

ASSEMBLY, No. 313

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman JOE DANIELSEN

District 17 (Middlesex and Somerset)

SYNOPSIS

Provides adjustment to school district tax levy cap for expenditures associated with opening of new school facility during budget year.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning the tax levy growth limitation for school
2 districts and amending P.L.2007, c.62.

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

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7 1. Section 3 of P.L.2007, c.62 (C.18A:7F-38) is amended to
8 read as follows:

9 3. a. Notwithstanding the provisions of any other law to the
10 contrary, a school district shall not adopt a budget pursuant to
11 sections 5 and 6 of P.L.1996, c.138 (C.18A:7F-5 and 18A:7F-6)
12 with an increase in its adjusted tax levy that exceeds, except as
13 provided in subsection e. of section 4 of P.L.2007, c.62 (C.18A:7F-
14 39), the tax levy growth limitation calculated as follows: the sum of
15 the prebudget year adjusted tax levy and the adjustment for
16 increases in enrollment multiplied by 2.0 percent, and adjustments
17 for an increase in health care costs, expenditures incurred in
18 connection with the opening of a new school facility during the
19 budget year, and increases in amounts for certain normal and
20 accrued liability pension contributions set forth in sections 1 and 2
21 of P.L.2009, c.19 amending section 24 of P.L.1954, c.84
22 (C.43:15A-24) and section 15 of P.L.1944, c.255 (C.43:16A-15) for
23 the year set forth in those sections.

24 b. (1) The allowable adjustment for increases in enrollment
25 authorized pursuant to subsection a. of this section shall equal the
26 per pupil prebudget year adjusted tax levy multiplied by EP, where
27 EP equals the sum of:

28 (a) 0.50 for each unit of weighted resident enrollment that
29 constitutes an increase from the prebudget year over 1%, but not
30 more than 2.5%;

31 (b) 0.75 for each unit of weighted resident enrollment that
32 constitutes an increase from the prebudget year over 2.5%, but not
33 more than 4%; and

34 (c) 1.00 for each unit of weighted resident enrollment that
35 constitutes an increase from the prebudget year over 4%.

36 (2) A school district may request approval from the
37 commissioner to calculate EP equal to 1.00 for any increase in
38 weighted resident enrollment if it can demonstrate that the
39 calculation pursuant to paragraph (1) of this subsection would result
40 in an average class size that exceeds 10% above the facilities
41 efficiency standards established pursuant to P.L.2000, c.72
42 (C.18A:7G-1 et al.).

43 c. (Deleted by amendment, P.L.2010, c.44)

44 d. (1) The allowable adjustment for increases in health care

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

Matter underlined thus is new matter.

1 costs authorized pursuant to subsection a. of this section shall equal
2 that portion of the actual increase in total health care costs for the
3 budget year, less any withdrawals from the current expense
4 emergency reserve account for increases in total health care costs,
5 that exceeds 2.0 percent of the total health care costs in the
6 prebudget year, but that is not in excess of the product of the total
7 health care costs in the prebudget year multiplied by the average
8 percentage increase of the State Health Benefits Program, P.L.1961,
9 c.49 (C.52:14-17.25 et seq.), as annually determined by the
10 Division of Pensions and Benefits in the Department of the
11 Treasury.

12 (2) The allowable adjustment for increases in the amount of
13 normal and accrued liability pension contributions authorized
14 pursuant to subsection a. of this section shall equal that portion of
15 the actual increase in total normal and accrued liability pension
16 contributions for the budget year that exceeds 2.0 percent of the
17 total normal and accrued liability pension contributions in the
18 prebudget year.

19 (3) The allowable adjustment for expenditures incurred in
20 connection with the opening of a new school facility during the
21 budget year authorized pursuant to subsection a. of this section shall
22 include costs associated with the new facility related to new
23 teaching staff members, support staff, materials and equipment,
24 custodial and maintenance expenditures, and such other required
25 costs as determined by the commissioner.

26 e. (Deleted by amendment, P.L.2010, c.44)

27 f. The adjusted tax levy shall be increased or decreased
28 accordingly whenever the responsibility and associated cost of a
29 school district activity is transferred to another school district or
30 governmental entity.

31 (cf: P.L.2010, c.44, s.4)

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33 2. This act shall take effect immediately and shall first be
34 applicable to the next school budget year following enactment.

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STATEMENT

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39 This bill authorizes an adjustment to the school district tax levy
40 cap for expenditures incurred by the district in connection with the
41 opening of a new school facility during the budget year. The
42 allowable adjustment will include costs associated with the new
43 facility that are related to new teaching staff members, support
44 staff, materials and equipment, custodial and maintenance
45 expenditures, and other costs as may be determined by the
46 Commissioner of Education. It is unrealistic to expect a school
47 district to accommodate within its base 2% tax levy increase the
48 new costs that will be incurred by the district in the first year that it

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- 1 opens a new school facility. This bill will allow a school district to
- 2 increase its tax levy in that first year of the school's operation to
- 3 reflect these new facility-related expenditures.