



ANALYSIS OF THE NEW JERSEY BUDGET

**DEPARTMENT
OF EDUCATION**

FISCAL YEAR

2017 - 2018

NEW JERSEY STATE LEGISLATURE

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This report was prepared by the Education Section of the Office of Legislative Services under the direction of the Legislative Budget and Finance Officer. The primary author was Allen T. Dupree.

Questions or comments may be directed to the OLS Education Section (609-847-3850) or the Legislative Budget and Finance Office (609-847-3105).

DEPARTMENT OF EDUCATION

Budget Pages..... C-4, C-10, C-17, C-23, C-25, C-26, D-81 to D-107, H-1, H-2, H-3, H-14, H-15

Fiscal Summary (\$000)

	Expended FY 2016	Adjusted Appropriation FY 2017	Recommended FY 2018	Percent Change 2017-18
State Budgeted	\$12,842,903	\$13,385,291	\$13,908,517	3.9%
Federal Funds	\$835,319	\$901,800	\$892,689	(1.0%)
<u>Other</u>	<u>\$18,693</u>	<u>\$14,188</u>	<u>\$13,994</u>	<u>(1.4%)</u>
Grand Total	\$13,696,915	\$14,301,279	\$14,815,200	3.6%

Personnel Summary - Positions By Funding Source

	Actual FY 2016	Revised FY 2017	Funded FY 2018	Percent Change 2017-18
State	409	408	408	—
Federal	189	188	189	.5%
<u>Other</u>	<u>144</u>	<u>139</u>	<u>138</u>	<u>(.7%)</u>
Total Positions	742	735	735	—

FY 2016 (as of December) and revised FY 2017 (as of January) personnel data reflect actual payroll counts. FY 2018 data reflect the number of positions funded.

Link to Website: <http://www.njleg.state.nj.us/legislativepub/finance.asp>

Highlights

- ***Direct State aid to school districts is essentially flat under the proposed FY 2018 budget for the Department of Education. The amount of direct State aid, not including preschool education aid, extraordinary special education costs aid, and debt service aid, totals \$8.034 billion, a \$3.17 million (0.04 percent) increase relative to FY 2017. The State aid increases are limited to two aid categories.***
 - First, some school districts that participate in the interdistrict public school choice program will receive an increase in the category of aid that funds that program to account for a projected increase in the number of non-resident students who will enroll in the district. A district will be held harmless in this aid category if the aid calculation would otherwise lead to a reduction in school choice aid relative to FY 2017.
 - Second, some districts whose students enroll in charter schools will receive an increase in host district support aid based on an increase in the number of students, weighted by the students' characteristics, projected to enroll in a charter school. Similar to school choice aid, a school district will not experience a reduction in this aid category if the number of its students who are projected to enroll in a charter school declines.
- ***The recommended appropriation for preschool education aid, \$655.5 million is identical to the FY 2017 adjusted appropriation. However, individual districts will experience changes in their preschool education aid allotments based on changes in their projected enrollments.*** The recommended appropriation is \$3 million more than the amount of total funding that school districts will receive in the upcoming school year.
- ***The \$170 million recommended appropriation for extraordinary special education costs aid is the same as the amount appropriated in FY 2017.*** This aid category is used to partially reimburse school districts for a portion of costs incurred in educating special education students for whom instructional, support, or tuition costs exceed certain thresholds. The FY 2017 appropriation was sufficient to fund approximately 55 percent of the total reimbursement to which applicant school districts would have been entitled under current law.
- ***The total recommended State aid appropriation is \$13.826 billion, an increase of \$523.3 million (3.9 percent) that is due almost exclusively to increases in the State's contribution to the Teachers' Pension and Annuity Fund and other benefits, such as post-retirement medical benefits for former school district employees.*** The total appropriation for pensions and other benefits, \$3.716 billion, is an increase of \$486.6 million (15.1 percent) over FY 2017.

Highlights (Cont'd)

- ***The FY 2018 budget proposal reduces support for nonpublic schools in three areas: 1) nursing services aid; 2) technology initiative; and 3) security aid.***
 - The recommended budget reduces nonpublic nursing services aid by \$549,000 (4.1 percent) to \$12.9 million. This reduction represents the difference between the amount included in the FY 2017 Appropriations Act and the amount included in the Governor's FY 2017 budget recommendation.
 - The recommended decrease in the appropriation for the nonpublic technology initiative, from \$3.951 million to \$3 million (a 24.1 percent reduction), also reflects the elimination of the additional appropriation included in the FY 2017 Appropriations Act above the Governor's recommended budget. A corresponding language provision in the proposed budget stipulates that the funding will be provided at a rate of \$26 per pupil. However, given the number of nonpublic students for whom the aid was allocated in the current year, approximately 144,500, an appropriation of \$3.76 million would be needed to provide funding at that per pupil amount.
 - The FY 2018 budget proposal eliminates the \$7.5 million appropriation for nonpublic security aid in its entirety. The proposed budget does not provide funding for the "Secure Schools for All Children Act," P.L.2016, c.49 (C.18A:58-37.8 et seq.), which would provide \$75 per pupil for the provision of security services in nonpublic schools.
- ***The amount of direct State support for charter schools is \$51.4 million, an increase of \$8.8 million (20.7 percent) relative to the FY 2017 appropriation.*** Most of the increase is due to a hold harmless provision that ensures that a charter school's revenue in the 2017-2018 school year is no less than the amount received in the 2016-2017 school year on a total or per pupil basis, whichever is greater. This change is due to projected increases in charter schools' weighted enrollment.
- ***The FY 2018 budget proposal eliminates the \$10 million appropriation for lead testing in schools.*** State Board of Education regulations promulgated in July 2016 required school districts and other entities that educate public school students to conduct lead testing on all drinking outlets accessible to students and staff within one year of the regulations' effective date. The \$10 million appropriation would be used to provide reimbursements for the required testing. A language provision included in the proposed budget stipulates that any unexpended balances from FY 2017 may be used in the subsequent fiscal year for the same purpose.
- ***The \$435,000 appropriation for the Advanced Placement Exam Fee Waiver is eliminated in the proposed FY 2018 budget.*** This appropriation, when combined with the previous federal AP Test Fee program and fee waivers offered by the College Board, allowed low-income students to take Advanced Placement (AP) exams at no cost. The absence of this State funding, combined with the loss of dedicated federal revenue for this purpose, means that low-income students may be required to pay \$55 per AP exam if the College Board does not alter the fees that it charges for these exams or its waiver program, and if the State and school districts do not exercise their authority to use federal Title I funds for this purpose.

Highlights (Cont'd)

- ***The FY 2018 budget recommendation, like the prior year's proposal, includes a \$1 million appropriation to establish an Opportunity Scholarship Demonstration Program.*** Under the proposal, students who are enrolled in a selected "chronically failing school," as determined by the Commissioner of Education, who live in a household in which income does not exceed 185 percent of the federal poverty guidelines may receive a scholarship, not to exceed \$10,000, to enroll in a different public or nonpublic school in the State. The commissioner would also determine the schools that would be eligible to enroll scholarship recipients.

Highlights (Cont'd)

State School Aid Appropriations
(in thousands)

	FY 2016 Expended	FY 2017 Adj. Approp.	FY 2018 Rec. Approp.	Difference FY 2017 to FY 2018	
				Dollar	Percent
Direct Educational Support					
K – 12 ¹	\$7,959,918	\$8,031,342	\$8,034,513	\$3,171	0.0%
Preschool Education Aid	\$655,517	\$655,517	\$655,517	\$0	0.0%
Charter School Aid	\$5,667	\$42,565	\$51,355	\$8,790	20.7%
Nonpublic School Aid ²	\$105,583	\$104,484	\$98,484	(\$6,000)	(5.7%)
Extraordinary Special Education Costs Aid	\$164,989	\$170,000	\$170,000	\$0	0.0%
Miscellaneous	\$50,417	\$87,163	\$78,160	(\$9,003)	(10.3%)
Direct Educational Support Subtotal	\$8,942,091	\$9,091,071	\$9,088,029	(\$3,042)	0.0%
Debt Service Aid	\$114,881	\$118,534	\$130,459	\$11,925	10.1%
Pensions and Benefits					
TPAF Contribution	\$761,169	\$1,083,157	\$1,495,975	\$412,818	38.1%
Post-Retirement Medical Benefits	\$1,150,262	\$1,125,061	\$1,195,527	\$70,466	6.3%
Social Security Tax	\$747,696	\$768,295	\$758,351	(\$9,944)	(1.3%)
Other	\$224,527	\$252,463	\$265,771	\$13,308	5.3%
Pensions and Benefits Subtotal	\$2,883,654	\$3,228,976	\$3,715,624	\$486,648	15.1%
Debt Service on School Construction Bonds	\$840,278	\$898,258	\$918,767	\$20,509	2.3%
Deductions					
EDA Assessment	(\$26,529)	(\$26,529)	(\$26,529)	\$0	0.0%
Savings Due to Payment Delay	(\$1,971)	(\$7,573)	(\$317)	\$7,256	—
Deductions Subtotal	(\$28,500)	(\$34,102)	(\$26,846)	\$7,256	
TOTAL	\$12,752,404	\$13,302,737	\$13,826,033	\$523,296	3.9%

¹The total for FY 2018 is approximately \$35,000 greater than the total State aid shown in the State aid summary on the Department of Education's website due to: 1) rounding; and 2) the recommended appropriations in some aid categories exceeding the total amount allotted to school districts.

²This total includes the portion of the appropriation for transportation aid that is allotted to reimburse school districts for the transportation of nonpublic school students pursuant to section 2 of P.L.1981, c.57 (C.18A:39-1a).

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2016	Adj. Approp. FY 2017	Recom. FY 2018	Percent Change	
				2016-18	2017-18
General Fund					
Direct State Services	\$85,564	\$79,469	\$78,834	(7.9%)	(0.8%)
Grants-In-Aid	4,935	3,085	3,650	(26.0%)	18.3%
State Aid	530,980	553,201	456,000	(14.1%)	(17.6%)
Capital Construction	0	0	0	0.0%	0.0%
Debt Service	0	0	0	0.0%	0.0%
Sub-Total	\$621,479	\$635,755	\$538,484	(13.4%)	(15.3%)
Property Tax Relief Fund					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	12,221,424	12,749,536	13,370,033	9.4%	4.9%
Sub-Total	\$12,221,424	\$12,749,536	\$13,370,033	9.4%	4.9%
Casino Revenue Fund	\$0	\$0	\$0	0.0%	0.0%
Casino Control Fund	\$0	\$0	\$0	0.0%	0.0%
State Total	\$12,842,903	\$13,385,291	\$13,908,517	8.3%	3.9%
Federal Funds	\$835,319	\$901,800	\$892,689	6.9%	(1.0%)
Other Funds	\$18,693	\$14,188	\$13,994	(25.1%)	(1.4%)
Grand Total	\$13,696,915	\$14,301,279	\$14,815,200	8.2%	3.6%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2016	Revised FY 2017	Funded FY 2018	Percent Change	
				2016-18	2017-18
State	409	408	408	(0.2%)	0.0%
Federal	189	188	189	0.0%	0.5%
All Other	144	139	138	(4.2%)	(0.7%)
Total Positions	742	735	735	(0.9%)	0.0%

FY 2016 (as of December) and revised FY 2017 (as of January) personnel data reflect actual payroll counts. FY 2018 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	31.0%	29.2%	N/A	---	---
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2017</u>	<u>Recomm.</u> <u>FY 2018</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
Total State Appropriation	\$13,385,291	\$13,908,517	\$523,226	3.9%	D-81
State Aid					
Total State Aid	\$13,302,737	\$13,826,033	\$523,296	3.9%	D-81

The increase in total State aid in the recommended FY 2018 budget is due almost exclusively to payments made by the State on behalf of school districts rather than direct State aid payments to school districts. Direct State aid to school districts will remain essentially flat in FY 2018. Overall, aid for kindergarten through grade 12 programs will increase by \$3.2 million, or 0.04 percent relative to the FY 2017 allotments. The increase is limited to two State aid categories: 1) school choice aid, which supports the State’s Interdistrict Public School Choice Program; and 2) host district support aid, which will be passed through to charter schools by school districts that, pursuant to the State aid notices released by the Department of Education, are required to provide a higher amount of per pupil funding to charter schools than the amount calculated pursuant to the charter school law. The recommended FY 2018 appropriation for preschool education aid is identical to the FY 2017 adjusted appropriation. However, individual school districts will experience changes in their allotments based on fluctuations in enrollment.

School Choice Aid	\$53,690	\$55,038	\$ 1,348	2.5%	D-89
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School choice aid is allotted to school districts that participate in the Interdistrict Public School Choice Program, under which a student may enroll in a school located in a participating district without paying tuition. Under current law, the amount of aid that a choice district receives is the difference between the district’s per pupil adequacy budget and equalization aid, multiplied by the number of students who are enrolled in the district under the program. Similar to the current school year, the recommended FY 2018 budget calculates school choice aid using districts’ FY 2014 per pupil adequacy budgets and equalization aid amounts. The aid is adjusted to account for differences between a district’s projected and actual enrollment of students in the choice program.

The recommended increase in this appropriation reflects a slight increase in the number of students projected to enroll in a school choice district. It should be noted that the proposed budget incorporates a hold harmless provision for school choice districts in which the initial school choice aid calculation is less than the amount of school choice aid received in the current fiscal year. A total of 34 school districts receive \$1.2 million in school choice aid in order to maintain this year’s funding level.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2017</u>	<u>Recomm. FY 2018</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Transportation Aid	\$192,991	\$195,991	\$ 3,000	1.6%	D-89

The proposed FY 2018 budget would provide school districts with the same amount of transportation aid received in the current fiscal year, totaling \$184 million. The remaining \$12 million of this appropriation will be used to make payments to school districts required pursuant to N.J.S.A.18A:39-1a. School districts are required to provide transportation services to students who live remote from school, more than two miles for students in grades kindergarten through eight, and more than 2.5 miles for high school students. If a school district provides such transportation services to its public school students, then it must also provide transportation to nonpublic school students who live remote from school, but no more than 20 miles from school. However, the per pupil cost of providing transportation services to nonpublic school students may not exceed, as stipulated in the proposed FY 2018 budget, \$884 per pupil. If a school district is unable to provide transportation services within this limit, then the district will pay that amount to the students’ parents as an aid-in-lieu-of transportation payment.

N.J.S.A.18A:39-1a requires that the State reimburse school districts for nonpublic transportation costs that exceed \$710. The recommended increase in this appropriation is due to the State’s share of the cost of implementing a pilot program established pursuant to P.L.2016, c.22. Under that program, the responsibility for providing transportation services to nonpublic school students is shifted from the Lakewood School District to a consortium of nonpublic schools that enroll students who reside in Lakewood. The district makes a payment of \$884 per pupil to the consortium, with the State reimbursing the district for the final \$174 per pupil.

Host District Support Aid	\$25,860	\$27,683	\$ 1,823	7.0%	D-89
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The “Charter School Program Act of 1995,” P.L.1995, c.426 (C.18A:36A-1 et seq.), requires that school districts transfer a certain amount of revenue to charter schools when the districts’ resident students elect to enroll in a charter school. Typically, the base per pupil amount that a district must transfer is calculated using the district’s general fund tax levy from the prior school year, adjusted for inflation, and the district’s budget year equalization aid. In the 2016-2017 school year, rather than calculating charter school funding based on current data, the department calculated the funding using the same per pupil amount that was used in the 2015-2016 school year (which, for some school districts, was based on data from the 2013-2014 school year). If the base per pupil amount for the 2015-2016 school year was greater than the amount calculated using data relevant to the 2016-2017 school year, then the school district received host district support aid in an amount equal to the difference between the base per pupil amounts for the two years multiplied by the projected weighted enrollment of its students who are enrolling in charter schools.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2017</u>	<u>Recomm. FY 2018</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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The proposed FY 2018 budget recommendations do not update the per pupil amount used to determine the amount of host district support aid that a school district will receive. Rather, the total aid amount would be calculated by multiplying the projected weighted enrollment by the same per pupil amount that was used in the 2016-2017 school year. If this calculation would yield less aid in this category than the amount that the district received in FY 2017 (because of a decrease in the weighted enrollment) then the district will receive the same amount of total funding in this category as it received in FY 2017.

Charter School Aid	\$42,565	\$51,355	\$ 8,790	20.7%	D-89
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The proposed appropriation for charter school aid would be used to provide three forms of direct funding – one pursuant to current law and two pursuant to a language provision included in the recommended FY 2018 budget – to charter schools. First, pursuant to section 12 of P.L.1995, c.426 (C.18A:36A-12), school districts are responsible for transferring a certain amount of revenue to the charter schools in which their resident students enroll. However, the law provides that in the first year in which a student who was not included in the district’s projected resident enrollment enrolls in a charter school, the State is responsible for making the payment to the charter school. In recent years, State payments pursuant to this provision have totaled approximately \$2.3 million to \$2.5 million.

Second, the State aid notices for charter schools include a hold harmless provision that is applicable only to charter schools that were operational in the 2007-2008 school year. Specifically, the aid calculation ensures that the revenue that a charter school will receive in the upcoming school year is no less, either on a total or per pupil basis, than the amount received in the 2007-2008 school year. Based on the data included in the State aid notices, this hold harmless provision accounts for approximately \$5.8 million of the total recommended appropriation, an increase of approximately \$156,000 relative to the amount included in the State aid notices for the 2016-2017 school year.

Third, the appropriation would also support a second hold harmless provision that guarantees that a charter school’s revenue in the 2017-2018 school year will be no less, on a total or per pupil basis, than the amount of revenue received in the current school year. There are 68 charter schools that will receive this hold harmless funding, totaling \$41.3 million. This is approximately \$7.4 million more in this form of hold harmless funding than what was included in the FY 2017 State aid notices for charter schools.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2017</u>	<u>Recomm.</u> <u>FY 2018</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
County Vocational School District Partnership Grant Program	\$1,000	\$0	(\$1,000)	(100.0%)	D-96

The appropriations acts in FY 2015 and FY 2016 each included a \$3 million appropriation for the Commissioner of Education to award grants to county vocational school districts that would allow them to establish career and technical education programs in facilities owned by other entities, such as other school districts and county colleges. An identical appropriation was included in the FY 2017 Appropriations Act as approved by the Legislature, but the appropriation was reduced to \$1 million by a line-item veto. P.L.2014, c.73 (C.18A:6-132 et seq.) established a similar four-year program.

The recommended FY 2018 budget eliminates this appropriation. The Office of Legislative Services notes that a significant share of the total amount appropriated for this purpose remains unexpended. Of the amount appropriated in FY 2015, \$2 million remain encumbered, but not yet expended. A total of \$2.2 million from FY 2016 is encumbered, and an additional \$313,000 was carried forward into the current fiscal year. None of the FY 2017 appropriation has been expended to date.

**Cumberland County
Technical Education
Center**

\$503	\$0	(\$ 503)	(100.0%)	D-96
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The appropriation for the Cumberland County Technical Education Center was to support the Cumberland County Vocational School District's increased number of students enrolling in the school district in a full-time basis. Between October 2015 and October 2016, the number of full-time students increased from 49 to 272.

**Nonpublic Nursing
Services Aid**

\$13,451	\$12,902	(\$ 549)	(4.1%)	D-89
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This appropriation supports the provision of nursing services by school districts to students enrolled in nonpublic schools located in the districts' boundaries, as required pursuant to P.L.1991, c.226 (C.18A:40-23 et seq.). In developing the FY 2017 Appropriations Act, the Legislature increased the appropriation included in the Governor's recommended budget to \$14.3 million, allowing a per pupil aid amount of approximately \$95 per pupil. The appropriation was reduced, through a line item veto, to \$13.5 million, which provided \$89 per pupil in this aid category. The FY 2018 recommendation reverts back to the amount included in the FY 2017 budget proposal, adequate to fund aid of \$86.25 per pupil.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2017</u>	<u>Recomm. FY 2018</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Nonpublic Security Aid	\$7,500	\$0	(\$7,500)	(100.0%)	D-89

The Legislature included an appropriation of \$11.3 million in the FY 2017 Appropriations Act for school districts to provide security services, equipment, or technology to nonpublic schools located in the districts' boundaries. The amount was reduced to \$7.5 million through a line item veto, which provided \$50 per pupil enrolled in a nonpublic school. The Office of Legislative Services notes that while the recommended FY 2018 budget does not propose funding for this purpose, P.L.2016, c.49 (C.18A:58-7.8 et seq.), stipulates that school districts would receive \$75 per pupil (adjusted for increases in the consumer price index in subsequent years) enrolled in nonpublic schools for an identical purpose.

Nonpublic Technology Initiative	\$3,951	\$3,000	(\$ 951)	(24.1%)	D-89
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The FY 2017 appropriation for this line item is used by school districts to purchase and loan technological hardware and software to nonpublic schools or to provide professional development to improve nonpublic school teachers' technology skills. The amount included in the Appropriations Act was \$951,000 greater than the amount proposed in the Governor's FY 2017 budget. The FY 2018 budget proposal reduces the appropriation to the amount included in the FY 2017 budget recommendation.

While the budget proposal reduces the appropriation to \$3 million, it does not modify the budget language that establishes a per pupil funding amount of \$26. In the 2016-2017 school year, nonpublic technology funding was provided for approximately 144,500 students. Assuming that the enrollment figures remain unchanged, an appropriation of \$3.76 million would be necessary to support the per pupil funding amount included in the proposed budget. Alternatively, the recommended appropriation would support a per pupil funding amount of approximately \$20.75.

Lead Testing for Schools	\$10,000	\$0	(\$10,000)	(100.0%)	D-89
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The State Board of Education promulgated regulations, effective July 13, 2016, requiring entities that provide educational services to public school students to conduct lead testing on all water outlets that are used by students and staff. The testing was to be completed within one year of the regulations' effective date, and the entities could apply to have the costs of the testing reimbursed. Nonpublic schools were not required to conduct these tests. However, a nonpublic school that opted to perform the tests could receive a reimbursement provided that funds remained available after the reimbursements for mandatory testing has been paid.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2017</u>	<u>Recomm.</u> <u>FY 2018</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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The proposed FY 2018 budget does not include an appropriation for this purpose. It does include budget language authorizing any unexpended funds from FY 2017 to carry forward into FY 2018 to be used for the same purpose. To date, none of the FY 2017 appropriation has been disbursed.

**Payments for
Institutionalized
Children –
Unknown District
of Residence**

\$38,500	\$41,000	\$ 2,500	6.5%	D-89
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Under the provisions of the "State Facilities Education Act of 1979," P.L.1979, c.207 (C.18A:7B-1 et seq.), in the event that a child is placed in a State facility operated by the Department of Human Services or the Department of Children and Families, or a facility operated by or under contract with the Department of Corrections or the Juvenile Justice Commission, the school district in which the child resided prior to the placement is responsible for making tuition payments for the educational services provided while the child is in the facility. However, if the child's residency cannot be determined, the State is responsible for paying the tuition. The State also assumes the financial responsibility for homeless students when the last district of residence cannot be determined. The department has indicated that the recommended increase in the appropriation is due to both an increase in the tuition charged by the State facilities and the number of students in these settings for whom the State is financially responsible.

School Building Aid	\$45,992	\$40,572	(\$5,420)	(11.8%)	D-89
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School Construction

Debt Service Aid	\$72,542	\$89,887	\$17,345	23.9%	D-89
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A school district may receive State aid to defray the cost of debt service payments made on bonds that were issued to pay the costs of school facilities projects. In the case of school facilities projects that were approved prior to the effective date of the "Educational Facilities Construction and Financing Act," P.L.2000, c.72 (C.18A:7G-1 et al.), debt service payments are supported through the appropriation for school building aid. The recommended appropriation is declining as outstanding debts continue to be retired.

For school facilities projects approved after the school construction law's effective date, debt service aid to school districts is paid from the school construction debt service aid account. The recommended increase on the appropriation for this line item reflects the additional bonds that have been issued by school districts for school facilities projects.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2017</u>	<u>Recomm. FY 2018</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
School Construction and Renovation Fund	\$898,258	\$918,767	\$20,509	2.3%	D-90
<p>Under the provisions of the "Educational Facilities Construction and Financing Act," P.L.2000, c.72 (C.18A:7G-1 et al.), the Schools Development Authority is responsible for undertaking the school facilities projects in the 31 SDA (former Abbott) districts, and the State is responsible for 100 percent of the costs. Additionally, a school district that is not an SDA district may receive, in lieu of debt service aid, a one-time grant to partially fund the costs of a school facilities project. The costs of these grants and the projects in the SDA districts are funded from the proceeds of bonds issued by the Economic Development Authority. Appropriations to the school construction and renovation fund are used to make the principal and interest payments due during the fiscal year. The recommended FY 2018 appropriation is consistent with the debt service schedule displayed in the State's FY 2016 debt report.</p>					
Growth Savings – Payment Changes	-\$7,573	-\$317	\$ 7,256	—	D-88
<p>Under current law, school districts are to receive a total of 20 State school aid payments, two per month from September through June, over the course of the school year. Beginning in FY 2003, the last payment has been delayed until the following fiscal year. Since FY 2009, the final two payments have been delayed until the subsequent fiscal year. If the total amount of State aid payable to school districts increases from one year to the next, this accounting maneuver reduces that total amount that must be appropriated for State aid in that subsequent fiscal year, as the two delayed payments from the prior year will be smaller than the other 18 payments that will be made for the subsequent year. A larger increase in State aid payable to school districts would yield a larger savings that may be deducted from the total State aid appropriation. The small savings observed in FY 2018 reflects the fact that aid payable to school districts is only increasing by \$3.1 million, as opposed to the \$71 million increase that occurred in FY 2017.</p>					
Teachers' Pension and Annuity Fund – Post Retirement Medical	\$913,755	\$970,058	\$56,303	6.2%	D-101
Post Retirement Medical Other Than TPAF	\$211,306	\$225,469	\$14,163	6.7%	D-101

The State pays the cost of providing health benefit coverage to retired school district employees in the Teachers' Pension and Annuity Fund system. The recommended increase in the appropriations reflects the net difference between cost increases from the delivery of medical services and enrollment growth and cost savings assumed from: anticipated plan design changes, including implementing Medicare Advantage for Medicare and Medicare-eligible retirees, adopting mandatory generic substitution, adopting open formulary management, and expanding step therapy, that have been adopted by the State Health Benefits

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2017</u>	<u>Recomm. FY 2018</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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Program, but not by the School Employees' Health Benefit plan design committee, totaling \$43.6 million; implementation of P.L.2016, c.67, which provides for the procurement of a pharmacy benefits manager, automated reverse auction services, and claims adjudication services; and the enactment of legislation to restructure out-of-network reimbursement rates.

Teachers' Pension and Annuity Fund	\$1,083,157	\$1,495,975	\$412,818	38.1%	D-101
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The State makes a contribution to the Teachers' Pension and Annuity Fund on behalf of employers, as opposed to the employers being responsible for the contribution. The recommended appropriation for FY 2018 is one-half of the actuarially determined contribution necessary to fund the normal and accrued pension liability.

Teachers' Pension and Annuity Fund – Non-contributory Insurance	\$40,051	\$38,770	(\$1,281)	(3.2%)	D-101
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The State pays the premium for life insurance of school district employees who are members of the Teachers' Pension and Annuity Fund. The recommended decrease in FY 2018 relative to the FY 2017 adjusted appropriation likely reflects the current year's appropriation being more than necessary to satisfy current obligations. Currently, more than one-third of this year's appropriations remain unexpended.

Social Security Tax	\$768,295	\$758,351	(\$9,944)	(1.3%)	D-101
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The State reimburses school districts for the employers' share of the Social Security taxes for employees who are members of the Teachers' Pension and Annuity Fund system. While the recommended FY 2018 appropriation is a reduction relative to the FY 2017 adjusted appropriation, this does not represent a fundamental change in the amount of State resources necessary to provide this reimbursement. In the current school year, the State has either expended or pre-encumbered \$753.5 million, and the remaining \$14.8 million is expected to lapse.

Affordable Care Act Fees	\$1,662	\$784	(\$ 878)	(52.8%)	D-101
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The federal Affordable Care Act imposed two temporary fees on self-funded, non-federal sponsors of group health plans: the Transitional Reinsurance fee and the Patient-Centered Outcomes Research Institute fee. The recommended reduction in this appropriation reflects the expiration of the Transitional Reinsurance fee. The Patient-Centered Outcomes Research Institute fee is scheduled to sunset in October 2019.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2017</u>	<u>Recomm. FY 2018</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Debt Service on Pension Obligation Bonds	\$210,750	\$226,217	\$15,467	7.3%	D-102

The "Pension Bond Funding Act of 1997," P.L.1997, c.114 (C.34:1B-7.45 et seq.), authorized the Economic Development Authority to issue bonds, the proceeds of which were used to fund the accrued pension liability in the State's various pension systems, including the Teachers' Pension and Annuity Fund (TPAF). This line item is used to make principal and interest payments due that are attributable to the payments made into the TPAF from these bond proceeds.

Grants-in-Aid

Advanced Placement Exam Fee Waiver	\$435	\$0	(\$ 435)	(100.0%)	D-101
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The appropriation for the Advanced Placement (AP) exam fee waiver pays a portion of the fees charged by the College Board for low-income students taking Advanced Placement (AP) exams. The intent is that this funding, when combined with a fee waiver offered by the College Board and the federal Advanced Placement Test Fee Program, would allow low-income students to take AP exams at no cost.

Due to the enactment of the federal Every Student Succeeds Act, the Advanced Placement Test Fee Program has been eliminated, and there are no federal funds specifically dedicated to paying a portion of students' AP exam fees in the current school year. However, states and school districts may use a portion of their federal Title I allotments for this purpose. Assuming that neither the State nor a school district elects to use Title I funding to pay a portion of the cost of AP exam fees for low-income students, each AP exam would cost \$33 for low-income students. Absent State funding, and assuming that the fees charged and the waivers offered by the College Board remain unchanged, the cost of AP exam fees for low-income students would increase to \$55 per exam in the 2017-2018 school year.

Opportunity Scholarship Demonstration Program	\$0	\$1,000	\$ 1,000	—	D-101
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The FY 2018 recommended budget includes an appropriation to establish an Opportunity Scholarship Demonstration Program. Under the corresponding language provision included in the budget, the program would award scholarships, not to exceed \$10,000, to students enrolled in selected "chronically failing schools" (the Commissioner of Education would determine what constitutes a chronically failing school, and the subset of such schools whose students would be eligible to receive a scholarship). A student must also reside in a household in which the income does not exceed 185 percent of the federal poverty

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2017</u>	<u>Recomm. FY 2018</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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threshold. The commissioner may establish additional eligibility criteria for receipt of a scholarship, and would select one or more public or nonpublic schools that would be authorized to receive scholarship students.

The FY 2014 and FY 2016 proposed budgets each included a \$2 million appropriation for this purpose, while the FY 2017 budget recommendations included a \$1 million appropriation. The Legislature did not include the budget proposals in the Appropriations Act in any of these years.

Direct State Services

Educational Support Services

(Salaries and Wages)	\$20,686	\$20,516	(\$ 170)	(.8%)	D-100
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The recommended reduction in salaries and wages in FY 2018 occurs in two areas. First, there is a small proposed decrease for salaries and wages in the offices of the executive county superintendents of schools. The recommended appropriation, \$5.379 million, is \$24,000 less than the FY 2017 adjusted appropriation. Second, the division that includes the offices that oversee charter schools and the interdistrict public school choice program has a proposed appropriation for salaries and wages of \$1.689 million, \$146,000 less than the FY 2017 adjusted appropriation.

Education Administration and Management

(Salaries and Wages)	\$14,636	\$14,171	(\$ 465)	(3.2%)	D-105
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The proposed reduction in the adjusted appropriation is due to decreases in salaries and wages in three areas. First, the recommended appropriation for salaries and wages in the department’s data, research, and evaluation office of \$482,000 is \$137,000 less than the FY 2017 adjusted appropriation. Second, in the Division of Executive Services, which includes the Office of the Commissioner as well as the State Board of Education, the recommended appropriation for salaries and wages, \$3.174 million, is \$182,000 less than the FY 2017 adjusted appropriation. Similarly, the recommended appropriation in Division of Administration is \$146,000 less than the FY 2017 adjusted appropriation, declining from \$4.307 million to \$4.161 million.

These reductions reflect the elimination of funding in excess of the amounts necessary to maintain current staffing levels.

Significant Language Changes

Nonpublic Nursing Services Aid

Revision

2017 Handbook: p. B-45
2018 Budget: p. D-90

Notwithstanding the provisions of section 9 of P.L.1991, c.226 (C.18A:40–31), the amount hereinabove appropriated for Nonpublic Nursing Services Aid shall be made available to local school districts based upon the number of pupils enrolled in each nonpublic school on the last day prior to ~~October 16, 2015~~ October 16, 2016 and the rate per pupil shall be \$86.25.

Explanation

P.L.1991, c.226 requires that school districts provide certain nursing services for students enrolled in nonpublic schools located within the districts’ boundaries using State funds provided for nonpublic nursing services aid. The Governor’s FY 2017 proposed budget included a recommended appropriation for this purpose of \$12.902 million. As enacted, the FY 2017 Appropriations Act included \$13.451 million for this purpose, which was sufficient to allocate the aid at a rate of approximately \$89 per pupil. The recommended revision to the language reduces the per pupil allocation to \$86.25. The proposed budget includes a corresponding decrease in the appropriation for this line item to the \$12.902 million included in the FY 2017 budget proposal.

Nonpublic Security Aid

Deletion

2017 Handbook: p. B-45
2018 Budget: p. --

~~From the amount hereinabove appropriated for Nonpublic Security Aid the Commissioner of Education shall provide State aid to each school district in an amount equal to \$50 multiplied by the number of nonpublic school students within the district identified by the district on or before November 5 for security services, equipment, or technology to ensure a safe and secure school environment for nonpublic school students.~~

EXPLANATION: FY 2017 language not recommended for FY 2018 denoted by strikethrough. Recommended FY 2018 language that did not appear in FY 2017 denoted by underlining.

Significant Language Changes (Cont'd)

Explanation

The recommended FY 2018 budget eliminates a language provision, and the corresponding appropriation, that the Legislature added to the FY 2017 Appropriations Act to provide \$50 per pupil enrolled in a nonpublic school to school districts. Districts, in turn, provided security services, equipment, or technology for the students attending a nonpublic school located in the districts' boundaries. The Office of Legislative Services notes that under the provisions of P.L.2016, c.49 (C.18A:58-37.8 et seq.), school districts were to receive, starting in the 2016-2017 school year, \$75 per pupil enrolled in a nonpublic school for the same purpose. In subsequent school years, the per pupil funding amount is to be adjusted by the annual percentage increase in the consumer price index. The FY 2018 recommended budget does not include an appropriation to implement the provisions of this law.

Debt Attributable to "School District Fiscal Accountability Act"

Addition

2017 Handbook: p. - -
2018 Budget: p. D-91

Notwithstanding the provisions of P.L.2006, c.15 (N.J.S.A.18A:7A-54 et seq.) or any law or regulation to the contrary, in the event that a school district owes an amount greater than 50 percent of its annual general fund budget attributable in substantial part to loans made to the district from the "School District Deficit Relief Account" established pursuant to P.L.2006, c.15 (N.J.S.A.18A:7A-54 et seq.), such debt, as reduced by the liquidation of all available assets of the school district, may be forgiven upon the school district's merger with another district if the Commissioner of Education determines that such debt represents an impediment to consolidation, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The "School District Fiscal Accountability Act," P.L.2006, c.15 (C.18A:7A-54 et seq.) provides, among other things, that the Commissioner of Education may make a recommendation to the State Treasurer that a school district receive an advance State aid payment if doing so is necessary to ensure the provision of a thorough and efficient education. The advance State aid payment would be repaid over a period not to exceed 10 years through an automatic reduction in the State aid otherwise due to the district. The above recommended language provision stipulates that if a district owes an amount greater than 50 percent of its general fund budget in substantial part due to outstanding State aid advances, then the Commissioner of Education would have the authority to forgive the outstanding balance, after the liquidation of available assets, if the district merges with another school district, and if forgiving the debt would facilitate the merger.

EXPLANATION: FY 2017 language not recommended for FY 2018 denoted by strikethrough.
Recommended FY 2018 language that did not appear in FY 2017 denoted by underlining.

Significant Language Changes (Cont'd)

This recommended language provision appears to be specific to the Elmer Borough School District. According to the district's FY 2016 Comprehensive Annual Financial Report (CAFR), the district ended FY 2011 with a deficit of \$272,243 in its general fund budget. Subsequently, the district received advance State aid payments of \$1 million in FY 2012, \$212,239 in FY 2013, \$514,450 in FY 2014, \$577,037 in FY 2015, and \$668,125 in FY 2016. The district also adopted a budget for FY 2017 that anticipated receiving an advance State aid payment of \$736,734. The CAFR states that the district's outstanding balance, as of June 30, 2016, for the advance State aid payments totals \$2.348 million, which represents 57.9 percent of the district's FY 2016 general fund budget of \$4.053 million. The Office of Legislative Services notes that the CAFR also states that the district, "...once legislation is enacted, will be consolidated with the Pittsgrove Board of Education and will no longer be in existence."

Lead Testing For Schools

Deletion

2017 Handbook: p. B-46
2018 Budget: p. - -

~~Notwithstanding the provisions of any law or regulation to the contrary, the amount hereinabove appropriated for Lead Testing for Schools is subject to the following condition: amounts shall be paid to school districts, subject to the approval of the Director of the Division of Budget and Accounting, based on approved applications for reimbursement of the costs of testing school drinking water pursuant to program requirements established by the department, which shall be effective upon filing with the Office of Administrative Law.~~

Lead Testing for Schools Unexpended Balances

Addition

2017 Handbook: p. - -
2018 Budget: p. D-92

The unexpended balance at the end of the preceding fiscal year in the Lead Testing for Schools account is appropriated for the same purpose.

Explanation

On July 13, 2016, the State Board of Education promulgated regulations that required all public schools, including charter schools, renaissance school projects, jointure commissions, educational services commissions, approved private schools for students with disabilities, State-funded early childcare facilities, and receiving schools to, within one year of the regulations' effective date, conduct testing in all drinking water outlets to which a student or staff member has access. The regulations state that an entity that is required to perform lead testing is eligible to receive a reimbursement for any testing conducted after the regulations' effective date. Nonpublic schools that elect to conduct lead testing in drinking water outlets may apply to receive a reimbursement, approval of which would be

EXPLANATION: FY 2017 language not recommended for FY 2018 denoted by strikethrough.
Recommended FY 2018 language that did not appear in FY 2017 denoted by underlining.

Significant Language Changes (Cont'd)

subject to the availability of funds after reimbursements have been made for required testing. The FY 2017 Appropriations Act included \$10 million to reimburse school districts for conducting testing that complied with the regulations. The FY 2018 recommended budget does not include this appropriation, and the corresponding language provision is eliminated.

To date, the \$10 million appropriated in FY 2017 for the reimbursement remains unexpended. The FY 2018 proposed budget includes a language provision that would allow any amounts that remain unexpended at the end of the current fiscal year to be carried forward and used for the same purpose.

County Vocational School District Partnership Grant Program

Deletion

2017 Handbook: p. B-49
2018 Budget: p. --

~~The amount hereinabove appropriated for County Vocational School District Partnership Grant Program shall be allocated for grants to county vocational school districts to partner with urban districts, other school districts, county colleges, and other entities to create high-quality career and technical education programs in existing facilities. The Commissioner of Education shall award grants, within the limit of available State appropriations, to selected county vocational school districts to be used to support the development and implementation of a career and technical education program. The commissioner shall determine the amount of each grant awarded under the program and may award multi-year grants.~~

Explanation

While developing the FY 2017 Appropriations Act, the Legislature included \$3 million for the County Vocational Partnership Grant Program. The appropriation was reduced to \$1 million through a line-item veto. Under the program, grants may be awarded to county vocational school districts to establish career and technical education programs in the facilities of other entities. The FY 2015 and FY 2016 appropriations acts included \$3 million for the same purpose. The Office of Legislative Services notes that in both FY 2015 and FY 2016, more than \$2 million remain obligated, but not yet spent. None of the FY 2017 appropriation has been expended.

EXPLANATION: FY 2017 language not recommended for FY 2018 denoted by strikethrough. Recommended FY 2018 language that did not appear in FY 2017 denoted by underlining.

Significant Language Changes (Cont'd)

Advanced Placement Exam Fee Waiver

Deletion

2017 Handbook: p. B-51
2018 Budget: p. - -

~~The amount hereinabove appropriated for Advanced Placement Exam Fee Waiver shall supplement that portion of the Advanced Placement Exam Fee that is not currently funded by the Federal Advanced Placement Test Fee Program, The College Board Test Fee Waiver and School Test Processing Fee Waiver for students that qualify for the Free or Reduced Lunch Program.~~

Explanation

The Legislature included an appropriation of \$435,000 in the FY 2017 Appropriations Act to be used to partially pay Advanced Placement (AP) exam fees for low-income students, defined as those who are eligible to receive free or reduced-price lunch under the National School Lunch Program. When combined with the fee waiver and school rebate offered by the College Board for these students, as well as the federal Advanced Placement Test Fee Program, low-income students would be able to take AP exams at no cost. The recommended FY 2018 budget eliminates this appropriation and the corresponding language provision.

The Office of Legislative Services notes that the federal Advanced Placement Test Fee Program was eliminated upon the enactment of the Every Student Succeeds Act, and no federal funds have been specifically earmarked in the current school year to pay a portion of AP exam fees for low-income students. However, states and school districts may use a portion of their federal Title I funds for this purpose. According to a memo from the Department of Education to school districts, the College Board will charge \$93 per AP exam in the 2016-2017 school year. After applying the College Board's \$31 fee waiver, the \$9 school rebate, and \$20 in funding to be provided by the State out of the current fiscal year's appropriation, a low-income student would be responsible for the remaining \$33, unless the district opts to defray a portion or all of the balance.

EXPLANATION: FY 2017 language not recommended for FY 2018 denoted by strikethrough.
Recommended FY 2018 language that did not appear in FY 2017 denoted by underlining.

Significant Language Changes (Cont'd)

Statewide Assessment Program Supplemental Appropriations

Addition

2017 Handbook: p. --
2018 Budget: p. D-102

In addition to the amount hereinabove appropriated for the Statewide Assessment Program, there are appropriated such additional amounts as may be necessary for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

Statewide Assessment Program Unexpended Balances

Addition

2017 Handbook: p. --
2018 Budget: p. D-102

The unexpended balance at the end of the preceding fiscal year in the Statewide Assessment Program account is appropriated for the same purpose.

Explanation

The appropriation for the Statewide Assessment Program supports the cost of administering a series of required tests to public school students, including the assessments developed by the Partnership for Assessment of Readiness for College and Career consortium (PARCC assessments), as well as science tests in grades four and eight, and biology in high school. The first language provision authorizes the Director of the Division of Budget and Accounting to approve a supplemental appropriation if the amount included in the Appropriations Act proves to be insufficient.

The second language provision stipulates that any funds appropriated in FY 2017 that have not been expended will carry forward into the subsequent fiscal year for the same purpose. To date, \$23.5 million has either been expended or encumbered, with \$2 million having been placed in reserve.

EXPLANATION: FY 2017 language not recommended for FY 2018 denoted by strikethrough. Recommended FY 2018 language that did not appear in FY 2017 denoted by underlining.

Significant Language Changes (Cont'd)

Opportunity Scholarship Development Program

Addition

2017 Handbook: p. --
2018 Budget: p. D-102

The amount hereinabove appropriated for the Opportunity Scholarship Demonstration Program for the 2017–2018 school year is subject to the following conditions: the Commissioner of Education shall establish, implement, and oversee a pilot program to provide expanded educational opportunities for a limited number of pupils from families with limited financial resources who are enrolled in selected chronically failing schools by providing scholarships not to exceed \$10,000 per student to enable them to enroll in a different school selected by their parents or guardians; provided, however, that in order to be eligible to receive a scholarship pursuant to this paragraph, a student shall be from a household with an income that does not exceed 1.85 times the official federal poverty level for the school year and be enrolled in a chronically failing school as selected and determined by the Commissioner of Education. The Commissioner of Education shall be responsible for establishing written eligibility criteria for scholarships and for selecting one or more public or nonpublic schools located in this State to provide an approved program of instruction to students receiving scholarships under this program. Such written eligibility criteria and other relevant information concerning the utilization of these scholarship funds shall be publicly available and published on the Department’s Internet website.

Explanation

The recommended FY 2018 budget appropriates \$1 million for an Opportunity Scholarship Demonstration Program. The above language specifies that a student would be eligible to receive a scholarship, not to exceed \$10,000, if the student lives in a household in which income does not exceed 185 percent of the federal poverty threshold, and attends a “chronically failing school,” which would be defined and selected by the Commissioner of Education. The commissioner would also develop other eligibility criteria for receipt of a scholarship, and would select one or more public or nonpublic schools that would be able to enroll scholarship students. Substantively identical language was included in the Governor’s budget recommendations for FY 2014, FY 2016, and FY 2017, but was not included in the appropriations acts for those years.

Adequacy Budget Calculation

Addition

2017 Handbook: p. --
2018 Budget: p. D-106

Notwithstanding the provisions of any law or regulation to the contrary, school district adequacy budgets for fiscal year 2018 shall be equal to the school district’s adequacy budget for fiscal year 2017.

EXPLANATION: FY 2017 language not recommended for FY 2018 denoted by strikethrough.
Recommended FY 2018 language that did not appear in FY 2017 denoted by underlining.

Significant Language Changes (Cont'd)

Explanation

A school district's adequacy budget is an estimate of the financial resources that it requires to provide educational opportunities to its students that are consistent with State standards. The calculation is based on district enrollment and the estimated cost of educating students, with adjustments made to account for cost differences associated with educating students in different grade levels, at-risk, bilingual, and special education students, students enrolled in county vocational school districts, and the variations in costs in different areas of the State. To the extent that the Department of Education did not implement the provisions of the "School Funding Reform Act of 2008," P.L.2007, c.260 (C.18A:7F-43 et al.) for FY 2018, this language provision stipulates that districts' adequacy budgets for the upcoming school year will be the same as in FY 2017.

Since other language provisions in the proposed budget stipulate how State school aid and school districts' payments to charter schools are calculated, this language provision only affects districts' budgeting procedures. Under current law, if a school district's proposed budget for the upcoming school year includes spending in excess of its adequacy budget, the district must state, in multiple places, that the programs and services being proposed by the district exceed the standards adopted by the State Board of Education. It is plausible that the marginal difference between a district's FY 2017 adequacy budget and what it would have been in FY 2018 if the department had performed the calculation would impact whether or not the district would be required to provide this statement.

EXPLANATION: FY 2017 language not recommended for FY 2018 denoted by strikethrough.
Recommended FY 2018 language that did not appear in FY 2017 denoted by underlining.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services provides nonpartisan assistance to the State Legislature in the areas of legal, fiscal, research, bill drafting, committee staffing and administrative services. It operates under the jurisdiction of the Legislative Services Commission, a bipartisan body consisting of eight members of each House. The Executive Director supervises and directs the Office of Legislative Services.

The Legislative Budget and Finance Officer is the chief fiscal officer for the Legislature. The Legislative Budget and Finance Officer collects and presents fiscal information for the Legislature; serves as Secretary to the Joint Budget Oversight Committee; attends upon the Appropriations Committees during review of the Governor's Budget recommendations; reports on such matters as the committees or Legislature may direct; administers the fiscal note process and has statutory responsibilities for the review of appropriations transfers and other State fiscal transactions.

The Office of Legislative Services Central Staff provides a variety of legal, fiscal, research and administrative services to individual legislators, legislative officers, legislative committees and commissions, and partisan staff. The central staff is organized under the Central Management Unit into ten subject area sections. Each section, under a section chief, includes legal, fiscal, and research staff for the standing reference committees of the Legislature and, upon request, to special commissions created by the Legislature. The central staff assists the Legislative Budget and Finance Officer in providing services to the Appropriations Committees during the budget review process.

Individuals wishing information and committee schedules on the FY 2018 budget are encouraged to contact:

**Legislative Budget and Finance Office
State House Annex
Room 140 PO Box 068
Trenton, NJ 08625
(609) 847-3105 • Fax (609) 777-2442**