

SENATE, No. 276

STATE OF NEW JERSEY
219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator THOMAS H. KEAN, JR.

District 21 (Morris, Somerset and Union)

SYNOPSIS

Provides adjustment to school district tax levy cap for expenditures associated with opening of renovated or new school facility during budget year for full-day kindergarten.

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

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

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

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

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

40 (2) A school district may request approval from the
41 commissioner to calculate EP equal to 1.00 for any increase in
42 weighted resident enrollment if it can demonstrate that the
43 calculation pursuant to paragraph (1) of this subsection would result
44 in an average class size that exceeds 10% above the facilities

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 efficiency standards established pursuant to P.L.2000, c.72
2 (C.18A:7G-1 et al.).

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

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

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

23 (3) In the case of an SDA district, as defined pursuant to section
24 3 of P.L.2000, c.72 (C.18A:7G-3), in which the prebudget year
25 adjusted tax levy is less than the school district's prebudget year
26 local share as calculated pursuant to section 10 of P.L.2007, c.260
27 (C.18A:7F-52), the allowable adjustment for increases to raise a tax
28 levy that does not exceed the school district's local share shall equal
29 the difference between the prebudget year adjusted tax levy and the
30 prebudget year local share.

31 (4) The allowable adjustment for expenditures incurred in
32 connection with the opening of a renovated or new school facility
33 during the budget year for full-day kindergarten pursuant to
34 subsection a. of this section shall include costs associated with the
35 renovated or new school facility related to new teaching staff
36 members, support staff, materials and equipment, custodial and
37 maintenance expenditures, and such other required costs as
38 determined by the commissioner.

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

40 f. The adjusted tax levy shall be increased or decreased
41 accordingly whenever the responsibility and associated cost of a
42 school district activity is transferred to another school district or
43 governmental entity.

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

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

STATEMENT

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This bill authorizes an adjustment to the school district tax levy cap for expenditures incurred by a district in connection with the opening of a renovated or new school facility during the budget year for full-day kindergarten. The allowable adjustment will include costs associated with the renovated or new school facility that are related to new teaching staff members, support staff, materials and equipment, custodial and maintenance expenditures, and other costs as may be determined by the Commissioner of Education.

Multiple studies have documented the benefits of a full-day kindergarten program. The inability of some school districts to offer a full-day program has been linked to a lack of facilities within the district to accommodate all students in full-day kindergarten. This bill will assist school districts that make a decision to renovate existing facilities or build new facilities to provide the space necessary to offer a full-day program. It is unrealistic to expect a school district to accommodate within its base 2% tax levy increase the new costs that will be incurred by the district in the first year that it opens a renovated or new school facility for full-day kindergarten. This bill will allow such a school district to increase its tax levy in that first year to reflect facility-related expenditures.