

ASSEMBLY, No. 10

STATE OF NEW JERSEY

213th LEGISLATURE

INTRODUCED MAY 5, 2008

Sponsored by:

Assemblyman JOSEPH J. ROBERTS, JR.

District 5 (Camden and Gloucester)

Assemblyman JOSEPH R. MALONE, III

District 30 (Burlington, Mercer, Monmouth and Ocean)

Assemblyman LOUIS D. GREENWALD

District 6 (Camden)

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District 4 (Camden and Gloucester)

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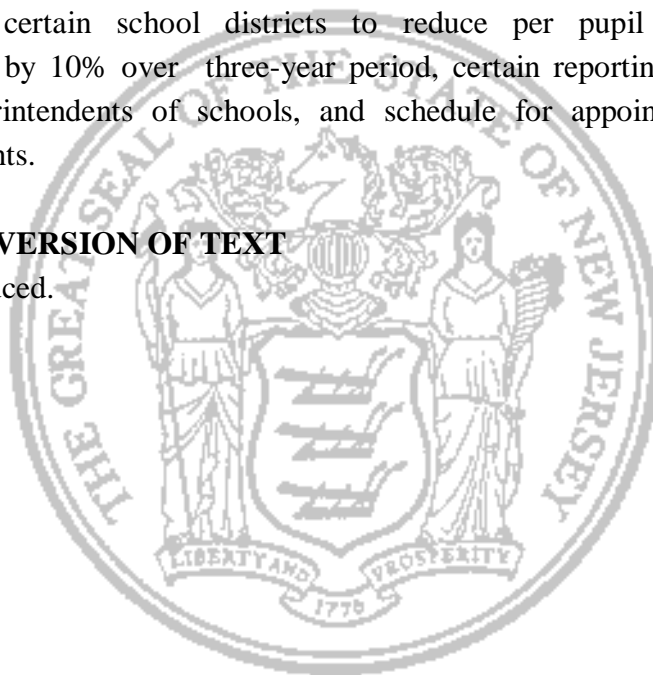
Assemblyman Wisniewski

SYNOPSIS

Requires certain school districts to reduce per pupil administrative expenditures by 10% over three-year period, certain reporting by executive county superintendents of schools, and schedule for appointment of such superintendents.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/20/2008)

1 AN ACT concerning the administrative operations of school
2 districts, amending P.L.1996, c.138, and supplementing chapter
3 7 of Title 18A of the New Jersey Statutes.

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

7
8 1. Section 5 of P.L.1996, c.138 (C.18A:7F-5) is amended to read
9 as follows:

10 5. As used in this section, "cost of living" means the CPI as
11 defined in section 3 of P.L.2007, c.260 (C.18A:7F-45).

12 a. Within 30 days following the approval of the Educational
13 Adequacy Report, the commissioner shall notify each district of the
14 base per pupil amount, the per pupil amounts for full-day preschool,
15 the weights for grade level, county vocational school districts, at-
16 risk pupils, bilingual pupils, and combination pupils, the cost
17 coefficients for security aid and for transportation aid, the State
18 average classification rate and the excess cost for general special
19 education services pupils, the State average classification rate and
20 the excess cost for speech-only pupils, and the geographic cost
21 adjustment for each of the school years to which the report is
22 applicable.

23 Annually, within two days following the transmittal of the State
24 budget message to the Legislature by the Governor pursuant to
25 section 11 of P.L.1944, c.112 (C.52:27B-20), the commissioner
26 shall notify each district of the maximum amount of aid payable to
27 the district in the succeeding school year pursuant to the provisions
28 of P.L.2007, c.260 (C.18A:7F-43 et al.), and shall notify each
29 district of the district's adequacy budget for the succeeding school
30 year.

31 For the 2008-2009 school year and thereafter, unless otherwise
32 specified within P.L.2007, c.260 (C.18A:7F-43 et al.), aid amounts
33 payable for the budget year shall be based on budget year pupil
34 counts, which shall be projected by the commissioner using data
35 from prior years. Adjustments for the actual pupil counts of the
36 budget year shall be made to State aid amounts payable during the
37 school year succeeding the budget year. Additional amounts
38 payable shall be reflected as revenue and an account receivable for
39 the budget year.

40 Notwithstanding any other provision of this act to the contrary,
41 each district's State aid payable for the 2008-2009 school year, with
42 the exception of aid for school facilities projects, shall be based on
43 simulations employing the various formulas and State aid amounts
44 contained in P.L.2007, c.260 (C.18A:7F-43 et al.). The

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 commissioner shall prepare a report dated December 12, 2007
2 reflecting the State aid amounts payable by category for each
3 district and shall submit the report to the Legislature prior to the
4 adoption of P.L.2007, c.260 (C.18A:7F-43 et al.). Except as
5 otherwise provided pursuant to this subsection and paragraph (3) of
6 subsection d. of section 5 of P.L.2007, c.260 (C.18A:7F-47), the
7 amounts contained in the commissioner's report shall be the final
8 amounts payable and shall not be subsequently adjusted other than
9 to reflect the phase-in of the required general fund local levy
10 pursuant to paragraph (4) of subsection b. of section 16 of
11 P.L.2007, c.260 (C.18A:7F-58) and to reflect school choice aid to
12 which a district may be entitled pursuant to section 20 of that act.
13 The projected pupil counts and equalized valuations used for the
14 calculation of State aid shall also be used for the calculation of
15 adequacy budget, local share, and required local share. For 2008-
16 2009, extraordinary special education State aid shall be included as
17 a projected amount in the commissioner's report dated December
18 12, 2007 pending the final approval of applications for the aid. If
19 the actual award of extraordinary special education State aid is
20 greater than the projected amount, the district shall receive the
21 increase in the aid payable in the subsequent school year pursuant
22 to the provisions of subsection c. of section 13 of P.L.2007, c.260
23 (C.18A:7F-55). If the actual award of extraordinary special
24 education State aid is less than the projected amount, other State aid
25 categories shall be adjusted accordingly so that the district shall not
26 receive less State aid than as provided in accordance with the
27 provisions of sections 5 and 16 of P.L.2007, c.260 (C.18A:7F-47
28 and C.18A:7F-58).

29 In the event that the commissioner determines, following the
30 enactment of P.L.2007, c.260 (C.18A:7F-43 et al.) but prior to the
31 issuance of State aid notices for the 2008-2009 school year, that a
32 significant district-specific change in data warrants an increase in
33 State aid for that district, the commissioner may adjust the State aid
34 amount provided for the district in the December 12, 2007 report to
35 reflect the increase.

36 b. Each district shall have a required local share. For districts
37 that receive educational adequacy aid pursuant to subsection b. of
38 section 16 of P.L.2007, c.260 (C.18A:7F-58), the required local
39 share shall be calculated in accordance with the provisions of that
40 subsection.

41 For all other districts, the required local share shall equal the
42 lesser of the local share calculated at the district's adequacy budget
43 pursuant to section 9 of P.L.2007, c.260 (C.18A:7F-51), or the
44 district's budgeted local share for the prebudget year.

45 In order to meet this requirement, each district shall raise a
46 general fund tax levy which equals its required local share.

1 No municipal governing body or bodies or board of school
2 estimate, as appropriate, shall certify a general fund tax levy which
3 does not meet the required local share provisions of this section.

4 c. Annually, on or before March 4, each district board of
5 education shall adopt, and submit to the commissioner for approval,
6 together with such supporting documentation as the commissioner
7 may prescribe, a budget that provides for a thorough and efficient
8 education. Notwithstanding the provisions of this subsection to the
9 contrary, the commissioner may adjust the date for the submission
10 of district budgets if the commissioner determines that the
11 availability of preliminary aid numbers for the subsequent school
12 year warrants such adjustment.

13 Notwithstanding any provision of this section to the contrary, for
14 the 2005-2006 school year each district board of education shall
15 submit a proposed budget in which the advertised per pupil
16 administrative costs do not exceed the lower of the following:

17 (1) the district's advertised per pupil administrative costs for the
18 2004-2005 school year inflated by the cost of living or 2.5 percent,
19 whichever is greater; or

20 (2) the per pupil administrative cost limits for the district's
21 region as determined by the commissioner based on audited
22 expenditures for the 2003-2004 school year.

23 The executive county superintendent of schools may disapprove
24 the school district's 2005-2006 proposed budget if he determines
25 that the district has not implemented all potential efficiencies in the
26 administrative operations of the district. The executive county
27 superintendent shall work with each school district in the county
28 during the 2004-2005 school year to identify administrative
29 inefficiencies in the operations of the district that might cause the
30 superintendent to reject the district's proposed 2005-2006 school
31 year budget.

32 For the 2006-2007 **[school year and each school year thereafter]**
33 through 2011-2012 school years, each district board of education
34 shall submit a proposed budget in which the advertised per pupil
35 administrative costs do not exceed the lower of the following:

36 (1) the district's prior year per pupil administrative costs; except
37 that the district may submit a request to the commissioner for
38 approval to exceed the district's prior year per pupil administrative
39 costs due to increases in enrollment, administrative positions
40 necessary as a result of mandated programs, administrative
41 vacancies, nondiscretionary fixed costs, and such other items as
42 defined in accordance with regulations adopted pursuant to section
43 7 of P.L.2004, c.73. In the event that the commissioner approves a
44 district's request to exceed its prior year per pupil administrative
45 costs, the increase authorized by the commissioner shall not exceed
46 the cost of living or 2.5 percent, whichever is greater; or

47 (2) the prior year per pupil administrative cost limits for the
48 district's region inflated by the cost of living or 2.5 percent,

1 whichever is greater; except that for the 2009-2010 through 2011-
2 2012 school years, the prior year per pupil administrative cost limits
3 for the district's region shall not be inflated.

4 If in the 2009-2010 school year a district's allowable per pupil
5 administrative costs are calculated pursuant to paragraph (2), the
6 district, in the 2009-2010 school year and in each of the following
7 two school years, shall make a reduction in its per pupil
8 administrative costs in such amount as to ensure that by the 2011-
9 2012 school year the district's per pupil administrative costs shall
10 be no more than 90% of the 2008-2009 per pupil administrative cost
11 limits for the district's region.

12 For the 2012-2013 school year and for each school year
13 thereafter, each district board of education shall submit a proposed
14 budget in which the advertised per pupil administrative costs do not
15 exceed the district's prior year per pupil administrative costs;
16 except that the district may submit a request to the commissioner
17 for approval to exceed the district's prior year per pupil
18 administrative costs due to increases in enrollment, administrative
19 positions necessary as a result of mandated programs,
20 administrative vacancies, nondiscretionary fixed costs, and such
21 other items as defined in accordance with regulations adopted
22 pursuant to section 7 of P.L.2004, c.73. In the event that the
23 commissioner approves a district's request to exceed its prior year
24 per pupil administrative costs, the increase authorized by the
25 commissioner shall not exceed the cost of living or 2.5 percent,
26 whichever is greater.

27 d. (1) A district shall submit, as appropriate, to the board of
28 school estimate or to the voters of the district at the annual school
29 budget election conducted pursuant to the provisions of P.L.1995,
30 c.278 (C.19:60-1 et al.), a general fund tax levy which when added
31 to the other components of its net budget does not exceed the
32 prebudget year net budget by more than the spending growth
33 limitation calculated as follows: the sum of the cost of living or 2.5
34 percent, whichever is greater, multiplied by the prebudget year net
35 budget, and adjustments for changes in enrollment, certain capital
36 outlay expenditures, expenditures for pupil transportation services
37 provided pursuant to N.J.S.18A:39-1.1, expenditures incurred in
38 connection with the opening of a new school facility during the
39 budget year, and special education costs per pupil in excess of
40 \$40,000. The adjustment for special education costs shall equal any
41 increase in the sum of per pupil amounts in excess of \$40,000 for
42 the budget year less the sum of per pupil amounts in excess of
43 \$40,000 for the prebudget year indexed by the cost of living or 2.5
44 percent, whichever is greater. The adjustment for enrollments shall
45 equal the increase in weighted resident enrollments between the
46 prebudget year and budget year multiplied by the per pupil general
47 fund tax levy amount for the prebudget year indexed by the cost of
48 living or 2.5 percent, whichever is greater. The adjustment for

1 capital outlay shall equal any increase between the capital outlay
2 portion of the general fund budget for the budget year less any
3 withdrawals from the capital reserve account and the capital outlay
4 portion of the general fund budget for the prebudget year indexed
5 by the cost of living or 2.5 percent, whichever is greater. Any
6 district with a capital outlay adjustment to its spending growth
7 limitation shall be restricted from transferring any funds from
8 capital outlay accounts to current expense accounts. The
9 adjustment for capital outlay shall not become part of the prebudget
10 year net budget for purposes of calculating the spending growth
11 limitation of the subsequent year. The adjustment for pupil
12 transportation costs provided pursuant to N.J.S.18A:39-1.1 shall
13 equal any increase between the cost of providing such pupil
14 transportation services for the budget year and the cost of providing
15 such pupil transportation services for the prebudget year indexed by
16 the cost of living or 2.5 percent, whichever is greater. The
17 adjustment for the opening of a new school facility shall include
18 costs associated with the new facility related to new teaching staff
19 members, support staff, materials and equipment, custodial and
20 maintenance expenditures, and such other required costs as
21 determined by the commissioner.

22 (2) (Deleted by amendment, P.L.2007, c.260).

23 (3) (Deleted by amendment, P.L.2007, c.260).

24 (4) Any debt service payment made by a school district during
25 the budget year shall not be included in the calculation of the
26 district's spending growth limitation.

27 (5) (Deleted by amendment, P.L.2007, c.260).

28 (6) (Deleted by amendment, P.L.2007, c.260).

29 (7) (Deleted by amendment, P.L.2004, c.73)

30 (8) If an increase in tuition for the budget year charged to a
31 sending district by the receiving district pursuant to the provisions
32 of N.J.S.18A:38-19 would reduce the sending district's per pupil net
33 budget amount below the prior year's per pupil net budget amount
34 in order to comply with the district's spending growth limitation, the
35 district may apply to the commissioner for an adjustment to that
36 limitation.

37 (9) Any district may submit at the annual school budget election
38 a separate proposal or proposals for additional funds, including
39 interpretive statements, specifically identifying the program
40 purposes for which the proposed funds shall be used, to the voters,
41 who may, by voter approval, authorize the raising of an additional
42 general fund tax levy for such purposes. In the case of a district
43 with a board of school estimate, one proposal for the additional
44 spending shall be submitted to the board of school estimate. Any
45 proposal or proposals submitted to the voters or the board of school
46 estimate shall not: include any programs and services that were
47 included in the district's prebudget year net budget unless the
48 proposal is approved by the commissioner upon submission by the

1 district of sufficient reason for an exemption to this requirement; or
2 include any new programs and services necessary for students to
3 achieve the thoroughness standards established pursuant to
4 subsection a. of section 4 of P.L.2007, c.260 (C.18A:7F-46).

5 The executive county superintendent of schools may prohibit the
6 submission of a separate proposal or proposals to the voters or
7 board of school estimate if he determines that the district has not
8 implemented all potential efficiencies in the administrative
9 operations of the district, which efficiencies would eliminate the
10 need for the raising of an additional general fund tax levy.

11 Except as otherwise provided pursuant to paragraph (3) of
12 subsection c. of section 4 of P.L.2007, c.62 (C.18A:7F-39), any
13 proposal or proposals rejected by the voters shall be submitted to
14 the municipal governing body or bodies for a determination as to
15 the amount, if any, that should be expended notwithstanding voter
16 rejection. The decision of the municipal governing body or bodies
17 or board of school estimate, as appropriate, shall be final and no
18 appeals shall be made to the commissioner.

19 (10) Notwithstanding any provision of law to the contrary, if a
20 district proposes a budget with a general fund tax levy and
21 equalization aid which exceed the adequacy budget, the following
22 statement shall be published in the legal notice of public hearing on
23 the budget pursuant to N.J.S.18A:22-28, posted at the public
24 hearing held on the budget pursuant to N.J.S.18A:22-29, and
25 printed on the sample ballot required pursuant to section 10 of
26 P.L.1995, c.278 (C.19:60-10):

27 "Your school district has proposed programs and services in
28 addition to the core curriculum content standards adopted by the
29 State Board of Education. Information on this budget and the
30 programs and services it provides is available from your local
31 school district."

32 (11) Any reduction that may be required to be made to programs
33 and services included in a district's prebudget year net budget in
34 order for the district to limit the growth in its budget between the
35 prebudget and budget years by its spending growth limitation as
36 calculated pursuant to this subsection, shall only include reductions
37 to excessive administration or programs and services that are
38 inefficient or ineffective.

39 e. (1) Any general fund tax levy rejected by the voters for a
40 proposed budget that includes a general fund tax levy and
41 equalization aid in excess of the adequacy budget shall be submitted
42 to the governing body of each of the municipalities included within
43 the district for determination of the amount that should be expended
44 notwithstanding voter rejection. In the case of a district having a
45 board of school estimate, the general fund tax levy shall be
46 submitted to the board for determination of the amount that should
47 be expended. If the governing body or bodies or board of school
48 estimate, as appropriate, reduce the district's proposed budget, the

1 district may appeal any of the reductions to the commissioner on the
2 grounds that the reductions will negatively impact on the stability of
3 the district given the need for long term planning and budgeting. In
4 considering the appeal, the commissioner shall consider enrollment
5 increases or decreases within the district; the history of voter
6 approval or rejection of district budgets; the impact on the local
7 levy; and whether the reductions will impact on the ability of the
8 district to fulfill its contractual obligations. A district may not
9 appeal any reductions on the grounds that the amount is necessary
10 for a thorough and efficient education.

11 (2) Any general fund tax levy rejected by the voters for a
12 proposed budget that includes a general fund tax levy and
13 equalization aid at or below the adequacy budget shall be submitted
14 to the governing body of each of the municipalities included within
15 the district for determination of the amount that should be expended
16 notwithstanding voter rejection. In the case of a district having a
17 board of school estimate, the general fund tax levy shall be
18 submitted to the board for determination. Any reductions may be
19 appealed to the commissioner on the grounds that the amount is
20 necessary for a thorough and efficient education or that the
21 reductions will negatively impact on the stability of the district
22 given the need for long term planning and budgeting. In
23 considering the appeal, the commissioner shall also consider the
24 factors outlined in paragraph (1) of this subsection.

25 In addition, the municipal governing body or board of school
26 estimate shall be required to demonstrate clearly to the
27 commissioner that the proposed budget reductions shall not
28 adversely affect the ability of the school district to provide a
29 thorough and efficient education or the stability of the district given
30 the need for long term planning and budgeting.

31 (3) In lieu of any budget reduction appeal provided for pursuant
32 to paragraphs (1) and (2) of this subsection, the State board may
33 establish pursuant to the "Administrative Procedure Act," P.L.1968,
34 c.410 (C.52:14B-1 et seq.), an expedited budget review process
35 based on a district's application to the commissioner for an order to
36 restore a budget reduction.

37 (4) When the voters, municipal governing body or bodies, or the
38 board of school estimate authorize the general fund tax levy, the
39 district shall submit the resulting budget to the commissioner within
40 15 days of the action of the voters or municipal governing body or
41 bodies, whichever is later, or of the board of school estimate as the
42 case may be.

43 f. (Deleted by amendment, P.L.2007, c.260).

44 g. (Deleted by amendment, P.L.2007, c.260).

45 (cf: P.L.2007, c.260, s.28)

46

47 2. (New section) Each executive county superintendent of
48 schools shall provide to the Governor, and to the Legislature

1 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), a report by
2 July 1 of each year which provides information on the executive
3 county superintendent's efforts and the results of those efforts to
4 implement the authorities granted pursuant to N.J.S.18A:7-8
5 including, but not limited to:
6 a. the promotion of administrative and operational efficiencies
7 and cost savings within school districts in the county;
8 b. the consolidation of school district administrative services;
9 c. the elimination of districts that are not operating schools;
10 d. the consolidation of districts through the establishment or
11 enlargement of regional school districts;
12 e. the coordination and regionalization of pupil transportation
13 services;
14 f. the review and approval of employment contracts for
15 superintendents, assistant superintendents, and school business
16 administrators, including information on the number of such
17 contracts that were disapproved;
18 g. the disapproval of school district budgets due to the failure of
19 the district to implement all potential efficiencies in the
20 administrative operations of the district or the inclusion of
21 excessive non-instructional expenses;
22 h. the disapproval of the submission of separate proposals to the
23 voters due to the failure of a school district to document its efforts
24 to enter into shared services arrangements;
25 i. the promotion of cooperative purchasing of textbooks and
26 other instructional materials;
27 j. the promotion of in-district and shared services and programs
28 for special education students, including progress on increasing the
29 number of such students educated in appropriate programs with
30 non-disabled students; and
31 k. information on any other duties and responsibilities assigned
32 to the executive county superintendent of schools pursuant to law.

33
34 3. (New section) An executive county superintendent of schools
35 shall be appointed in any county in which the position is vacant on
36 the effective date of P.L. , c. (C.) (pending before the
37 Legislature as this bill) within 30 days of that effective date. Any
38 subsequent vacancy in the position of executive county
39 superintendent of schools shall be filled within 120 days of the
40 vacancy.

41
42 4. This act shall take effect immediately.

43
44 STATEMENT

45
46 This bill provides for a 10% reduction in the per pupil
47 administrative costs of certain school districts below those of the

1 2008-2009 school year. The reduction will be phased in over a
2 three-year period.

3 Under current law, a school district's per pupil administrative
4 costs may equal the lower of the district's prior year per pupil
5 administrative costs or the prior year per pupil administrative cost
6 limits for the district's region inflated by the cost of living or 2.5
7 percent, whichever is greater. The bill provides that in the case of a
8 school district with a 2008-2009 school year per pupil
9 administrative cost limit calculated in accordance with the regional
10 limits, the district must make an annual reduction in its per pupil
11 administrative costs in such amount as to ensure that by the 2011-
12 2012 school year the district's per pupil administrative costs will be
13 no more than 90% of the 2008-2009 per pupil administrative cost
14 limits for the district's region.

15 For the 2012-2013 school year and each school year thereafter, a
16 school district's per pupil administrative costs may not exceed its
17 prior year per pupil administrative costs. The bill does, however,
18 maintain the authority of the commissioner to permit a school
19 district to exceed its prior year per pupil administrative costs due to
20 certain specified circumstances, such as an increase in
21 nondiscretionary fixed costs.

22 The bill also directs each executive county superintendent of
23 schools to file an annual report on the results of efforts to
24 implement the new authorities delegated to him under the CORE
25 legislation which became effective in April of 2007. The report
26 would focus on issues associated with the promotion of
27 administrative and operational efficiencies, the consolidation of
28 school districts through the establishment or enlargement of
29 regional districts, the coordination and regionalization of pupil
30 transportation services, the promotion of in-district and shared
31 services and programs for special education students, and other
32 efforts to improve the operations and efficiencies of school districts
33 within the county.

34 Finally, the bill provides that an executive county superintendent
35 of schools must be appointed in any county in which the position is
36 currently vacant. The appointment must be made within 30 days of
37 the bill's effective date. The bill also stipulates that subsequent
38 vacancies in the position of executive county superintendent must
39 be filled within 120 days of the vacancy.