

AN ACT establishing the State School Aid Funding Fairness Commission.

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

1. a. There is established the State School Aid Funding Fairness Commission. The commission shall consist of four public members appointed as follows: two members appointed by the Governor; one member appointed by the Senate President; and one member appointed by the Speaker of the General Assembly. The members shall have knowledge and experience in public school finance or knowledge and experience in State budgeting and finance.

b. Appointments to the commission shall be made within 30 days of the effective date of this act. Vacancies in the membership of the commission shall be filled in the same manner as the original appointments were made. Members of the commission shall serve without compensation but shall be reimbursed for necessary expenses incurred in the performance of their duties within the limits of funds made available to the commission for its purposes.

c. The commission shall organize within 30 days after the appointment of its members and shall select a chairperson from among its members and a secretary who need not be a member of the commission. The commission shall meet at the call of its chairperson at the times and places it may deem appropriate and necessary to fulfill its duties, and shall conduct two public hearings to elicit the testimony of interested groups and members of the public.

d. The Department of Education and the Department of the Treasury shall provide such staff and related support services as the commission requires to carry out its work. The commission shall also be entitled to call to its assistance and avail itself of the services of the employees of any State, county, or municipal department, board, bureau, commission, or agency as it may require and as may be available to it for its purposes.

2. a. It shall be the duty of the commission to study:

(1) the adjustment aid and State aid growth limit provisions of the "School Funding Reform Act of 2008" (SFRA), P.L.2007, c.260 (C.18A:7F-43 et al.), to determine recommendations for revising those provisions in order to bring all school districts to their adequacy budgets as calculated pursuant to section 9 of that act over a period of five school years;

(2) the tax levy growth limitation as established and calculated pursuant to section 3 of P.L.2007, c.62 (C.18A:7F-38) and its impact on the ability of school districts to adequately fund operating expenses;

(3) the per pupil administrative costs limit as established pursuant to paragraphs (1) and (2) of subsection c. of section 5 of P.L.1996, c.138 (C.18A:7F-5) and the impact of the limit on school district staffing and operations; and

(4) the equalized valuation and income measures used to determine a school district's local share of its adequacy budget as calculated pursuant to section 10 of P.L.2007, c.260 (C.18A:7F-52), and the impact of property tax abatements on that local share.

b. The recommendations made by the commission shall conform with the responsibility of the Legislature under Article VIII, section IV, paragraph 1 of the New Jersey Constitution to provide a thorough and efficient system of free public schools.

3. The commission shall issue a report within one year of its organization on its findings and recommendations to the Governor, the President of the Senate, and the Speaker of the

General Assembly. The report shall be accompanied by proposed legislation to implement the commission's recommendations.

4. The proposed legislation submitted pursuant to section 3 of this act shall be introduced in the Senate by the Senate President and in the General Assembly by the Speaker of the General Assembly. The bill shall not be referred to committee in either House, shall receive second reading without committee consideration, and shall then be placed on third reading. The bill must either be approved on final passage or rejected, without change or amendment, before the full membership of the House.

5. This act shall take effect immediately, and the commission shall expire 30 days after the submission of its report.

STATEMENT

This bill establishes the State School Aid Funding Fairness Commission, which will consist of four public members appointed as follows: two members appointed by the Governor; one member appointed by the Senate President; and one member appointed by the Speaker of the General Assembly. The members must have knowledge and experience in public school finance or knowledge and experience in State budgeting and finance.

The commission is charged with studying the following issues:

1) the adjustment aid and State aid growth limit provisions of the State's school funding law, the "School Funding Reform Act of 2008" (SFRA), P.L.2007, c.260 (C.18A:7F-43 et al.), to determine recommendations for revising those provisions in order to bring all school districts to their adequacy budgets over a period of five school years. A school district's adequacy budget is calculated under section 9 of SFRA and represents the amount needed to provide district students with a thorough and efficient education;

2) the tax levy cap and its impact on the ability of school districts to adequately fund operating expenses;

(3) the per pupil administrative costs limit and the impact of the limit on school district staffing and operations; and

(4) the equalized valuation and income measures used to determine a school district's local share of its adequacy budget, and the impact of property tax abatements on that local share.

The bill stipulates that the recommendations made by the commission must comport with the Legislature's responsibility under the State Constitution to provide a thorough and efficient education to all students.

The commission must complete its work within one year of its organization through the issuance of a report to the Governor, the Senate President, and the Speaker of the General Assembly. The report must be accompanied by proposed legislation to implement the recommendations. The proposed legislation will be introduced in the Senate by the Senate President and in the General Assembly by the Speaker of the General Assembly. The bill will not be referred to committee in either House, will receive second reading without committee consideration, and will then be placed on third reading. The bill must either be approved on final passage or rejected, without changes or amendments.

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