

SENATE, No. 2135

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MARCH 16, 2020

Sponsored by:

Senator NIA H. GILL

District 34 (Essex and Passaic)

SYNOPSIS

Provides an adjustment to school district tax levy cap for increases in special education costs per pupil in excess of \$40,000 that exceed such prior year costs by more than 2%.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning the tax levy growth limitation for school
2 districts and amending P.L.2007, c.62.

3

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, an increase in special education
18 costs over \$40,000 per pupil, increases in amounts for certain
19 normal and accrued liability pension contributions set forth in
20 sections 1 and 2 of P.L.2009, c.19 amending section 24 of
21 P.L.1954, c.84 (C.43:15A-24) and section 15 of P.L.1944, c.255
22 (C.43:16A-15) for the year set forth in those sections, and, in the
23 case of an SDA district as defined pursuant to section 3 of
24 P.L.2000, c.72 (C.18A:7G-3), during the 2018-2019 through the
25 2024-2025 school years, increases to raise a general fund tax levy to
26 an amount that 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.).

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

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

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

21 (3) In the case of an SDA district, as defined pursuant to section
22 3 of P.L.2000, c.72 (C.18A:7G-3), in which the prebudget year
23 adjusted tax levy is less than the school district's prebudget year
24 local share as calculated pursuant to section 10 of P.L.2007, c.260
25 (C.18A:7F-52), the allowable adjustment for increases to raise a tax
26 levy that does not exceed the school district's local share shall equal
27 the difference between the prebudget year adjusted tax levy and the
28 prebudget year local share.

29 (4) The allowable adjustment for an increase in special
30 education costs over \$40,000 per pupil authorized pursuant to
31 subsection a. of this section shall equal any increase in the sum of
32 per pupil amounts in excess of \$40,000 for the budget year less the
33 sum of per pupil amounts in excess of \$40,000 for the prebudget
34 year indexed by 2.0 percent.

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

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

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

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

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45 STATEMENT

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47 This bill authorizes an adjustment to the school district tax levy
48 cap for the amount of the increase in special education costs over

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1 \$40,000 per pupil that exceeds the amount of such costs in the prior
2 school year by more than 2%. Under both federal and State law, a
3 school district is required to provide a special education student
4 with the educational programs and services necessary to address his
5 educational disabilities. The programs and services must be in
6 conformance with the student's Individualized Education Program
7 and must be provided regardless of the cost to the district. This bill
8 provides an adjustment in the case of those special education
9 students whose educational program represents a significant cost to
10 the district. If the district had to accommodate these significant
11 costs within the base 2% cap it would have a detrimental effect on
12 the district's ability to provide appropriate educational services to
13 other students enrolled in the district.