

ASSEMBLY, No. 5175

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED DECEMBER 21, 2020

Sponsored by:

Assemblyman WAYNE P. DEANGELO

District 14 (Mercer and Middlesex)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

SYNOPSIS

Excludes certain increases in school security expenditures from the tax levy cap applicable to school districts.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/21/2020)

1 **AN ACT** concerning school district expenditures on school security
2 costs 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, increases in amounts for certain
18 normal and accrued liability pension contributions set forth in
19 sections 1 and 2 of P.L.2009, c.19 amending section 24 of
20 P.L.1954, c.84 (C.43:15A-24) and section 15 of P.L.1944, c.255
21 (C.43:16A-15) for the year set forth in those sections, an adjustment
22 for an increase in school security costs, and, in the case of an SDA
23 district as defined pursuant to section 3 of P.L.2000, c.72
24 (C.18A:7G-3), during the 2018-2019 through the 2024-2025 school
25 years, increases to raise a general fund tax levy to an amount that
26 does not exceed its local share.

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

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

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

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

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

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

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

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

20 (3) The allowable adjustment for increases in school security
21 costs authorized pursuant to subsection a. of this section shall equal
22 that portion of the actual increase in total school security costs for
23 the budget year that exceeds 2.0 percent of the total school security
24 costs in the prebudget year.

25 (4) In the case of an SDA district, as defined pursuant to section
26 3 of P.L.2000, c.72 (C.18A:7G-3), in which the prebudget year
27 adjusted tax levy is less than the school district's prebudget year
28 local share as calculated pursuant to section 10 of P.L.2007, c.260
29 (C.18A:7F-52), the allowable adjustment for increases to raise a tax
30 levy that does not exceed the school district's local share shall equal
31 the difference between the prebudget year adjusted tax levy and the
32 prebudget year local share.

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

34 f. The adjusted tax levy shall be increased or decreased
35 accordingly whenever the responsibility and associated cost of a
36 school district activity is transferred to another school district or
37 governmental entity.

38 (cf: P.L.2018, c.67, s.6)

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40 2. This act shall take effect immediately and shall first be
41 applicable to the next school district budget year following
42 enactment.

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STATEMENT

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47 Under current law, school districts may increase their tax levies,
48 with certain exceptions, by no more than two percent relative to the

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- 1 prior budget year. This bill provides that any annual increase in
- 2 expenditures on school security costs in excess of two percent
- 3 incurred by a school district will be excluded from the limit.