

SENATE, No. 953

STATE OF NEW JERSEY

INTRODUCED MARCH 14, 1996

By Senator MacINNES

1 AN ACT concerning certain school district administrative expenses and
2 amending P.L.1995, c.236.

3

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

6

7 1. Section 3 of P.L.1995, c.236 (C.18A:7E-8) is amended to read
8 as follows:

9 3. a. Any school district whose budgeted per pupil administrative
10 spending for the preceding school year exceeds the median budgeted
11 per pupil administrative spending for the preceding school year for
12 districts of the same operating type by the percentage indicated in
13 subsection c. of this section shall have its school aid reduced by the
14 dollar amount of the excess. The penalty shall not exceed 10% of the
15 district's budgeted administrative spending. All school districts shall be
16 notified of their per pupil administrative costs and the applicable
17 median per pupil cost by October 1 of the year preceding the affected
18 year, and any adjustments caused by subsequent restorations of
19 municipal reductions or proposals to exceed the permissible maximum
20 net budget shall be made no later than November 1 of that year.

21 b. Administrative spending shall include expenditures for
22 improvement of instruction services and other support services -
23 instructional staff; support services-general administration; support
24 services-school administration; business and other support services,
25 including salaries, purchased professional services, purchased technical
26 services, other purchased services, supplies and materials, interest on
27 current loans, and miscellaneous expenditures; and the prorata share
28 of fringe benefits for salaries included in the preceding categories for
29 the employer's share of Social Security, pension payments other than
30 for the Teachers' Pension and Annuity Fund, unemployment
31 compensation, and other generally recognized employee benefits.
32 Administrative spending shall not include expenditures for in-service
33 teacher training and professional development [or for]; the
34 preparation, printing and mailing of sample ballots; or the cost of any

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 regionalization feasibility study. The amount of any judgments against
2 the school district shall be deducted from the total amount of
3 expenditures. All expenditures shall be based originally upon the
4 district's budgeted data of the preceding year and adjusted in the
5 subsequent year based upon audited data; however, the median
6 budgeted per pupil administrative spending calculated for districts of
7 the same operating type pursuant to subsection a. of this section shall
8 not be recalculated.

9 c. The percentage shall equal 129% in the first year of
10 implementation, 128% in the second year, 127% in the third year,
11 126% in the fourth year and 125% in the fifth year and each
12 succeeding year.

13 d. A school district may appeal a penalty imposed pursuant to this
14 section to the Commissioner of Education. The appeal shall be based
15 on the following factors:

16 (1) an error made by the Department of Education in calculating
17 the administrative spending of the school district;

18 (2) an error made by the school district in reporting data to the
19 department;

20 (3) costs associated with services provided by a school district to
21 other districts in joint educational or service arrangements other than
22 a sending-receiving relationship; and

23 (4) any other factor deemed appropriate by the commissioner.

24 (cf: P.L.1995,c.278,s.43)

25

26 2. This act shall take effect immediately.

27

28

29

STATEMENT

30

31 This bill excludes the cost of any regionalization feasibility study
32 from the definition of administrative spending in the "School Efficiency
33 Program Act" (P.L.1995, c.236). Under that program, a school
34 district may receive a financial penalty for excessive administrative
35 spending. The penalty is the amount of the district's per pupil
36 administrative spending during a school year, which exceeds the
37 median budgeted per pupil spending for similar districts by a specified
38 percentage, and the amount is deducted from the State aid otherwise
39 payable to the district.

40

41

42

43

44 Excludes cost of regionalization feasibility study from administrative
45 spending under School Efficiency Program.