

[First Reprint]

ASSEMBLY, No. 2320

STATE OF NEW JERSEY

208th LEGISLATURE

INTRODUCED JULY 27, 1998

Sponsored by:

Assemblyman DAVID W. WOLFE

District 10 (Monmouth and Ocean)

Assemblyman RICHARD H. BAGGER

District 22 (Middlesex, Morris, Somerset and Union)

SYNOPSIS

Establishes the Interdistrict Public School Choice Program.

CURRENT VERSION OF TEXT

As reported by the Assembly Education Committee on December 10, 1998,
with amendments.



1 AN ACT establishing an interdistrict public school choice program
 2 ¹**[and]** ¹ supplementing Title 18A of the New Jersey Statutes ¹and
 3 amending P.L.1996, c.138¹.
 4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 6 *of New Jersey:*
 7

8 1. (New section) This act shall be known and may be cited as the
 9 "Interdistrict Public School Choice Program Act of 1998."
 10

11 2. ¹(New section) ¹ As used in this act:

12 "Choice district" means a public school district which is authorized
 13 under the interdistrict public school choice program to open a school
 14 or schools to students from sending districts;

15 "Commissioner" means the Commissioner of Education;

16 "Receiving district" means the district receiving a student from a
 17 sending district;

18 ¹**["Regional choice consortium"** means an organization created by
 19 two or more public school districts which is authorized under the
 20 interdistrict public school choice program to open a selection of its
 21 schools to students from a participating district;**"]**¹

22 "Sending district" means the district of residence of a student.
 23

24 3. ¹(New section)¹ The Commissioner of Education shall establish
 25 an interdistrict public school choice program which shall provide for
 26 the creation of ¹**[not more than one regional choice consortium in**
 27 **each county and the creation of at least one choice district in each**
 28 **county]** choice districts as follows: for the first year of the program,
 29 no more than 10 choice districts Statewide and no more than one per
 30 county; for the second year, no more than 15 choice districts
 31 Statewide and no more than one per county; and by the end of the
 32 third year and for the fourth and fifth years, no more than 21 choice
 33 districts Statewide and no more than one per county¹ . A ¹**["regional**
 34 **choice consortium may enroll students across district lines in**
 35 **designated schools of the participating districts with tuition to be paid**
 36 **by the sending districts, and a]**¹ choice district may enroll students
 37 across district lines in designated schools of the choice district ¹**[" with**
 38 **tuition to be paid by the sending districts]**¹ .
 39

40 ¹**[**4. Two or more school districts may voluntarily determine to
 41 establish a regional choice consortium. The proposed regional choice

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AED committee amendments adopted December 10, 1998.

1 consortium shall submit an application to the commissioner no later
2 than April 30 in the school year prior to the school year in which the
3 choice program will be implemented. The application shall include, but
4 not be limited to, the following information:

5 a. a description of programs and schools and the number of student
6 openings in each school which are available for selection;

7 b. the provision for reciprocal movement and selection between
8 districts;

9 c. the provision for the creation of a parent information center;

10 d. a description of the student application process and any criteria
11 required for admission;

12 e. an analysis of the potential impact of the program on racial
13 diversity and a plan for maintaining diversity, which plan shall not be
14 used to supersede a court-ordered desegregation plan;

15 f. the provision for screening out students during the application
16 process who wish to attend a school for athletic, extracurricular or
17 social reasons; and

18 g. a description of the pupil transportation to be utilized by the
19 consortium.

20 The commissioner shall notify a consortium of the approval or
21 disapproval of its application no later than May 30, and the reasons for
22 disapproval shall be included in the notice. The county superintendent
23 shall be responsible for the supervision of the establishment and
24 operation of a regional choice consortium.】¹

25
26 ¹【5. The commissioner shall evaluate an application submitted by
27 a proposed regional choice consortium according to the following
28 criteria:

29 a. the fiscal impact on participating districts;

30 b. the quality and variety of academic programs offered within
31 participating districts;

32 c. the potential effectiveness of the student application process and
33 of the admissions criteria utilized;

34 d. the impact on racial diversity in participating districts; and

35 e. the degree to which the program will promote educational
36 improvement in the participating schools of the districts.】¹

37
38 ¹【6. a. The parents or guardian of a student shall submit an
39 application to the regional choice consortium, indicating the school the
40 student wishes to attend, no later than the date specified by the
41 commissioner. Openings in a designated school of a participating
42 district shall be on a space available basis, and if more applications are
43 received for a designated school than there are spaces available, a
44 lottery shall be held to determine the selection of students. If not all
45 available openings are filled, the consortium may agree to accept
46 students from nonparticipating school districts which voluntarily agree

1 to send students to a designated school. Preference for enrollment
2 may be given to siblings of students who are enrolled in a designated
3 school, and if a regional choice consortium opens its enrollment
4 beyond its participating member districts, preference for enrollment
5 shall also be given to those students residing in a member district.

6 b. A receiving district may evaluate a prospective student on
7 reasonable criteria, including the student's interest in the program
8 offered by a designated school. The district shall not discriminate in
9 its admission policies or practices on the basis of athletic ability,
10 intellectual aptitude, English language proficiency or status as a
11 handicapped person.

12 c. A student whose application is rejected by a receiving district
13 shall be provided with a reason for the rejection in the letter of notice.
14 The appeal of a rejection notice may be made to the county
15 superintendent.

16 d. Once a student is enrolled in a designated school, the student
17 shall not be required to reapply for each school year and shall continue
18 to be enrolled until graduation or until such time as the choice
19 program is terminated. A student shall be permitted to transfer back
20 to a school of the sending district or may apply to a different
21 designated school in a participating district during the next application
22 period.

23 e. A receiving district shall accept all of the credits earned toward
24 graduation by a student in the schools of the sending district.】¹

25
26 ¹【7. a. The sending district shall pay directly to the receiving
27 district for each of its students enrolled in a school of the district an
28 amount equal to 90% of the program budget per pupil for the specific
29 grade level. If the receiving district enrolls more than 3% of the
30 sending district's total enrollment, the sending district shall pay directly
31 to the receiving district for each of its students enrolled in a school of
32 the district an amount equal to 85% of the program budget per pupil
33 for the specific grade level. The program budget shall include (1) core
34 curriculum standards aid; (2) supplemental core curriculum standards
35 aid; (3) stabilization aid, including supplemental stabilization aid and
36 supplemental school tax reduction aid; (4) designated general fund
37 balance; (5) miscellaneous local general fund revenue; and (6) the
38 district's general fund tax levy. The payment shall be made exclusively
39 from State aid received by the sending district.

40 b. For the purpose of calculating State aid, other than
41 transportation aid, a student shall be counted in the resident enrollment
42 of the sending district. For the purpose of determining the payment to
43 be made by a sending district to a choice district, the enrollment count
44 shall be based on enrollment as of October 15 of each year.

45 c. In no case shall the schools of a consortium and charter schools
46 enroll more than a total of 7% of the students of a sending district.

1 d. A school district participating in a regional choice consortium
2 shall not be eligible to enroll students on a tuition basis while a
3 member of a consortium.】¹

4
5 ¹【8.】 4. (New section) a. ¹ A proposed choice district shall submit
6 an application to the commissioner no later than April 30 in the school
7 year prior to the school year in which the choice program will be
8 implemented ¹except that for the first year of implementation of the
9 program the application shall be submitted no later than the date
10 specified by the commissioner¹. The application shall include, but not
11 be limited to, the following information:

12 ¹【a.】 (1)¹ a description of programs and schools and the number
13 of student openings in each school ¹identified by grade level¹ which
14 are available for selection;

15 ¹【b.】 (2)¹ the provision for the creation of a parent information
16 center;

17 ¹【c.】 (3)¹ a description of the student application process and any
18 criteria required for admission;

19 ¹【d.】 (4)¹ an analysis of the potential impact of the program on
20 racial diversity ¹in all potential participating districts¹ and a plan for
21 maintaining diversity ¹in all potential participating districts¹, which
22 plan shall not be used to supersede a court-ordered desegregation
23 plan; and

24 ¹【e.】 (5)¹ the provision for screening out students during the
25 application process who wish to attend a school for athletic,
26 extracurricular or social reasons.

27 The commissioner shall notify a choice district of the approval or
28 disapproval of its application no later than ¹【May】 July¹ 30, and the
29 reasons for disapproval shall be included in the notice. The ¹【county
30 superintendent】 Department of Education¹ shall be responsible for the
31 supervision of the establishment and operation of choice districts.

32 ¹b. The commissioner may take appropriate action, consistent with
33 State and federal law, to provide that racial diversity in all districts
34 participating in a choice district program is maintained. The actions
35 may include, but not be limited to:

36 (1) directing a choice district to take appropriate steps to
37 successfully implement the district's plan for maintaining racial
38 diversity;

39 (2) restricting the number of choice students from a sending district
40 or the authority of a choice district to accept choice students in the
41 future; and

42 (3) revoking his approval of the choice district. Any choice
43 student who is attending a designated school in a choice district at the
44 time of the commissioner's revocation of approval shall be entitled to
45 continue to be enrolled in that school until graduation.¹

1 ¹**[9.] 5. (New section)** ¹The commissioner shall evaluate an
2 application submitted by a proposed choice district according to the
3 following criteria:

- 4 a. the fiscal impact on the district;
5 b. the quality and variety of academic programs offered within the
6 district;
7 c. the potential effectiveness of the student application process and
8 of the admissions criteria utilized;
9 d. the impact on racial diversity in the district; and
10 e. the degree to which the program will promote educational
11 improvement in the choice district and the sending districts.

12
13 ¹**[10.] 6. (New section)** ¹ a. The parents or guardian of a student
14 shall submit an application to the choice district, indicating the school
15 the student wishes to attend, no later than the date specified by the
16 commissioner. ¹To be eligible to participate in the program, a student
17 shall be enrolled at the time of application in grades K through 9 in a
18 school of the sending district and have attended school in the sending
19 district for at least one full year immediately preceding enrollment in
20 the choice district. ¹ Openings in a designated school of a choice
21 district shall be on a space available basis, and if more applications are
22 received for a designated school than there are spaces available, a
23 lottery shall be held to determine the selection of students. Preference
24 for enrollment may be given to siblings of students who are enrolled
25 in a designated school.

26 b. A choice district may evaluate a prospective student on
27 reasonable criteria, including the student's interest in the program
28 offered by a designated school. The district shall not discriminate in
29 its admission policies or practices on the basis of athletic ability,
30 intellectual aptitude, English language proficiency ¹**[or],** ¹ status as
31 a handicapped person ¹, or any other basis prohibited by State or
32 federal law ¹.

33 c. ¹A choice district shall not prohibit the enrollment of a student
34 based upon a determination that the additional cost of educating the
35 student would exceed the amount of additional State aid received as
36 a result of the student's enrollment. A choice district may reject the
37 application for enrollment of a student who has been classified as
38 eligible for special education services pursuant to chapter 46 of Title
39 18A of the New Jersey Statutes if that student's individualized
40 education program could not be implemented in the district, or if the
41 enrollment of that student would require the district to fundamentally
42 alter the nature of its educational program, or would create an undue
43 financial or administrative burden on the district.

44 d. ¹ A student whose application is rejected by a choice district shall
45 be provided with a reason for the rejection in the letter of notice. The
46 appeal of a rejection notice may be made to the ¹**[county**

1 superintendent] commissioner¹ .

2 ¹[d.] e¹ Once a student is enrolled in a designated school, the
3 student shall not be required to reapply for each school year and shall
4 continue to be enrolled until graduation ¹[or until such time as the
5 choice program is terminated]¹ . A student shall be permitted to
6 transfer back to a school of the sending district or may apply to a
7 different choice district during the next application period.

8 ¹[e.] f.¹ A choice district shall accept all of the credits earned
9 toward graduation by a student in the schools of the sending district.
10

11 ¹[11.] 7. (New section)¹ a. ¹[The sending district shall pay
12 directly to the choice district for each of its students enrolled in a
13 school of the choice district an amount equal to 90% of the program
14 budget per pupil for the specific grade level. If the choice district
15 enrolls more than 3% of the sending district's total enrollment, the
16 sending district shall pay directly to the choice district for each of its
17 students enrolled in a school of the district an amount equal to 85% of
18 the program budget per pupil for the specific grade level. The
19 program budget shall include (1) core curriculum standards aid; (2)
20 supplemental core curriculum standards aid; (3) stabilization aid,
21 including supplemental stabilization aid and supplemental school tax
22 reduction aid; (4) designated general fund balance; (5) miscellaneous
23 local general fund revenue; and (6) the district's general fund tax levy.
24 The payment shall be made exclusively from State aid received by the
25 sending district] For the purpose of calculating State aid for a choice
26 student in a choice district, the student shall not be counted in the
27 resident enrollment of the receiving district for the calculation of core
28 curriculum standards aid but shall be treated in the same manner as a
29 student who resides in the receiving district for purpose of calculating
30 all other forms of State aid under the "Comprehensive Educational
31 Improvement and Financing Act of 1996," P.L.1996, c.138
32 (C.18A:7F-1 et seq.). The receiving district shall receive school
33 choice aid for each choice student in the amount of the weighted per
34 pupil T & E amount established pursuant to section 12 of P.L.1996,
35 c.138 (C.18A:7F-12); except that for a choice student who attends a
36 district factor group A or B receiving district, the receiving district
37 shall receive the weighted per pupil maximum T & E amount¹ .

38 b. Upon adoption of a resolution, the school board of a sending
39 district may restrict enrollment of its students in a choice district to a
40 maximum of 2% of the number of students ¹per grade level per year¹
41 in the sending district ¹limited by any resolution adopted pursuant to
42 subsection c. of this section¹ . If the school board determines to
43 impose a maximum limit and there are more applications to enroll in
44 the choice school than there are spaces available, the sending district
45 school shall select applicants by a random selection process.
46 ¹Preference for enrollment may be given to siblings of students who

1 are currently enrolled in the choice school. The school board of a
2 sending district may restrict enrollment of a student on the basis of an
3 exceptional circumstance that would affect the sending district's
4 instructional program upon the adoption of a resolution detailing the
5 reasons for the restriction. The restriction shall be subject to the
6 approval of the commissioner. ¹

7 c. ¹**For the purpose of calculating State aid, other than**
8 **transportation aid, a student shall be counted in the resident enrollment**
9 **of the sending district. For the purpose of determining the payment**
10 **to be made by a sending district to a choice district, the enrollment**
11 **count shall be based on enrollment as of October 15 of each year.**

12 d. In no case shall the schools of a choice district and charter
13 schools enroll more than a total of 7% of the students of a sending
14 district.

15 e. **Upon adoption of a resolution, the school board of a sending**
16 **district may limit the number of students participating in the choice**
17 **program to a maximum of 7% of the total number of students enrolled**
18 **in the sending district and may also limit enrollment of district students**
19 **in charter schools established pursuant to the provisions of P.L.1995,**
20 **c.426 (C.18A:36A-1 et seq.) to a maximum of 7% of the total number**
21 **of students enrolled in the sending district. Upon adoption of a**
22 **resolution, a sending district may also limit the combined number of**
23 **students participating in the choice program and charter schools to a**
24 **maximum of 10% of the total number of students enrolled in the**
25 **sending district. In the event that a school board adopts a resolution**
26 **pursuant to this subsection restricting the enrollment of the district's**
27 **students in charter schools, that restriction shall supersede the**
28 **enrollment restriction established pursuant to the provisions of**
29 **subsection e. of section 4 of P.L.1995, c.426 (C18A:36A-4).**

30 d. ¹A choice district shall not be eligible to enroll students on a
31 tuition basis ¹pursuant to N.J.S.18A:38-3¹ while participating in the
32 public school choice program. ¹**Any student enrolled on a tuition basis**
33 **prior to the establishment of the choice program shall be entitled to**
34 **remain enrolled in the choice district as a choice student.** ¹

35
36 ¹**[12.] 8. (New section)** ¹Transportation, or aid in lieu of
37 transportation, shall be provided to an elementary school pupil who
38 lives more than two miles from the receiving district school of
39 attendance and to a secondary school pupil who lives more than two
40 and one-half miles from the receiving district school of attendance,
41 provided the receiving district school is not more than 20 miles from
42 the residence of the pupil. Transportation, or aid in lieu of
43 transportation, shall be the responsibility of the receiving district, and
44 for purposes of calculating State aid for transportation, a student from
45 a sending district who is attending a school in a receiving district shall
46 be counted in the resident enrollment of the receiving district.

1 ¹13. 9. (New section)¹ A ¹regional choice consortium or a¹
2 choice district shall establish and maintain a parent information center.
3 The center shall collect and disseminate information ¹on a regional
4 basis¹ about participating programs and schools and shall assist
5 parents and guardians in submitting applications for enrollment of
6 students in an appropriate program and school.

7
8 ¹14. 10. (New section)¹ a. ¹A regional choice consortium or
9 a choice district shall submit an annual report to the commissioner no
10 later than June 30 containing a review of its program.

11 b.¹ The commissioner shall ¹annually¹ report to the State Board
12 of Education and the Legislature on the effectiveness of the
13 interdistrict public school choice program ¹, including any
14 recommendation for its continuation, no¹ No¹ later than June 30
15 ¹[of] following¹ the second year of the operation of the program
16 ¹the report shall include a recommendation on the continuation of the
17 program¹.

18 ¹b. By December 1 of the second year of operation of the school
19 choice program, the commissioner shall forward to the Joint
20 Committee on the Public Schools an independent evaluation of the first
21 two years of the operation of the program. The evaluation shall be
22 conducted by an individual or entity with expertise in the field of
23 education. On or before the subsequent February 15, the Joint
24 Committee on the Public Schools shall submit a report to the
25 Legislature on the implementation of the choice program, which shall
26 include a recommendation on whether the program should be
27 continued in accordance with the provisions of section 3 of this act.
28 If the Legislature does not disapprove the recommendation by the
29 adoption of a concurrent resolution within 60 days of the Joint
30 Committee's submission of the report, then the recommendation shall
31 be deemed approved.¹

32
33 ¹11. (New section) There shall be established a School Choice
34 Panel which shall consist of a broad-based representative group of
35 educators composed of superintendents, teachers, business
36 administrators, program specialists, and Department of Education
37 program specialists. The School Choice Panel shall consider district
38 applications for participation in the choice program and shall provide
39 a recommendation to the commissioner as to the approval or denial of
40 applications.¹

41
42 ¹12. (New section) Any student enrolled in a charter school prior
43 to the effective date of P.L. , c. (C.) (now pending before the
44 Legislature as this bill) shall be entitled to remain enrolled in the
45 charter school until graduation notwithstanding the provisions of

1 subsection c. of section 7 of P.L. . c. (C.) (now pending before
2 the Legislature as this bill).¹

3
4 ¹13. Section 3 of P.L.1996, c.138 (C.18A:7F-3) is amended to
5 read as follows:

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

8 "Abbott district" means one of the 28 urban districts in district
9 factor groups A and B specifically identified in the appendix to
10 Raymond Abbott, et al. v. Fred G. Burke, et al. decided by the New
11 Jersey Supreme Court on June 5, 1990 (119 N.J.287, 394);

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

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

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

20 "Commissioner" means the Commissioner of Education;

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

28 "CPI" means the average annual increase, expressed as a decimal,
29 in the consumer price index for the New York City and Philadelphia
30 areas during the fiscal year preceding the prebudget year as reported
31 by the United States Department of Labor;

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

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

38 "County vocational school, special education services pupil" means
39 a pupil who is attending a county vocational school and who is
40 receiving specific services pursuant to chapter 46 of Title 18A of the
41 New Jersey Statutes;

42 "Debt service" means and includes payments of principal and
43 interest upon school bonds and other obligations issued to finance the
44 purchase or construction of school facilities, additions to school
45 facilities, or the reconstruction, remodeling, alteration, modernization,
46 renovation or repair of school facilities, including furnishings,

1 equipment, architect fees and the costs of issuance of such obligations
2 and shall include payments of principal and interest upon bonds
3 heretofore issued to fund or refund such obligations, and upon
4 municipal bonds and other obligations which the commissioner
5 approves as having been issued for such purposes. Debt service
6 pursuant to the provisions of P.L.1978, c.74 (C.18A:58-33.22 et seq.),
7 P.L.1971, c.10 (C.18A:58-33.6 et seq.) and P.L.1968, c.177
8 (C.18A:58-33.2 et seq.) is excluded;

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

15 "District income" for the 1997-98 school year means the aggregate
16 income of the residents of the taxing district or taxing districts, based
17 upon data provided by the Bureau of the Census in the United States
18 Department of Commerce for 1989. Beginning with the 1998-99
19 school year and thereafter, district income means the aggregate
20 income of the residents of the taxing district or taxing districts, based
21 upon data provided by the Division of Taxation in the New Jersey
22 Department of the Treasury and contained on the New Jersey State
23 Income Tax forms for the calendar year ending prior to the prebudget
24 year. The commissioner may supplement data contained on the State
25 Income Tax forms with data available from other State or federal
26 agencies in order to better correlate the data to that collected on the
27 federal census. With respect to regional districts and their constituent
28 districts, however, the district income as described above shall be
29 allocated among the regional and constituent districts in proportion to
30 the number of pupils resident in each of them;

31 "Estimated minimum equalized tax rate" for a school district means
32 the district's required local share divided by its equalized valuation; for
33 the State it means the sum of the required local shares of all school
34 districts in the State, excluding county vocational and county special
35 services school districts as defined pursuant to this section, divided by
36 the sum of the equalized valuations for all the school districts in the
37 State except those for which there is no required local share;

38 "Equalized valuation" means the equalized valuation of the taxing
39 district or taxing districts, as certified by the Director of the Division
40 of Taxation on October 1, or subsequently revised by the tax court by
41 January 15, of the prebudget year. With respect to regional districts
42 and their constituent districts, however, the equalized valuations as
43 described above shall be allocated among the regional and constituent
44 districts in proportion to the number of pupils resident in each of them.
45 In the event that the equalized table certified by the director shall be
46 revised by the tax court after January 15 of the prebudget year, the

1 revised valuations shall be used in the recomputation of aid for an
2 individual school district filing an appeal, but shall have no effect upon
3 the calculation of the property value multiplier, Statewide equalized
4 valuation per pupil, estimated minimum equalized tax rate for the
5 State, or Statewide average equalized school tax rate;

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

9 "Household income" means income as defined in 7CFR 245.2 and
10 245.6 or any subsequent superseding federal law or regulation;

11 "Lease purchase payment" means and includes payments of
12 principal and interest for lease purchase agreements in excess of five
13 years approved pursuant to subsection f. of N.J.S.18A:20-4.2 to
14 finance the purchase or construction of school facilities, additions to
15 school facilities, or the reconstruction, remodeling, alteration,
16 modernization, renovation or repair of school facilities, including
17 furnishings, equipment, architect fees and issuance costs. Approved
18 lease purchase agreements in excess of five years shall be accorded the
19 same accounting treatment as school bonds;

20 "Low-income pupils" means those pupils from households with a
21 household income at or below the most recent federal poverty
22 guidelines available on October 15 of the prebudget year multiplied by
23 1.30;

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

27 "Modified district enrollment" means the number of pupils other
28 than preschool pupils, evening school pupils, post-graduate pupils, and
29 post-secondary vocational pupils who, on the last school day prior to
30 October 16, are enrolled in the school district or county vocational
31 school district; or are resident in the school district or county
32 vocational school district and are: (1) receiving home instruction, (2)
33 enrolled in an approved private school for the handicapped, (3)
34 enrolled in a regional day school, (4) enrolled in a county special
35 services school district, (5) enrolled in an educational services
36 commission including an alternative high school program operated by
37 an educational services commission, (6) enrolled in a State college
38 demonstration school, (7) enrolled in the Marie H. Katzenbach School
39 for the Deaf, or (8) enrolled in an alternative high school program in
40 a county vocational school. Modified district enrollment shall be
41 based on the prebudget year count for the determination of
42 concentration of low-income pupils, and shall be projected to the
43 current year and adjusted pursuant to section 5 of this act when used
44 in the calculation of aid;

45 "Net budget" unless otherwise stated in this act, means the sum of
46 the net T&E budget and the portion of the district's local levy that is

1 above the district's maximum T & E budget;

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

7 "Prebudget year" means the school fiscal year preceding the year in
8 which the school budget is implemented;

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

12 "Prebudget year net budget" for the 1997-98 school year means the
13 sum of the foundation aid, transition aid, transportation aid, special
14 education aid, bilingual education aid, aid for at-risk pupils,
15 technology aid, and county vocational program aid received by a
16 school district or county vocational school district in the 1996-97
17 school year pursuant to P.L.1996, c.42, and the district's local levy for
18 the general fund;

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

22 "Resident enrollment" means the number of pupils other than
23 preschool pupils, post-graduate pupils, and post-secondary vocational
24 pupils who, on the last school day prior to October 16 of the current
25 school year, are residents of the district and are enrolled in: (1) the
26 public schools of the district, excluding evening schools, (2) another
27 school district, other than a county vocational school district in the
28 same county on a full-time basis, or a State college demonstration
29 school or private school to which the district of residence pays tuition,
30 or (3) a State facility in which they are placed by the district; or are
31 residents of the district and are: (1) receiving home instruction, or (2)
32 in a shared-time vocational program and are regularly attending a
33 school in the district and a county vocational school district. In
34 addition, resident enrollment shall include the number of pupils who,
35 on the last school day prior to October 16 of the prebudget year, are
36 residents of the district and in a State facility in which they were
37 placed by the State. Pupils in a shared-time vocational program shall
38 be counted on an equated full-time basis in accordance with
39 procedures to be established by the commissioner. Resident
40 enrollment shall include regardless of nonresidence, the enrolled
41 children of teaching staff members of the school district or county
42 vocational school district who are permitted, by contract or local
43 district policy, to enroll their children in the educational program of
44 the school district or county vocational school district without
45 payment of tuition. Handicapped children between three and five
46 years of age and receiving programs and services pursuant to

1 N.J.S.18A:46-6 shall be included in the resident enrollment of the
2 district **1**.

3 Beginning in 1997-98 and thereafter, resident enrollment shall also
4 include those nonresident children who are permitted to enroll in the
5 educational program without payment of tuition as part of a voluntary
6 program of interdistrict public school choice approved by the
7 commissioner**1**;

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

11 "School enrollment" means the number of pupils other than
12 preschool pupils, evening school pupils, post-graduate pupils, and
13 post-secondary vocational pupils who, on the last school day prior to
14 October 16 of the current school year, are recorded in the registers of
15 the school;

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

19 "Spending growth limitation" means the annual rate of growth
20 permitted in the net budget of a school district, county vocational
21 school district or county special services school district as measured
22 between the net budget of the prebudget year and the net budget of the
23 budget year as calculated pursuant to subsection d. of section 5 of this
24 act;

25 "Stabilization aid growth limit" means 10% or the rate of growth in
26 the district's projected resident enrollment over the prebudget year,
27 whichever is greater. For the 1997-98 school year, this means 8% or
28 one-half the rate of growth in the district's projected resident
29 enrollment and preschool enrollment between the October 1991
30 enrollment report as contained on the district's Application for State
31 School Aid for 1992-93 and the 1997-98 school year, whichever is
32 greater. For the 1998-99 and 1999-2000 school years, this means the
33 greatest of the following: 10%, one-half the district's rate of growth
34 in projected resident enrollment and preschool enrollment over the
35 October 1991 enrollment report as contained on the district's
36 Application for State School Aid for 1992-93, or the district's
37 projected rate of growth in resident enrollment over the prebudget
38 year;

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

1 Services, or the Juvenile Justice Commission;

2 "Statewide average equalized school tax rate" means the amount
3 calculated by dividing the general fund tax levy for all school districts,
4 which excludes county vocational school districts and county special
5 services school districts as defined pursuant to this section, in the
6 State for the prebudget year by the equalized valuations certified in the
7 year prior to the prebudget year of all taxing districts in the State
8 except taxing districts for which there are no school tax levies;

9 "Statewide equalized valuation per pupil" means the equalized
10 valuations of all taxing districts having resident enrollment in the
11 State, divided by the resident enrollment for the State;

12 "T&E amount" means the cost per elementary pupil of delivering
13 the core curriculum content standards and extracurricular and
14 cocurricular activities necessary for a thorough regular education
15 under the assumptions of reasonableness and efficiency contained in
16 the Report on the Cost of Providing a Thorough and Efficient
17 Education;

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

20 "T&E program budget" means the sum of core curriculum
21 standards aid, supplemental core curriculum standards aid,
22 stabilization aid, designated general fund balance, miscellaneous local
23 general fund revenue and that portion of the district's local levy that
24 supports the district's T&E budget;

25 "T&E range" means the range of regular education spending which
26 shall be considered thorough and efficient. The range shall be
27 expressed in terms of T&E budget spending per elementary pupil, and
28 shall be delineated by alternatively adding to and subtracting from the
29 T&E amount the T&E flexible amount;

30 "Total Statewide income" means the sum of the district incomes of
31 all taxing districts in the State.¹

32 (cf: P.L.1996, c.138, s.3)

33

34 ¹14. Section 5 of P.L. 1996, c.138 (C.18A:7F-5) is amended to
35 read as follows:

36 5. a. Biennially, within 30 days following the approval of the
37 Report on the Cost of Providing a Thorough and Efficient Education,
38 the commissioner shall notify each district of the T&E amount, the
39 T&E flexible amount, the T&E range, early childhood program
40 amount, demonstrably effective program amount, instructional
41 supplement amount, and categorical amounts per pupil for the
42 subsequent two fiscal years.

43 Annually, within two days following the transmittal of the State
44 budget message to the Legislature by the Governor pursuant to section
45 11 of P.L.1944, c.112 (C.52:27B-20), the commissioner shall notify
46 each district of the maximum amount of aid payable to the district in

1 the succeeding school year pursuant to the provisions of this act, and
2 shall notify each district of the district's T&E budget, maximum T&E
3 budget, and minimum permissible T&E budget for the succeeding
4 school year.

5 Beginning in the 1998-99 school year, unless otherwise specified
6 within this act, aid amounts payable for the budget year shall be based
7 on budget year pupil counts, which shall be projected by the
8 commissioner using data from prior years. Adjustments for the actual
9 pupil counts of the budget year shall be made to State aid amounts
10 payable during the school year succeeding the budget year. Additional
11 amounts payable shall be reflected as revenue and an account
12 receivable for the budget year.

13 Notwithstanding any other provision of this act to the contrary,
14 each district's State aid payable for the 1997-98 school year, with the
15 exception of transportation and facilities aids pursuant to sections 25,
16 26, and 27 of this act, shall be based on simulations employing the
17 various formulas and State aid amounts contained in this act using
18 projections based on the October 1995 pupil counts, December 1995
19 special education census data and October 1995 equalized valuations.
20 Transportation aid shall be calculated based on the provisions of this
21 act using pupil data used for the 1996-97 school year and adjusted to
22 reflect the total amount of State aid disbursed in the 1996-97 school
23 year. The commissioner shall prepare a report dated December 19,
24 1996 reflecting the State aid amounts payable by category for each
25 district and shall submit the report to the Legislature prior to the
26 adoption of this act. The amounts contained in the commissioner's
27 report shall be the final amounts payable and shall not be subsequently
28 adjusted because of changes in pupil counts or equalized valuations.
29 The projected pupil counts and equalized valuations used for the
30 calculation of State aid shall also be used for the calculation of
31 maximum T&E budget, minimum T&E budget, local share, required
32 local share, and spending growth limitation. State aid notification of
33 debt service aid pursuant to section 27 of this act shall include a
34 statement that debt service aid shall be determined in the budget.

35 Any school district which enrolls students who reside on federal
36 property which were not included in the calculation of core curriculum
37 standards aid for 1997-98 shall have its core curriculum standards aid
38 recalculated for these additional enrollments through the 1997-98
39 school year using the property value multiplier, income value
40 multiplier, equalized valuation, and district income which were used
41 in the original Statewide calculation of core curriculum standards aid.
42 The additional aid resulting from the recalculations shall be divided by
43 20 and the product shall be added to each of the remaining core
44 curriculum standards aid payments for the 1997-98 school year.
45 Additionally, the core curriculum standards aid calculation and
46 payment schedule for 1998-99 shall be adjusted for such enrollments

1 arriving after the last school day prior to October 16, 1997.

2 b. Each district shall have a required local share. For Abbott
3 districts, the required local share for the purpose of determining its
4 estimated minimum equalized tax rate and supplemental core
5 curriculum standards aid shall equal the district's local share calculated
6 at the middle of the T&E range (T&E amount x WENR, where WENR
7 is the district's weighted enrollment pursuant to section 13 of this act).

8 Notwithstanding the above provision, no Abbott district shall raise
9 a general fund tax levy which is less than the prior year general fund
10 tax levy unless the sum of the levy and the other components of the
11 T&E program budget equals or exceeds its maximum T&E budget
12 calculated pursuant to section 13 of this act.

13 For district factor group A districts, the required local share shall
14 equal the district's local share calculated at its minimum T&E budget
15 pursuant to section 13 of this act.

16 For all other districts, the required local share shall equal the lesser
17 of the local share calculated at the district's minimum T&E budget
18 pursuant to section 13 of this act, or the district's budgeted local share
19 for the prebudget year.

20 In order to meet this requirement, each district shall raise a general
21 fund tax levy which, when added to the general fund balance
22 designated for the budget year, miscellaneous local general fund
23 revenues estimated consistent with GAAP to be realized during the
24 budget year, supplemental core curriculum standards aid calculated
25 pursuant to section 17 of this act and stabilization aid and
26 supplemental school tax reduction aid calculated pursuant to section
27 10 of this act, equals its required local share or, for Abbott districts,
28 the amount required when the calculation of required local share
29 would result in a general fund tax levy which is less than the general
30 fund tax levy of the prebudget year. For 1997-98, the budgeted local
31 share for the prebudget year shall be the district's general fund tax
32 levy.

33 For the 1997-98 school year, any tax increase which would be
34 required of an Abbott district or district factor group A district to
35 meet its required local share, after consideration of supplemental core
36 curriculum standards aid, stabilization aid, and supplemental school tax
37 reduction aid shall be fully funded by the State and recorded as
38 supplemental core curriculum standards aid. The commissioner, in
39 consultation with the Commissioner of the Department of Community
40 Affairs and the Director of the Division of Local Government Services
41 in the Department of Community Affairs, shall examine the fiscal
42 ability of the Abbott districts and the district factor group A districts
43 eligible for supplemental core curriculum standards aid to absorb any
44 reduction in such aid and shall make recommendations to the
45 Legislature and the Governor regarding the continuation of
46 supplemental core curriculum standards aid to those districts. In

1 making those recommendations, the commissioner shall consider the
2 ratable base of the municipality or municipalities in which the district
3 is located, the tax burden placed upon the local community due to
4 other required municipal services, and the fiscal ability of the school
5 district to raise its required local share. The commissioner shall not
6 implement any of those recommendations until the recommendations
7 are enacted into law.

8 No municipal governing body or bodies or board of school
9 estimate, as appropriate, shall certify a general fund tax levy which
10 does not meet the required local share provisions of this section.

11 c. Annually, on or before March 4, each district board of education
12 shall adopt, and submit to the commissioner for approval, together
13 with such supporting documentation as the commissioner may
14 prescribe, a budget that provides no less than the minimum permissible
15 T&E budget, plus categorical amounts required for a thorough and
16 efficient education as established pursuant to the report, special
17 revenue funds and debt service funds.

18 d. (1) A district proposing a budget which includes spending
19 which exceeds the maximum T&E budget established pursuant to
20 section 13 of this act shall submit, as appropriate, to the board of
21 school estimate or to the voters of the district at the annual school
22 budget election conducted pursuant to the provisions of P.L.1995,
23 c.278 (C.19:60-1 et seq.), a general fund tax levy which when added
24 to the other components of its net budget does not exceed the
25 prebudget year net budget by more than the spending growth
26 limitation calculated as follows: the sum of three percent or the CPI,
27 whichever is greater, multiplied by the prebudget year net budget, and
28 adjustments for changes in enrollment, certain capital outlay
29 expenditures, expenditures for pupil transportation services provided
30 pursuant to N.J.S.18A:39-1.1, and special education costs per pupil
31 in excess of \$40,000. The adjustment for special education costs shall
32 equal any increase in the sum of per pupil amounts in excess of
33 \$40,000 for the budget year less the sum of per pupil amounts in
34 excess of \$40,000 for the prebudget year indexed by the CPI or three
35 percent, whichever is greater. The adjustment for enrollments shall
36 equal the increase in unweighted resident enrollments between the
37 prebudget year and budget year multiplied by the per pupil general
38 fund tax levy amount for the prebudget year indexed by the CPI or
39 three percent, whichever is greater. The adjustment for capital outlay
40 shall equal any increase between the capital outlay portion of the
41 general fund budget for the budget year less any withdrawals from the
42 capital reserve account and the capital outlay portion of the general
43 fund budget for the prebudget year indexed by the CPI or three
44 percent, whichever is greater. Any district with a capital outlay
45 adjustment to its spending growth limitation shall be restricted from
46 transferring any funds from capital outlay accounts to current expense

1 accounts. The adjustment for capital outlay shall not become part of
2 the prebudget year net budget for purposes of calculating the spending
3 growth limitation of the subsequent year. The adjustment for pupil
4 transportation costs provided pursuant to N.J.S.18A:39-1.1 shall equal
5 the cost of providing such pupil transportation services for the budget
6 year.

7 (2) A district proposing a budget set at or below the minimum
8 T&E budget established pursuant to section 13 of this act shall submit,
9 as appropriate, to the board of school estimate or to the voters of the
10 district at the annual school budget election conducted pursuant to the
11 provisions of P.L.1995, c.278 (C.19:60-1 et seq.), a general fund tax
12 levy which when added to the other components of the net T&E
13 budget shall not exceed the prebudget year net T&E budget or in
14 1997-98 the prebudget year net budget by more than the spending
15 growth limitation calculated as follows: the sum of three percent or the
16 CPI, whichever is greater, multiplied by the prebudget year net budget,
17 and adjustments for changes in enrollment, certain capital outlay
18 expenditures, expenditures for pupil transportation services provided
19 pursuant to N.J.S.18A:39-1.1, and special education costs per pupil in
20 excess of \$40,000. The enrollment adjustment shall equal the increase
21 in weighted resident enrollment between the prebudget year and the
22 budget year multiplied by the T&E amount less the T&E flexible
23 amount. The adjustments for special education costs, pupil
24 transportation services, and capital outlay expenditures shall be
25 calculated pursuant to the provisions of paragraph (1) of this
26 subsection.

27 Notwithstanding the provisions of this paragraph, no district shall
28 raise a net budget which is less than the local share required under the
29 required local share provisions of this act plus the other components
30 of its net budget.

31 (3) A district proposing a budget set at or below the maximum
32 T&E budget, but including amounts in excess of the minimum T&E
33 budget established pursuant to section 13 of this act, shall submit, as
34 appropriate, to the board of school estimate or to the voters at the
35 annual school budget election conducted pursuant to the provisions of
36 P.L.1995, c.278 (C.19:60-1 et seq.), a general fund tax levy which
37 when added to the other components of its net T&E budget does not
38 exceed the prebudget year net T&E budget or in 1997-98 the
39 prebudget year net budget by more than the spending growth
40 limitation calculated as follows: the sum of three percent or the CPI,
41 whichever is greater, multiplied by the prebudget year net budget, and
42 adjustments for changes in enrollment, certain capital outlay
43 expenditures, expenditures for pupil transportation services provided
44 pursuant to N.J.S.18A:39-1.1, and special education costs per pupil
45 in excess of \$40,000 per pupil. The enrollment adjustment shall equal
46 the increase in the unweighted resident enrollment between the

1 prebudget year and the budget year multiplied by the prebudget year
2 T&E program budget per pupil indexed by the CPI or three percent,
3 whichever is greater. For the 1997-98 school year, the T&E program
4 budget for the prebudget year shall equal the sum of the general fund
5 tax levy, foundation aid, and transition aid. The adjustment for special
6 education costs, pupil transportation services, and capital outlay
7 expenditures shall be made pursuant to the provisions of paragraph (1)
8 of this subsection.

9 (4) Any debt service payment made by a school district during the
10 budget year shall not be included in the calculation of the district's
11 spending growth limitation.

12 (5) For the 1997-98 school year, a district's spending growth
13 limitation shall be increased by the excess of county special services
14 school district tuition over prebudget year county special services
15 school district tuition indexed by the CPI or three percent, whichever
16 is greater.

17 (6) For the purpose of determining a district's spending growth
18 limitation for the 1997-98 school year, a district may apply to the
19 commissioner to add all or a part of the district's original designated
20 general fund balance for 1996-97 to the spending growth limitation if
21 it can demonstrate through current accounting records and historical
22 trend data that the fund balance will actually be spent in the budget
23 year.

24 (7) If the use of early childhood program aid for the provision of
25 full-day kindergarten and preschool classes and other early childhood
26 programs and services or the use of demonstrably effective program
27 aid for the provision of instructional, school governance, and health
28 and social service programs will cause the district to exceed its
29 spending growth limitation, the district may apply to the commissioner
30 for an adjustment to that limitation.

31 (8) If an increase in tuition for the budget year charged to a
32 sending district by the receiving district pursuant to the provisions of
33 N.J.S.18A:38-19 would reduce the sending district's per pupil net
34 budget amount below the prior year's per pupil net budget amount in
35 order to comply with the district's spending growth limitation, the
36 district may apply to the commissioner for an adjustment to that
37 limitation.

38 (9) Any district may submit at the annual school budget election a
39 separate proposal or proposals for additional funds, including
40 interpretive statements, specifically identifying the program purposes
41 for which the proposed funds shall be used, to the voters, who may, by
42 voter approval, authorize the raising of an additional general fund tax
43 levy for such purposes. In the case of a district with a board of school
44 estimate, one proposal for the additional spending shall be submitted
45 to the board of school estimate. Any proposal or proposals rejected by
46 the voters shall be submitted to the municipal governing body or

1 bodies for a determination as to the amount, if any, that should be
2 expended notwithstanding voter rejection. The decision of the
3 municipal governing body or bodies or board of school estimate, as
4 appropriate, shall be final and no appeals shall be made to the
5 commissioner.

6 (10) Notwithstanding any provision of law to the contrary, if a
7 district proposes a budget which exceeds the maximum T&E budget,
8 the following statement shall be published in the legal notice of public
9 hearing on the budget pursuant to N.J.S.18A:22-28, posted at the
10 public hearing held on the budget pursuant to N.J.S.18A:22-29, and
11 printed on the sample ballot required pursuant to section 10 of
12 P.L.1995, c.278 (C.19:60-10):

13 "Your school district has proposed programs and services in
14 addition to the core curriculum content standards adopted by the State
15 Board of Education. Information on this budget and the programs and
16 services it provides is available from your local school district."

17 e. (1) Any general fund tax levy rejected by the voters for a
18 proposed budget in excess of the maximum T&E budget shall be
19 submitted to the governing body of each of the municipalities included
20 within the district for determination of the amount that should be
21 expended notwithstanding voter rejection. In the case of a district
22 having a board of school estimate, the general fund tax levy shall be
23 submitted to the board for determination of the amount that should be
24 expended. If the governing body or bodies or board of school
25 estimate, as appropriate, reduce the district's proposed net budget, the
26 district may appeal any of the reductions to the commissioner on the
27 grounds that the reductions will negatively impact on the stability of
28 the district given the need for long term planning and budgeting. In
29 considering the appeal, the commissioner shall consider enrollment
30 increases or decreases within the district; the history of voter approval
31 or rejection of district budgets; the impact on the local levy; and
32 whether the reductions will impact on the ability of the district to fulfill
33 its contractual obligations. A district may not appeal any reductions
34 on the grounds that the amount is necessary for a thorough and
35 efficient education.

36 (2) Any general fund tax levy rejected by the voters for a proposed
37 budget at or below the maximum T&E budget shall be submitted to
38 the governing body of each of the municipalities included within the
39 district for determination of the amount that should be expended
40 notwithstanding voter rejection. In the case of a district having a
41 board of school estimate, the general fund tax levy shall be submitted
42 to the board for determination. Any reductions may be appealed to the
43 commissioner on the grounds that the amount is necessary for a
44 thorough and efficient education or that the reductions will negatively
45 impact on the stability of the district given the need for long term
46 planning and budgeting. In considering the appeal, the commissioner

1 shall also consider the factors outlined in paragraph (1) of this
2 subsection.

3 In the case of a school district in which the proposed budget is
4 below, or after a reduction made by the municipal governing body or
5 board of school estimate is below, the minimum T&E budget
6 calculated pursuant to section 13 of this act, any reductions made by
7 the municipal governing body or board of school estimate shall be
8 automatically reviewed by the commissioner. In reviewing the budget,
9 the commissioner shall also consider the factors outlined in paragraph
10 (1) of this subsection. In addition, the municipal governing body or
11 board of school estimate shall be required to demonstrate clearly to the
12 commissioner that the proposed budget reductions shall not adversely
13 affect the ability of the school district to provide a thorough and
14 efficient education or the stability of the district given the need for
15 long term planning and budgeting.

16 (3) In lieu of any budget reduction appeal provided for pursuant to
17 paragraphs (1) and (2) of this subsection, the State board may
18 establish pursuant to the "Administrative Procedure Act," P.L.1968,
19 c.410 (C.52:14B-1 et seq.), an expedited budget review process based
20 on a district's application to the commissioner for an order to restore
21 a budget reduction.

22 (4) When the voters, municipal governing body or bodies, or the
23 board of school estimate authorize the general fund tax levy, the
24 district shall submit the resulting budget to the commissioner within 15
25 days of the action of the voters or municipal governing body or bodies,
26 whichever is later, or of the board of school estimate as the case may
27 be.

28 f. Any district which is not an Abbott district but which was
29 classified as a special needs district under the "Quality Education Act
30 of 1990," P.L.1990, c.52 (C.18A:7D-1 et al.), may appeal any budget
31 reduction made by the municipal governing body or board of school
32 estimate, as appropriate, to the commissioner.

33 g. The commissioner shall annually review the budget of any
34 district which was classified as a special needs district under the
35 "Quality Education Act of 1990," P.L.1990, c.52 (C.18A:7D-1 et al.),
36 to determine if any educationally meritorious program or service
37 established through State resources provided as a result of that
38 funding law is proposed to be reduced or eliminated. If the
39 commissioner determines that the program or service is in jeopardy
40 and that a reallocation of resources is possible without jeopardizing
41 other educationally meritorious programs or services, he may require
42 the school board to fund the program or service through a reallocation
43 of resources.¹

44 (cf: P.L.1996, c.138, s.5)

45

46 ¹15. Section 11 of P.L.1996, c.138 (C.18A:7F-11) is amended to

1 read as follows:

2 11. The State's core curriculum standards aid contribution for the
3 1997-98 school year shall be \$2,620,200,000. In subsequent years, the
4 State's core curriculum standards aid contribution shall be the total
5 Statewide core curriculum standards aid calculated pursuant to
6 section 15 of this act for the prebudget year and prior to the
7 application of section 10 indexed by the sum of 1.0, the CPI, and the
8 State average enrollment growth percentage between the prebudget
9 year and the budget year as projected by the commissioner :except
10 that school choice aid awarded pursuant to subsection a. of section 7
11 of P.L. , c. (C.) (now pending before the Legislature as this
12 bill) for pupils from a sending district that receives core curriculum
13 standards aid shall be deducted from this amount prior to the
14 calculation of each district's core curriculum standards aid .¹
15 (cf: P.L.1996, c.138, s.11)

16
17 ¹16. Section 13 of P.L.1996, c.138 (C.18A:7F-13) is amended to
18 read as follows:

19 13. a. The weighted enrollment for each school district and each
20 county vocational school district shall be calculated as follows:

21 $WENR = PW \times PENR + EW \times EENR + MW \times MENR + HW \times HENR$

22 where

23 PW is the T&E weight for kindergarten enrollment;

24 EW is the T&E weight for elementary enrollment;

25 MW is the T&E weight for middle school enrollment;

26 HW is the T&E weight for high school enrollment;

27 PENR is the resident enrollment for kindergarten;

28 EENR is the resident enrollment for grades 1-5;

29 MENR is the resident enrollment for grades 6 - 8; and

30 HENR is the resident enrollment for grades 9 - 12.

31 For the purposes of this section, ungraded pupils shall be counted in
32 their age-equivalent grade.

33 For the purposes of this section, pupils attending a choice district shall
34 be counted in the district of residence of the parent or legal guardian
35 as follows:

36 .75 in the first year of the pupil's attendance;

37 .50 in the second year of the pupil's attendance;

38 .25 in the third year of the pupil's attendance; and

39 .00 in the fourth year of the pupil's attendance.

40 b. The maximum T&E budget for each school district and each
41 county vocational school district shall be calculated as follows:

42 $MAXBUD = (TE + FL) \times WENR$

43 where

44 TE is the T&E amount; and

45 FL is the T&E flexible amount.

46 c. The minimum T&E budget for each school district and each

1 county vocational school district shall be calculated as follows:

2 $\text{MINBUD} = (\text{TE} - \text{FL}) \times \text{WENR}$

3 except in the case of Abbott districts, in which the minimum T&E
4 budget shall equal the maximum T&E budget as calculated pursuant
5 to subsection b. of this section

6 where

7 TE is the T&E amount;

8 FL is the T&E flexible amount; and

9 WENR is the district's weighted enrollment.

10 d. The T&E budget for each school district and each county
11 vocational school district shall be calculated for 1997-98 as follows:

12 $\text{TEBUD} = \text{PBNB} \times (1 + \text{CPI}) - (\text{CAT} + \text{DEP} + \text{ECP} + \text{IS});$

13 provided that TEBUD shall be neither less than MINBUD nor greater
14 than MAXBUD and where

15 PBNB is the district's prebudget year net budget;

16 CAT is the sum of aids calculated in accordance with sections 19,
17 20, 21, 22, 25, 28 and 29 of this act;

18 DEP is the aid calculated in accordance with section 18 of this act;

19 ECP is the aid calculated in accordance with section 16 of this act;

20 and

21 IS is the aid calculated in accordance with section 18 of this act.

22 In subsequent years, the T&E budget shall be calculated as follows:

23 $\text{TEBUD} = (\text{WENR} \times \text{PBNB}/\text{PBWENR}) \times (1 + \text{CPI}) -$
24 $(\text{CAT} + \text{DEP} + \text{ECP} + \text{IS});$

25 provided that CPI shall not be less than .03 and

26 provided that TEBUD shall be neither less than MINBUD nor greater
27 than MAXBUD and where

28 PBNB is the district's prebudget year net T&E budget;

29 CAT is the sum of aids payable in accordance with sections 19, 20,
30 21, 22, 25, 28 and 29 of this act;

31 DEP is the aid payable in accordance with section 18 of this act;

32 ECP is the aid payable in accordance with section 16 of this act;

33 and

34 IS is the aid payable in accordance with section 18 of this act;

35 WENR is the district's weighted enrollment; and

36 PBWENR is the district's weighted enrollment for the prebudget
37 year.¹

38 (cf: P.L.1996, c.138, s.13)

39

40 ¹17. Section 16 of P.L.1996, c.138 (C.18A:7F-16) is amended to
41 read as follows:

42 16. a. Early childhood program aid shall be distributed to all
43 school districts with high concentrations of low-income pupils, for the
44 purpose of providing full-day kindergarten and preschool classes and
45 other early childhood programs and services.

46 For districts in which the concentration of low income pupils is

1 equal to or greater than 20% and less than 40%, aid shall be
2 distributed according to the following formula:

3
$$\text{Aid} = \text{A1} \times \text{Modified District Enrollment.}$$

4 For districts in which the concentration of low income pupils is
5 equal to or greater than 40%, aid shall be distributed according to the
6 following formula for the purpose of expanding instructional services
7 previously specified to three year olds, or of providing, in addition to
8 the instructional services previously specified, transition and social
9 services to primary grade students:

10
$$\text{Aid} = \text{A2} \times \text{Modified District Enrollment where}$$

11
$$\text{A1} = \$465; \text{ and}$$

12
$$\text{A2} = \$750.$$

13 For the 1998-1999 school year, the per pupil funding amounts shall
14 be these amounts multiplied by the CPI. For subsequent years, the
15 amounts shall be established biennially in the Report on the Cost of
16 Providing a Thorough and Efficient Education and shall be derived
17 from cost analyses of appropriate programmatic applications of these
18 funds as identified in the report. The amounts shall be adjusted for
19 inflation by the CPI in the second year of the period to which the
20 report applies.

21 County vocational school districts and limited purpose regional high
22 school districts meeting the eligibility criteria of this section shall
23 receive aid payable under this section as demonstrably effective
24 program aid in addition to amounts received pursuant to section 18 of
25 this act.

26 Each district which receives early childhood program aid shall
27 submit to the commissioner for approval an operational plan that shall
28 be a subset of the district's comprehensive strategic plan, to establish
29 preschool and full-day kindergarten for all four and five year olds by
30 the 2001-2002 school year and to maintain them thereafter. Districts
31 shall appropriate the aid in a special revenue fund for expenditure, but
32 may place all or a portion of the aid in a capital reserve account during
33 the first four years to establish facilities for these purposes. During
34 the first four school years following enactment of this act, districts
35 may use early childhood program aid for educationally meritorious
36 programs or for the purpose of constructing new school facilities or
37 enlarging existing school facilities for use by pupils other than those
38 enrolled in early childhood programs, provided the new or enlarged
39 facilities are used for and are adequate to house the planned early
40 childhood programs. Districts which maintain progress consistent with
41 the implementation plan may also use the funds for demonstrably
42 effective programs pursuant to section 18 prior to establishing the
43 programs required pursuant to this section. The commissioner shall
44 establish guidelines to track the specific purposes of expenditures
45 under this section.

46 b. A district which qualifies for early childhood program aid

1 pursuant to subsection a. of this section shall be eligible to receive the
 2 aid for a minimum of four school years from the time of initial
 3 determination of eligibility even if the district's concentration of low-
 4 income pupils falls below the 20 % or 40% concentration required for
 5 receipt of the early childhood program per pupil aid amounts under
 6 subsection a. If a district's concentration of low-income pupils falls
 7 below the 20% or 40% thresholds, the amount of the early childhood
 8 program aid received by the district in the prebudget year shall be
 9 reduced in the budget year by the percentage decline in low-income
 10 pupils between the prebudget and budget years. If at the end of the
 11 four-year period the district's concentration of low-income pupils is
 12 below the thresholds required for receipt of the early childhood
 13 program per pupil aid amounts, then the district shall lose its eligibility
 14 for receipt of aid pursuant to the provisions of subsection a. of this
 15 section. If at any time during the four-year period the concentration
 16 of low-income pupils increases to the 20% or 40% thresholds, then the
 17 district's aid shall be calculated pursuant to subsection a. of this
 18 section and the minimum four-year period of eligibility shall be
 19 determined from that school year.

20 A district which receives early childhood program aid pursuant to
 21 this subsection shall not be eligible to receive instructional supplement
 22 aid pursuant to subsection c. of section 18 of P.L.1996, c.138
 23 (C.18A:7F-18c). ¹
 24 (cf: P.L.1996, c.138, s.16)

25
 26 ¹ 18. Section 18 of P.L.1996, c.138 (C.18A:7F-18) is amended to
 27 read as follows:

28 18. a. Demonstrably effective program aid shall be generated by
 29 individual schools and distributed to districts for the purpose of
 30 providing instructional, school governance, and health and social
 31 service programs to students enrolled in the generating school
 32 according to the following formulas:

33 Aid shall be distributed to districts with schools in which the
 34 concentration of low-income pupils is equal to or greater than 20%
 35 and less than 40% as follows:

36
$$\text{Aid} = \text{B1} \times \text{SENR1}$$

37 where

38 SENR1 is the sum of school enrollments for all schools in the
 39 district enrolling low-income pupils at rates equal to or greater than
 40 20% but less than 40%.

41 Aid shall be distributed to districts with schools in which the
 42 concentration of low-income pupils is equal to or greater than 40% as
 43 follows:

44
$$\text{Aid} = \text{B2} \times \text{SENR2}$$

45 where

46 SENR2 is the sum of the school enrollments for all schools in the

1 district enrolling low-income pupils at rates equal to or greater than
2 40%;

3 where

4 B1 = \$300; and

5 B2 = \$425.

6 For the 1998-1999 school year, the per pupil funding amounts shall
7 be these amounts multiplied by the CPI. For subsequent years, the
8 amounts shall be established biennially in the Report on the Cost of
9 Providing a Thorough and Efficient Education and be derived from
10 cost analyses of appropriate programmatic applications as identified in
11 the report. The amounts shall be adjusted for inflation by the CPI in
12 the second year of the period to which the report applies.

13 b. The State Board of Education, upon the recommendation of the
14 commissioner, shall adopt regulations governing the use of
15 demonstrably effective program aid and an accounting mechanism to
16 ensure that use. The rules shall provide for:

17 (1) Programs. A definition as recommended by the commissioner
18 shall be established of the demonstrably effective programs and
19 services which shall qualify for aid. The definition shall include for
20 1997-98, but not be limited to: alternative schools; community
21 schools; class size reduction programs; parent education programs; job
22 training programs; training institutes to improve homework response;
23 telephone tutorial programs; teleconference and video tutoring
24 programs; and HSPT/Early Warning test before school/after school
25 preparation programs. The commissioner shall establish the per-pupil
26 cost of providing these effective programs and services in the Report
27 on the Cost of Providing a Thorough and Efficient Education.

28 (2) Accountability. A recipient district shall be required to obtain
29 the approval of the Department of Education for the planned uses of
30 demonstrably effective program funds. A periodic public process shall
31 be established by which specific programmatic uses for the funds shall
32 be identified and approved. A district failing to use the funds in the
33 prescribed manner shall be subject to rescission of aid and additional
34 monetary penalties as established by the commissioner.

35 (3) Monitoring. To facilitate State monitoring of the uses of the
36 funds, districts shall be required to maintain separate program and
37 service accounts in the special revenue section of district budgets and
38 financial records in accordance with GAAP and specifications
39 prescribed by the commissioner.

40 c. Instructional supplement aid shall be generated by school
41 districts and county vocational school districts and distributed to
42 districts for the purposes of providing supplemental services for
43 students from low-income families. Aid shall be distributed to districts
44 in which the concentration of low-income pupils is equal to or greater
45 than 5% and less than 20%. Districts will receive \$339 for each pupil
46 from low-income families. For the 1998-99 school year, the per pupil

1 funding amount shall be this amount multiplied by the CPI. For
2 subsequent years, the amount shall be established biennially in the
3 Report on the Cost of Providing a Thorough and Efficient Education
4 and be derived from cost analyses of appropriate programmatic
5 applications as identified in the report. The amount shall be adjusted
6 for inflation by the CPI in the second year of the period to which the
7 report applies. Instructional supplement aid shall be accounted for in
8 a special revenue fund.

9 d. The Department of Education shall develop, in collaboration
10 with the Departments of Human Services and Health and Senior
11 Services, as well as other appropriate State departments and agencies,
12 mechanisms necessary to coordinate the provision of programs and
13 services at the local level.

14 e. An individual school within a district which qualifies for
15 demonstrably effective program aid pursuant to subsection a. of this
16 section shall be eligible to generate the aid for a minimum of four
17 school years from the time of initial determination of eligibility even
18 if the school's concentration of low-income pupils falls below the 20%
19 or 40% concentration required for receipt of the demonstrably
20 effective program per pupil aid amounts under subsection a. If a
21 school's concentration of low-income pupils falls below the 20% or
22 40% thresholds, the amount of demonstrably effective program aid
23 generated by the school in the prebudget year shall be reduced in the
24 budget year by the percentage decline in low-income pupils enrolled
25 in the school between the prebudget and budget years. If at the end
26 of the four-year period the school's concentration of low-income
27 pupils is below the thresholds required for receipt of the demonstrably
28 effective program per pupil aid amounts, then the school shall lose its
29 eligibility for receipt of aid pursuant to the provisions of subsection a.
30 of this section. If at any time during the four-year period the
31 concentration of low-income pupils increases to the 20% or 40%
32 thresholds, then the aid generated by the school shall be calculated
33 pursuant to subsection a. of this section and the minimum four-year
34 period of eligibility shall be determined from that school year.¹

35 (cf: P.L.1996, c.138, s.18)

36
37 ¹19. (New section) There shall annually be appropriated an
38 amount not to exceed \$1,600,000 to the Department of Education to
39 be distributed by the commissioner for the purpose of funding school
40 choice aid awarded pursuant to subsection a. of section 7 of P.L. ,
41 c. (C.) (now pending before the Legislature as this bill) for choice
42 students from a sending district that does not qualify for core
43 curriculum standards aid pursuant to section 15 of P.L.1996, c.138
44 (C.18A:7F-15).¹

45
46 ¹[15.] 20.¹ This act shall take effect immediately and shall expire

1 on June 30 following the '【third】 fifth' full year of the operation of
2 the interdistrict public school choice program 'except for those
3 students participating in the program at the time of expiration' .