

# ASSEMBLY EDUCATION COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 3881**

with committee amendments

# STATE OF NEW JERSEY

DATED: JUNE 15, 2026

The Assembly Education Committee reports favorably and with committee amendments Assembly Bill No. 3881.

As amended, this bill modifies certain provisions of school funding law, including requiring the Commissioner of Education to take certain action concerning preliminary State school aid notices and school district budgets, and creates the New Jersey Education Funding Portal.

The bill requires the commissioner to annually, no later than the end of the first week in December, provide each district with a preliminary State aid notice that details the minimum amount of State aid payable to the district in the succeeding school year. Additionally, within two days following the transmittal of the State budget message by the Governor, the commissioner is to notify each district of the projected Statewide property value rate and the projected Statewide income rate to be used in the calculation of a district's local share in the year following the succeeding school year.

The bill also amends provisions of law governing the Educational Adequacy Report to require that the Legislature adopt a concurrent resolution to approve the report or that advises the Governor of the Legislature's specific objections to the report, rather than deeming the report to be approved unless a concurrent resolution is adopted objecting to all or part of the report.

The bill also revises the definition of equalized valuation and district income used in a school district's calculation of local share to provide that both measures are equal to the average of the district's values for the preceding three years, except that, when calculating the average, the value used for the prebudget year is to be the lesser of the actual value for that year and the value for the year preceding the prebudget year multiplied by 1.05. For the 2026-2027 school year, the value used for the prebudget year shall be the value for the year preceding the prebudget year multiplied by 1.05.

Additionally, the bill allows a school district which is proposed to experience a State school aid reduction to first submit its budget to the commissioner no later than five days following the enactment of the appropriations act for the budget year and to revise the district's budget at any point within the first six months of the budget year.

The bill also requires the Department of Education to establish a New Jersey Education Funding Portal on the department's Internet website which is to make available to school districts and members of the public the data inputs and calculations used by the department in formulating State school aid for all school districts. The portal is to allow individuals to adjust certain data inputs for a school district, including enrollment, equalized property values, and district income, and provide an estimate of the impact of these changes on the district's State aid.

Finally, the bill stipulates that, for the 2026-2027 school year, the Statewide property value rate and the Statewide income rate are to be the same as the rates used in the 2025-2026 school year, and the total amount of Statewide equalization aid available for the 2026-2027 school year is to equal the sum of each school district's allocation of equalization aid.

This bill was pre-filed for introduction in the 2026-2027 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to clarify references to three-year averages of equalized valuation and district income in the determination of the property value rate and income rate used to calculate local share.