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OF THE

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OF THE

One Hundred and Ninety-sixth Legislature

OF THE

STATE OF NEW JERSEY

AND

Twenty-fifth Under the New Constitution



New Jersey State Library

1975

CHAPTER 212

AN ACT providing for a thorough and efficient system of free public schools, a State aid program implementing such system, revising parts of the statutory law and supplementing Title 18A of the New Jersey Statutes.

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

ARTICLE I. SHORT TITLE; LEGISLATIVE FINDINGS;
DEFINITIONS

C. 18A:7A-1 Short title.

1. This act shall be known and may be cited as the "Public School Education Act of 1975."

C. 18A:7A-2 Legislative findings and declaration.

2. a. The Legislature finds and declares that:

(1) The New Jersey Constitution provides that the maintenance and support of a thorough and efficient system of free public schools for the instruction of all the children in the State between the ages of 5 and 18 years is a legislative responsibility;

(2) It has been determined by the Supreme Court of New Jersey that the constitutional requirement has not been met and that action must be taken to correct any deficiencies;

(3) Extensive efforts have been made by the Executive and Legislative branches of State Government and others since the Supreme Court's decision to determine the content of a thorough and efficient system of education and how it may be assured;

(4) Because the sufficiency of education is a growing and evolving concept, the definition of a thorough and efficient system of education and the delineation of all the factors necessary to be included therein, depend upon the economic, historical, social and cultural context in which that education is delivered. The Legislature must, nevertheless, make explicit provision for the design of State and local systems by which such education is delivered, and should, therefore, explicitly provide after 4 years from the effective date of this act for a major and comprehensive evaluation of both the State and local systems, and the sufficiency of education provided thereby;

(5) In order to encourage citizen involvement in educational matters, New Jersey should provide for free public schools in a manner which guarantees and encourages local participation consistent with the goal of a thorough and efficient system serving all of the children of the State;

(6) A thorough and efficient system of education includes local school districts in which decisions pertaining to the hiring and dismissal of personnel, the curriculum of the schools, the establishment of district budgets, and other essentially local questions are made democratically with a maximum of citizen involvement and self-determination and are consistent with Statewide goals, guidelines and standards; and

(7) Such a system should be in part locally funded to encourage involvement of and assure the financial supervision by the residents of the local unit, and in part State funded, to equalize Statewide the tax effort required for a thorough and efficient system of free public schools.

b. The Legislature, therefore, hereby accepts the responsibility:

(1) To define the overall goal of a thorough and efficient system of free public schools in New Jersey;

(2) To establish guidelines within which such a system shall operate;

(3) To delegate to appropriate State and local agencies the authority:

(a) to establish goals and objectives consistent with legislative guidelines, and

(b) to define standards of performance necessary to indicate achievement of the goals and objectives;

(4) To establish a funding structure which will ensure that adequate financial resources shall be available to enable a system of free public schools to operate throughout the State; and

(5) To monitor the system of free public schools and provide for corrective action when necessary to ensure adequate progress toward the achievement of goals and objectives.

C. 18A:7A-3 Definitions.

3. For the purposes of this act, unless the context clearly requires a different meaning:

“Administrative order” means a written directive ordering specific corrective action by a district which has shown insufficient educational progress within a reasonable period of time in meeting goals and standards.

“Approved special class pupil” means a pupil enrolled in any class for atypical pupils pursuant to chapter 46 of Title 18A of the New Jersey Statutes.

“Approved special education services pupil” means a pupil receiving specific services pursuant to chapter 46 of Title 18A of the New Jersey Statutes but excluding pupils attending county special services school districts.

“Bilingual education pupil” means a pupil enrolled in a program of bilingual education approved by the State board.

“Budgeted capital outlay” means those capital outlay expenditures that are included in the annual school budget.

“Categorical programs” means those programs and services recognized in this act as requiring per pupil expenditures over and above those applicable to regular programs, as provided in section 20 of this act.

“Current expense” means all expenses of the school district, as enumerated in N. J. S. 18A:22-8, other than those required for interest and debt redemption charges and any budgeted capital project.

“Debt service” means and includes payments of principal and interest upon school bonds and other obligations issued to finance the acquisition of school sites and the acquisition, construction or reconstruction of school buildings, including furnishings, equipment and the costs of issuance of such obligations and shall include payments of principal and interest upon bonds heretofore issued to fund or refund such obligations, and upon municipal bonds and other obligations which the commissioner approves as having been issued for such purposes. Debt service pursuant to the provisions of P. L. 1971, c. 10 (C. 18A:58-33.6 et seq.) and P. L. 1968, c. 177 (C. 18A:33.2 et seq.) is excluded.

“District equalized valuation per pupil” means the quotient resulting from dividing the total equalized valuations in the school district by the resident enrollment of the district; provided that in the determination of the equalized valuation per pupil of a county vocational school the total equalized valuations in the county shall be divided by the total resident enrollment in all school districts of the county to obtain the county vocational school equalized valuation per pupil.

“Equalized valuations” means the equalized valuation of the taxing district or taxing districts as certified by the Director of the Division of Taxation on October 1 of the pre-budget year.

With respect to regional districts and their constituent districts, however, the equalized valuations as described above shall be allocated among the regional and constituent districts in proportion to the number of pupils in each of them.

“Evening school pupils” means the equated full-time resident enrollment of pupils enrolled in an accredited evening high school, an evening vocational high school, and in other evening schools except schools offering programs for self-improvement and social enrichment.

“Goals” means a written statement of educational aspirations for learner achievement and the educational process stated in general terms.

“Guaranteed valuation per pupil” means for the calculation of State support for the school year 1976-77, 1.3 times the State average valuation per pupil, and for all school years thereafter, 1.35 times the State average valuation per pupil, rounded to the nearest thousand dollars, for the year in which the calculation of aid is made except as modified by section 48 hereof.

“Joint Committee on the Public Schools” means the Committee created pursuant to P. L. 1975, c. 16 (C. 52:9R-1 et seq.).

“Local vocational pupils” means the full-time equivalent of pupils enrolled in approved categorical vocational programs in school districts designated as local area vocational school districts.

“Needs assessment” means a written analysis of the current status of an educational system in terms of achieving its goals.

“Net current expense budget” means the balance after deducting (1) State support for categorical programs pursuant to section 20 of this act, (2) the transportation amount in the current expense budget and (3) all other revenue in the current expense budget except the amount to be raised by local taxation, equalization State support, and State support for approved transportation.

“Net current expenses per pupil” means the quotient resulting from dividing the net current expense budget by the resident enrollment.

“Net debt service and budgeted capital outlay” means the balance after deducting all revenues from the school debt service and budgeted capital outlay budgets of the school district and the school debt service amount included in the municipal budget, except the amount to be raised by local taxation and State support.

“Objective” means a written statement of the intended outcome of a specific educational process.

“Pre-budget year” means the school year preceding the year in which the school budget will be implemented.

“Resident enrollment” means the number of pupils who are resident of the district and are enrolled in day or approved evening schools on the last school day of September of the pre-budget year and are attending the public schools of the district or a school district or State college demonstration school to which the district of residence pays tuition; provided that a district shall count pupils regularly attending both the schools of the district and of a county vocational school in the same county on an equated full-time basis.

“Standards” means the process and stated levels of proficiency used in determining the extent to which goals and objectives are being met.

“State average net current expense budget per pupil” means the quotient resulting from dividing the total net current expense budget of all districts in the State by the total resident enrollment in the State.

“State average valuation per pupil” means the quotient resulting from dividing the total equalized valuations in the State as certified by the Director of the Division of Taxation on October 1 by the total resident enrollment in the State. In the event that the equalized table certified by the Director of the Division of Taxation shall be revised by the Division of Tax Appeals on or before January 30 of the next succeeding year, such revised valuation shall be used in any recomputation of aid for an individual district filing such appeal but will have no effect upon the State average valuation per pupil.

“State compensatory education pupil” means a pupil who is enrolled in preventive and remedial programs, approved by the State board, supplemental to the regular programs and designed to assist pupils who have academic, social, economic or environmental needs that prevent them from succeeding in regular school programs.

“State support limit” means the sixty-fifth percentile net current expense budget per pupil for the prebudget year when all district figures are ranked from low to high. The State support limit shall be calculated and applied separately for (a) limited purpose regional districts offering grades 9 through 12, (b) limited purpose regional districts offering grades 7 through 12, provided, however, that the figure used for such districts shall be not less than 90% of the sixty-fifth percentile for limited purpose regional districts offering grades 9 through 12, (c) constituent districts of limited

purpose regional districts offering grades 9 through 12, (d) constituent districts of limited purpose regional districts offering grades 7 through 12, provided, however, that the figure used for such districts shall be not less than 90% of the sixty-fifth percentile for constituent districts of limited purpose regional districts offering grades 9 through 12, and (e) all other districts.

ARTICLE II. GOALS, STANDARDS AND GUIDELINES; PROCEDURES
OF EVALUATION; ENFORCEMENT

C. 18A:7A-4 Goal of free public schools.

4. The goal of a thorough and efficient system of free public schools shall be to provide to all children in New Jersey, regardless of socioeconomic status or geographic location, the educational opportunity which will prepare them to function politically, economically and socially in a democratic society.

C. 18A:7A-5 Major elements; guidelines.

5. A thorough and efficient system of free public schools shall include the following major elements, which shall serve as guidelines for the achievement of the legislative goal and the implementation of this act:

- a. Establishment of educational goals at both the State and local levels;
- b. Encouragement of public involvement in the establishment of educational goals;
- c. Instruction intended to produce the attainment of reasonable levels of proficiency in the basic communications and computational skills;
- d. A breadth of program offerings designed to develop the individual talents and abilities of pupils;
- e. Programs and supportive services for all pupils especially those who are educationally disadvantaged or who have special educational needs;
- f. Adequately equipped, sanitary and secure physical facilities and adequate materials and supplies;
- g. Qualified instructional and other personnel;
- h. Efficient administrative procedures;
- i. An adequate State program of research and development; and
- j. Evaluation and monitoring programs at both the State and local levels.

C. 18A:7A-6 State board; establishment of goals and standards and making rules.

6. The State board, after consultation with the commissioner and review by the Joint Committee on the Public Schools shall (a)

establish goals and standards which shall be applicable to all public schools in the State, and which shall be consistent with the goals and guidelines established pursuant to sections 4 and 5 of this act, and (b) make rules concerning procedures for the establishment of particular educational goals, objectives and standards by local boards of education.

C. 18A:7A-7 Local boards of education; determination of goals and standards pursuant to State rules.

7. Each local board of education shall establish particular educational goals, objectives and standards pursuant to rules prescribed by the State board.

C. 18A:7A-8 Review and update of State goals and standards.

8. The State board after consultation with the commissioner and review by the Joint Committee on the Public Schools shall, from time to time, but at least once every 5 years, review and update the State goals and standards established pursuant to this act. In reviewing and updating these goals and standards, the State board shall consult with, and be assisted by, (a) the Commissioner of Labor and Industry who, in consultation with employer and employee groups, shall report annually to the State board projecting labor needs and describing employment qualifications in New Jersey, (b) the Chancellor of Higher Education who, in consultation with the institutions of higher education in the State, shall report annually to the State board on entry requirements and anticipated enrollment levels, (c) the Commissioner of Health who shall report annually to the State board on the current and projected health needs in New Jersey, (d) the Commissioner of Institutions and Agencies who shall report annually to the State board on the education of pupils under the jurisdiction of the department, and (e) such other employees and officers of the State as may be able to assist the State board in its activities pursuant to this section.

C. 18A:7A-9 Comprehensive needs assessment program; results; publicity.

9. The commissioner, in cooperation with local school districts, shall from time to time, but at least once every 5 years, direct a comprehensive needs assessment program of all pupils in the State in light of State goals and standards, and shall make the results of the needs assessment program available to local school districts, which districts shall review and update their particular educational goals, objectives and standards to meet those needs. All such results shall be made public.

C. 18A:7A-10 Evaluation of performance of each school.

10. For the purpose of evaluating the thoroughness and efficiency of all the public schools of the State, the commissioner, with the approval of the State board and after review by the Joint Committee on the Public Schools, shall develop and administer a uniform, Statewide system for evaluating the performance of each school. Such a system shall be based in part on annual testing for achievement in basic skill areas, and in part on such other means as the commissioner deems proper in order to (a) determine pupil status and needs, (b) ensure pupil progress, and (c) assess the degree to which the educational objectives have been achieved.

C. 18A:7A-11 Annual report of local school district; contents; annual report of commissioner to Governor and Legislature.

11. Each school district shall make an annual report of its progress in conforming to the goals, objectives and standards developed pursuant to this act. Each district's annual report shall include but not be limited to:

- a. Demographic data related to each school;
- b. Results of assessment programs, including Statewide and district testing conducted at each school;
- c. Information on each school's fiscal operation, including the budget of each school;
- d. Results of each school's effectiveness in achieving State, district and school goals and objectives applicable to the pupils;
- e. Plans and programs for professional improvement;
- f. Plans to carry out innovative or experimental educational programs designed to improve the quality of education; and
- g. Recommendations for school improvements during the ensuing year.
- h. Additionally, the State Board of Education may from time to time require each district to submit a facilities survey, including current use practices and projected capital project needs, but not more frequently than once every 2 years.

The district reports shall be submitted to the commissioner by July 1 of each year and he shall make them the basis for an annual report to the Governor and the Legislature, describing the condition of education in New Jersey, the efforts of New Jersey schools in meeting the standards of a thorough and efficient education, the steps underway to correct deficiencies in school performance, and the progress of New Jersey schools in comparison to other state education systems in the United States.

C. 18A:7A-12 Comprehensive report of State board; contents.

12. In addition to the annual reports required by section 11 of this act, the State board shall, 4 years after the effective date of this act, make a comprehensive report to the Governor and the Legislature assessing the effectiveness of this act in producing a thorough and efficient system of free public schools. The report shall include an account of the progress of each local school district in meeting the goals, objectives and standards prescribed under sections 6 and 7 of this act, identify those districts and schools which fail to meet them, and make recommendations, if necessary, for hastening the elimination of any deficiencies.

C. 18A:7A-13 Biennial message of Governor to Legislature.

13. Thereafter, the Governor shall deliver a biennial message to the Legislature on the progress of New Jersey's schools in providing a thorough and efficient education and recommending legislative action, if appropriate.

C. 18A:7A-14 Failure of school or school districts to show progress; remedial plan; insufficiency; corrective actions; hearing on order to show cause.

14. The commissioner shall review the results of the evaluations conducted and reports submitted pursuant to sections 10 and 11 of this act. If the commissioner shall find that a school or a school district has failed to show sufficient progress toward the goals, guidelines, objectives and standards established in and pursuant to this act, he shall advise the local board of education of such determination, and shall direct that a remedial plan be prepared and submitted to him for approval. If the commissioner approves the plan, he shall assure its implementation in a timely and effective manner. If the commissioner finds that the remedial plan prepared by the local board of education is insufficient, he shall order the local board to show cause why the corrective actions provided in section 15 of this act should not be utilized. The hearing upon said order to show cause shall be conducted in the manner prescribed by subdivision B of article 2 of chapter 6 of Title 18A of the New Jersey Statutes.

C. 18A:7A-15 Corrective actions; administrative order specifying remedial plan to local board.

15. If, after a plenary hearing, the commissioner determines that it is necessary to take corrective action, he shall have the power to order necessary budgetary changes within the school district, to order in-service training programs for teachers and other school personnel, or both. If he determines that such corrective actions

are insufficient, he shall have the power to recommend to the State board that it take appropriate action. The State board, on determining that the school district is not providing a thorough and efficient education, notwithstanding any other provision of law to the contrary, shall have the power to issue an administrative order specifying a remedial plan to the local board of education, which plan may include budgetary changes or other measures the State board determines to be appropriate. Nothing herein shall limit the right of any party to appeal the administrative order to the Superior Court.

C. 18A:7A-16 Failure or refusal to comply with administrative order; application to court for order directing compliance.

16. Should the local board of education fail or refuse to comply with an administrative order issued pursuant to section 15 of this act, the State board shall apply to the Superior Court by a proceeding in lieu of prerogative writ for an order directing the local school board to comply with such administrative order.

ARTICLE III. STATE SCHOOL AID

C. 18A:7A-17 Annual report of local board of number of pupils enrolled and on information on special education services.

17. Annually, on or before October 5, the secretary of the board of education, with the approval of the superintendent of schools, or if there be no superintendent of schools, with the approval of the county superintendent of schools, shall file with the commissioner a report stating the number of pupils enrolled by grade and the number of these pupils in approved programs of (a) special education classes, (b) compensatory education, (c) bilingual education and (d) local vocational education on the last school day of September. In addition, districts shall file annual reports providing such information as the commissioner may require for pupils receiving special education services.

C. 18A:7A-18 Current expense equalization support.

18. Equalization support for current expenses of all school districts shall be paid in accordance with the following calculations:

a. Divide the district equalized valuation per pupil by the guaranteed valuation per pupil and subtract the quotient from 1.0000 to obtain the district's State support ratio.

b. Multiply the district's State support ratio by the smaller of (1) the net current expense budget for the prebudget year or (2) the product of the resident enrollment and the State support limit. The amount obtained is the current expense equalization support.

c. Notwithstanding any other provision of this section, no district shall receive less in current expense equalization support than 10% of the State support limit.

C. 18A:7A-19 State aid for debt service and budgeted capital outlay.

19. State support for debt service and budgeted capital outlay shall equal the total of the net debt service and budgeted capital outlay budgets for the pre-budget year multiplied by the district's current expense State support ratio obtained in section 18 of this act. If the product is less than zero, no support shall be paid. Budgeted capital outlay used for the calculation of State support shall be the smaller of (1) the budgeted capital outlay for the pre-budget year, or (2) 1½% of the sum of the current expense and budgeted capital outlay for the pre-budget year.

C. 18A:7A-20 Categorical program support for 1975-76 and 1976-77.

20. In addition to the equalization support authorized in section 18 of this act, categorical program support for 1975-76 and 1976-77 shall be paid in accordance with the following calculations:

a. The number of categorical aid units shall be determined by adding the products obtained by multiplying the pupils in each category by the following additional cost factors:

CATEGORICAL PROGRAMS

Special Education Classes	Additional Cost Factors
Educable	0.53
Trainable	0.95
Orthopedically handicapped	1.27
Neurologically impaired	1.06
Perceptually impaired	0.85
Visually handicapped	1.91
Auditorially handicapped	1.38
Communication handicapped	1.06
Emotionally disturbed	1.27
Socially maladjusted	0.95
Chronically ill	0.85
Multiply handicapped	1.27
Other Classes and Services	Additional Cost Factors
Approved private school tuition	1.0 plus the additional cost factor of the handi- cap

Supplementary and speech instruction . . .	0.09 based on the number of pupils actually receiving such instruction in the prior school year
Bilingual education	0.16
State compensatory education	0.11
Approved local vocational education . . .	0.53

b. The number of categorical aid units for home instruction shall be determined by multiplying the number of hours of instruction actually provided in the prior school year by 0.006.

c. For the purposes of this section, aid shall be paid to districts in which the pupils reside except in the case of home, supplementary or speech instruction where aid shall be paid to the district providing the service. No tuition may be charged for such home, supplementary or speech instruction for costs covered by State support as provided in this section.

d. Categorical program support shall equal the number of units of additional cost multiplied by the State average net current expense budget per pupil for the prebudget year.

C. 18A:7A-21 Schedule of additional cost factors; annual recommendation to Legislature for revision; rejection by concurrent resolution.

21. On or before April 1, 1977, and on or before April 1 of each subsequent year, the Governor, after consultation with the Department of Education, shall recommend to the Legislature any revision in the schedule of additional cost factors which is deemed proper, together with appropriate supporting information, and such revised additional cost factors shall be deemed approved for the fiscal year beginning 1 year from the subsequent July 1 at the end of 60 calendar days after the date on which they are transmitted to the Senate and General Assembly, or if the Legislature is not in session on the sixtieth day, then on the next succeeding day on which it shall be meeting in the course of a regular or special session, unless between the date of transmittal and the end of the above period, the Legislature passes a concurrent resolution stating that the Legislature does not favor the revised schedule of additional cost factors, in which case the additional cost factors then in effect shall continue in effect.

C. 18A:7A-22 Compensatory education research and development fund.

22. There is hereby established a compensatory education research and development fund. For the 1976-77 fiscal year and

annually thereafter, there shall be appropriated to the fund an amount equal to 3% of the amount calculated for State aid for compensatory education pursuant to section 20 of this act. The fund shall be used to support pilot and demonstration projects which are designed to improve the education of compensatory education pupils.

C. 18A:7A-23 Grants for pilot and demonstration projects for compensatory education pupils and evaluation procedures.

23. The commissioner is authorized to make grants to school districts for the establishment of pilot and demonstration projects for compensatory education pupils, to provide for the establishment of appropriate evaluation procedures, and take any other action necessary to insure the implementation of such projects.

C. 18A:7A-24 County vocational school districts; State aid.

24. State support for county vocational school districts shall be paid in accordance with the following calculations:

a. Divide the county equalized valuations per pupil by the guaranteed valuation per pupil and subtract the quotient from 1.0000 to obtain the county vocational school's State support ratio.

b. Multiply the State support ratio by the smaller of (1) the net current expense budget for the prebudget year or (2) the product of the resident enrollment multiplied by 175% of the State-wide sixty-fifth percentile net current budget per pupil for the prebudget year when all district figures are ranked from low to high. The amount obtained is the current expense equalization support. If the State support ratio is zero or less than zero, no support shall be paid.

c. Debt service and budgeted capital outlay support for county vocational schools shall be calculated in accordance with section 19 of this act.

C. 18A:7A-25 Net current expense budget per pupil; increase by local district; certification.

25. A district which has a net current expense budget per pupil in the prebudget year of less than the State average net current expense budget per pupil may increase its net current expense budget per pupil in the following year by no more than an amount found by multiplying three-fourths of the latest annual percentage increase in the total State equalized valuation by the State average net current expense budget per pupil for the prebudget year, and multiplying the product by the quotient resulting from dividing the State average net current expense budget per pupil by the school district net current expense budget per pupil for the

prebudget year; provided, however, that in no event shall the figure used for the latest annual percentage increase in the total State equalized valuation be less than the average of such percentage increases for the latest 3 years. Any other district may increase its net current expense budget per pupil by no more than an amount found by multiplying three-fourths of the latest annual percentage increase in the total State equalized valuation by the school district's net current expense budget per pupil for the prebudget year, and multiplying the product by the quotient resulting from dividing the State average net current expense budget per pupil by the school district net current expense budget per pupil for the prebudget year. For the purpose of these calculations, the enrollment of a district shall be assumed to remain constant between the prebudget year and the year during which the budget will be implemented.

Annually, on or before November 15, the commissioner shall certify to each local board of education the amount by which the school district may increase its budget for the next year without exceeding the permissible rate of increase.

The commissioner may approve the request of a local board of education for a greater increase, having judged that (1) a reallocation of resources or any other action taken within the permissible level of spending would be insufficient to meet the goals, objectives and standards established pursuant to this act, or (2) an increased enrollment may reasonably be anticipated in the district.

C. 18A:7A-26 Payments to local school districts; requests for early payment and debt service and budgeted capital outlay payments.

26. The amounts payable to each school district pursuant to this act shall be paid by the State Treasurer upon the certification of the commissioner and warrant of the Director of Budget and Accounting. Ten percent of the appropriation for current expense equalization and categorical program support shall be paid on the first of each month from September through June. If a local board of education requires funds prior to the first payment, the board shall file a written request with the Commissioner of Education stating the need for such funds. The commissioner shall review each request and forward those for which need has been demonstrated to the appropriate officials for payment.

Debt service funds shall be paid as required to meet due dates for payment of principal and interest, and budgeted capital outlay funds shall be paid as requested by the local district.

Each school district shall file an annual written request for debt service and budgeted capital outlay payments to the commissioner 30 days prior to the beginning of the fiscal year for which the appropriation is made. Such request shall include the amount of interest bearing school debt, if any, of the municipality or district then remaining unpaid, together with the rate of interest payable thereon, the date or dates on which the bonds or other evidences of indebtedness were issued, and the date or dates upon which they fall due. In the case of Type I school districts, the board secretary shall secure such schedule of outstanding obligations from the clerk of the municipality.

C. 18A:7A-27 Annual determination of appropriation by State and amounts payable to each county and district.

27. On or before November 1 of each year, the commissioner shall determine the amount necessary to be appropriated by the State to carry out the provisions of this act for the succeeding school year and shall determine for local budget purposes the amounts payable to each of the counties and districts under this act for such succeeding year.

C. 18A:7A-28 Proposed budgets for next school year of local boards; annual submission; review of commissioner.

28. Annually, on or before December 1, local boards of education shall submit to the commissioner a copy of their proposed budgets for the next school year. The commissioner shall review each item of appropriation within the current expense and budgeted capital outlay budgets and shall determine the adequacy of the budgets with regard to the annual reports submitted pursuant to section 11 of this act.

29. N. J. S. 18A:13-23 is amended to read as follows:

Apportionment of appropriations.

18A:13-23. The annual or special appropriations for regional districts, including the amounts to be raised for interest upon, and the redemption of, bonds payable by the district, shall be apportioned among the municipalities included within the regional district upon the basis of the portion of each municipality's equalized valuation allocated to the regional district, calculated as described in the definition of equalized valuation in section 3 of this 1974 amendatory and supplementary act.

30. N. J. S. 18A:13-24 is amended to read as follows:

Appropriations; certification; apportionment; assessment and collection among constituent districts.

18A:13-24. The amounts to be raised for annual or special appropriations and for interest upon, and the redemption of, bonds for regional districts shall be certified by the regional board of education to, and shall be apportioned among the municipalities included within the regional district as follows:

a. When the regional district is located wholly within one county, said amounts shall be certified to the county board of taxation of the county and shall be apportioned by it among such municipalities in the manner, and upon the basis, prescribed in this article; or

b. When the regional district is located in more than one county, said amount shall be certified to the county board of taxation of the county in which the largest number of regional district pupils are resident, and said amounts shall be apportioned by said county board of taxation, among such municipalities in the manner, and upon the basis, prescribed in this article.

The share of the amount to be raised by taxation in each municipality included in a regional district shall be certified to the appropriate county board of taxation by the Commissioner of Education.

The amounts apportioned to each such included municipality shall be assessed, levied and collected in the same manner and at the same time as other school taxes are assessed, levied and collected therein and shall be paid upon requisition as in other Type II school districts.

31. N. J. S. 18A:23-2 is amended to read as follows:

Scope of audit.

18A:23-2. Each annual audit shall include an audit of the books, accounts and moneys, and a verification of all cash and bank balances, of the board and of any officer or employee thereof and of moneys derived from athletic events or the activities of any organization of public school pupils conducted under the auspices of the board, from the date of the last annual audit to the date of the audit in question. Such audit shall also include a determination of the extent to which the school board has used contracts entered into by the State Division of Purchase and Property pursuant to P. L. 1969, c. 104 (C. 52:25-16.1 et seq.) in the purchase of materials, supplies or equipment for the school district.

32. N. J. S. 18A:23-3 is amended to read as follows:

Filing; summary of recommendations; publication.

18A:23-3. The report of each annual audit shall be filed, by the public school accountant making the same, with his recommendations with the board of education of the district, and such accountant shall within 5 days thereafter file two duplicate copies thereof certified under his signature in the office of the commissioner. The commissioner annually shall publish a summary of such recommendations as made for each school district and the steps which have been taken in each district for their implementation.

33. N. J. S. 18A:39-15 is amended to read as follows:

State aid for joint transportation.

18A:39-15. If the county superintendent of the county in which the districts are situate shall approve the necessity, the cost, and the method of providing such joint transportation and the agreement whereby the same is to be provided, each such board of education providing joint transportation shall be entitled to State aid in an amount equal to 100% of its proportionate share of the cost of such transportation pursuant to the terms of such agreement.

34. N. J. S. 18A:46-23 is amended to read as follows:

Transportation of pupils; State aid.

18A:46-23. The board of education shall furnish daily transportation within the State to all children found under this chapter to be handicapped who shall qualify therefor pursuant to law and it shall furnish such transportation for a lesser distance also to any handicapped child, if it finds upon the advice of the examiner, his handicap to be such as to make such transportation necessary or advisable.

The school district shall be entitled to State aid for such daily transportation in the amount of 100% of the cost to the district of furnishing such transportation to a program approved under this chapter in New Jersey when the necessity for such transportation and the cost and method thereof have been approved by the county superintendent of the county in which the district paying the cost of such transportation is situated.

35. N. J. S. 18A:58-7 is amended to read as follows:

Transportation.

18A:58-7. Each district shall also be paid 100% of the cost to the district of transportation of pupils to a school when the necessity for such transportation and the cost and method thereof have

been approved by the county superintendent of the county in which the district paying the cost of such transportation is situate. Such aid shall be paid for elementary pupils who live beyond 2 miles from their school of attendance and secondary pupils who live $2\frac{1}{2}$ miles from their school of attendance.

36. N. J. S. 18A:58-25 is amended to read as follows:

Capital reserve funds.

18A:58-25. The State Treasurer shall maintain a school building aid capital reserve fund for each school district having funds on deposit as of the effective date of this act.

The Director of the Division of Investment shall invest and reinvest such capital reserve funds in the same manner and subject to the same requirements as are prescribed for the investment of State funds generally. Income received upon the investment of the capital reserve funds shall be credited pro rata to the capital reserve funds of the respective school districts, semiannually on November 1 and May 1.

In the event that a school district or municipality anticipates that it will be unable to meet the payment of principal or interest of any bonds hereafter issued for school purposes, it shall certify such inability to the Commissioner of Education and the Director of the Division of Local Government Services at least 10 days prior to the date such payment is due. The State Treasurer, upon certification of such inability by said commissioner and director or, in the event any such district or municipality fails to certify its anticipated inability to meet any such payments, upon notice and verification of such inability, shall withhold from the sums then or thereafter available to said district as State building aid a sum sufficient to pay the principal of and interest on such bonds. The State Treasurer shall pay ratably to the claimant holders of such bonds, or their agent, first the interest and then the principal due and owing to them by the school district or municipality, as the case may be, up to the amount of the building aid allowance then or thereafter available to such district or municipality.

37. N. J. S. 18A:58-26 is amended to read as follows:

Withdrawal from reserve funds.

18A:58-26. A school district may on November 1 or May 1 in any school year draw against its capital reserve fund, up to the amount of the balance therein, to the extent that such withdrawal

is anticipated as a revenue in the school budget for the then current school year or it may be applied to a capital purpose authorized by ordinance or by vote of the electors of the school district. Such withdrawal shall be paid by the State Treasurer to the board of education upon application duly made to the commissioner and upon his certification and the warrant of the Director of the Division of Budget and Accounting.

38. R. S. 54:4-49 is amended to read as follows:

Apportionment valuation; amount to be apportioned among taxing districts; debits and credits.

54:4-49. (a) Except as to any State tax at a fixed rate provided for in sections 54:4-50 and 54:4-51 of this Title, each county board of taxation, after having received the tax lists and duplicates of the assessors and having revised and corrected the same and having equalized the aggregate valuations of all the real property in the respective taxing districts, as required by R. S. 54:3-17 to 54:3-19, shall, after making adjustments for the debits and credits hereinafter mentioned, apportion the amount to be raised in the respective taxing districts for State, State school, county and free county library purposes and for purposes of consolidated school districts and school districts comprising two or more taxing districts, on the basis of the total valuation so ascertained for each taxing district. The total valuation for each taxing district, so ascertained, shall be known as the "apportionment valuation."

(b) The amount to be apportioned among the respective taxing districts shall be the amount to be raised for the purposes specified in subsection (a), plus or minus the difference between the total debits and total credits of the taxing districts affected, determined as provided in subsection (c). The net amounts respectively to be raised, after making allowance to the affected districts for the debits and credits, shall be equivalent to the amount required for each of the purposes specified in subsection (a).

(c) The net debit or credit of each taxing district shall be the amount by which the taxing district has overpaid or underpaid its share of the specific tax or taxes for the purposes specified in subsection (a) for the preceding year or years because of increases or decreases in the amount of the assessments of the district subsequent to the apportionment in the preceding year or years by reason of final judgments on appeals, complaints and applications, the correction of clerical errors under R. S. 54:4-53 and the allowance of additional veterans' exemptions or deductions during the prior tax year by the collector pursuant to law. When an

assessment has been reduced or added to, or increased, on appeal, complaint or other application, and the judgment on that appeal, complaint or other application has been further appealed, no deduction or increase as herein provided for shall be made with respect to the appealed assessment until the further appeal has been finally determined.

(d) So that there shall be uniformity of application and treatment under this section in all of the counties, the Director, Division of Taxation, shall issue regulations for the guidance of the county boards of taxation in the determination of the apportionment valuations, the amounts to be apportioned and the amounts of the debits and credits.

39. N. J. S. 18A:46-9 is amended to read as follows:

Classification of mentally retarded children.

18A:46-9. Each child classified pursuant to section 18A:46-8 as mentally retarded shall be similarly further identified, examined and classified into one of the following subcategories:

a. Educable mentally retarded children, who are those who may be expected to succeed with a minimum of supervision in homes and schools and community life and are characterized particularly by reasonable expectation that at maturity they will be capable of vocational and social independence in competitive environment;

b. Trainable mentally retarded children who are so retarded that they cannot be classified as educable but are, notwithstanding, potentially capable of self-help, of communicating satisfactorily, or participating in groups, of directing their behavior so as not to be dangerous to themselves or others and of achieving with training some degree of personal independence and social and economic usefulness within sheltered environments;

c. Children eligible for day training, who are those so severely mentally retarded as to be incapable of giving evidence of understanding and responding in a positive manner to simple directions expressed in the child's primary mode of communication and who cannot in some manner express basic wants and needs.

40. N. J. S. 18A:46-13 is amended to read as follows:

Types of facilities and programs.

18A:46-13. It shall be the duty of each board of education to provide suitable facilities and programs of education for all the children who are classified as handicapped under this chapter except those so mentally retarded as to be eligible for day training

pursuant to N. J. S. 18A:46-9. The absence or unavailability of a special class facility in any district shall not be construed as relieving a board of education of the responsibility for providing education for any child who qualifies under this chapter.

A board of education is not required to provide any further educational program for children who have been admitted to the Marie H. Katzenbach School for the Deaf but shall be required to furnish necessary daily transportation Monday through Friday to and from the school for nonboarding pupils when such transportation is approved by the county superintendent of schools in accordance with such rules and regulations as the State board shall promulgate for such transportation. Any special education facility or program authorized and provided for a child attaining age 20 during a school year shall be continued for the remainder of that school year.

41. N. J. S. 18A:46-17 is amended to read as follows:

Exclusion of certain mentally retarded children.

18A:46-17. The superintendent of schools, or the principal of a school in a district where there is no superintendent, may, upon the advice of the psychological examiner or examiners administering classification procedures required by this chapter, refuse to admit, or, having admitted, exclude, any child whose mental retardation is so severe that he has been diagnosed and classified as eligible for day training under this chapter.

Any child so refused admission or excluded shall be reexamined, upon the request of the parent or other person having custody and control of the child, after a period of 1 year shall have elapsed from the date of the last previous examination.

42. N. J. S. 18A:46-18 is amended to read as follows:

Reporting names of children excluded.

18A:46-18. The superintendent of schools or the principal of each school, as the case may be, shall forthwith report to the secretary of the board of education of the district the names of all children who have been refused admission or have been excluded under this chapter, and the names and addresses of their parents or persons having custody and control of them. Such refusal of admission or exclusion shall continue unless and until set aside by action of the board of education or lifted as a result of a reexamination. The superintendent or principal, as the case may be, shall report the names of any other mentally retarded children in the

district known to him who are not in a private school or in a residential institution and who are considered to be eligible for day training.

The secretary of the board of education, after the meeting of the board next following the meeting at which the names of the children not admitted or excluded are reported, shall report the names and addresses to the county superintendent of schools of the county in which the district is situate. The county superintendent shall furnish a list of such names and addresses to the commissioner, who shall, in turn, transmit copies of all such lists to the Commissioner of Institutions and Agencies. Such list shall not be made public, but shall be open to the inspection of such public and private agencies, only, as have a legitimate interest in it and then only to the extent so necessary.

C. 18A:46-18.1 Children eligible for day training; provisions of facilities and programs.

43. (New section) It shall be the duty of the State board in concert with the Department of Institutions and Agencies to provide suitable facilities and programs for all the children who are classified as eligible for day training.

44. N. J. S. 18A:4-24 is amended to read as follows:

Determining efficiency of schools; report to State board.

18A:4-24. The commissioner shall pursuant to rules and regulations of the State board, inquire into and ascertain the thoroughness and efficiency of operation of any of the schools of the public school system of the State and of any grades therein by such means as to him seem proper, and he shall report to the State board the results of such inquiries and such other information with regard thereto as the State board may require or as he shall deem proper, but nothing in this section shall affect the right of each district to prescribe its own rules for promotion.

45. N. J. S. 18A:58-11 is amended to read as follows:

Emergency aid.

18A:58-11. There shall be appropriated annually the sum of \$500,000.00 to be distributed by the commissioner, upon the approval of the State board, to meet unforeseeable conditions, including substantial increases in enrollments, in any school district. The amount of such emergency aid shall be payable by the State Treasurer upon the certificate of the commissioner and the warrant of the Director of the Division of Budget and Accounting.

C. 18A:7A-29 Powers of State board, commissioner or local boards; effect of act.

46. (New section) Nothing in this act shall be construed to deny the State board, commissioner or local boards of education powers granted to them elsewhere in Title 18A of the New Jersey Statutes, except as expressly provided herein.

C. 18A:7A-30 State board of education; powers and duties.

47. (New section) The State Board of Education shall promulgate rules and adopt policies, subject to the "Administrative Procedure Act." P. L. 1968, c. 410 (C. 52:14B-1 et seq.), make all determinations and exercise such powers of visitation as are necessary for the proper administration of this act.

C. 18A:7A-31 Joint committee on public schools; annual recommendations to Legislature.

48. Beginning in 1976, the Joint Committee on the Public Schools, by October 15 of each year, shall recommend to the Legislature for enactment any changes in the method or basis of financial support which appear desirable from the experience under this act. The committee, at the same time shall also recommend whether the level of State support provided by this act should be retained or increased in the direction of equal State-local sharing of costs. The committee shall consider and recommend to the Legislature for enactment such other steps as may be appropriate.

49. There is hereby established a Task Force on Business Efficiency of the Public Schools, to consist of eight members, four of whom shall be members of the Joint Committee on the Public Schools to be appointed by the chairman, and four of whom shall be other persons to be appointed by the Governor. All members shall serve without compensation and vacancies in the membership of the task force shall be filled in the same manner as the original appointments are made.

50. Within 6 months of the effective date of this act, the task force shall report to the Legislature and the Governor its recommendations for improving the business efficiency of local school districts. The task force shall be discharged upon submission of its report.

51. The task force shall be entitled to call to its assistance and avail itself of the services of such 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 said purpose, and to employ such professional, stenographic and clerical assistants and incur such traveling and other miscellaneous expenses as it

may deem necessary, in order to perform its duties, and as may be within the limits of funds appropriated or otherwise made available to it for said purposes.

52. There is hereby appropriated from the General State Fund for the purposes of the task force the sum of \$20,000.00.

C. 18A:7A-32 Partial invalidity.

53. (New section) If any clause, sentence, subdivision, paragraph, subsection or section of this act is held to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, subsection or section thereof directly involved in the controversy in which said judgment shall have been rendered.

C. 18A:7A-33 Repealer.

54. All acts and parts of acts inconsistent with this act are repealed, and without limiting the general effect of this act in repealing acts so inconsistent herewith, the following acts and parts of acts together with all amendments and supplements thereto are specifically repealed:

N. J. S. 18A:13-22
N. J. S. 18A:13-25
N. J. S. 18A:38-2.1
N. J. S. 18A:58-1 to 18A:58-5.4, inclusive
P. L. 1968, c. 340 (C. 18A:58-5.5)
P. L. 1973, c. 224 (C. 18A:58-5.6)
P. L. 1970, c. 234, § 9 (C. 18A:58-6.3)
N. J. S. 18A:58-8
N. J. S. 18A:58-10
N. J. S. 18A:58-13
P. L. 1970, c. 234, § 15 (C. 18A:58-18.1)
N. J. S. 18A:58-20 to 18A:58-24, inclusive
N. J. S. 18A:58-27
P. L. 1968, c. 289, § 1 (C. 18A:58-27.1)
N. J. S. 18A:58-29
N. J. S. 18A:58-30 to 18A:58-31, inclusive
N. J. S. 18A:58-33 to 18A:58-33.1, inclusive.

55. (New section) For the school year 1976-77, no district shall receive less in State aid in the aggregate for equalization support, categorical program support, debt service and budgeted capital outlay support and transportation support pursuant to this act

than the aggregate amount of State aid received during the 1974-75 school year pursuant to N. J. S. 18A:58-5, 18A:58-6, P. L. 1970, c. 234, s. 9 (C. 18A:58-6.3), N. J. S. 18A:58-7, 18A:58-8, 18A:58-10 and 18A:58-30.

56. (New section) For the school year 1977-78, any district receiving less in State aid in the aggregate for equalization support, categorical program support, debt service and budgeted capital outlay support and transportation support pursuant to this act than the aggregate amount of State aid received during the 1974-75 school year pursuant to N. J. S. 18A:58-5, 18A:58-6, P. L. 1970, c. 234, s. 9 (C. 18A:58-6.3), N. J. S. 18A:58-7, 18A:58-8, 18A:58-10 and 18A:58-30 shall be entitled to the amount calculated under this act for such support plus one-half of the difference between that amount and the amount received during the 1974-75 school year pursuant to the above sections.

57. Articles I and II and sections 44 and 46 through 53 of Article III of this act shall take effect July 1, 1975. The remaining sections of this act shall take effect July 1, 1976; provided that preparatory steps hereunder shall be taken as directed by the commissioner including, but not limited to, the submission of pupil enrollments and budgets of school districts.

Approved September 29, 1975.

CHAPTER 213

AN ACT concerning vacancies in the membership of a governing body in any municipality, revising parts of the statutory law and amending N. J. S. 40A:9-11; P. L. 1950, c. 210, ss. 3-5, 4-6, 5-6, 6-7, 7-6, 8-7, 9-5, 10-5, 11-5, 12-6; P. L. 1953, c. 254, s. 12A-5; P. L. 1950, c. 210, ss. 13-5, 14-5, 15-5, 16-5; R. S. 40:72-15, 40:81-18, 40:84-11, 40:87-11, 40:87-12, 40:125-7, 40:145-1, 40:146-20, 40:158-2, 40:159-1 and 40:171-5; and repealing N. J. S. 40A:9-162; R. S. 40:87-13, 40:125-6, 40:125-8, 40:171-3, 40:171-4; P. L. 1962, c. 13 and P. L. 1949, c. 1.

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