculum standards aid. An assessment of the
20 district's tax ratables and overall tax burden shall be conducted by a
21 committee appointed by the commissioner. Upon receipt of the
22 committee's assessment, the commissioner, in consultation with the
23 Commissioner of the Department of Community Affairs and the
24 Director of the Division of Local Government Services in the
25 Department of Community Affairs, shall determine an appropriate
26 phase-out schedule for all or part of the additional State aid.

27 c. Annually, on or before March 4, each district board of education
28 shall adopt, and submit to the commissioner for approval, together
29 with such supporting documentation as the commissioner may
30 prescribe, a budget that provides no less than the minimum permissible
31 T&E budget, and no greater than the maximum T&E budget, plus
32 categorical amounts required for a thorough and efficient education as
33 established pursuant to the report, special revenue funds and debt
34 service funds. Additional budget amounts in excess of the maximum
35 T&E budget shall not be submitted for approval, but shall proceed as
36 set forth in paragraph (1) of subsection d. of this section.

37 d. (1) A district proposing a budget which includes spending
38 which exceeds the maximum T&E budget established pursuant to
39 section 13 of this act shall submit at the annual school budget election
40 conducted pursuant to the provisions of P.L.1995, c.278 (C.19:60-1
41 et seq.), a separate proposal or proposals, including interpretive
42 statements, specifically identifying the purposes for which the
43 proposed funds shall be used, to the voters, who may, by voter
44 approval, authorize proposed additional spending above the maximum
45 T&E budget amount. The purposes identified in the interpretive
46 statements shall not include any use of funds defined within the

1 thoroughness and efficiency standards established pursuant to section
2 4 of this act. Any proposal rejected by the voters shall be submitted
3 to the governing body of each of the municipalities included within the
4 district for determination of such amounts, if any, as should be
5 expended notwithstanding voter rejection. There shall be no appeal
6 from the determination of the municipal governing body or bodies as
7 to these amounts. In the case of a district having a board of school
8 estimate, the question of additional spending shall be submitted to the
9 board for determination of such amounts, if any, as should be
10 expended above the maximum T&E budget. There shall be no appeal
11 from the determination of the board as to these amounts.

12 When the voters, municipal governing body or bodies, or the board
13 of school estimate authorize additional spending, the district shall
14 submit the resulting local leeway budget to the commissioner within
15 15 days of the action of the voters or municipal governing body or
16 bodies, whichever is later, or of the board of school estimate as the
17 case may be.

18 (2) A district which adopts a budget set at or below the T&E
19 budget established pursuant to section 13 of this act, need not submit
20 the budget to the voters or board of school estimate for approval. The
21 budget shall be deemed approved upon its adoption by the board of
22 education following review by the commissioner pursuant to
23 subsection c. of this section.

24 The commissioner shall, for any Abbott district, when he deems it
25 necessary to ensure implementation of the thoroughness standards,
26 direct additional expenditures above the T&E budget in specific
27 accounts and for specific purposes, up to the maximum T&E budget
28 without approval of the local voters or board of school estimate, as
29 applicable.

30 (3) A district proposing a budget set below the maximum T&E
31 budget, but including amounts in excess of the T&E budget established
32 pursuant to section 13 of this act, shall submit, at the annual school
33 election conducted pursuant to the provisions of P.L.1995, c.278
34 (C.19:60-1 et seq.), a separate proposal or proposals, including
35 interpretive statements, specifically identifying the purposes for which
36 the proposed funds shall be used, to the voters of the district, who
37 may, by voter approval, authorize proposed additional spending above
38 the T&E budget. Any proposal rejected by the voters shall be
39 submitted to the governing body of each of the municipalities included
40 in the district for determination of such amounts, if any, as should be
41 expended notwithstanding voter rejection. Proposed amounts not
42 approved by the municipal governing body or bodies, the sum of which
43 does not exceed the maximum T&E budget when added to the T&E
44 budget, may be appealed to the commissioner on grounds that the
45 amounts are necessary for a thorough and efficient education. In the
46 case of a district having a board of school estimate, the question of

1 additional spending shall be submitted to the board for determination
2 of such amounts, if any, as should be expended above the T&E budget.
3 Proposed amounts not approved by a board of school estimate, the
4 sum of which does not exceed the maximum T&E budget when added
5 to the T&E budget, may be appealed to the commissioner on grounds
6 that the amounts are necessary for a thorough and efficient education.

7 When the voters, municipal governing body or bodies, or the board
8 of school estimate authorize additional spending, the district shall
9 resubmit its final approved budget or amend the T&E budget filed
10 previously with the commissioner and submit the resulting amended
11 budget to the commissioner within 15 days of the action of the voters,
12 or municipal governing body or bodies , whichever is later, or of the
13 board of school estimate as the case may be.

14 e. Subsections c. and d. of this section shall not apply to
15 State-operated school districts which shall be governed by the
16 provisions of section 19 of P.L.1987, c.399 (C.18A:7A-52).

17
18 6. (New section) a. The commissioner shall not approve any
19 budget submitted pursuant to subsection c. of section 5 of this act
20 unless he is satisfied that the district has adequately implemented
21 within the budget the thoroughness and efficiency standards set forth
22 pursuant to section 4 of this act. In those instances in which a district
23 submits a budget set at less than its minimum T&E budget, the
24 commissioner may, when he deems it necessary to ensure
25 implementation of standards, direct additional expenditures, in specific
26 accounts and for specific purposes, up to the district's T&E budget.
27 A district which submits a budget set at less than its minimum T&E
28 budget and which fails to meet core curriculum content standards in
29 any school year shall be required to increase expenditures so as to
30 meet at least the T&E minimum budget within the next two budget
31 years. In those instances in which a district submits a budget at or
32 above its minimum T&E budget, the commissioner may likewise, when
33 he deems it necessary to ensure implementation of standards, direct
34 additional expenditures, in specific accounts and for specific purposes,
35 up to the T&E budget. In all cases, including those instances in which
36 a district submits a budget above its T&E budget, up to and including
37 its maximum T&E budget, the commissioner may direct such
38 budgetary reallocations and programmatic adjustments, or take such
39 other measures, as he deems necessary to ensure implementation of
40 the required thoroughness and efficiency standards.

41 b. In addition, whenever the commissioner determines, through the
42 results of Statewide assessments conducted pursuant to law and
43 regulation, or during the course of an evaluation of school
44 performance conducted pursuant to section 10 of P.L.1975, c.212
45 (C.18A:7A-10), that a district, or one or more schools within the
46 district, is failing to achieve the core curriculum content standards, the

1 commissioner may summarily take such action as he deems necessary
2 and appropriate, including but not limited to:

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

12 Nothing in this section shall be construed to limit such general or
13 specific powers as are elsewhere conferred upon the commissioner
14 pursuant to law.
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 for the purpose of
20 the budget prepared pursuant to section 5 of this act. If the amount
21 of the budgeted general fund for the prebudget year exceeds \$100
22 million, an undesignated general fund balance in excess of 6% of the
23 first \$100 million and in excess of 3% of the amount which exceeds
24 \$100 million shall be appropriated by a school district for the purpose
25 of the budget prepared pursuant to section 5 of this act.

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

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

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

43 8. (New section) The amounts payable to each school district
44 pursuant to this act shall be paid by the State Treasurer upon the
45 certification of the commissioner and warrant of the Director of the
46 Division of Budget and Accounting. Five percent of the appropriation

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

11 Facilities funds shall be paid as required to meet due dates for
12 payment of principal and interest. Each school district shall file an
13 annual written request for facilities payments to the commissioner 30
14 days prior to the beginning of the fiscal year for which the
15 appropriation is made. The request shall include the amount of
16 interest bearing school debt, if any, of the municipality or district then
17 remaining unpaid, together with the rate of interest payable thereon,
18 the date or dates on which the bonds or other evidences of
19 indebtedness were issued, and the date or dates upon which they fall
20 due. In the case of a Type I school district, the board secretary shall
21 secure the schedule of outstanding obligations from the clerk of the
22 municipality.

23
24 9. (New section) In order to receive any State aid pursuant to this
25 act, a school district shall comply with the rules and standards for the
26 equalization of opportunity which have been or may hereafter be
27 prescribed by law or formulated by the commissioner pursuant to law,
28 including those implementing this act or related to the core curriculum
29 content standards required by this act, and shall further comply with
30 any directive issued by the commissioner pursuant to section 6 of this
31 act. The commissioner is hereby authorized to withhold all or part of
32 a district's State aid for failure to comply with any rule, standard or
33 directive. No State aid shall be paid to any district which has not
34 provided public school facilities for at least 180 days during the
35 preceding school year, but the commissioner, for good cause shown,
36 may remit the penalty.

37
38 10. (New section) a. Notwithstanding any other provision of this
39 act to the contrary, the total stabilized aid for each district shall not
40 be increased by more than the district's stabilization aid growth limit.
41 In the event that total stabilized aid exceeds the prebudget total by a
42 rate greater than the stabilization aid growth limit, the commissioner
43 shall adjust the components of total stabilized aid so that they total
44 exactly the prebudget total increased by the stabilization aid growth
45 limit. For the 1997-98 school year, the prebudget total shall include
46 foundation aid, transition aid, categorical aids for special education,

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

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

39 c. For the 1997-98 school year, supplementary stabilization aid
40 shall be paid to any district in which:

41 (1) the total aid payable for the categories listed in subsection b. of
42 this section is less than the prebudget total for the same aids by an
43 amount which exceeds 1% of the prebudget net budget;

44 (2) the total supplemental core curriculum standards aid is less than
45 that decline;

46 (3) resident enrollment exceeds resident enrollment for the

1 prebudget year or the prebudget equalized tax rate exceeded the State
2 average equalized tax rate by 10% or more; and

3 (4) the decline in the aids listed in subsection b. of this section,
4 after offset by any stabilization aid provided pursuant to that
5 subsection, represents a decline of 10% from the prebudget total or is
6 equal to or greater than \$750,000.

7 An eligible district shall be aided in the amount of its total aid
8 decline, after offset by any stabilization aid provided pursuant to
9 subsection b. of this section, or \$2,000,000, whichever is less. The
10 commissioner, in consultation with the Commissioner of the
11 Department of Community Affairs and the Director of the Division of
12 Local Government Services in the Department of Community Affairs,
13 shall examine the fiscal ability of districts eligible for supplementary
14 stabilization aid to absorb aid losses and shall make recommendations
15 to the Legislature and the Governor regarding the continuation of
16 supplementary stabilization aid.

17 d. Any stabilization aid and supplementary stabilization aid paid
18 pursuant to this section shall be applied as a reduction to the required
19 local share of the school district or county vocational school district
20 which receives the aid.

21
22 11. (New section) The State's core curriculum standards aid
23 contribution for the 1997-98 school year shall be \$2,620,200,000. In
24 subsequent years, the State's core curriculum standards aid
25 contribution shall be the total Statewide core curriculum standards aid
26 calculated pursuant to section 15 of this act for the prebudget year and
27 prior to the application of section 10 indexed by the sum of 1.0, the
28 CPI, and the State average enrollment growth percentage between the
29 prebudget year and the budget year as projected by the commissioner.

30
31 12. (New section) The commissioner shall establish, based on the
32 standards issued pursuant to section 4 of this act, a basic per pupil
33 T&E amount, and shall develop appropriate weights reflecting the
34 differing costs of providing education at the kindergarten, elementary
35 school, middle school, and high school levels, which weights shall be
36 applied in determining a district's T&E budget as set forth in section
37 13 of this act. The T&E amount for the 1997-1998 school year shall
38 be \$ 6,720, which shall be adjusted for inflation by the CPI for the
39 1998-1999 school year. The weights for kindergarten, elementary
40 (grades 1-5), middle (grades 6-8), and high school (grades 9-12) levels
41 for the 1997-98 school year shall be 0.5, 1.0, 1.12 and 1.20
42 respectively. In subsequent years, the T&E amount and the school
43 level weights shall be established biennially in the Report on the Cost
44 of Providing a Thorough and Efficient Education, with the T&E
45 amount adjusted for inflation by the CPI in the second year to which
46 the report applies.

1 For the 1997-98 school year, the T&E flexible amount shall be
 2 \$336, and the T&E range shall be from \$ 6,384 to \$ 7,056. These
 3 figures shall be adjusted by the CPI for the 1998-99 school year. In
 4 subsequent years, the T&E range shall be established biennially in the
 5 Report on the Cost of Providing a Thorough and Efficient Education,
 6 with the T&E range adjusted for inflation by the CPI in the second
 7 year to which the report applies.

8
 9 13. (New section) a. The weighted enrollment for each school
 10 district and each county vocational school district shall be calculated
 11 as follows:

$$12 \text{ WENR} = \text{PW} \times \text{PENR} + \text{EW} \times \text{EENR} + \text{MW} \times \text{MENR} + \text{HW} \times \text{HENR}$$

13 where

14 PW is the T&E weight for kindergarten enrollment;

15 EW is the T&E weight for elementary enrollment;

16 MW is the T&E weight for middle school enrollment;

17 HW is the T&E weight for high school enrollment;

18 PENR is the resident enrollment for kindergarten;

19 EENR is the resident enrollment for grades 1-5;

20 MENR is the resident enrollment for grades 6 - 8; and

21 HENR is the resident enrollment for grades 9 - 12.

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

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

$$26 \text{ MAXBUD} = (\text{TE} + \text{FL}) \times \text{WENR}$$

27 where

28 TE is the T&E amount; and

29 FL is the T&E flexible amount.

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

$$32 \text{ MINBUD} = (\text{TE} - \text{FL}) \times \text{WENR}$$

33 except in the case of Abbott districts in which the minimum T&E
 34 budget shall be calculated as follows:

$$35 \text{ MINBUD} = \text{TE} \times \text{WENR}$$

36 where

37 TE is the T&E amount;

38 FL is the T&E flexible amount; and

39 WENR is the district's weighted enrollment.

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

$$42 \text{ TEBUD} = \text{PBNB} \times (1 + \text{CPI}) - (\text{CAT} + \text{DEP} + \text{ECP});$$

43 provided that TEBUD shall be neither less than MINBUD nor greater
 44 than MAXBUD and where

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

46 CAT is the sum of aids payable in accordance with sections 19,

1 20, 21, 22, 24, 25, 28 and 29 of this act;

2 DEP is the aid payable in accordance with section 18 of this
3 act; and

4 ECP is the aid payable in accordance with section 16 of this
5 act.

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

7 $TEBUD = (WENR \times PBNB/PBWENR) \times (1 + CPI) -$
8 $(CAT + DEP + ECP);$

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

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

12 CAT is the sum of aids payable in accordance with sections 19,
13 20, 21, 22, 24, 25, 28 and 29 of this act;

14 DEP is the aid payable in accordance with section 18 of this
15 act;

16 ECP is the aid payable in accordance with section 16 of this
17 act;

18 WENR is the district's weighted enrollment; and

19 PBWENR is the district's weighted enrollment for the
20 prebudget year.

21

22 14. (New section) Each school district and each county vocational
23 school district shall receive core curriculum standards aid predicated
24 on a local share determined by district property wealth and district
25 income.

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

27 $LSHARE = (TEBUD / MINBUD) \times (WRT \times EQVAL + IRT \times INC) / 2$
28 where

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

31 MINBUD is the minimum T&E budget as determined pursuant
32 to subsection c. of section 13 of this act;

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

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

37 EQVAL is the district's prebudget year equalized valuation;
38 and,

39 INC is the district's income.

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

42 $LSHARE = (COLSHARE / COTEBUD) \times TEBUD$

43 where

44 COLSHARE is the sum of the local shares for all school
45 districts in the county calculated pursuant to subsection a. of this
46 section;

1 COTEBUG is the sum of the T&E budgets for all school
2 districts in the county calculated pursuant to subsection d. of section
3 13 of this act; and

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

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

8 The property value multiplier shall be determined such that core
9 curriculum standards aid equals the Statewide available core
10 curriculum standards aid for all districts determined according to this
11 act had each school district's local share equaled the product of the
12 property value multiplier and the district's equalized valuation, and had
13 each district's general fund levies equaled its local share.

14 The income multiplier shall be determined such that core curriculum
15 standards aid equals the Statewide available core curriculum standards
16 aid for all districts determined according to this act had each school
17 district's local share equaled the product of the income multiplier and
18 the district's income, and had each district's general fund levies equaled
19 its local share.

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

26
27 15. (New section) Each district's core curriculum standards aid
28 shall be calculated as follows:

29 $CCSAID = TEBUD - LSHARE$ provided that CCSAID shall not be
30 less than zero; and

31 where

32 LSHARE is the district's local share calculated pursuant to section
33 14 of this act; and

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

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

40
41 16. (New section) Early childhood program aid shall be distributed
42 to all school districts with high concentrations of low-income pupils,
43 for the purpose of providing full-day kindergarten and prekindergarten
44 classes and other early childhood programs and services.

45 For districts in which the concentration of low income pupils is
46 equal to or greater than 20% and less than 40%, aid shall be

1 distributed according to the following formula:

2 $Aid = A1 \times Modified\ District\ Enrollment.$

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

9 $Aid = A2 \times Modified\ District\ Enrollment$

10 where

11 $A1 = \$465;$ and

12 $A2 = \$750.$

13 For the 1998-1999 school year, the per pupil funding amounts shall
14 be these amounts multiplied by the CPI. For subsequent years, the
15 amounts shall be established biennially in the Report on the Cost of
16 Providing a Thorough and Efficient Education and shall be derived
17 from cost analyses of appropriate programmatic applications of these
18 funds as identified in the report. The amounts shall be adjusted for
19 inflation by the CPI in the second year of the period to which the
20 report applies.

21 County vocational school districts and limited purpose regional high
22 school districts meeting the eligibility criteria of this section shall
23 receive aid payable under this section as demonstrably effective
24 program aid in addition to amounts received pursuant to section 18 of
25 this act.

26 Each district which receives early childhood program aid shall
27 submit to the commissioner for approval an operational plan that shall
28 be a subset of the district's comprehensive strategic plan, to establish
29 preschool and full-day kindergarten for all four and five year olds by
30 the 2001-2002 school year and to maintain them thereafter. Districts
31 shall appropriate the aid in a special revenue fund for expenditure, but
32 may place all or a portion of the aid in a capital reserve account during
33 the first four years to establish facilities for these purposes. Districts
34 which maintain progress consistent with the implementation plan may
35 also use the funds for demonstrably effective programs pursuant to
36 section 18 prior to establishing the programs required pursuant to this
37 section. The commissioner shall establish guidelines to track the
38 specific purposes of expenditures under this section.

39

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

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

45 (2) the district's estimated minimum equalized tax rate exceeds that
46 estimated for the State as a whole by more than 10%.

1 b. Each district and school district which is determined to be
2 eligible to receive aid pursuant to subsection a. of this section shall
3 receive aid according to the following formula if the calculated result
4 is greater than zero:

$$5 \quad (\text{MEQTXRT} - 1.10 \times \text{STEQTXRT}) \times \text{EQVAL}$$

6 where

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

8 STEQTXRT is the estimated minimum equalized tax rate for the
9 State; and

10 EQVAL is the district's equalized valuation.

11
12 18. (New section) a. Demonstrably effective program aid shall be
13 generated by individual schools and distributed to districts for the
14 purpose of providing instructional, school governance, and health and
15 social service programs to students enrolled in the generating school
16 according to the following formulas:

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

$$20 \quad \text{Aid} = \quad \text{B1} \quad \times \quad \text{SENR1}$$

21 where

22 SENR1 is the sum of school enrollments for all schools in the
23 district enrolling low-income pupils at rates greater than 20% but less
24 than 40%.

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

$$28 \quad \text{Aid} = \text{B2} \times \text{SENR2}$$

29 where

30 SENR2 is the sum of the school enrollments for all schools in the
31 district enrolling low-income pupils at rates in excess of 40%;

32 where

$$33 \quad \text{B1} = \quad \$300; \text{ and}$$

$$34 \quad \text{B2} = \quad \$425.$$

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

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

46 (1) Programs. A definition as recommended by the commissioner

1 shall be established of the demonstrably effective programs and
2 services which shall qualify for aid. The commissioner shall establish
3 the per-pupil cost of providing these effective programs and services
4 in the Report on the Cost of Providing a Thorough and Efficient
5 Education.

6 (2) Accountability. A recipient district shall be required to obtain
7 the approval of the Department of Education for the planned uses of
8 demonstrably effective program funds. A periodic public process shall
9 be established by which specific programmatic uses for the funds shall
10 be identified and approved. A district failing to use the funds in the
11 prescribed manner shall be subject to rescission of aid and additional
12 monetary penalties as established by the commissioner.

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

18 c. The Department of Education shall develop, in collaboration
19 with the Departments of Human Services and Health and Senior
20 Services, as well as other appropriate State departments and agencies
21 mechanisms, necessary to coordinate the provision of programs and
22 services at the local level.

23
24 19. (New section) a. Special education categorical aid for each
25 school district and county vocational school district shall be calculated
26 for the 1997-98 school year as follows:

27
$$\text{SPAID} = (\text{SE1} + 0.95 \times \text{SE2} + 0.7 \times \text{SE3} + 0.45 \times \text{SE4} + 0.2 \times \text{SE5})$$

28
$$\times \text{SACF}$$

29 where

30 SE1 is the number of classified pupils resident in the district not to
31 exceed 10% of resident enrollment;

32 SE2 is the number of classified pupils resident in the district in
33 excess of 10% resident enrollment but not to exceed 11% of resident
34 enrollment;

35 SE3 is the number of classified pupils resident in the district in
36 excess of 11% resident enrollment but not to exceed 12% of resident
37 enrollment;

38 SE4 is the number of classified pupils resident in the district in
39 excess of 12% resident enrollment but not to exceed 13% of resident
40 enrollment;

41 SE5 is the number of classified pupils resident in the district in
42 excess of 13% resident enrollment but not to exceed 14% of resident
43 enrollment; and

44 SACF is the additional cost factor for special education general
45 categorical aid.

46 b. Special education general categorical aid for the 1998-99 and

1 subsequent school years shall be calculated as follows:

2
$$\text{SPAID} = \text{SPAIDE} + \text{SPAIDM} + \text{SPAIDH}$$

3 where

4
$$\text{SPAIDE} = (\text{SEE1} + 0.95 \times \text{SEE2} + 0.70 \times \text{SEE3} + 0.45 \times \text{SEE4} +$$

5
$$0.20 \times \text{SEE5}) \times \text{SACFE};$$

6
$$\text{SPAIDM} = (\text{SEM1} + 0.95 \times \text{SEM2} + 0.70 \times \text{SEM3} + 0.45 \times \text{SEM4}$$

7
$$+ 0.20 \times \text{SEM5}) \times \text{SACFM};$$

8
$$\text{SPAIDH} = (\text{SEH1} + 0.95 \times \text{SEH2} + 0.70 \times \text{SEH3} + 0.45 \times \text{SEH4}$$

9
$$+ 0.20 \times \text{SEH5}) \times \text{SACFH};$$

10 SEE1, SEM1, SEH1 are the numbers of classified pupils resident
11 in the district of elementary, middle school, and high school equivalent
12 age not to exceed 10% of the elementary, middle, and high school age
13 equivalent resident enrollments;

14 SEE2, SEM2, SEH2 are the numbers of classified pupils resident
15 in the district of elementary, middle school, and high school equivalent
16 age in excess of 10% of the elementary, middle, and high school age
17 equivalent resident enrollments but not to exceed 11% of those same
18 resident enrollments;

19 SEE3, SEM3, SEH3, are the numbers of classified pupils resident
20 in the district of elementary, middle school, and high school equivalent
21 age in excess of 11% of the elementary, middle, and high school age
22 equivalent resident enrollments but not to exceed 12% of those same
23 resident enrollments;

24 SEE4, SEM4, SEH4, are the numbers of classified pupils resident
25 in the district of elementary, middle school, and high school equivalent
26 age in excess of 12% of the elementary, middle, and high school age
27 equivalent resident enrollments but not to exceed 13% of those same
28 resident enrollments; and

29 SEE5, SEM5, SEH5, are the numbers of classified pupils resident
30 in the district of elementary, middle school, and high school equivalent
31 age in excess of 13% of the elementary, middle, and high school
32 equivalent resident enrollments but not to exceed 14% of those same
33 resident enrollments.

34 For the purposes of this section, classified pupil counts shall include
35 pupils attending State developmental centers, State day training
36 centers, State Division of Youth and Family Services' residential
37 centers, and State residential mental health centers. Classified pupils
38 of elementary equivalent age shall include classified preschool
39 handicapped and kindergarten pupils.

40 c. In those instances in which the cost of providing education for
41 an individual classified pupil exceeds \$50,000, after an assessment by
42 the review panel of placements and placement costs for the applicable
43 school year; in those cases in which the district must educate an
44 extraordinary number of classified pupils; or in those instances in
45 which the district is ordered to make a high cost placement by a
46 tribunal of competent jurisdiction, the district may apply to the

1 commissioner for additional aid. A panel established by the
2 commissioner for this purpose shall review the district's application
3 and determine whether to grant the district's request based on factors
4 including, but not limited to: an assessment of whether the district is
5 spending appropriate amounts of regular and special education funds
6 on special education pupils; the facts of the particular case or cases at
7 issue; the district's level of compliance with regulatory requirements;
8 and the impact of the extraordinary costs on the district's budget.
9

10 20. (New section) Bilingual education categorical aid for each
11 school district and each county vocational school district shall be
12 calculated as follows:

$$13 \quad \text{BAID} = \text{BACF} \times \text{B}$$

14 where

15 BACF is the additional cost factor for bilingual education
16 categorical aid; and

17 B is the number of bilingual education pupils in the district.
18

19 21. (New section) County vocational categorical aid for each
20 county vocational school district shall be calculated as follows:
21

$$22 \quad \text{CVAID} = \text{CVACF} \times \text{CV}$$

23 where

24 CVACF is the additional cost factor for county vocational
25 categorical aid; and

26 CV is the number of county vocational pupils in the district.
27

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

$$31 \quad \text{TECHAID} = \text{TECHACF} \times \text{RES}$$

32 where

33 TECHACF is the additional cost factor for distance learning
34 network aid; and

35 RES is the district's resident enrollment.

36 b. A Statewide distance learning network shall be established and
37 each district shall be a member by the 2001-2002 school year. The
38 distance learning network shall be used to create a Statewide
39 infrastructure for the delivery of voice, video and data, and shall
40 provide all districts with the opportunity to share curricular offerings
41 so as to expand the scope, quality, richness and diversity of curricula
42 in all school districts and contribute to the redefining of teaching and
43 learning in the contemporary setting.
44

45 23. (New section) The following additional cost factors shall be
46 in effect for the purpose of calculating aid for the 1997-98 school year

1 pursuant to sections 19 through 22 of this act:

2 SACF = \$4,798 for districts with resident pupils in grades K-6;
 3 = \$4,824 for districts with resident pupils in grades K-8;
 4 = \$4,638 for districts with resident pupils in grades K-12;
 5 = \$4,452 for districts with resident pupils in grades 7-12; and
 6 = \$4,221 for districts with resident pupils in grades 9-12.
 7 BACF = \$1,073;
 8 CVACF = \$1,662; and
 9 TECHACF = \$40.

10 For the 1998-99 school year, the additional cost factors shall be
 11 these cost factors inflated by the CPI, except that the following special
 12 education general categorical aid cost factors for 1997-98, for the
 13 purpose of this calculation, shall be as follows:

14 SACFE = \$4,779 x (1+CPI);
 15 SACFM = \$4,913 x (1+CPI); and
 16 SACFH = \$4,221 x (1+CPI).

17 For subsequent years, the additional cost factors shall be established
 18 biennially in the Report on the Cost of Providing a Thorough and
 19 Efficient Education and adjusted for inflation by the CPI for the
 20 second year of the period to which the report applies.

21

22 24. (New section) Each district's categorical aid for State facilities
 23 aid shall be determined by multiplying the pupils in each category by
 24 the following aid amounts:

25 Juvenile community programs \$10,052; and
 26 Training school/secure care facility \$ 4,050

27 Annually by April 1, the Department of Corrections, the
 28 Department of Human Services, and the Juvenile Justice Commission
 29 shall each submit to the commissioner for approval, with respect to the
 30 facilities under their operational or supervisory authority, a budget for
 31 educational programs as set forth in section 8 of P.L.1979, c.207
 32 (C.18A:7B-4) for the subsequent year, together with estimated
 33 enrollments and per pupil cost. In the subsequent year, pursuant to
 34 P.L.1979, c.207 (C.18A:7B-1 et seq.) for students resident in a
 35 district, approved per pupil amounts shall be deducted from each
 36 school district's State aid and remitted to the appropriate agency,
 37 except that for county juvenile detention centers, 50% of approved per
 38 pupil amounts shall be deducted and remitted to the Juvenile Justice
 39 Commission.

40

41 25. (New section) a. Each district's State aid for transportation
 42 shall consist of base aid (BA) and an incentive factor (IF) determined
 43 as follows:

44 $BA = (BA1 \times IF) + BA2$

45 where

46 $BA1 = CP1 \times P1 + CD1 \times P1 \times D1$; and

1 BA2=CP2 xP2 + CD2 x P2 x D2;

2 P1 is the total number of eligible regular education public pupils,
3 regular nonpublic pupils, and special education pupils with no special
4 transportation requirements;

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

6 P2 is the total number of eligible pupils with special transportation
7 requirements;

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

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

11 IF is the incentive factor, which modifies base aid paid for pupils
12 transported on regular vehicles according to each district's percentile
13 rank in regular vehicle capacity utilization. For the school year
14 1997-98, IF = 1. For the school year 1998-99, districts at or above the
15 90th percentile rank shall receive 100% of BA1, through the use of IF
16 = 1.0, while those at or below the 10th percentile rank shall receive
17 50% of BA1 through the use of IF = 0.5. Districts ranking between
18 the 10th and 90th percentiles of capacity utilization shall receive an
19 intermediate proportion of BA1 according to the following formula:

20 $IF=0.5+0.5 \times ((RKUTIL-0.1)/0.8)$

21 where RKUTIL is the district's percentile rank in vehicle capacity
22 utilization. The minimum, and maximum values of IF, and the formula
23 for intermediate districts, shall be revised by the commissioner on a
24 biennial basis with the first adjustment effective for the 2001-2002
25 school year.

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

28 CP1 = \$ 280.24;

29 CD1 = \$ 28.75;

30 CP2 = \$1,192.69; and

31 CD2 = \$ 80.12.

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

33 In subsequent years, the coefficients shall be revised by the
34 commissioner on a biennial basis and similarly adjusted by the CPI in
35 intervening years.

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

39

40 26. (New section) State aid for school facilities shall be distributed
41 to each school district according to the following formula:

42 Aid is the sum of A for each issuance of facilities bonds authorized
43 after July 1, 1997 and for each issuance of certificates of participation
44 for lease purchase agreements approved after July 1, 1997,

45 where

46 $A = B \times AC/P \times CCSAID/TEBUD \times M$, with $AC/P = 1$

1 whenever AC/P would otherwise yield a number greater than one,
2 and where

3 B is the portion of the district's debt service or lease purchase
4 payment for the individual issuance for the fiscal year that is generated
5 by eligible school facilities, as defined in section 3 of this act;

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

9 P is the principal of the individual issuance;

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

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

14 M is a factor representing the degree to which a district has fulfilled
15 maintenance requirements, determined pursuant to subsection f. of this
16 section.

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

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

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

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

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

28
$$\text{Approved costs} = AU \times C \times (1 + EA + AA + IA)$$

29 where

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

32 C is the projected area cost allowance.

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

37
$$\text{Approved costs} = R \times A$$

38 where $R = \text{the replacement costs of the facility} = GA \times C \times (1$
39 $+ EA + AA + IA)$ and where

40 GA is the gross area (square footage) of the existing school facility
41 being reconstructed, remodeled, altered, modernized, renovated or
42 repaired;

43 C is the projected area cost allowance; and

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

1	<u>Age of the School Facility</u>	<u>A</u>
2	Less than 20 years	zero
3	20 years or more and less than 30 years	80%
4	30 years or more and less than 40 years	60%
5	40 years or more and less than 50 years	40%
6	Greater than 50 years	20%

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

14 (3) New construction done in lieu of renovations shall be aided as
15 new construction, with approved costs determined pursuant to
16 paragraph (1) of subsection a. of this section, only when the age of the
17 building being replaced is 50 years or greater or in the case of
18 extraordinary circumstances, to be determined by the commissioner.
19 When new construction done in lieu of renovations qualifies for aid as
20 new construction, the approved area for unhoused students shall be
21 determined by the commissioner, with consideration of the existing
22 facilities in the district.

23 New construction done in lieu of renovations for facilities less than
24 50 years of age shall be aided in accordance with the methodology for
25 aiding renovations, with the approved costs determined pursuant to
26 paragraph (2) of subsection a. of this section.

27 (4) For purchase of an existing facility, and renovations made to a
28 purchased facility within five years of purchase: (a) purchase of an
29 existing facility shall be aided as new construction, with approved
30 costs determined pursuant to paragraph (1) of subsection a. of this
31 section; and (b) the approved costs of any reconstruction, remodeling,
32 alteration, modernization, renovation or repair made to the purchased
33 facility within five years of purchase shall be determined as follows:

$$34 \quad \text{Approved Costs} = (\text{ACP-PC}) \times (\text{C/CP})$$

35 where

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

38 PC is Purchase cost for the facility;

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

40 CP is Projected area cost allowance at the time of issuance for the
41 purchase.

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

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

$$45 \quad \text{AU} = (\text{UE} \times \text{SE}) + (\text{UM} \times \text{SM}) + (\text{UH} \times \text{SH})$$

46 where

1 UE, UM, UH are the numbers of unhoused students at the
2 elementary, middle, and high school, respectively; and

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

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

7 <u>Grade Cohorts</u>	<u>Area Allowance Per Student</u>
8 Elementary/ 9 Grades Kindergarten-5 (E)	80 square feet (SE)
10 Middle: Grades 6-8 (M)	100 square feet (SM)
11 High: Grades 9-12 (H)	120 square feet (SH)

12 The commissioner shall develop for the Report on the Cost of
13 Providing a Thorough and Efficient Education, models of an
14 elementary, middle, and high school consistent with the core
15 curriculum school delivery models in the report and sufficient for the
16 achievement of the core curriculum content standards. The space
17 allowances per student in subsequent years shall be derived from these
18 models.

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

21 <u>Type of School</u>	<u>Allowance (EA)</u>
22 Elementary School (Grades K-5)	2.3 %
23 Middle School (Grades 6-8)	3.2 %
24 High School (Grades 9-12)	4.1 %
25 Special Education Services Pupils Only	5.0 %

26 For the purposes of this section, in the event that the school shall
27 house students in more than one of the first three categories listed
28 above, the percentages shall be applied based upon the proportionate
29 number of students in each category in accordance with a method
30 approved by the commissioner.

31 d. Determination of the percentage allowance for
32 architect/engineering fees (AA) shall be made according to the
33 following table:

34 For new construction and additions:

35 <u>Approved Area for Unhoused Students</u> 36 <u>(AU)</u>	<u>Allowance (AA)</u>
37 Under 3,700	10.00 %
38 3,700	9.00 %
39 7,350	8.75 %
40 11,000	8.50 %
41 14,650	8.25 %
42 18,300	8.00 %
43 25,700	7.75 %
44 36,700	7.50 %
45 55,000	7.25 %
46 73,400	7.00 %

1	101,000	6.75 %
2	128,450	6.50 %
3	156,000	6.25 %
4	183,500 and above	6.00 %

5 For the purposes of this section, when the approved area for
6 unhoued students is between any two successive amounts listed
7 above, the allowance for architect/engineering fees shall be determined
8 by summing the two amounts obtained by first applying the greater
9 percentage to the lesser approved area amount on the list and then
10 applying the lower percentage to the amount of the approved area in
11 excess of the lesser amount on the list, and then dividing the sum by
12 the actual approved area for unhoued students. For reconstruction,
13 remodeling, alteration, modernization, renovation or repair, the
14 allowance shall be one and one-half of the percentages calculated
15 pursuant to this paragraph.

16 e. The percentage allowance for issuance costs (IA) for projects
17 financed from the proceeds of school bonds shall be one and one-half
18 percent, except that IA shall be neither less than $\$50,000/(AU \times C)$ or
19 $\$50,000/(GA \times C)$, whichever is applicable, nor greater than
20 $\$150,000/(AU \times C)$ or $\$150,000/(GA \times C)$, whichever is applicable.

21 The allowance for issuance costs for projects financed by a lease
22 purchase agreement shall be three and one-half percent, except that IA
23 for these projects shall be neither less than $\$50,000/(AU \times C)$ or
24 $\$50,000/(GA \times C)$, whichever is applicable, nor greater than
25 $\$350,000/(AU \times C)$ or $\$350,000/(GA \times C)$, whichever is applicable.

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

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

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

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

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

Aid = the sum of A

where

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

and where

B is the portion of the district's debt service payment for the individual issuance for the fiscal year;

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

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

28. (New section) For the 1997-98 school year, State aid shall be distributed to adult high schools and county vocational schools on an unweighted per pupil basis. The commissioner shall conduct a review of existing programs to determine programmatic definitions and establish appropriate per pupil amounts. For the 1998-99 school year, these amounts shall be distributed as inflated by the CPI. Thereafter, per pupil funding amounts shall be established in a supplement to the Report on the Cost of Providing a Thorough and Efficient Education.

29. (New section) a. There is hereby established in the Department of Education the Academic Achievement Reward Program. The purpose of the program shall be to provide rewards to districts having one or more schools that meet criteria for absolute success or significant progress towards high student academic achievement, pursuant to subsection b. of this section. To determine eligibility for the absolute success and the significant progress rewards, schools shall be sorted into three groupings by enrollment for each of the Statewide assessments established pursuant to the provisions of P.L.1979, c.241 (C.18A:7C-1 et seq.). Schools located in districts that were penalized in the prebudget year under the "School Efficiency Program Act," P.L.1995, c.236 (C.18A:7E-6 et seq.), shall not be eligible for either reward.

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

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

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

13
14 30. (New section) a. When State aid is calculated for any year and
15 a part of any district becomes a new school district or a part of another
16 school district, including a county vocational school district
17 established after January 1, 1991, or comes partly under the authority
18 of a regional board of education, the commissioner shall adjust the
19 State aid calculations among the districts affected, or between the
20 district and the county vocational school district or the regional board,
21 as the case may be, on an equitable basis in accordance with the intent
22 of this act.

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

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

45
46 31. (New section) Annually, on or before October 20, the

1 secretary of the board of education, with approval of the
2 superintendent of schools, or if there is no superintendent of schools,
3 with the approval of the county superintendent of schools, shall file
4 with the commissioner a report stating the number of pupils enrolled
5 by grade, the number of these pupils classified as eligible for special
6 education services, bilingual education, and the number of pupils in
7 State facilities, county vocational schools, State college demonstration
8 schools, evening schools, other public or private schools to which the
9 district is paying tuition, or who are receiving home instruction on the
10 last school day prior to October 16. In addition, districts shall file
11 annual reports providing such information as the commissioner may
12 require for pupils receiving special education services.

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

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

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

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

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

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

29 "Objective" means a written statement of the intended outcome of
30 a specific educational process.

31 "Standards" means the process and stated levels of proficiency used
32 in determining the extent to which goals and objectives are being met.]
33 (cf: P.L.1990, c.52, s.30)

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

37 10. For the purpose of evaluating the thoroughness and efficiency
38 of all the public schools of the State, the commissioner, with the
39 approval of the State board and after review by the Joint Committee
40 on the Public Schools, shall develop and administer a uniform,
41 Statewide system for evaluating the performance of each school. [Such
42 a] The system shall be based [in part on annual testing for achievement
43 in basic skill areas, and in part] on such [other] means as the
44 commissioner deems proper in order to (a) determine pupil status and
45 needs, (b) ensure pupil progress, and (c) assess the degree to which
46 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 34. Section 11 of P.L.1975, c.212 (C.18A:7A-11) is amended to
6 read as follows:

7 11. Each school district shall make an annual report of its progress
8 in conforming to the [goals, objectives and standards developed
9 pursuant to this act] standards for the evaluation of school
10 performance adopted pursuant to section 10 of P.L.1975, c.212
11 (C.18A:7A-10). Each district's annual report shall include but not be
12 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, district
22 and school goals and objectives applicable to the pupils, including the
23 effectiveness of any "basic skills improvement plan";] (Deleted by
24 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 time]
33 require each district to submit a facilities survey, including current use
34 practices and projected capital project needs[, but not more frequently
35 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
46 from the effective date of this amendatory act, report to the Governor

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

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

8
9 35. Section 14 of P.L.1975, c.212 (C.18A:7A-14) is amended to
10 read as follows:

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

40 (2) The board of education of a school district which is directed to
41 enter level II monitoring may appeal that decision to the State Board
42 of Education. The State board may refer the hearing of that appeal to
43 a committee of not less than three of its members, which committee
44 shall hear the appeal and report thereon, recommending its
45 conclusions, to the board and the board shall decide the appeal by
46 resolution in open meeting. A determination of the appeal by the State

1 board shall be considered final.

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

36 (2) If the commissioner finds that the district is unsuccessful in
37 correcting the deficiencies noted in the evaluation process, the
38 commissioner shall direct that the district enter level III monitoring, as
39 defined pursuant to law and regulation. However, if the commissioner
40 determines that a district is making reasonable progress toward
41 correcting deficiencies, the commissioner may grant an extension for
42 a specific period of time. During this extension the district will remain
43 under level II monitoring. At the end of the extension the
44 commissioner shall determine whether the district is eligible for
45 certification or if the district must be directed to enter level III
46 monitoring.

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

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

40 (3) The board of education of a school district which is directed to
41 enter level III monitoring may appeal that decision to the State Board
42 of Education. The State board may refer the hearing of that appeal to
43 a committee of not less than three of its members, which committee
44 shall hear the appeal and report thereon, recommending its
45 conclusions, to the board and the board shall decide the appeal by
46 resolution in open meeting. A determination of the appeal by the State

1 board shall be considered final.

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

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

30 e. A comprehensive compliance investigation shall entail a
31 thorough and detailed examination of a district's educational programs,
32 fiscal practices, governance and management. Based on the
33 investigation, the commissioner shall issue a report which will
34 document any irregularities and list all those aspects of the corrective
35 action plan established pursuant to subsections b. and c. of this section
36 which have not been successfully implemented by the district or the
37 conditions which would preclude the district from successfully
38 implementing a plan. A copy of this report shall be given to the
39 district. The commissioner shall also order the local board to show
40 cause why an administrative order, subject to the provisions of section
41 15 of P.L.1975, c.212 (C.18A:7A-15) and section 1 of P.L.1987,
42 c.399 (C.18A:7A-34) should not be implemented. The plenary hearing
43 before a judge of the Office of Administrative Law, pursuant to the
44 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
45 seq.), upon said order to show cause shall be conducted in the manner
46 prescribed by subdivision B of article 2 of chapter 6 of Title 18A of

1 the New Jersey Statutes.

2 In the proceeding the State shall have the burden of showing that
3 the recommended administrative order is not arbitrary, unreasonable
4 or capricious.

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

6

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

9 1. The Legislature finds and declares that:

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

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

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

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

27 e. This responsibility can [~~best~~] be fulfilled, addition to the
28 mechanisms for ensuring compliance established pursuant to section
29 6 of P.L. , c. (C.) (now pending before the Legislature as this
30 bill), through an effective and efficient system of evaluation and
31 monitoring which will insure quality and comprehensive instructional
32 programming in every school district and provide for immediate and
33 direct corrective action to insure that identified deficiencies do not
34 persist, and which does so within the context of the maximum of local
35 governance and management and the minimum of paperwork and
36 unnecessary procedural requirements.

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

38

39 37. Section 17 of P.L.1987, c.399 (C.18A:7A-50) is amended to
40 read as follows:

41 17. The State district superintendent of a State-operated school
42 district shall develop a budget on or before March 22 and shall present
43 this budget to the board of education to elicit the board's comments
44 and recommendations. This budget shall conform in all respects with
45 the requirements of chapter 22 of Title 18A of the New Jersey Statutes
46 and shall be subject to the limitations on spending by local school

1 districts otherwise required by [P.L.1990, c.52 (C.18A:7D-1 et al.)]
2 P.L. , c. (C.) (now pending before the Legislature as this bill).
3 (cf: P.L.1995 ,c.278, s.38)
4

5 38. Section 19 of P.L.1987, c.39 (18A:7A-52) is amended to read
6 as follows:

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

28 b. [Notwithstanding that the State-operated district shall receive
29 State education aid for its budget as prepared by the State district
30 superintendent and as approved by the commissioner pursuant to
31 subsection a. of this section, the governing body of the municipality or
32 municipalities comprising the district may apply to the Director of the
33 Division of Local Government Services in the Department of
34 Community Affairs for a determination that the local share of revenues
35 needed to support the district's budget results in an unreasonable tax
36 burden. The director's findings of an unreasonable tax burden in a
37 State-operated school district may be based on the overall school,
38 county and municipal tax rates including any overlapping obligation of
39 the community, cash deficit, insufficient percentage of tax collections,
40 insufficient collection of other revenues, overanticipation of the
41 revenues of prior years, nonliquidation of interfund transfers, reliance
42 on emergency authorizations, continual rollover of tax anticipation
43 notes, or other factors indicating a constrained ability to raise
44 sufficient revenues to meet its budgetary requirements. In addition,
45 the director's review may include but need not be limited to an analysis
46 of the ratable base of the community, the per capita income of the

1 residents of the district and the percentage of residents on a fixed
2 income, cash reserves and receivables of the district including the
3 availability of any deferred tax, the ability of the community to dispose
4 of property for which no public purpose is anticipated and all other
5 current revenue raising capacity including procedures for collection
6 which may permit greater anticipation of revenue.] (Deleted by
7 amendment, P.L. , c.).

8 c. [Based upon his review, the director shall certify the amount of
9 revenues which can be raised locally to support the budget of the
10 State-operated district. Any difference between the amount which the
11 director certifies and the total amount of local revenues required by
12 the budget approved by the commissioner shall be paid by the State in
13 the fiscal year in which the expenditures are made, subject to the
14 availability of appropriations.] (Deleted by amendment, P.L. , c.).

15 d. Notwithstanding the provisions of subsection a. of this section,
16 a State-operated school district which, as of the 1996-97 school year
17 or upon the establishment of State-operation, is spending at a level
18 higher than the district's maximum T&E budget, shall develop a plan,
19 approved by the commissioner, to phase out any local leeway spending
20 within the next four school years. In accordance with its approved
21 phase-out plan, a State-operated district may certify an amount above
22 the maximum T&E budget.

23 (cf: P.L.1992, c.159, s.8)

24
25 39. Section 6 of P.L.1979, c.207 (C.18A:7B-2) is amended to read
26 as follows:

27 6. a. For each child who is resident in a district and in a State
28 facility, or in a county juvenile detention center under the supervisory
29 authority of the Juvenile Justice Commission established pursuant to
30 section 2 of P.L.1995, c.284 (C.52:17B-170), on the last school day
31 prior to October 16 [of the prebudget year], the Commissioner of
32 Education shall deduct from the State aid payable to [such] that
33 district an amount equal to the [State foundation amount plus the
34 appropriate special education aid] approved per pupil cost established
35 pursuant to the provisions of P.L. , c. (C) (now pending
36 before the Legislature as this bill); except that for county juvenile
37 detention centers, 50% of the per pupil cost shall be deducted.

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

43 c. The amount deducted pursuant to subsection a. of this section
44 and the amount paid to the Department of Education pursuant to
45 subsection b. of this section shall be forwarded to the Department of
46 Human Services if the facility is operated by or under contract with

1 that department, or to the Department of Corrections if the facility is
2 operated by or under contract with that department, or to the Juvenile
3 Justice Commission established pursuant to section 2 of P.L.1995,
4 c.284 (C.52:17B-170) if the facility is operated by that commission,
5 and shall serve as payment by the district of tuition for the child. [This
6 amount] In the case of county juvenile detention centers, the tuition
7 shall be deemed to supplement funds currently provided by the county
8 for this purpose under chapter 10 and chapter 11 of Title 9 of the
9 Revised Statutes, and a county shall not decrease its level of
10 contribution as a result of the payment of tuition pursuant to this
11 section. Amounts so deducted shall be used solely for the support of
12 educational programs and shall be maintained in a separate account for
13 that purpose. No district shall be responsible for the tuition of any
14 child admitted to a State facility after the last school day prior to
15 October 16 [of the prebudget year].

16 (cf: P.L.1995, c.280, s.24)

17
18 40. Section 9 of P.L.1979, c.207 (C.18A:7B-5) is amended to read
19 as follows:

20 9. The Commissioner of Education, with the approval of the State
21 Board of Education, shall promulgate rules and regulations to ensure
22 a thorough and efficient education, consistent with the provisions of
23 P.L. , c. (C.) (now pending before the Legislature as this bill),
24 for the children in State facilities and county juvenile detention
25 centers. In the case of county juvenile detention centers, the Office of
26 Education in the Juvenile Justice Commission shall develop, in
27 consultation with the commissioner, appropriate standards for the
28 provision of such education by the county for facilities established
29 under chapter 10 and chapter 11 of Title 9 of the Revised Statutes.

30 The commissioner shall continually review the operation of
31 educational programs in State facilities and county juvenile detention
32 centers. If he finds that the operation of any of these programs does
33 not meet the educational standard required by the regulations, he shall
34 direct that a remedial plan be prepared by the education director of the
35 facility in which the program is located, together with the director of
36 educational services of the department which is operating or
37 contracting with the facility. The plan shall be submitted to the
38 Commissioner of Education for his approval. If he approves the plan,
39 it shall be implemented in a timely and effective manner. If he finds
40 the plan or its implementation to be insufficient, he may, until the
41 insufficiency is corrected, withhold and place in a special account any
42 State aid funds which otherwise would have been forwarded pursuant
43 to section 6 of this act.

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

45
46 41. Section 11 of P.L.1979, c.207 (C.18A:7B-7) is amended to

1 read as follows:

2 11. a. Any parent or guardian of a pupil in a State facility or
3 county juvenile detention center, and any pupil in a State facility or
4 county juvenile detention center between 18 and 20 years of age, may
5 request an administrative review on matters of educational
6 classification or educational program.

7 b. The administrative review process shall include the following
8 sequence:

9 (1) A conference with teaching staff members or child study team
10 personnel;

11 (2) A conference with the Director of Educational Services of the
12 Department of Human Services [or] ~~the Department of Corrections,~~
13 or the Juvenile Justice Commission, whichever is appropriate;

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

16 c. The due process rights available to children, parents and
17 guardians in the public schools on matters of educational classification
18 or educational program shall be available to children, parents and
19 guardians in State facilities and county juvenile detention centers.

20 d. The placement of a child in a particular State facility or county
21 juvenile detention center shall not be subject to an administrative
22 review or hearing pursuant to this section.

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

24

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

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

29 a. The district of residence for children in foster homes shall be the
30 district in which the foster parents reside. If a child in a foster home
31 is subsequently placed in a State facility or by a State agency, the
32 district of residence of the child shall then be determined as if no such
33 foster placement had occurred.

34 b. The district of residence for children who are in residential State
35 facilities, or who have been placed by State agencies in group homes,
36 private schools or out-of-State facilities, shall be the present district
37 of residence of the parent or guardian with whom the child lived prior
38 to his most recent admission to a State facility or most recent
39 placement by a State agency.

40 If this cannot be determined, the district of residence shall be the
41 district in which the child resided prior to such admission or
42 placement.

43 c. The district of residence for children whose parent or guardian
44 temporarily moves from one school district to another as the result of
45 being homeless shall be the district in which the parent or guardian last
46 resided prior to becoming homeless. For the purpose of this

1 amendatory and supplementary act, "homeless" shall mean an
2 individual who temporarily lacks a fixed, regular and adequate
3 residence.

4 d. If the district of residence cannot be determined according to the
5 criteria contained herein, or if the criteria contained herein identify a
6 district of residence outside of the State, the State shall assume fiscal
7 responsibility for the tuition of the child. The tuition shall equal the
8 [State foundation amount plus the appropriate special education aid,
9 if any] approved per pupil cost established pursuant to P.L. , c.
10 (C.) (now pending before the Legislature as this bill). This
11 amount shall be appropriated in the same manner as other State aid
12 under this act. The Department of Education shall pay the amount to
13 the Department of Human Services, the Department of Corrections or
14 the Juvenile Justice Commission established pursuant to section 2 of
15 P.L.1995, c.284 (C.52:17B-170) or, in the case of a homeless child,
16 to the school district in which the child is enrolled.

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

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

21 20. Beginning in the school year [1981-82] 1996-97, the
22 Commissioner of Education shall annually report to the Legislature,
23 describing the condition of educational programs in State facilities and
24 county juvenile detention centers, the efforts of the Departments of
25 Corrections and Human Services and the Juvenile Justice Commission
26 in meeting the standards of a thorough and efficient education in these
27 facilities, the steps underway to correct any deficiencies in their
28 educational programs, and the progress of the educational programs
29 in New Jersey State facilities and county juvenile detention centers in
30 comparison with those in the State facilities and county juvenile
31 detention centers of other states. At that time the commissioner shall
32 recommend to the Legislature any necessary or desirable changes or
33 modifications in [this act] P.L.1979, c.207 (C.18A:7B-1 et seq.).

34 (cf: P.L.1979, c.207, s.20)

35
36 44. Section 2 of P.L.1979, c.241 (C.18A:7C-2) is amended to read
37 as follows:

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

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

45 b. Demonstration of proficiencies in those subject areas and skills
46 identified by the board as necessary for graduation other than those

1 assessed by the Statewide assessment tests.

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

10 The Commissioner of Education shall, upon request of the local
11 board, provide such technical assistance as may be necessary to aid a
12 district in the planning, implementation and evaluation of graduation
13 standards.

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

15

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

17 18A:13-23. The annual or special appropriations for regional
18 districts, including the amounts to be raised for interest upon, and the
19 redemption of, bonds payable by the district, shall be apportioned
20 among the municipalities included within the regional district, as may
21 be approved by the voters of each municipality at the annual school
22 election or a special school election, upon the basis of:

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

27 b. the proportional number of pupils enrolled from each
28 municipality on the 15th day of October [of the prebudget year] in the
29 same manner as would apply if each municipality comprised separate
30 constituent school districts; or

31 c. any combination of apportionment based upon equalized
32 valuations pursuant to subsection a. of this section or pupil
33 enrollments pursuant to subsection b. of this section.

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

35

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

37 18A:21-3. [Such] The account shall be established by resolution
38 of the board of school estimate or the board of education, as the case
39 may be, in such form as shall be prescribed by the commissioner, a true
40 copy of which shall be filed with the department. For any school year
41 an amount not to exceed 1.5 percent of the amount of [foundation aid
42 anticipated in the capital outlay budget] core curriculum standards aid,
43 as calculated pursuant to section [10 of P.L.1990, c.52
44 (C.18A:7D-10)] 15 of P.L. , c. (C.) (now pending before the
45 Legislature as this bill), plus any additional sum expressly approved by
46 the voters of the district or the board of school estimate, and any

1 [free] undesignated general fund balance amount, authorized under
2 section [3 of P.L.1993, c.80 (C.18A:7D-27.1)] 7 of P.L. _____, c. _____
3 (C. _____) (now pending before the Legislature as this bill), may be
4 appropriated to the account. The account shall also include the
5 earnings attributable to the investment of the assets of the account.
6 (cf: P.L.1993, c.80, s.2)

7
8 47. N.J.S.18A:21-4 is amended to read as follows:

9 18A:21-4. A board of education may in any school year draw
10 against its capital reserve account, up to the amount of the balance
11 therein, to the extent that [such] the withdrawal is anticipated as a
12 revenue in the school budget for the then current school year or
13 approved by the commissioner for good cause; provided, that no
14 money drawn from the account may be used for current expenses of
15 the general fund or debt service payments but shall be used exclusively
16 for capital expenses of the general fund or capital projects fund when
17 expressly authorized as part of a referendum.

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

19
20 48. N.J.S.18A:22-8 is amended to read as follows:

21 18A:22-8. The budget shall be prepared in such detail and upon
22 such forms as shall be prescribed by the commissioner and to it shall
23 be annexed a statement so itemized as to make the same readily
24 understandable, in which shall be shown:

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

26 (1) The total expenditure for each item for the preceding school
27 year, the amount appropriated for the current school year adjusted for
28 transfers as of February 1 of the current school year, and the amount
29 estimated to be necessary to be appropriated for the ensuing school
30 year, indicated separately for each item as determined by the
31 commissioner;

32 (2) The amount of the surplus account available at the beginning
33 of the preceding school year, at the beginning of the current school
34 year and the amount anticipated to be available for the ensuing school
35 year; (3) The amount of revenue available for budget purposes for the
36 preceding school year, the amount available for the current school year
37 as of February 1 of the current school year and the amount anticipated
38 to be available for the ensuing school year in the following categories:

- 39 (a) Total to be raised by local property taxes
40 (b) Total State aid
41 (i) [Foundation]Core curriculum standards aid
42 (ii) Special education aid
43 (iii) Transportation aid
44 (iv) [At-risk aid
45 (v) Bilingual aid
46 (vi) Early childhood program aid

- 1 (v) Demonstrably effective program aid
 2 (vi) Supplemental core curriculum standards aid
 3 (vii) Distance learning network aid
 4 (viii) Bilingual aid
 5 (ix) Other (detailed at the discretion of the commissioner)
 6 [(vii) Transition aid]
 7 (c) Total federal aid
 8 (i) Elementary and Secondary Education Act of 1965 (20 U.S.C.
 9 §2701 et seq.)
 10 (ii) Handicapped
 11 (iii) Impact Aid
 12 (iv) Vocational
 13 (v) Other (detailed at the discretion of the commissioner)
 14 (d) Other sources (detailed at the discretion of the commissioner).
 15 [(4) Transfers between current expense and capital outlay for the
 16 preceding school year, the current school year as of February 1 of that
 17 year and transfers anticipated for the ensuing school year.]
 18 b. (Deleted by amendment, P.L.1993, c.117).
 19 c. In the event that the total expenditure for any item of
 20 appropriation is equal to \$0.00 for: (1) the preceding school year, (2)
 21 the current school year, and (3) the amount estimated to be necessary
 22 to be appropriated for the ensuing school year, that item shall not be
 23 required to be published pursuant to N.J.S.18A:22-11.
 24 d. The instruction function of the budget shall be divided into
 25 elementary (K-5), middle school (6-8), and high school (9-12) cost
 26 centers, each of which shall be further divided by the core curriculum
 27 content areas.
 28 (cf: P.L.1993, c.117, s.1)
 29
 30 49. Section 3 of P.L.1979, c.294 (C.18A:22-8.2) is amended to
 31 read as follows:
 32 3. No transfer may be made under this section from appropriations
 33 or surplus accounts for:
 34 a. Interest and debt redemption charges;
 35 b. Capital reserve account;
 36 c. Items classified as general fund expenses except to other items
 37 so classified, or to the capital projects fund to supplement the
 38 proceeds from a bond authorization or lease purchase agreement upon
 39 application to and a formal finding by the commissioner that the
 40 transfer is in the best interests of both the students and taxpayers of
 41 the district after consideration of alternative corrective actions.
 42 (cf: P.L.1993, c.83, s.5)
 43
 44 50. Section 4 of P.L.1979, c.294 (C.18A:22-8.3) is amended to
 45 read as follows:
 46 4. On or after November 15 of each school year, all adjustments to

1 State aid amounts payable for the succeeding school year, pursuant to
2 [P.L.1990, c.52 (C.18A:7D-1 et al.)] P.L. , c. (C.) (now
3 pending before the Legislature as this bill), due to corrections in the
4 count of pupils enrolled in various grades and programs, shall be made
5 to the State aid amounts payable during the school year following the
6 succeeding school year.

7 (cf: P.L.1990, c.52, s.45)

8
9 51. N.J.S.18A:22-14 is amended to read as follows:

10 18A:22-14. At or after [said] the public hearing but not later than
11 April 8, the board of school estimate of a type I district shall fix and
12 determine by official action taken at a public meeting of the board the
13 amount of money necessary to be appropriated for the use of the
14 public schools in the district for the ensuing school year, exclusive of
15 the amount which shall have been apportioned to it by the
16 commissioner and which shall be no less than the amount determined
17 by the board of education within its T&E budget pursuant to the
18 provisions of section 5 of P.L. , c. (C.) (now pending before
19 the Legislature as this bill), and shall make two certificates of [such]
20 the amount signed by at least three members of the board, one of
21 which shall be delivered to the board of education and the other to the
22 governing body of the district.

23 Within 15 days after receiving [such] the certificate the board of
24 education shall notify the board of school estimate and governing body
25 of the district if it intends to appeal to the commissioner the board of
26 school estimate's determination as to [the] any additional amount of
27 money requested, the sum of which does not exceed the maximum
28 T&E budget when added to the district's T&E budget pursuant to the
29 provisions of section 5 of P.L. , c. (C.) (now pending before
30 the Legislature as this bill), necessary to be appropriated for the use
31 of the public schools of the district for the ensuing school year.

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

33
34 52. N.J.S.18A:22-26 is amended to read as follows:

35 18A:22-26. At or after [said] the public hearing but not later than
36 April 8, the board of school estimate of a type II district having a
37 board of school estimate shall fix and determine by a recorded roll call
38 majority vote of its full membership the amount of money necessary to
39 be appropriated for the use of the public schools in [such] the district
40 for the ensuing school year, exclusive of the amount which shall be
41 apportioned to it by the commissioner for [said] the year and which
42 amount shall be no less than the amount determined by the board of
43 education within its T&E budget pursuant to the provisions of section
44 5 of P.L. , c. (C.) (now pending before the Legislature as this
45 bill) and shall make a certificate of [such] the amount signed by at
46 least a majority of all members of [such] the board, which shall be

1 delivered to the board of education and a copy thereof, certified under
2 oath to be correct and true by the secretary of the board of school
3 estimate, shall be delivered to the county board of taxation on or
4 before April 15 in each year and a duplicate of [such] the certificate
5 shall be delivered to the board or governing body of each of the
6 municipalities within the territorial limits of the district having the
7 power to make appropriations of money raised by taxation in the
8 municipalities or political subdivisions and to the county
9 superintendent of schools and [such] the amount shall be assessed,
10 levied and raised under the procedure and in the manner provided by
11 law for the levying and raising of special school taxes voted to be
12 raised at an annual or special election of the legal voters in type II
13 districts and shall be paid to the treasurer of school moneys of the
14 district for such purposes.

15 Within 15 days after receiving [such] the certificate the board of
16 education shall notify the board of school estimate and governing body
17 of each municipality within the territorial limits of the school district,
18 and the commissioner, if it intends to appeal to the commissioner the
19 board of school estimate's determination as to [the] any additional
20 amount of money requested, the sum of which does not exceed the
21 maximum T&E budget when added to the district's T&E budget
22 pursuant to the provisions of section 5 of P.L. , c. (C.) (now
23 pending before the Legislature as this bill), necessary to be
24 appropriated for the use of the public schools of the district for the
25 ensuing school year.

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

27
28 53. N.J.S. 18A:22-32 is amended to read as follows:

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

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

40
41 54. N.J.S. 18A:22-33 is amended to read as follows:

42 18A:22-33. The board of education of each type II district not
43 having a board of school estimate [shall] may, at each annual school
44 election, submit to the voters of the district, [the] any amount of
45 money fixed and determined in excess of its T&E budget, excluding
46 therefrom the sum or sums stated therein to be used for its T & E

1 budget and for interest and debt redemption charges, in the manner
2 provided by law, to be voted upon for the use of the public schools of
3 the district for the ensuing school year, which amount shall be stated
4 in the notice of the election, and the legal voters of the district shall
5 determine at [such] the election, by a majority vote of those voting
6 upon the proposition, the sum or sums, not exceeding those stated in
7 the notice of the election, to be raised by special district tax for said
8 purposes, in the district during the ensuing school year and the
9 secretary of the board of education shall certify the excess amount so
10 determined upon, if any, and the sums so stated for the district's T&E
11 budget and interest and debt redemption charges, to the county board
12 of taxation of the county within two days following the [date]
13 certification of the election results and the amount or amounts so
14 certified shall be included in the taxes assessed, levied and collected in
15 the municipality or municipalities comprising the district for such
16 purposes.

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

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

20 18A:22-37. If the voters reject any of the items submitted at the
21 annual school election, the board of education shall deliver the
22 [proposed school] rejected additional spending proposals, approved
23 additional spending proposals, and the district's T&E budget to the
24 governing body of the municipality, or of each of the municipalities
25 included in the district within two days thereafter. The governing
26 body of the municipality, or of each of the municipalities, included in
27 the district shall, after consultation with the board, and by May 19,
28 determine the amount of additional spending proposals rejected by the
29 voters which, in the judgment of [said] the body or bodies, [is
30 necessary to]shall be appropriated in addition to the amount necessary
31 for a thorough and efficient education and additional spending
32 proposals approved by the voters, for each item appearing in [such]
33 the budget, [to provide a thorough and efficient system of schools in
34 the district,] and certify to the county board of taxation the totals of
35 the amount so determined to be necessary for each of the following:

- 36 a. General fund expenses of schools; or
37 b. Appropriations to capital reserve account.

38 Within 15 days after the governing body of the municipality or of
39 each of the municipalities included in the district shall make [such] the
40 certification to the county board of taxation, the board of education
41 shall notify [such] the governing body or bodies if it intends to appeal
42 to the commissioner the amounts which when added to the district's
43 T&E budget and any additional amounts approved by the voters or the
44 governing body or bodies do not exceed the maximum T&E budget
45 which [said] the body or bodies determined to be necessary to be
46 appropriated [for each item appearing in the proposed school budget].

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

2

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

4 18A:22-38. If [said] the governing body or bodies [shall] fail [so]
5 to certify any amount not in excess of the maximum T&E budget,
6 determined by [them] the local board of education to be necessary for
7 any item rejected at the annual school election, or in the event that the
8 governing bodies of the municipalities comprising a school district,
9 shall certify different amounts, then upon petition of the board of
10 education, the commissioner shall determine the amount or amounts
11 which in his judgment, are necessary to be appropriated, for each of
12 the items appearing in the budget, submitted to [such] the governing
13 body or bodies, to provide a thorough and efficient system of public
14 schools in the district, and certify to the county board of taxation the
15 totals of the amount [so] determined to be necessary for each of the
16 following:

17 a. General fund expenses of schools; or

18 b. Appropriations to capital reserve account;

19 and the amounts [so] certified shall be included in the taxes to be
20 assessed, levied and collected in [such] the municipality or
21 municipalities for [such] those purposes.

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

23

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

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

28 a. "Commissioner" means the Commissioner of Education of the
29 State of New Jersey;

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

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

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

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

1 f. "State board" means the State Board of Education of the State
2 of New Jersey;

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

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

10 (cf: P.L.1990, c.52, s.47)

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

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

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

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

1 accordance with subsection d. of this section and sections 9 and 10 of
2 this act.

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

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

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

14

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

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

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

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

37

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

40 4. The county superintendent of schools shall, within 120 days of
41 the effective date of this act, certify to the Commissioner of Education
42 which local school district shall be the designated district for persons
43 of school age residing in a multi-district federal enclave. The district
44 certified as the designated district shall count all pupils who reside in
45 a multi-district federal enclave in the resident enrollment of the district
46 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
5 the 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 61. N.J.S.18A:38-19 is amended to read as follows:

14 18A:38-19. Whenever the pupils of any school district are
15 attending public school in another district, within or without the state,
16 pursuant to this article, the board of education of the receiving district
17 shall determine a tuition rate to be paid by the board of education of
18 the sending district to an amount not in excess of the actual cost per
19 pupil as determined consistent with the thoroughness and efficiency
20 standards under rules prescribed by the commissioner and approved
21 by the state board, and [such] the tuition shall be paid by the
22 [custodian] treasurer of school moneys of the sending district out of
23 any moneys in his hands available for [current] general fund expenses
24 of the district upon order issued by the board of education of the
25 sending district, signed by its president and secretary, in favor of the
26 [custodian] treasurer of school moneys of the receiving district.

27 Any receiving district which in the 1996-97 school year has a sum
28 of local property taxes, foundation aid and transition aid which
29 exceeds the district's maximum T&E budget for the 1997-98 school
30 year shall phase out the excess amount from the actual cost per pupil
31 over a four year period provided it receives approval from its local
32 voters or the municipal governing body or bodies to maintain a local
33 leeway budget in each of the subsequent four years. If at any time
34 during the four year period the local leeway budget is eliminated,
35 whether by the receiving district, the local voters, or the municipal
36 governing body or bodies, no excess amounts shall be included
37 thereafter. The excess amount shall be phased out as follows:

38 a. 80% of the original excess amount or the local leeway budget,
39 whichever is less, may be included in the 1997-98 school year;

40 b. 60% of the original excess amount or the local leeway budget,
41 whichever is less, may be included in the 1998-99 school year;

42 c. 40% of the original excess amount or the local leeway budget,
43 whichever is less, may be included in the 1999-2000 school year; and

44 d. 20% of the original excess amount or the local leeway budget,
45 whichever is less, may be included in the 2000-2001 school.

46 (cf: N.J.S.18A:38-19)

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

3 2. Beginning in the 1993-94 school year and in each subsequent
4 year, the maximum amount of nonpublic school transportation costs
5 per pupil provided for in N.J.S.18A:39-1 shall be increased or
6 decreased in direct proportion to the increase or decrease in the State
7 transportation aid per pupil in the year prior to the prebudget year
8 compared to the amount for the prebudget year. As used in this
9 section, State transportation aid per pupil shall equal the total State
10 transportation aid payments made pursuant to section [16 of P.L.1990,
11 c.52 (C.18A:7D-18)] 25 of P.L. , c. (C.) (now pending before
12 the Legislature as this bill) divided by the number of pupils eligible for
13 transportation.

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

15

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

17 18A:39-1.1. In addition to the provision of transportation for
18 pupils pursuant to N.J.S.18A:39-1 and N.J.S.18A:46-23, the board of
19 education of any district may provide, by contract or otherwise, in
20 accordance with law and the rules and regulations of the State board,
21 for the transportation of other pupils to and from school.

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

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

27

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

29 18A:39-15. If the county superintendent of the county in which the
30 districts are situate shall approve the necessity, the cost, and the
31 method of providing [such] joint transportation and the agreement
32 whereby the same is to be provided, each [such] board of education
33 providing joint transportation shall be entitled to State transportation
34 aid pursuant to section [16 of P.L.1990, c.52 (C.18A:7D-18)] 25 of
35 P.L. , c. (C.) (now pending before the Legislature as this
36 bill).

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

38

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

41 11. The Commissioner of Education, in consultation with the
42 Commissioner of Health, shall develop and administer a program
43 which provides for the employment of substance awareness
44 coordinators in certain school districts.

45 a. Within 90 days of the effective date of this act, the
46 Commissioner of Education shall forward to each local school board

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

20 b. The position of substance awareness coordinator shall be
21 separate and distinct from any other employment position in the
22 district, including, but not limited to district guidance counselors,
23 school social workers and school psychologists. The State Board of
24 Education shall approve the education and experience criteria
25 necessary for employment as a substance awareness coordinator. The
26 criteria shall include a requirement for certification by the State Board
27 of Examiners. In addition to the criteria established by the State board,
28 the Department of Education and the Department of Health shall
29 jointly conduct orientation and training programs for substance
30 awareness coordinators, and shall also provide for continuing
31 education programs for coordinators.

32 c. It shall be the responsibility of substance awareness coordinators
33 to assist local school districts in the effective implementation of this
34 act. Coordinators shall assist with the in service training of school
35 district staff concerning substance abuse issues and the district
36 program to combat substance abuse; serve as an information resource
37 for substance abuse curriculum development and instruction; assist the
38 district in revising and implementing substance abuse policies and
39 procedures; develop and administer intervention services in the
40 district; provide counseling services to pupils regarding substance
41 abuse problems; and, where necessary and appropriate, cooperate with
42 juvenile justice officials in the rendering of substance abuse treatment
43 services.

44 d. The Commissioner of Education, in consultation with the
45 Commissioner of Health, shall implement a plan to collect data on the
46 effectiveness of the program in treating problems associated with

1 substance abuse and in reducing the incidence of substance abuse in
2 local school districts. Six months prior to the expiration of the
3 program authorized pursuant to this section, the Commissioner of
4 Education shall submit to the Governor and the Legislature an
5 evaluation of the program and a recommendation on the advisability
6 of its continuation or expansion to all school districts in the State.

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

8
9 66. N.J.S.18A:46-14 is amended to read as follows:

10 18A:46-14. The facilities and programs of education required under
11 this chapter shall be provided by one or more of the following:

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

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

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

19 d. A jointure commission program;

20 e. A State of New Jersey operated program;

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

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

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

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

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

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

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

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

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

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

45 In preparing its annual budget, each board of education shall
46 include as a revenue State aid in an amount equal to [such] the

1 estimated cost of providing services to nonpublic school children
2 pursuant to P.L.1977, c.193 (C.18A:46-19.1 et al.).

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

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

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

20
21 68. N.J.S.18A:46-23 is amended to read as follows:

22 18A:46-23. The board of education shall furnish transportation to
23 all children found under this chapter to be handicapped who shall
24 qualify therefor pursuant to law and it shall furnish [such] the
25 transportation for a lesser distance also to any handicapped child, if it
26 finds upon the advice of the examiner, his handicap to be such as to
27 make transportation necessary or advisable.

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

37 The school district shall be entitled to State aid for [such] the
38 transportation pursuant to section [16 of P.L.1990, c.52
39 (C.18A:7D-18)] 25 of P.L. , c. (C.) (now pending before the
40 Legislature as this bill) when the necessity for [such] the
41 transportation and the cost and method thereof have been approved by
42 the county superintendent of the county in which the district paying
43 the cost of [such] the transportation is situated.

44 (cf: P.L.1990, c.52, s.59)

45
46 69. Section 3 of P.L.1971, c.271 (C.18A:46-31) is amended to

1 read as follows:

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

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

34 Any special services school district which receives State debt
35 service aid in the 1996-97 school year may include in its actual cost
36 per pupil an amount equal to the 1996-97 State support percentage
37 until the retirement of the debt issuance which generated the 1996-97
38 State aid. All other debt issuances shall be the full responsibility of the
39 county board of chosen freeholders. The tuition charged to a board of
40 education shall not exceed the actual cost per pupil in the prebudget
41 year adjusted by the CPI.

42 c. The board of education of any county special services school
43 district, with the approval of the board of chosen freeholders of the
44 county, may provide for the establishment, maintenance and operation
45 of dormitory and other boarding care facilities for pupils in
46 conjunction with any one or more of its schools for special services,

1 and the board shall provide for the establishment, maintenance and
2 operation of such health care services and facilities for the pupils as
3 the board shall deem necessary.

4 d. (Deleted by amendment, P.L.1991, c.62).
5 (cf: P.L.1991, c.62, s.23)

6
7 70. Section 9 of P.L.1977, c.192 (C.18A:46A-9) is amended to
8 read as follows:

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

11 a. The per pupil aid amount for providing the equivalent service to
12 children of limited English-speaking ability enrolled in the public
13 schools, shall be [determined by multiplying the bilingual program
14 weight from section 81 of P.L.1990, c.52 (C.18A:7D-21) or the
15 appropriate cost factor from section 14 of P.L.1990, c.52
16 (C.18A:7D-16) by the State foundation amount as defined in section
17 6 of P.L.1990, c.52 (C.18A:7D-6)] \$1274.03. The appropriate per
18 pupil aid amount for compensatory education shall be [determined by
19 multiplying the per pupil amount of compensatory education aid in the
20 prebudget year by the PCIs as defined by section 3 of P.L.1990, c.52
21 (C.18A:7D-3)] \$628.71.

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

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

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

33
34 71. Section 6 of P.L.1974, c.79 (C.18A:58-37.6) is amended to
35 read as follows:

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

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

45
46 72. (New section) The State Board of Education shall adopt,

1 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
2 (C.52:14B-1 et seq.), rules and regulations necessary to effectuate the
3 provisions of this act.

4
5 73. The following sections are hereby repealed:

6 Sections 1, 2, 4 through 9, 12 and 48 of P.L.1975, c.212
7 (C.18A:7A-1, 18A:7A-2, 18A:7A-4 through 18A:7A-9, 18A:7A-12
8 and 18A:7A-31);

9 Section 5 of P.L.1991, c.3 (C.18A:7A-6.1);

10 Section 6 of P.L.1991, c.3 (C.18A:7A-14.2);

11 Sections 1 through 4, 6 through 10, 11 through 17, 80, 81, 18, 84,
12 19 through 22, 85, 23, 24, 87, 89, and 25 through 28 of P.L.1990,
13 c.52 (C. 18A:7D-1 through 18A:7D-4, 18A:7D-6 through 18A:7D-10
14 and 18A:7D-13 through 18A:7D-36);

15 Section 26 of P.L.1991, c.62 (C.18A:7D-21.1);

16 Section 3 of P.L.1993, c.80 (C.18A:7D-27.1); and

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
20 74. This act shall take effect immediately and shall first apply to the
21 1997-98 school year.

22 23 24 STATEMENT

25
26 This bill provides for the establishment of a thorough and efficient
27 system of free public education (T&E) as guaranteed by the State
28 Constitution. It provides for the establishment of standards of
29 thoroughness and efficiency and a new system for funding public
30 education through a combination of State aid and local support. The
31 proposed law supersedes those portions of P.L.1975, c.212
32 (C.18A:7A-1 et seq.) which address goals and standards and replaces
33 the funding provisions established by the "Quality Education Act of
34 1990," P.L. 1990, c.52 (C.18A:7D-1 et al.), which is repealed in its
35 entirety.

36 The bill directs the State Board of Education to adopt and update
37 every five years, core curriculum content standards which shall define
38 for all students in the State the substance of a thorough education.
39 The commissioner is directed to develop and establish efficiency
40 standards which shall define the types of programs, services, activities
41 and materials necessary to achieve an efficient education. Together
42 these standards will define what is required to provide a thorough and
43 efficient education and will serve as the basis for determining the
44 amount of funding necessary to do so.

45 Under the bill's provisions, the Governor is required to issue
46 biennially in each even numbered year, the Report on the Cost of

1 Providing a Thorough and Efficient Education. The report will
2 establish the per pupil amount necessary to provide a thorough and
3 efficient regular education at the elementary, middle, and high school
4 levels and the acceptable range of deviation from that amount in order
5 to recognize and accommodate the need for local flexibility. In
6 addition the report will establish per pupil amounts for early childhood
7 and demonstrably effective program aids, and additional per pupil
8 categorical amounts. These amounts will apply to the two successive
9 fiscal years beginning one year from the subsequent July 1 and will be
10 adjusted for inflation by the CPI in the second year.

11 The per pupil amounts established in the report will in turn serve as
12 the basis for determining a school district's T&E budget, or the total
13 amount of funding needed to provide a thorough and efficient
14 education consistent with the curriculum content and efficiency
15 standards issued by the State board and commissioner. The T&E
16 budget will be determined by multiplying the per pupil amount for a
17 thorough and efficient regular education at the elementary level by the
18 district's resident enrollment, weighted based on the relative
19 proportion of kindergarten, elementary, middle, and high school pupils
20 included in the enrollment. Each school district is required to fund its
21 T&E budget through local tax revenues up to a level based on district
22 property wealth and district income. Any difference between the
23 district's T&E budget and the required local share will be funded
24 through State aid, with supplemental aid being available for certain
25 districts where the impact of the new standards on local taxes would
26 be excessive. Also, stabilization factors have been included within the
27 State aid formula so as to prevent dramatic increases or decreases in
28 a district's State aid as a result of the permanent part of the formula.
29 For each district, a maximum and minimum permissible budget level
30 is calculated within the established T&E range.

31 Every two years, the commissioner is required to notify each
32 district of the T&E amount, T&E flexible amount, T&E range, and
33 amounts per pupil for early childhood program aid, demonstrably
34 effective program aid, and the categorical programs for the subsequent
35 two fiscal years. Annually, within seven days following transmittal of
36 the State budget message to the Legislature by the Governor, the
37 commissioner shall notify each district of the maximum amount of aid
38 payable to the district in the succeeding school year and shall notify
39 each district of its T&E budget, maximum T&E budget, and minimum
40 permissible T&E budget for the succeeding school year. Annually, on
41 or before March 4, each district board of education is to adopt and
42 forward to the commissioner for approval, a budget that provides no
43 less than the minimum permissible T&E amount per pupil plus
44 categorical amounts required for a thorough and efficient education
45 and no greater than the maximum T&E budget, except as subject to
46 approval by the voters. Before approving the budgets, the

1 commissioner must determine that they properly implement the core
2 curriculum content standards, and in instances where they do not, the
3 commissioner may make such fiscal or programmatic adjustments as
4 he deems necessary, including directing additional spending up to the
5 district's maximum T&E budget level.

6 Districts seeking to budget beyond the maximum permissible T&E
7 level must submit a separate proposal or proposals to the local voters
8 for additional spending. If rejected by the local voters and not
9 restored by the municipal governing body, these amounts may not be
10 appealed to the commissioner. Districts with budgets below the
11 maximum T&E level and falling within the district's permissible T&E
12 budget need not submit the budget to the voters for approval.
13 Districts with budgets below the maximum T&E level, but in excess
14 of the district's permissible T&E budget must submit a separate
15 proposal or proposals to the local voters for additional spending up to
16 the maximum T&E amount. If rejected by the local voters and not
17 restored by the municipal governing body, these amounts may be
18 appealed to the commissioner.

19 Under the bill, special education including extraordinary costs, pupil
20 transportation, bilingual education, adult and post secondary
21 education, distance learning network, and county vocational aid are to
22 be paid to all school districts as categorical aid. Also, the department
23 is to determine programmatic definitions and establish appropriate per
24 pupil amounts for adult high school programs and post secondary
25 vocational educational programs.

26 The T&E budget is designed to give districts resources to provide
27 a thorough and efficient education. However, additional early
28 childhood education program aid and demonstrably effective program
29 aid is provided for districts that have a high number of
30 socioeconomically disadvantaged children living in conditions of
31 poverty. Early childhood aid is provided for those districts having
32 20% or more low-income pupils, and is to be used for pre-
33 kindergarten, full-day kindergarten and other early childhood
34 programs. Additional aid is provided for concentrations of low-
35 income pupils of 40% or more for transition and social services to
36 primary grade students. Demonstrably effective program aid is to be
37 distributed based on school-based concentrations of low income pupils
38 in order to provide instructional, school governance, health and social
39 services aimed at addressing the socioeconomic disadvantages of these
40 pupils. The bill also makes provision for technological advancements
41 through the establishment and funding of a distance learning network,
42 which, while available to all districts, will be especially helpful to
43 disadvantaged districts as a means of providing quality programs at
44 low cost.

45 The bill also establishes an Academic Achievement Reward
46 Program to provide rewards to districts having one or more schools

1 that meet criteria for absolute success or significant progress towards
2 high student academic achievement. Schools are to be ranked into
3 three groupings by enrollment for the High School Proficiency Test,
4 the Early Warning Test, and the Fourth Grade Test which then
5 determines reward eligibility for both the absolute success and the
6 significant progress reward. Schools with 90% of student enrollment
7 performing at or above the passing scores are eligible for the absolute
8 success reward. Schools that do not qualify for the absolute success
9 reward are eligible for the significant progress reward. The schools
10 will be grouped together in five bands and the top 10% in each band
11 with the highest level of improvement will be eligible for the significant
12 progress reward. Schools located in districts that have been penalized
13 under the "School Efficiency Program Act," P.L.1995, c.236, will not
14 eligible for either reward. The reward appropriation will be equally
15 divided among all districts with schools determined to be eligible for
16 a reward.

17 The pupil transportation formula established under the bill is
18 designed to encourage operational efficiency and includes two
19 principal components: a base aid amount and an efficiency factor.
20 Base aid represents a level of funding to reimburse districts for the
21 cost of efficiently transporting eligible pupils based on regular or
22 specialized modes of transportation, eligible pupils transported,
23 average miles per eligible pupil, and cost factors representative of
24 school districts in the top two quartiles of efficient performance. The
25 efficiency factor will be applied to the regular component of base aid
26 and will be based on the district's average regular vehicle utilization,
27 defined as the total number of eligible regular and special education
28 pupils transported on regular buses. Using the efficiency factor, a
29 district's aid is calculated based on the use of vehicle capacity relative
30 to all other districts.

31 State aid for school facilities shall be paid to districts toward
32 principal and interest payments on both debt service and lease
33 purchase agreement payments for the fiscal year, at the percentage of
34 State support in the district's T&E budget. The base to which this
35 percentage shall be applied shall be the full debt service and lease
36 purchase agreement payment for all debt service issuances authorized
37 and lease purchase agreements approved prior to July 1, 1997. For all
38 debt service authorized and lease purchase agreements approved after
39 July 1, 1997, the aidable base shall be that percentage of the debt
40 service or lease purchase payment equivalent to the ratio of approved
41 costs to the original issuance principal, with the ratio never to exceed
42 one, and shall be reduced for districts that fail to meet maintenance
43 requirements on aided facilities. Beginning ten years from the date of
44 enactment of the bill, districts shall be required to demonstrate a net
45 investment within the previous ten years of 2% of what the facility's
46 replacement cost was ten years prior in order to receive aid on an

1 improvement to the facility. Aid for new construction approved or
2 authorized after July 1, 1997 shall be reduced, beginning in the fourth
3 year after occupancy, for districts that fail to demonstrate in the prior
4 fiscal year an investment in maintenance of the facility of at least two-
5 tenths of one percent of the facility's replacement cost.

6 Approved costs for new construction and additions shall be the
7 product of an approved square footage of construction, derived from
8 school models developed by the department for each school level; a
9 cost allowance per square foot of construction; and percentage
10 allowances for equipment and furnishings, architect and engineering
11 fees, and issuance costs. The approved area shall be based on the
12 number of unhoused students the district shows as a result of a five-
13 year cohort survival enrollment projection. The area construction cost
14 allowance shall be determined based on a five-city historical cost index
15 for construction in New Jersey. Other allowances shall be based on
16 industry standards. Approved costs for renovations shall be the
17 product of the replacement cost of the facility, determined by
18 multiplying the gross area of the facility by the construction cost and
19 other allowances, and a factor less than one that decreases as building
20 age increases. Renovations on buildings fewer than twenty years of
21 age shall not be aided. Approved costs for new construction done in
22 lieu of renovations shall be determined as for new construction only
23 when the age of the facility is 50 years or greater or when the
24 commissioner determines that extraordinary circumstances warrant
25 differential treatment. Approved costs for new construction done in
26 lieu of renovations for facilities less than fifty years old shall be
27 determined as for renovations. For purchase of an existing facility,
28 total approved costs for both the purchase of the facility and any
29 renovations made to the facility within five years of purchase shall be
30 that amount determined as for new construction.

31 Under the bill, the commissioner is empowered to ensure that all
32 districts are meeting established standards through a variety of means.
33 In addition to his general powers of supervision, this bill requires the
34 commissioner to review annual budgets to ensure compliance with
35 core curriculum content standards, continues the existing system of
36 monitoring with a new emphasis on meeting standards, and authorizes
37 the commissioner to summarily take extraordinary measures when he
38 determines, as the result of a district or school's performance on State
39 assessments or through State evaluation, that established standards of
40 thoroughness and efficiency are not being met.

41 Finally, in the event the commissioner establishes an interdistrict
42 school choice program at a subsequent date, the bill includes language
43 that would allow nonresident students enrolled in such a program to
44 be included within a district's resident enrollment count.

1
2
3
4

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