

SENATE, No. 409

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Requires nonpublic secondary schools and independent institutions of higher education to make payment to school districts for educational costs of students residing in tax-exempt housing upon adoption of resolution by municipal governing body.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning the educational costs of students residing on
2 certain tax-exempt property, supplementing Title 18A of the
3 New Jersey Statutes, and amending P.L.2007, c.62.

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

7
8 1. (New section) a. Upon adoption of a resolution by the
9 governing body or bodies of the municipality or municipalities
10 constituting the school district, and notwithstanding any provision
11 of law or regulation to the contrary, a nonpublic school located in
12 this State which offers an educational program for students in
13 grades 9 through 12 or in any one or more of those grade levels,
14 shall be required to annually make a payment for any student who
15 resides in a tax-exempt facility located on property owned by the
16 nonpublic school and who is enrolled in a public school district or a
17 charter school. The amount of the payment shall equal the district's
18 per pupil general fund local levy amount for the budget year which
19 shall be calculated by dividing the general fund local levy by the
20 resident enrollment.

21 b. Annually, by November 1 of each budget year, the board of
22 education shall notify the nonpublic school of the number of
23 resident students enrolled in the school district or the charter school
24 who reside in a tax-exempt facility owned by the nonpublic school
25 on the last school day prior to October 16 of the current school year.
26 The district shall also notify the nonpublic school of the per pupil
27 general fund local levy amount for the budget year and the total
28 payment owed to the district by the nonpublic school. The
29 nonpublic school shall forward payment to the board of education
30 within 60 days of receipt of the notice of the required payment.

31
32 2. (New section) a. Upon adoption of a resolution by the
33 governing body or bodies of the municipality or municipalities
34 constituting the school district, and notwithstanding any provision
35 of law or regulation to the contrary, an independent institution of
36 higher education located in this State shall annually make a
37 payment for any student who resides in a tax-exempt facility
38 located on property owned by the independent institution of higher
39 education and who is enrolled in a public school district or a charter
40 school. The amount of the payment shall equal the district's per
41 pupil general fund local levy amount for the budget year which
42 shall be calculated by dividing the general fund local levy by the
43 resident enrollment.

44 b. Annually, by November 1 of each budget year, the board of
45 education shall notify the independent institution of higher

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 education of the number of resident students enrolled in the school
2 district or the charter school who reside in a tax-exempt facility
3 owned by the independent institution of higher education on the last
4 school day prior to October 16 of the current school year. The
5 district shall also notify the independent institution of higher
6 education of the per pupil general fund local levy amount for the
7 budget year and the total payment owed to the district by the
8 independent institution of higher education. The independent
9 institution of higher education shall forward payment to the board
10 of education within 60 days of receipt of the notice of the required
11 payment.

12
13 3. Section 3 of P.L.2007, c.62 (C.18A:7F-38) is amended to
14 read as follows:

15 3. a. Notwithstanding the provisions of any other law to the
16 contrary, a school district shall not adopt a budget pursuant to
17 sections 5 and 6 of P.L.1996, c.138 (C.18A:7F-5 and 18A:7F-6)
18 with an increase in its adjusted tax levy that exceeds, except as
19 provided in subsection e. of section 4 of P.L.2007, c.62 (C.18A:7F-
20 39), the tax levy growth limitation calculated as follows: the sum of
21 the prebudget year adjusted tax levy and the adjustment for
22 increases in enrollment multiplied by 2.0 percent, and adjustments
23 for an increase in health care costs, and increases in amounts for
24 certain normal and accrued liability pension contributions set forth
25 in sections 1 and 2 of P.L.2009, c.19 amending section 24 of
26 P.L.1954, c.84 (C.43:15A-24) and section 15 of P.L.1944, c.255
27 (C.43:16A-15) for the year set forth in those sections, less any
28 payment received in the prebudget year from a nonpublic secondary
29 school or an independent institution of higher education pursuant to
30 sections 1 and 2 of P.L. , c. (C.) (pending before the
31 Legislature as this bill).

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

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

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

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

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

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

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

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

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30 4. This act shall take effect immediately and shall first apply to
31 the first full school year beginning after enactment.

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34 STATEMENT

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36 This bill would require that, upon adoption of a resolution by the
37 governing body or bodies of a municipality or municipalities
38 constituting a school district, a nonpublic school which offers an
39 educational program for students in grades 9 through 12, or in any
40 one or more of those grade levels, or an independent institution of
41 higher education to annually make a payment for any student who
42 resides in a tax-exempt facility located on property owned by the
43 entity and is enrolled in a public school district or a charter school.
44 The amount of the payment will equal the district's per pupil
45 general fund local levy amount for the budget year.

46 Under the bill's provisions, annually by November 1 of the
47 budget year, a board of education would notify the nonpublic school
48 or independent college or university of the number of resident

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1 students enrolled in the school district or a charter school who
2 reside in a tax-exempt facility owned by the entity, the per pupil
3 general fund local levy amount, and the total payment owed to the
4 district. The payment must be forwarded to the board of education
5 within 60 days of receipt of the notice of the required payment. The
6 recipient district's tax levy growth cap for the subsequent school
7 year will be reduced by the amount of the total payment received
8 under this bill, thus ensuring that the additional revenue is used to
9 reduce property taxes.