

SENATE, No. 2128

STATE OF NEW JERSEY

INTRODUCED JUNE 5, 1997

By Senators EWING, LYNCH, DiFrancesco and Palaia

1 AN ACT concerning public school funding and amending P.L.1996,
2 c.138.

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. 1996, c.138 (C.18A:7F-3) is amended to read
8 as follows:

9 3. As used in this act, unless the context clearly requires a different
10 meaning:

11 "Abbott district" means one of the 28 urban districts in district
12 factor groups A and B specifically identified in the appendix to
13 Raymond Abbott, et al. v. Fred G. Burke, et al. decided by the New
14 Jersey Supreme Court on June 5, 1990 (119 N.J.287, 394) or any
15 other district classified as a special needs district under the "Quality
16 Education Act of 1990," P.L.1990, c.52 (C.18A:7D-1 et al.);

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

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

24 "Capital outlay" means capital outlay as defined in GAAP;

25 "Commissioner" means the Commissioner of Education;

26 "Concentration of low-income pupils" shall be based on prebudget
27 year pupil data and means, for a school district or a county vocational
28 school district, the number of low-income pupils among those counted
29 in modified district enrollment, divided by modified district enrollment.
30 For a school, it means the number of low-income pupils recorded in
31 the registers at that school, divided by the total number of pupils
32 recorded in the school's registers;

33 "CPI" means the average annual increase, expressed as a decimal,
34 in the consumer price index for the New York City and Philadelphia

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 areas during the fiscal year preceding the prebudget year as reported
2 by the United States Department of Labor;

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

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

9 "County vocational school, special education services pupil" means
10 a pupil who is attending a county vocational school and who is
11 receiving specific services pursuant to chapter 46 of Title 18A of the
12 New Jersey Statutes;

13 "Debt service" means and includes payments of principal and
14 interest upon school bonds and other obligations issued to finance the
15 purchase or construction of school facilities, additions to school
16 facilities, or the reconstruction, remodeling, alteration, modernization,
17 renovation or repair of school facilities, including furnishings,
18 equipment, architect fees and the costs of issuance of such obligations
19 and shall include payments of principal and interest upon bonds
20 heretofore issued to fund or refund such obligations, and upon
21 municipal bonds and other obligations which the commissioner
22 approves as having been issued for such purposes. Debt service
23 pursuant to the provisions of P.L.1978, c.74 (C.18A:58-33.22 et seq.),
24 P.L.1971, c.10 (C.18A:58-33.6 et seq.) and P.L.1968, c.177
25 (C.18A:58-33.2 et seq.) is excluded;

26 "District factor group A district" means a school district, other than
27 an Abbott district or a school district in which the equalized valuation
28 per pupil is more than twice the average Statewide equalized valuation
29 per pupil and in which resident enrollment exceeds 2,000 pupils, which
30 based on the 1990 federal census data is included within the
31 Department of Education's district factor group A;

32 "District income" for the 1997-98 school year means the aggregate
33 income of the residents of the taxing district or taxing districts, based
34 upon data provided by the Bureau of the Census in the United States
35 Department of Commerce for 1989. Beginning with the 1998-99
36 school year and thereafter, district income means the aggregate
37 income of the residents of the taxing district or taxing districts, based
38 upon data provided by the Division of Taxation in the New Jersey
39 Department of the Treasury and contained on the New Jersey State
40 Income Tax forms for the calendar year ending prior to the prebudget
41 year. The commissioner may supplement data contained on the State
42 Income Tax forms with data available from other State or federal
43 agencies in order to better correlate the data to that collected on the
44 federal census. With respect to regional districts and their constituent
45 districts, however, the district income as described above shall be
46 allocated among the regional and constituent districts in proportion to

1 the number of pupils resident in each of them;

2 "Estimated minimum equalized tax rate" for a school district means
3 the district's required local share divided by its equalized valuation; for
4 the State it means the sum of the required local shares of all school
5 districts in the State, excluding county vocational and county special
6 services school districts as defined pursuant to this section, divided by
7 the sum of the equalized valuations for all the school districts in the
8 State except those for which there is no required local share;

9 "Equalized valuation" means the equalized valuation of the taxing
10 district or taxing districts, as certified by the Director of the Division
11 of Taxation on October 1, or subsequently revised by the tax court by
12 January 15, of the prebudget year. With respect to regional districts
13 and their constituent districts, however, the equalized valuations as
14 described above shall be allocated among the regional and constituent
15 districts in proportion to the number of pupils resident in each of them.
16 In the event that the equalized table certified by the director shall be
17 revised by the tax court after January 15 of the prebudget year, the
18 revised valuations shall be used in the recomputation of aid for an
19 individual school district filing an appeal, but shall have no effect upon
20 the calculation of the property value multiplier, Statewide equalized
21 valuation per pupil, estimated minimum equalized tax rate for the
22 State, or Statewide average equalized school tax rate;

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

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

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

37 "Low-income pupils" means those pupils from households with a
38 household income at or below the most recent federal poverty
39 guidelines available on October 15 of the prebudget year multiplied by
40 1.30;

41 "Minimum permissible T&E budget" means the sum of a district's
42 core curriculum standards aid, and required local share calculated
43 pursuant to sections 5, 14 and 15 of this act;

44 "Modified district enrollment" means the number of pupils other
45 than preschool pupils, evening school pupils, post-graduate pupils, and
46 post-secondary vocational pupils who, on the last school day prior to

1 October 16, are enrolled in the school district or county vocational
2 school district; or are resident in the school district or county
3 vocational school district and are: (1) receiving home instruction, (2)
4 enrolled in an approved private school for the handicapped, (3)
5 enrolled in a regional day school, (4) enrolled in a county special
6 services school district, (5) enrolled in an educational services
7 commission including an alternative high school program operated by
8 an educational services commission, (6) enrolled in a State college
9 demonstration school, (7) enrolled in the Marie H. Katzenbach School
10 for the Deaf, or (8) enrolled in an alternative high school program in
11 a county vocational school. Modified district enrollment shall be
12 based on the prebudget year count for the determination of
13 concentration of low-income pupils, and shall be projected to the
14 current year and adjusted pursuant to section 5 of this act when used
15 in the calculation of aid;

16 "Net budget" unless otherwise stated in this act, means the sum of
17 the net T&E budget and the portion of the district's local levy that is
18 above the district's maximum T & E budget;

19 "Net T&E budget" means the sum of the T&E program budget,
20 early childhood program aid, demonstrably effective program aid,
21 instructional supplement aid, transportation aid, and categorical
22 program aid received pursuant to sections 19 through 22, 28, and 29
23 of this act;

24 "Prebudget year" means the school fiscal year preceding the year in
25 which the school budget is implemented;

26 "Prebudget year equalized tax rate" means the amount calculated by
27 dividing the district's general fund levy for the prebudget year by its
28 equalized valuation certified in the year prior to the prebudget year;

29 "Prebudget year net budget" for the 1997-98 school year means the
30 sum of the foundation aid, transition aid, transportation aid, special
31 education aid, bilingual education aid, aid for at-risk pupils,
32 technology aid, and county vocational program aid received by a
33 school district or county vocational school district in the 1996-97
34 school year pursuant to P.L.1996, c.42, and the district's local levy for
35 the general fund;

36 "Report on the Cost of Providing a Thorough and Efficient
37 Education" or "Report" means the report issued by the Governor
38 pursuant to section 4 of this act;

39 "Resident enrollment" means the number of pupils other than
40 preschool pupils, post-graduate pupils, and post-secondary vocational
41 pupils who, on the last school day prior to October 16 of the current
42 school year, are residents of the district and are enrolled in: (1) the
43 public schools of the district, excluding evening schools, (2) another
44 school district, other than a county vocational school district in the
45 same county on a full-time basis, or a State college demonstration
46 school or private school to which the district of residence pays tuition,

1 or (3) a State facility in which they are placed by the district; or are
2 residents of the district and are: (1) receiving home instruction, or (2)
3 in a shared-time vocational program and are regularly attending a
4 school in the district and a county vocational school district. In
5 addition, resident enrollment shall include the number of pupils who,
6 on the last school day prior to October 16 of the prebudget year, are
7 residents of the district and in a State facility in which they were
8 placed by the State. Pupils in a shared-time vocational program shall
9 be counted on an equated full-time basis in accordance with
10 procedures to be established by the commissioner. Resident
11 enrollment shall include regardless of nonresidence, the enrolled
12 children of teaching staff members of the school district or county
13 vocational school district who are permitted, by contract or local
14 district policy, to enroll their children in the educational program of
15 the school district or county vocational school district without
16 payment of tuition. Handicapped children between three and five
17 years of age and receiving programs and services pursuant to
18 N.J.S.18A:46-6 shall be included in the resident enrollment of the
19 district.

20 Beginning in 1997-98 and thereafter, resident enrollment shall also
21 include those nonresident children who are permitted to enroll in the
22 educational program without payment of tuition as part of a voluntary
23 program of interdistrict public school choice approved by the
24 commissioner;

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

28 "School enrollment" means the number of pupils other than
29 preschool pupils, evening school pupils, post-graduate pupils, and
30 post-secondary vocational pupils who, on the last school day prior to
31 October 16 of the current school year, are recorded in the registers of
32 the school;

33 "Special education services pupils" means a pupil receiving specific
34 services pursuant to chapter 46 of Title 18A of the New Jersey
35 Statutes;

36 "Spending growth limitation" means the annual rate of growth
37 permitted in the net budget of a school district, county vocational
38 school district or county special services school district as measured
39 between the net budget of the prebudget year and the net budget of the
40 budget year as calculated pursuant to subsection d. of section 5 of this
41 act;

42 "Stabilization aid growth limit" means 10% or the rate of growth in
43 the district's projected resident enrollment over the prebudget year,
44 whichever is greater. For the 1997-98 school year, this means 8% or
45 one-half the rate of growth in the district's projected resident
46 enrollment and preschool enrollment between the October 1991

1 enrollment report as contained on the district's Application for State
2 School Aid for 1992-93 and the 1997-98 school year, whichever is
3 greater. For the 1998-99 and 1999-2000 school years, this means the
4 greatest of the following: 10%, one-half the district's rate of growth
5 in projected resident enrollment and preschool enrollment over the
6 October 1991 enrollment report as contained on the district's
7 Application for State School Aid for 1992-93, or the district's
8 projected rate of growth in resident enrollment over the prebudget
9 year;

10 "State facility" means a State developmental center; a State
11 Division of Youth and Family Services' residential center; a State
12 residential mental health center; a DHS Regional Day School; a State
13 training school / Secure care facility; a State juvenile community
14 program; a juvenile detention center or a boot camp under the
15 supervisory authority of the Juvenile Justice Commission pursuant to
16 P.L.1995, c.284 (C.52:17B-169 et seq.); or an institution operated by
17 or under contract with the Department of Corrections or Human
18 Services, or the Juvenile Justice Commission;

19 "Statewide average equalized school tax rate" means the amount
20 calculated by dividing the general fund tax levy for all school districts,
21 which excludes county vocational school districts and county special
22 services school districts as defined pursuant to this section, in the
23 State for the prebudget year by the equalized valuations certified in the
24 year prior to the prebudget year of all taxing districts in the State
25 except taxing districts for which there are no school tax levies;

26 "Statewide equalized valuation per pupil" means the equalized
27 valuations of all taxing districts having resident enrollment in the
28 State, divided by the resident enrollment for the State;

29 "T&E amount" means the cost per elementary pupil of delivering
30 the core curriculum content standards and extracurricular and
31 cocurricular activities necessary for a thorough regular education
32 under the assumptions of reasonableness and efficiency contained in
33 the Report on the Cost of Providing a Thorough and Efficient
34 Education;

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

37 "T&E program budget" means the sum of core curriculum
38 standards aid, supplemental core curriculum standards aid,
39 stabilization aid, designated general fund balance, miscellaneous local
40 general fund revenue and that portion of the district's local levy that
41 supports the district's T&E budget;

42 "T&E range" means the range of regular education spending which
43 shall be considered thorough and efficient. The range shall be
44 expressed in terms of T&E budget spending per elementary pupil, and
45 shall be delineated by alternatively adding to and subtracting from the
46 T&E amount the T&E flexible amount;

1 "Total Statewide income" means the sum of the district incomes of
2 all taxing districts in the State.
3 (cf: P.L.1996, c.138, s.3)

4

5 2. This act shall take effect immediately.

6

7

8

STATEMENT

9

10 This bill amends the definition of "Abbott district" under the new
11 school funding law, the "Comprehensive Educational Improvement and
12 Financing Act of 1996," (CEIFA) P.L.1996, c.138, to include any
13 district which was defined as a special needs district under the prior
14 school funding law, the "Quality Education Act of 1990," P.L.1990,
15 c.52. This change will provide for the inclusion of Plainfield and
16 Neptune Township within the Abbott district designation and therefor
17 their treatment as Abbott districts under CEIFA.

18

19

20

21

22 Provides for the inclusion of any district designated as a special needs
23 district under the QEA within the Abbott district definition.