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AN ACT concerning the State aid growth limit of certain school districts and amending P.L.2007, c.260.

Eliminates State aid growth limit for school districts in which individuals age 65 and over comprise at least 33.3 percent of the population.

PRIME Sponsor \_\_\_\_\_ / \_\_\_\_\_

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Same as \_\_\_\_\_ 10/11      Same as \_\_\_\_\_ 12/13

Suggested allocation:

**AN ACT** concerning the State aid growth limit of certain school districts and amending P.L.2007, c.260.

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

1. Section 5 of P.L.2007, c.260 (C.18A:7F-47) is amended to read as follows:

5. a. Notwithstanding any provision of this act to the contrary, the total stabilized aid for each district shall not be increased by more than the district's State aid growth limit , except as provided pursuant to subsection e. of this section. In the event that total stabilized aid exceeds the prebudget year total by a rate greater than the State aid growth limit, the commissioner shall adjust the components of total stabilized aid so that they total exactly the prebudget year total increased by the State aid growth limit.

b. For the 2008-2009 school year, the prebudget year total shall include Core Curriculum Standards Aid, Supplemental Core Curriculum Standards Aid, Education Opportunity Aid, Above Average Enrollment Growth Aid, High Expectations for Learning Proficiency Aid, Instructional Supplement Aid, Demonstrably Effective Program Aid, Stabilization Aid, Supplemental Stabilization Aid, Adult and Postsecondary Education Grants, Bilingual Education Aid, Special Education Aid, County Vocational Program Aid, Transportation Aid, School Choice Aid, Consolidated Aid, Additional Formula Aid, Full-day Kindergarten Supplemental Aid, Targeted-At-Risk Aid, Abbott-Bordered District Aid, Nonpreschool ECPA, Extraordinary Special Education Aid paid in 2006-2007, and Aid for Enrollment Adjustments, taking into consideration the June 2008 payment made in July 2008. For the 2009-2010 school year and thereafter, the prebudget year total shall be the total for the same aid categories as included in total stabilized aid.

c. For the 2008-2009 school year, total stabilized aid shall include equalization aid, special education categorical aid, extraordinary special education aid projected for 2008-2009, security aid, and transportation aid.

For the 2009-2010 school year and thereafter, total stabilized aid shall include equalization aid, special education categorical aid, security aid, and transportation aid.

d. For the purposes of this section, "State aid growth limit" means 10% in the case of a district spending above adequacy and 20% in the case of a district spending below adequacy.

(1) For purposes of determining if a school district or county vocational school district is spending above or below adequacy and its applicable State aid growth limit, the district's spending shall equal the sum for the prebudget year of its equalization aid calculated pursuant to section 11 of this act, special education

**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.

categorical aid calculated pursuant to section 13 of this act, security categorical aid calculated pursuant to section 14 of this act, and general fund local levy.

(2) Notwithstanding any provision of this section to the contrary, for the purposes of determining a district's increase in State aid between the 2007-2008 and 2008-2009 school years, the commissioner shall compare the State aid received by the district for the 2007-2008 school year under the State aid categories listed under subsection b. of this section, other than transportation aid, and the district's general fund levy for that school year to the sum of the district's adequacy budget calculated pursuant to section 9 of this act, special education categorical aid calculated pursuant to section 13 of this act, extraordinary special education aid projected for the 2008-2009 school year, and security aid calculated pursuant to section 14 of this act.

(3) Notwithstanding any provision of this section to the contrary, the commissioner may increase the State aid growth limit in the case of a county vocational school district that has revised one or more of its programs from a shared-time program to a full-time program between the 2001-2002 and 2007-2008 school years or shall make such revision in the 2008-2009 school year. In the event that the commissioner increases the State aid growth limit for a county vocational school district, the commissioner shall adjust the State aid amount provided for the district in the December 12, 2007 report.

e. (1) The State aid growth limit established pursuant to subsection d. of this section shall not be applicable to a school district in a municipality that has a population composed of more than 33.3% senior citizens age 65 or older according to the most recent federal decennial census.

(2) The State aid growth limit established pursuant to subsection d. of this section shall not be applicable to a regional school district that includes constituent municipalities in which the total population among the constituent municipalities is composed of more than 33.3% senior citizens age 65 or older according to the most recent federal decennial census.

(cf: P.L.2007, c.260, s.5)

2. This act shall take effect immediately and shall first apply to the first full school year beginning after the date of enactment.

#### STATEMENT

Under current law, school districts are subject to a State aid growth limit; in a single year, a district's State aid may not increase by more than 10 percent or 20 percent, depending on the district's expenditure level, relative to the prior school year. This bill eliminates the State aid growth limit for a school district in a municipality in which at least 33.3 percent of the residents are 65

years old or older, according to the most recent federal decennial census. In the case of a regional school district, the State aid growth limit would be eliminated if, among all of the residents in the constituent municipalities, more than 33.3% of the residents are 65 years old or older according to the most recent federal decennial census.

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Eliminates State aid growth limit for school districts in which individuals age 65 and over comprise at least 33.3 percent of the population.