ASSEMBLY, No. 561

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Assemblyman ROBERT AUTH
District 39 (Bergen and Passaic)

SYNOPSIS

Includes adjustment aid in calculation of districts' payments to charter schools under certain circumstances.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT concerning payments to charter schools and amending P.L.1995, c.426.

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

1. Section 12 of P.L.1995, c.426 (C.18A:36A-12) is amended to read as follows:

12. a. (Deleted by amendment, P.L.2007, c.260).

b. **[**The**]** (1) Except as otherwise provided pursuant to paragraph (2) of this subsection, the school district of residence shall pay directly to the charter school for each student enrolled in the charter school who resides in the district an amount equal to 90% of the sum of the budget year equalization aid per pupil and the prebudget year general fund tax levy per pupil inflated by the CPI rate most recent to the calculation. In addition, the school district of residence shall pay directly to the charter school the security categorical aid attributable to the student and a percentage of the district's special education categorical aid equal to the percentage of the district's special education students enrolled in the charter school and, if applicable, 100% of preschool education aid. The district of residence shall also pay directly to the charter school any federal funds attributable to the student.

(2) In the event that 50% of the sum of the school district of residence budget year equalization aid per pupil and the prebudget year general fund tax levy per pupil inflated by the CPI rate most recent to the calculation is less than the school district of residence budget year adjustment aid per pupil, the school district of residence shall pay directly to the charter school for each student enrolled in the charter school who resides in the district an amount equal to 60% of the sum of the budget year equalization aid per pupil, adjustment aid per pupil, and the prebudget year general fund tax levy per pupil inflated by the CPI rate most recent to the calculation.

c. (Deleted by amendment, P.L.2007, c.260).

d. Notwithstanding the provisions of subsection b. of this section, in the case of a student who was not included in the district's projected resident enrollment for the school year, the State shall pay 100% of the amount required pursuant to subsection b. of this section for the first year of the student's enrollment in the charter school.

e. The State shall make payments required pursuant to subsection d. of this section directly to the charter school.

(cf: P.L.2007, c.260, s.58)

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.

2. This act shall take effect immediately and shall first be applicable to the first school year beginning after the date of enactment.

STATEMENT

Under current law, a school district of residence forwards a portion of its revenue to a charter school for each of its resident students enrolled in the charter school. Specifically, the district forwards an amount equal to 90 percent of the sum of its budget year equalization aid per pupil and prebudget year general fund tax levy per pupil, increased by the CPI. The school district of residence is not required to forward any portion of its adjustment aid to a charter school; in some cases, this leads to a situation in which the charter school receives substantially less per pupil funding than the school district of residence.

This bill specifies that if the sum of 50 percent of the equalization aid per pupil and general fund tax levy per pupil is less than the school district of residence's adjustment aid per pupil, then the district would be required to transfer to the charter school 60 percent of the sum of the budget year equalization aid per pupil, adjustment aid per pupil, and prebudget year general fund tax levy per pupil inflated by the CPI.