

SENATE, No. 891

STATE OF NEW JERSEY

INTRODUCED MARCH 7, 1996

By Senators SACCO, McGREEVEY and Singer

1 AN ACT concerning the designation of special needs districts and  
2 amending P.L.1990, c.52.

3

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

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

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

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

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

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 in special class programs when the pupil is  
34 enrolled in a special class register.

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

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

8 "Debt service" means and includes payments of principal and  
9 interest upon school bonds and other obligations issued to finance the  
10 acquisition of school sites and the acquisition, construction or  
11 reconstruction of school buildings, including furnishings, equipment  
12 and the costs of issuance of such obligations and shall include  
13 payments of principal and interest upon bonds heretofore issued to  
14 fund or refund such obligations, and upon municipal bonds and other  
15 obligations which the commissioner approves as having been issued for  
16 such purposes. Debt service pursuant to the provisions of P.L.1978,  
17 c.74 (C.18A:58-33.22 et seq.), P.L.1971, c.10 (C.18A:58-33.6 et seq.)  
18 and P.L.1968, c.177 (C.18A:58-33.2 et seq.) is excluded.

19 "District income" means the aggregate income of the residents of  
20 the taxing district or taxing districts, based upon data provided by the  
21 Bureau of the Census in the United States Department of Commerce  
22 for the most recent year prior to the budget year. With respect to  
23 regional districts and their constituent districts, however, the district  
24 income as described above shall be allocated among the regional and  
25 constituent districts in proportion to the number of pupils in each of  
26 them. For the 1991-92 school year, regional and constituent pupils  
27 shall include pupils attending the schools of a county vocational school  
28 or a county special services school district. Part-time post-secondary  
29 vocational pupils are to be excluded from this calculation.

30 "Equalized valuation" means the equalized valuation of the taxing  
31 district or taxing districts as certified by the Director of the Division  
32 of Taxation on October 1 of the prebudget year. With respect to  
33 regional districts and their constituent districts, however, the equalized  
34 valuations as described above shall be allocated among the regional  
35 and constituent districts in proportion to the number of pupils in each  
36 of them. For the 1991-92 school year, regional and constituent pupils  
37 shall include pupils attending the schools of a county vocational school  
38 or a county special services school district. Part-time post-secondary  
39 vocational pupils are to be excluded from this calculation. With  
40 respect to certain operating school districts, other than school districts  
41 that received funds through a municipal budget in 1989 as determined  
42 pursuant to column 1 (c) of Section C of the Abstract of Ratables, that  
43 are composed of one or more taxing districts, where 20% or more of  
44 the land area of the taxing district is situated within the development  
45 district subject to an intermunicipal tax sharing agreement pursuant to  
46 P.L.1968, c.404 (C.13:17-1 et seq.), the equalized valuation shall

1 equal the product of .70 and the amount of equalized valuation  
2 certified by the director.

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

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

9 "Maximum Statewide foundation aid" shall be determined annually  
10 by subtracting the total State aid payable pursuant to sections 14, 16,  
11 80 and 81 of P.L.1990, c.52 (C.18A:7D-16, 18A:7D-18, 18A:7D-20  
12 and 18A:7D-21) and sections 26, 29, 30 and 31 of P.L.1991, c.62  
13 (C.18A:7D-21.1 et al.) from the maximum State school aid, by  
14 subtracting the funds appropriated pursuant to section 38 of P.L.1991,  
15 c.62 (C.18A:7D-28.2), and by adding any additional State aid which  
16 results from the provisions of section 27 of P.L.1991, c.62.

17 "Maximum State school aid" shall be determined for the 1992-93  
18 school year and annually thereafter by adding 80% of the increase in  
19 the State school aid inflator and the maximum State school aid for the  
20 prebudget year. However, beginning in the 1993-94 school year, the  
21 Governor may increase the maximum State school aid to an amount  
22 not to exceed the value of the State school aid inflator. The State  
23 school aid inflator shall be determined for the 1992-93 school year and  
24 annually thereafter by multiplying the value of the school aid inflator  
25 for the prebudget year by the sum of 1.01 and the PCI. For the  
26 1991-92 school year, the value of the school aid inflator is  
27 \$4,250,000,000.

28 "Net budget" means the sum of the foundation aid received by a  
29 school district and the State aid received pursuant to sections 14, 16,  
30 25, 80, and 81 of P.L.1990, c.52 (C18A:7D-16, 18A:7D-18,  
31 18A:7D-33, 18A:7D-20, and 18A:7D-21) and sections 26 and 31 of  
32 P.L.1991, c.62 (C.18A:7D-21.1 et al.) and the district's local levy for  
33 the general fund. For a county special services school district, the net  
34 budget shall also include tuition received by the district to provide  
35 services pursuant to chapter 46 of Title 18A of the New Jersey  
36 Statutes.

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

41 "Postgraduate pupils" means pupils who have graduated from high  
42 school and are enrolled in a secondary school for additional high  
43 school level courses.

44 "Prebudget year" means the school year preceding the year in which  
45 the school budget will be implemented.

46 "Pupils eligible for free meals or free milk" means those children

1 who have been determined to be eligible to receive a free meal or free  
2 milk under the National School Lunch Act, 42 U.S.C. §1751 et seq.,  
3 and the Child Nutrition Act of 1966, 42 U.S.C. §1771 et seq., as of  
4 October 15 of the prebudget year.

5 "PCI" means the average annual percentage increase, expressed as  
6 a decimal, in State per capita personal income over the four fiscal  
7 years ending on June 30 prior to the prebudget year. The per capita  
8 personal income for each of the four years shall be the average of the  
9 per capita personal income for the four quarters in each fiscal year  
10 utilizing the quarterly data for State personal income and State  
11 population as published by the United States Department of  
12 Commerce.

13 "Resident enrollment" means the number of pupils who, on the last  
14 school day prior to October 16 of the prebudget year, are residents of  
15 the district and are enrolled in: (1) the public schools of the district,  
16 including evening schools; (2) another school district, other than a  
17 county vocational school district in the same county or county special  
18 services school district on a full-time basis, State college  
19 demonstration school or private school to which the district of  
20 residence pays tuition; (3) a State facility; (4) are receiving home  
21 instruction; or (5) are in a shared-time vocational program and are  
22 regularly attending a school in the district and a county vocational  
23 school district. Pupils in a shared-time vocational program shall be  
24 counted on an equated full-time basis in accordance with procedures  
25 to be established by the commissioner. For purposes of this section,  
26 resident enrollment shall include, beginning in the 1992-93 school year  
27 and thereafter, regardless of nonresidence, the enrolled children of  
28 teaching staff members of the school district who are permitted, by  
29 contract or local district policy, to enroll their children in the  
30 educational program of the school district without payment of tuition.  
31 Handicapped children between three and five years of age and  
32 receiving programs and services pursuant to N.J.S.18A:46-6 shall be  
33 included in the resident enrollment of the district.

34 "School district" means any local or regional school district  
35 established pursuant to chapter 8 or chapter 13 of Title 18A of the  
36 New Jersey Statutes and any county special services or county  
37 vocational school districts established pursuant to chapter 46 or  
38 chapter 54 of Title 18A of the New Jersey Statutes.

39 "Special education services pupil" means a pupil receiving specific  
40 services pursuant to chapter 46 of Title 18A of the New Jersey  
41 Statutes in special class programs when the pupil is enrolled in a  
42 special class register.

43 "Special needs district" means any school district, other than a  
44 school district in which the equalized valuation per pupil is more than  
45 twice the average Statewide equalized valuation per pupil, which[, as  
46 of June 5, 1990] : a. was classified by the Department of Education as

1 an urban school district and was included in the department's district  
2 factor group A or B as of June 5, 1990 or any date subsequent thereto  
3 ; or b. in which as of June 5, 1990, the quotient produced by dividing  
4 the number of pupils eligible for AFDC by the resident enrollment,  
5 less the number of preschool, evening school and post-graduate pupils,  
6 is greater than or equal to 0.15 and the number of pupils eligible for  
7 AFDC is greater than 1,000. For this calculation, pupils eligible for  
8 AFDC means those children aged 5-17 and resident in the district who  
9 are members of families which are eligible for "Aid to Families with  
10 Dependent Children" pursuant to P.L.1959, c.86 (C.44:10-1 et seq.),  
11 as of September 30 of the prebudget year.

12 "State facility" means a State residential facility for the retarded; a  
13 day training center which is operated by or under contract with the  
14 State and in which all the children have been placed by the State,  
15 including a private school approved by the Department of Education  
16 which is operated under contract with the Bureau of Special  
17 Residential Services in the Division of Developmental Disabilities in  
18 the Department of Human Services; a State residential youth center;  
19 a State training school or correctional facility; a State child treatment  
20 center or psychiatric hospital.

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

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

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

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

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40 2. This act shall take effect immediately and shall first apply to the  
41 1994-95 school year.

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#### STATEMENT

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46 This bill modifies the definition of special needs district in the

1 "Quality Education Act of 1990" to reflect the new district factor  
2 groupings compiled by the Department of Education pursuant to the  
3 1990 census data. The following districts will gain special needs  
4 status: Bayonne, North Bergen, Weehawkin, Lodi, Kearny, Lakewood,  
5 and Carteret.

6 The status of all districts currently designated as special needs  
7 districts will not be affected under the bill.

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12 Modifies definition of special needs district to reflect new district  
13 factor groupings based on 1990 census.