

SENATE, No. 2097

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED MARCH 16, 2020

Sponsored by:

Senator JAMES W. HOLZAPFEL

District 10 (Ocean)

SYNOPSIS

Provides that school districts spending below adequacy will not be subject to certain State school aid reductions.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning State school aid and amending P.L.2018, c.67.

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

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6 1. Section 4 of P.L.2018, c.67 (C.18A:7F-68) is amended to
7 read as follows:

8 4. a. Notwithstanding the provisions of P.L.2007, c.260
9 (C.18A:7F-43 et al.) or any other law to the contrary, in the 2019-
10 2020 through 2024-2025 school years, a school district or county
11 vocational school district in which the State aid differential
12 calculated is negative shall receive State school aid in an amount
13 equal to the sum of the district's State aid in the prior school year
14 plus the district's proportionate share of the sum of any increase in
15 State aid included in the annual appropriations act for that fiscal
16 year and the total State aid reduction pursuant to subsection b. of
17 this section based on the district's State aid differential as a percent
18 of the Statewide total State aid differential among all school
19 districts and county vocational school districts for which the State
20 aid differential is negative. Any increase in State aid pursuant to
21 this subsection shall first be allocated to equalization aid, followed
22 by special education categorical aid, security categorical aid, and
23 transportation aid, except that no category shall exceed the total
24 amount as calculated in accordance with the provisions of sections
25 11, 13, 14, and 15 of P.L.2007, c.260 (C.18A:7F-53, C.18A:7F-55,
26 C.18A:7F-56, and C.18A:7F-57), respectively.

27 b. Except as provided pursuant to subsection c. of this section,
28 and notwithstanding the provisions of P.L.2007, c.260 (C.18A:7F-
29 43 et al.) or any other law to the contrary, in the 2019-2020 through
30 2024-2025 school years, a school district or county vocational
31 school district in which the State aid differential is positive shall
32 receive State school aid in an amount equal to the district's State aid
33 in the prior school year minus a percent of the State aid differential
34 according to the following schedule:

- 35 (1) 13 percent in the 2019-2020 school year;
36 (2) 23 percent in the 2020-2021 school year;
37 (3) 37 percent in the 2021-2022 school year;
38 (4) 55 percent in the 2022-2023 school year;
39 (5) 76 percent in the 2023-2024 school year; and
40 (6) 100 percent in the 2024-2025 school year.

41 c. (1) **[An SDA district that is located in a municipality in**
42 **which the equalized total tax rate is greater than the Statewide**
43 **average equalized total tax rate for the most recent available**
44 **calendar year and is spending below adequacy as calculated**
45 **pursuant to section 1 of P.L.2018, c.67 (C.18A:7F-70) shall not be**
46 **subject to a reduction in State aid pursuant to subsection b. of this**
47 **section.**

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 (2) An SDA district that is located in a municipality in which
2 the equalized total tax rate is greater than the Statewide average
3 equalized total tax rate for the most recent available calendar year
4 and is spending above adequacy as calculated pursuant to section 1
5 of P.L.2018, c.67 (C.18A:7F-70) shall be subject to a reduction not
6 to exceed the amount by which the district is spending above
7 adequacy multiplied by the corresponding percentage included in
8 subsection b. of this section.

9 (3) (2) A school district, other than an SDA district, that
10 is located in a municipality in which the equalized total tax rate is
11 at least 10 percent greater than the Statewide average equalized
12 total tax rate for the most recent available calendar year and is
13 spending at least 10 percent spending below adequacy as
14 calculated pursuant to section 1 of P.L.2018, c.67 (C.18A:7F-70)
15 shall not be subject to a reduction in State aid pursuant to
16 subsection b. of this section.

17 d. Any decrease in State aid pursuant to subsection b. or c. of
18 this section shall first be deducted from a school district's or county
19 vocational school district's allotment of adjustment aid. Any
20 additional reduction shall be deducted from the school district's or
21 county vocational school district's allotment of non-SFRA aids,
22 followed by equalization aid, special education categorical aid,
23 security aid, and transportation aid.

24 e. Any remaining adjustment aid or non-SFRA aids shall be
25 reallocated to other State aid categories in a manner to be
26 determined by the commissioner.

27 (cf: P.L.2018, c.67, s.4)

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29 2. This act shall take effect immediately.

30 31 32 STATEMENT

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34 P.L.2018, c.67 (C.18A:7F-67 et al.), commonly referred to as “S-
35 2,” stipulates that State school aid to certain school districts will be
36 reduced in accordance with a schedule detailed in the law. Under
37 section 4 of P.L.2018, c.67 (C.18A:7F-68), two groups of school
38 districts are not subject to State aid reductions: 1) SDA (former
39 Abbott) districts that spend below adequacy and are located in a
40 municipality in which the equalized total tax rate exceeds the
41 Statewide average; and 2) non-SDA districts that spend below
42 adequacy by at least 10 percent and are located in a municipality in
43 which the equalized total tax rate exceeds the Statewide average by
44 more than 10 percent.

45 This bill provides that any school district that is spending below
46 adequacy will not be subject to State school aid reductions under
47 P.L.2018, c.67.