ASSEMBLY, No. 2554

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:
Assemblyman DANIEL R. BENSON
District 14 (Mercer and Middlesex)

Co-Sponsored by:
Assemblyman Caputo

SYNOPSIS

Provides additional State school aid to school districts experiencing enrollment increases due to conversion of age-restricted housing developments to non-restricted developments.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 2/13/2020)

AN ACT providing additional State school aid to certain school districts and amending and supplementing P.L.2007, c.260.

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

1. Section 3 of P.L.2007, c.260 (C.18A:7F-45) is amended to read as follows:

3. As used in this act and P.L.1996, c.138, unless the context clearly requires a different meaning:

"At-risk pupils" means those resident pupils from households with a household income at or below the most recent federal poverty guidelines available on October 15 of the prebudget year multiplied by 1.85;

"Base per pupil amount" means the cost per elementary pupil of delivering the core curriculum content standards and extracurricular and cocurricular activities necessary for a thorough and efficient education;

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

"Budgeted local share" means the district's local tax levy contained in the budget certified for taxation purposes;

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

"Combination pupil" means a resident pupil who is both an at-risk pupil and a bilingual education pupil;

"Commissioner" means the Commissioner of Education;

"Concentration of at-risk pupils" shall be based on prebudget year pupil data and means, for a school district or a county vocational school district, the number of at-risk pupils among those counted in resident enrollment, divided by resident enrollment;

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

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

"CPI" means the increase, expressed as a decimal, in the average annualized consumer price index for the New York City and Philadelphia areas in the fiscal year preceding the prebudget year relative to the previous fiscal year as reported by the United States Department of Labor;

"Debt service" means payments of principal and interest upon school bonds and other obligations issued to finance the purchase or construction of school facilities, additions to school facilities, or the

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 <u>thus</u> is new matter.

reconstruction, remodeling, alteration, modernization, renovation or repair of school facilities, including furnishings, equipment, architect fees, and the costs of issuance of such obligations and shall include payments of principal and interest upon bonds heretofore issued to fund or refund such obligations, and upon municipal bonds and other obligations which the commissioner approves as having been issued for such purposes;

"District income" means the aggregate income of the residents of the taxing district or taxing districts, based upon data provided by the Division of Taxation in the New Jersey Department of the Treasury and contained on the New Jersey State Income Tax forms for the calendar year ending two years prior to the prebudget year. The commissioner may supplement data contained on the State Income Tax forms with data available from other State or federal agencies in order to better correlate the data to that collected on the federal census. With respect to regional districts and their constituent districts, however, the district income as described above shall be allocated among the regional and constituent districts in proportion to the number of pupils resident in each of them;

"Equalized valuation" means the equalized valuation of the taxing district or taxing districts, as certified by the Director of the Division of Taxation on October 1, or subsequently revised by the tax court by January 15, of the prebudget year. With respect to regional districts and their constituent districts, however, the equalized valuations as described above shall be allocated among the regional and constituent districts in proportion to the number of pupils resident in each of them. In the event that the equalized table certified by the director shall be revised by the tax court after January 15 of the prebudget year, the revised valuations shall be used in the recomputation of aid for an individual school district filing an appeal, but shall have no effect upon the calculation of the property value rate, Statewide average equalized school tax rate, or Statewide equalized total tax rate;

"Full-day preschool" means a preschool day consisting of a six-hour comprehensive educational program in accordance with the district's kindergarten through grade 12 school calendar;

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

"General special education services pupil" means a pupil receiving specific services pursuant to chapter 46 of Title 18A of the New Jersey Statutes;

"Geographic cost adjustment" means an adjustment that reflects county differences in the cost of providing educational services that are outside the control of the district;

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

"Net budget" means the sum of the district's general fund tax levy, State aid received pursuant to the provisions of this act other than preschool education aid, miscellaneous revenue estimated pursuant to GAAP, and designated general fund balance;

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

"Nonpreschool ECPA" means the amount of early childhood program aid, excluding prior year carry-forward amounts, included in a district's 2007-2008 school year budget certified for taxes that was allocated to grades K through 3;

"Report" means the Educational Adequacy Report issued by the commissioner pursuant to section 4 of this act;

"Resident enrollment" means the number of pupils other than preschool pupils, post-graduate pupils, **[**and**]** post-secondary vocational pupils , and pupils for whom converted development assistance aid is provided pursuant to section 2 of P.L. , c. (C.) (pending before the Legislature as this bill) who, on the last school day prior to October 16 of the current school year, are residents of the district and are enrolled in: (1) the public schools of the district, excluding evening schools, (2) another school district, other than a county vocational school district in the same county on a full-time basis, or a State college demonstration school or private school to which the district of residence pays tuition, or (3) a State facility in which they are placed by the district; or are residents of the district and are: (1) receiving home instruction, or (2) in a shared-time vocational program and are regularly attending a school in the district and a county vocational school district. In addition, resident enrollment shall include the number of pupils who, on the last school day prior to October 16 of the prebudget year, are residents of the district and in a State facility in which they were placed by the State. Pupils in a shared-time vocational program shall be counted on an equated full-time basis in accordance with procedures to be established by the commissioner. Resident enrollment shall include regardless of nonresidence, the enrolled children of teaching staff members of the school district or county vocational school district who are permitted, by contract or local district policy, to enroll their children in the educational program of the school district or county vocational school district without payment of tuition. Disabled children between three and five years of age and receiving programs and services pursuant to N.J.S.18A:46-6 shall be included in the resident enrollment of the district;

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

"State facility" means a State developmental center, a State Division of Youth and Family Services' residential center, a State residential mental health center, a Department of Children and

Families Regional Day School, a State training school/secure care facility, a State juvenile community program, a juvenile detention center or a boot camp under the supervisional authority of the Juvenile Justice Commission pursuant to P.L.1995, c.284 (C.52:17B-169 et seq.), or an institution operated by or under contract with the Department of Corrections, Children and Families or Human Services, or the Juvenile Justice Commission;

"Statewide equalized school tax rate" means the amount calculated by dividing the general fund tax levy for all school districts, which excludes county vocational school districts and county special services school districts as defined pursuant to this section, in the State for the prebudget year by the equalized valuations certified in the year prior to the prebudget year of all taxing districts in the State except taxing districts for which there are not school tax levies;

"Tax levy growth limitation" means the permitted annual increase in the adjusted tax levy for a school district as calculated pursuant to sections 3 and 4 of P.L.2007, c.62 (C.18A:7F-38 and 18A:7F-39).

(cf: P.L.2010, c.44, s.6)

2. (New section) a. As used in this section, “converted development” means a proposed age-restricted housing development located in the school district that will be marketed instead with no age restrictions pursuant to P.L.2009, c.82 (C.45:22A-46.3 et seq.).

b. Each school district in which a converted development is located shall receive converted development assistance aid. Converted development assistance aid for a school district shall be calculated as follows:

CDAA = (PENRBUD – ENRBASE) x COSTPP

where

PENRBUD is the school district’s projected resident enrollment for the budget year;

ENRBASE is the school district’s actual resident enrollment in the last full school year prior to the occupancy of any dwelling unit in a converted development; and

COSTPP is the lesser of the actual cost per pupil as determined under rules prescribed by the commissioner and approved by the State board, or the tuition rate adopted by the school district’s board of education for the budget year.

c. In calculating converted development assistance aid pursuant to subsection b. of this section, the difference between PENRBUD and ENRBASE shall not exceed the actual number of students who reside in a converted development and are enrolled in a public school operated by the school district or a charter school, or placed by the school district in another public school or private school for students with disabilities.

d. A school district shall not be entitled to receive any additional State aid for a student who resides in a converted development, other than extraordinary special education costs aid awarded pursuant to subsection b. of section 13 of P.L.2007, c.260 (C.18A:7F-55) and transportation aid awarded pursuant to section 15 of P.L.2007, c.260 (C.18A:7F-57), for costs incurred that are greater than COSTPP.

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

STATEMENT

P.L.2009, c.82 (C.45:22A-46.3 et seq.) established a procedure by which an age-restricted housing development previously approved for construction by a municipal or regional planning board, zoning board of adjustment, or joint land use board may convert to a development that would be marketed with no age restrictions. The law requires that the approving board approve an application for such a conversion if the developer satisfied certain requirements, and if the approving board determines that the conversion can be granted without substantial detriment to the public good and not substantially impair the intent and purpose of the zone plan and zoning ordinance.

The conversion of an age-restricted development to a non-restricted development has the potential to increase the number of students enrolled in a district's public schools. This bill provides converted development assistance aid to a school district in which such a conversion has occurred. Specifically, the school district would receive an amount equal to the lesser of: 1) its actual cost per pupil, or 2) the per pupil tuition rate adopted by the school district's board of education for the school year, multiplied by the increase in its resident enrollment between the last school year prior to a dwelling unit within a converted development being occupied and the budget year. However, the change in enrollment used to determine the aid may not exceed the total number of students who reside in a converted development.