

[First Reprint]

SENATE COMMITTEE SUBSTITUTE FOR  
SENATE, Nos. 1964, 2036 and 1922

STATE OF NEW JERSEY

ADOPTED MAY 8, 1997

Sponsored by Senators BENNETT, INVERSO, BASSANO,  
LYNCH, Palaia, Lipman, Ewing and Martin

1 AN ACT concerning State aid for public school districts, amending  
2 and supplementing P.L.1996, c.138 and making an appropriation.

3

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

6

7 1. (New section) Notwithstanding any provision of P.L.1996,  
8 c.138 (C.18A:7F-1 et seq.) or any rule or regulation promulgated  
9 pursuant thereto to the contrary, for the 1997-98 school year a school  
10 district, county vocational school district, or county special services  
11 school district shall receive additional State aid equal to the amount by  
12 which the district's State aid was reduced in the 1996-97 school year  
13 pursuant to the provisions of P.L.1995, c.236 (C.18A:7E-<sup>1</sup>[1]6<sup>1</sup> et  
14 seq.). The additional aid received by a district shall be an adjustment  
15 to the district's spending growth limitation for the 1997-98 school  
16 year. For the 1998-99 school year and thereafter, this additional  
17 amount shall be included in the school district's or county vocational  
18 school district's prebudget year net budget and prebudget year net  
19 T&E budget.

20

21 <sup>1</sup>[2. (New section) Notwithstanding any provision of P.L.1996,  
22 c.138 (C.18A:7F-1 et seq.) or any rule or regulation promulgated  
23 pursuant thereto to the contrary, for the 1997-98 school year any  
24 district in which the special education students resident within the  
25 district were excluded from the calculation of core curriculum  
26 standards aid because the district was incorrectly listed as a non-

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Senate SBA committee amendments adopted June 12, 1997.

1 operating district in the calculation of that aid shall receive additional  
2 State aid equal to the amount necessary to provide the district with its  
3 corrected core curriculum standards aid entitlement. The additional  
4 aid received by the district pursuant to this section shall be applied  
5 toward the district's 1997-98 local share.]<sup>1</sup>

6  
7 <sup>1</sup>[3.] 2.<sup>1</sup> Section 10 of P.L.1996, c.138 (C.18A:7F-10) is amended  
8 to read as follows:

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

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

43 b. Notwithstanding any other provision of this act to the contrary,  
44 the total of a district's stabilization aid, core curriculum standards aid,  
45 supplemental core curriculum standards aid, distance learning network  
46 aid, categorical aids for special education programs, bilingual

1 education programs, county vocational programs, early childhood  
2 program aid, demonstrably effective program aid, transportation aid,  
3 aid for adult and postsecondary programs, and academic achievement  
4 rewards calculated pursuant to subsection a. of this section and  
5 sections 15 through 17, subsection a. of section 18, 19 through 22,  
6 25, 28 and 29 of this act, shall not be decreased by more than 10%  
7 below the amounts paid for these categories in the prebudget year. In  
8 the event that the sum of the formula entitlements calculated pursuant  
9 to those sections is less than 90% of the prebudget total, stabilization  
10 aid shall be paid in the amount of the difference between 90% of the  
11 prebudget year total and the sum of those entitlements. For the  
12 1997-98 school year, the prebudget year total shall include foundation  
13 aid, transition aid, aid for at-risk pupils, technology aid and categorical  
14 aids for special education, bilingual education and county vocational  
15 education, and transportation aid.

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

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

21 (2) resident enrollment projected for October 1997 exceeds 99  
22 percent of the resident enrollment for October 1991 or resident  
23 enrollment projected for October 1997 is less than resident enrollment  
24 for October 1991 by 35 or fewer pupils or the prebudget year  
25 equalized tax rate exceeded the Statewide average equalized school  
26 tax rate by 10% or more.

27 An eligible district shall be aided in the amount of its total aid  
28 decline, after offset by any stabilization aid provided pursuant to  
29 subsection b. of this section, or \$4,000,000, whichever is less. The  
30 commissioner, in consultation with the Commissioner of the  
31 Department of Community Affairs and the Director of the Division of  
32 Local Government Services in the Department of Community Affairs,  
33 shall examine the fiscal ability of districts eligible for supplemental  
34 stabilization aid to absorb aid losses and shall make recommendations  
35 to the Legislature and the Governor regarding the continuation of  
36 supplemental stabilization aid. The commissioner shall not implement  
37 any of those recommendations until the recommendations are enacted  
38 into law.

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

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

44 (2) the district's 1996-97 net budget is less than the sum of its  
45 maximum T&E budget calculated pursuant to section 13 of this act  
46 and early childhood program aid, demonstrably effective program aid,

1 instructional supplement aid, transportation aid, and categorical  
2 program aid received pursuant to sections 19 through 22, 28, and 29  
3 of this act;

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

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

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

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

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

15 (1) when the sum of the district's total aid payable for the  
16 categories listed in subsection b. of this section, aid payable pursuant  
17 to subsections c. and d. of this section, and aid payable pursuant to  
18 subsection c. of section 18 of this act exceeds the prebudget year total  
19 for the same aids pursuant to subsection b. of this section, the district  
20 shall receive an amount equal to the excess of the State aid generated  
21 by such placements in the county special services school district in  
22 1996-97 over the excess calculated pursuant to this paragraph; or

23 (2) when the district's prebudget year aid pursuant to subsection  
24 b. of this section equals or exceeds the sum of the total aid payable for  
25 the categories listed in subsection b. of this section, aid payable  
26 pursuant to subsections c. and d. of this section, and aid payable  
27 pursuant to subsection c. of section 18 of this act, the district shall  
28 receive an amount equal to the State aid generated by such placements  
29 in the county special services school district in 1996-97.

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

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

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

36 (3) the district does not receive any supplemental core curriculum  
37 standards aid; and

38 (4) the district is not included within the Department of  
39 Education's district factor groups I or J based on the 1990 federal  
40 census data.

41 Each district which is determined to be eligible to receive aid  
42 pursuant to this subsection shall receive aid according to the following  
43 formula:

44

45  $.75 \times (\text{ESTR} - 1.30 \times \text{STESTR}) \times \text{EVAL}$

1 where

2

3 ESTR is the district's equalized tax rate of the general fund for the  
4 1996-97 school year;

5

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

8

9 EVAL is the district October 1995 equalized valuation.

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

13 g. Additional supplemental stabilization aid shall be paid to any  
14 district which is located in a municipality which has a population  
15 composed of more than 45% senior citizens age 65 or older according  
16 to the most recent federal decennial census. The aid shall equal \$200  
17 multiplied by the district's resident enrollment projected for October  
18 1997.

19 h. For the 1997-98 school year, any county vocational school  
20 district which is not eligible for supplemental stabilization aid  
21 pursuant to subsection c. of this section but which meets the  
22 requirements of paragraph (1) of that subsection and in which the  
23 secondary resident enrollment for October 1996 exceeds the resident  
24 enrollment projected for October 1997 shall be entitled to  
25 supplemental stabilization aid after offset by any aid received by the  
26 district pursuant to subsections b., d., e., f., and g. of this section and  
27 subsection c. of section 18 of P.L.1996, c.138 (C.18A:7F-18), or  
28 \$500,000, whichever is less. A recommendation concerning the  
29 continuation of aid awarded pursuant to this subsection shall be made  
30 by the commissioner pursuant to the provisions of subsection c. of this  
31 section.

32 i. Any stabilization aid, supplemental stabilization aid, and  
33 supplemental school tax reduction aid paid pursuant to this section  
34 shall be applied toward the required local share of the school district  
35 or county vocational school district which receives the aid ;except that  
36 for the 1997-98 school year, any aid received by a district pursuant to  
37 subsection h. of this section shall be an adjustment to the district's  
38 spending growth limitation.

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

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41 <sup>1</sup>[4.] 3.<sup>1</sup> There is appropriated from the General Fund to the  
42 Department of Education <sup>1</sup>[\$8,429,960] \$8,127,271<sup>1</sup> to effectuate the  
43 purposes of this act.

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45 <sup>1</sup>[5.] 4.<sup>1</sup> This act shall take effect immediately.

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3 Restores State aid in the 1997-98 school year to school districts with  
4 administrative penalties in 1996-97 and provides additional aid to  
5 certain other districts; appropriates \$8,127,271.