

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 4161

STATE OF NEW JERSEY

DATED: APRIL 11, 2024

The Assembly Appropriations Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 4161.

This committee substitute establishes in the Department of Education a Stabilized School Budget Aid Grant Program. The purpose of the program is to provide aid grants to eligible school districts equal to two-thirds of the amount of the districts' State school aid reductions for the 2024-2025 school year. A school district would be eligible to apply for an aid grant under the program if the district is subject to a State school aid reduction in the 2024-2025 school year. In order to receive an aid grant, a school district is required to ensure that it does not reduce the total number of school district employees compared to the total number of school district employees in the prior year. However, a school district may reduce the total number of school district employees if the Commissioner of Education approves the reduction. The commissioner may approve a reduction in a district's total number of school district employees if the reduction is being made due to an anticipated decline in enrollment in the 2024-2025 school year.

The committee substitute appropriates \$71.4 million to fund the Stabilized School Budget Aid Grant Program.

Under the program, a school district may apply to the Commissioner of Education to increase its adjusted tax levy, beyond the increases allowed under current law, up to one-third of the amount of the school district's State school aid reduction in the 2024-2025 school year. The increase, however, is to be no more than 9.9 percent of the prior year tax levy.

The committee substitute also permits school districts, which experienced net reductions in State school aid during the 2020-2021 through 2024-2025 school years, to adopt budgets that include increases in their adjusted tax levies beyond the increases that are permitted under current law. In the case of a school district that receives an aid grant under the Stabilized School Budget Aid Grant Program, the increases are to be no more than the amount of the school district's net reduction in State school aid during the 2020-2021 through 2023-2024 school years. This allowable increase is to be in addition to the district's ability to increase its adjusted tax levy up to

one-third of the amount of the school district's State school aid reduction in the 2024-2025 school year, as provided under the Stabilized School Budget Aid Grant Program. The overall adjusted tax levy increase for these school districts, however, is not to exceed 9.9 percent compared to the prior year's levy.

The committee substitute further permits a school district, which does not receive an aid grant but experienced net losses in State school aid during the 2020-2021 through 2024-2025 school years, to increase its adjusted tax levy by no more than the amount of the school district's net reduction in State school aid during that timeframe. The overall adjusted tax levy increase for these school districts, however, is not to exceed 9.9 percent compared to the prior year's levy.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.