

POSITIONS AND POLICIES ON EDUCATION

Budget Planning, Preparation and Adoption

FILE CODE

3100

Timelines for School Budget Process

- A. **The NJSBA believes** that the development of school district budgets is a time intensive process, which requires that the state provide budget parameters and state aid figures in a timely fashion.
- B. **The NJSBA believes** that the Department of Education should annually issue a two-year school election budget calendar. *[Authority: DA 5/96-CR (School Finance), BD 5/06]*
- C. **The NJSBA believes** that the Commissioner of Education should notify school districts of their state aid entitlements by the statutory date of notification. The Association supports continued adherence to the statutory requirement that the Commissioner deliver state aid figures, within two days of the Governor's budget message;
- D. **The NJSBA believes** that local boards should submit budgets to executive county superintendents in a time frame consistent with the release of school aid figures;
- E. **The NJSBA believes** that the time period between the executive county superintendent's approval of the tentative budget and the earliest public hearing date should be a minimum of two days;
- F. **The NJSBA believes** that a minimum of one public hearing should be required on the budget even where the budget would not be required to be sent to the voters for approval;
- G. **The NJSBA believes** that pre-hearing advertising of the school budget prior to obtaining executive county superintendent approval should be permitted, provided that the advertisement contains the caveat that the advertised budget was subject to the review and approval of the Executive county superintendent and, therefore, subject to change;
- H. **The NJSBA believes** that time limitations should be placed upon all steps in the restoration of reductions application process, up to and including the State Board of Education;
- I. **The NJSBA believes** that if a municipal governing body fails to render a decision on a defeated budget within the given time period, it shall be assumed that the municipal governing body has lost its right to cut the budget;
- J. **The NJSBA believes** there should be an enforcement mechanism to compel adherence to time limitations by all parties;
- K. **The NJSBA believes** that decisions in a restoration of reductions application should be based upon a full year, with no reductions for restorations made after the start of the school year;
- L. **The NJSBA believes** that all appropriate changes should be made in all other types of school districts similar to those sought for Type II districts; and,
- M. **The NJSBA believes** that the school tax levy should be certified to the County Board of Taxation by the fourth Tuesday in May. *[Authority: DA 12/75-1, DA 10/78-CR (Budget Statutes), BD 10/79, DA 6/82-3, DA 12/82-15, DA 6/83-1, DA 6/84-CR (Minimum Aid), DA 6/89-CR (Budget Calendar), DA 5/96-CR (School Finance)]*
- N. **The NJSBA believes** that receiving districts should be required to provide sending districts with figures for the actual costs per pupil used to determine rates by December 15 of the next school year following the one in which the tuition rate applies. *[Authority: DA 1/80-7]*
- O. **The NJSBA believes** there should be measures to ensure delivery of all budget materials, including the State Budget Software, in its entirety, within two days of the Governor's budget message. Failure of the

state to meet the two-day requirement would result in an appropriate extension of the school districts' filing requirement. *[Authority: DA 11/00-12]*

- P. **The NJSBA believes** there should be measures for county vocational school districts to provide for final board of school estimate action before the statutory deadline for adoption of the county budget by the board of chosen freeholders. *[Authority: DA 6/84-5, DA 11/01-SR, DA 11/06-SR, DA 11/11-SR, DA 12/16-SR]*
- Q. **The NJSBA believes** that it is detrimental to students, school programs, and taxpayers to have the state reduce projected school aid figures to school districts after the Commissioner of Education notifies school districts of their state aid entitlements by the statutory date of notification. *[Authority: DA 11/17-1]*

Accounts

The NJSBA believes that all districts have the right to hold and use unreserved general fund balance in whatever amounts they deem without penalty. *[Authority: BD 11/74, DA 12/74-4, DA 12/82-12, DA 6/87-14, DA 6/91-CR QEA, DA 11/01-SR, DA 11/06-SR, DA 11/11-SR, DA 12/16-SR]*

Budget Caps/Spending Growth Limitations

- A. **The NJSBA believes** in the concept of budget caps/spending growth limitations and believes budget caps/spending growth limitations should be made more responsive to what is actually happening in the economy while at the same time permitting districts to keep pace with increases in fixed costs over which they have little control.
- B. **The NJSBA believes** that the range of budget caps/spending growth limitations should be widened, with low spending districts permitted to increase their spending at a greater rate than under the present cap/spending growth limitation. *[Authority: DA 12/76-13, DA 6/77-Policy Rec. 4, DA 12/77-7b, DA 12/77-16, DA 6/86-10, DA 6/91-CR QEA, DA 6/93-1, DA 6/93-2]*
- C. **The NJSBA believes** that lease-purchase agreements over five years should not be subject to cap/spending growth limitation waivers. *[Authority: DA 5/97-CR (School Finance)]*
- D. **The NJSBA believes** that no school district should have its maximum permissible budget negatively impacted in subsequent years by adopting a budget which is less than its maximum permissible budget. Maximum permissible budgets in subsequent years should be determined as if the district had budgeted at its maximum permissible budget in the pre-budget year. *[Authority: DA 6/93-1 DA 11/01-SR, DA 11/06-SR]*
- E. **The NJSBA believes** that the following should be excluded from the budget caps/spending growth limitations:
1. State mandated programs, such as special education, bilingual education, at-risk, school lunch programs and transportation from the cap/spending growth limitations; Limitations should include only revenues necessary for regular education programs;
 2. Revenues necessary due to increases in fixed costs which are due solely to actions of state or federal regulatory agencies;
 3. Revenues necessary due to non-discretionary increases in costs for those fixed or essential items such as heat, tuition, insurance, maintenance and repair, shall be authorized as appropriate expenditures above the maximum permissible budget; *[Authority: DA 12/76-13, DA 6/77-Policy Rec. 4, DA 12/77-7b, DA 12/77-16, DA 6/86-10, DA 6/91-CR QEA, DA 6/93-1, DA 6/93-2]*
- F. **The NJSBA believes** that a Commissioner's ruling that a district's program does not meet its T&E goals may be made only after a hearing and must be accompanied by a written statement of reasons;

- G. **The NJSBA believes** that the Commissioner should have the authority to grant a cap/spending growth limitation waiver for lease purchase agreements under five years. *[Authority: DA 6/83-3, BD 11/84-CR Extended school Year, DA 6/91-CR QEA]*
- H. **The NJSBA believes** that an explanation of any cap/spending growth limitation waiver should be allowed to be included on the ballot and, in the absence of any administrative solutions to the problem, seek to permit an interpretative statement to be placed on the ballot. *[Authority: DA 12/92-1, DA 11/01-SR, DA 11/06-SR, DA 11/11-SR, DA 12/16-SR]*

Municipal Approval for Exceeding Budgets

The NJSBA believes that Type 1 school districts should be permitted to exceed their budgets without municipal approval up to a level of three percent of the equalized valuations. *[Authority: DA 5/65-8, DA 11/01-SR, DA 11/06-SR, DA 11/11-SR, DA 12/16-SR]*

Voter Approval of School Budgets

The NJSBA believes that there should be no requirement in Type II districts to submit to the voters the Department of Education – approved annual school budget. Boards of education should be able to maintain the option of requesting voter approval for additional locally financed spending characterized under State law as “second questions”. *[Authority: DA 6/91-4, DA 6/93-10, DA 5/96-CR (School Finance), DA 5/99-3, DA 11/01-SR, DA 11/06-SR, DA 11/11-SR, DA 12/16-SR]*

Defeated Budgets

- A. **The NJSBA believes** that the authority to make school expenditures should rest with the duly elected/appointed board of education, because it is the board of education that has expertise in educational budgeting and programming, has knowledge of the district's needs, and is charged with ensuring a thorough and efficient education for students in New Jersey. *[Authority: DA 6/95-4]*
- B. **The NJSBA believes** in the concept of giving boards of education a full range of options in the manner that all defeated budget questions may be reviewed for the purpose of setting the amount of taxes to be raised -- initially to the municipal body with subsequent review by the commissioner; directly to the commissioner of education; bypassing the local governing body; or allowing the defeat to stand, when that is an option. *[Authority: DA 11/98-4]*
- C. **The NJSBA believes** that neither a governing body nor its officials should have a line-item veto over school budgets. *[Authority: DA 6/95-4]*
- D. **The NJSBA believes** that a simple majority of the total governing bodies comprising a regional school district shall be sufficient to establish the tax levy to be certified to the county board of taxation for a regional school district budget which has been defeated by the voters. *[Authority: DA 12/80-5, DA 11/01-SR, DA 11/06-SR, DA 11/11-SR, DA 12/16-SR]*

Penalty Procedures

NJSBA believes that any penalty imposed on local districts should have codification of all aspects of the review and appeal process. The codification shall be consistent with NJSBA's Timelines for School Budget Process. *[Authority: DA 5/96-CR (School Finance), DA 11/01-SR, DA 11/06-SR, DA 11/11-SR, DA 12/16-SR]*

Protection of Local Control

NJSBA believes that local boards of education have the primary responsibility over the receipt of revenues and expenses and will oppose any directives that would compromise that authority and responsibility. *[Authority: DA 6/79-8, DA 6/93-SR, DA 11/01-SR, DA 11/06-SR, DA 11/11-SR, DA 12/16-SR]*

Second Ballot Questions

The NJSBA believes that only a simple majority (more than 50%) of votes in the affirmative should be required for approval of second ballot questions. *[Authority: DA 5/08-2, DA 12/16-SR]*

Cross References:	3000	Concepts and roles in business and noninstructional operations
	3150	Official adoption by voters/board of school estimate
	3151	Appeals
	3210	Local funds
	3220	State funds
	3350	Tuition expense
	3541.1	Transportation routes and services
	4111	Recruitment, selection and hiring – certificated staff
	9112	Elections/appointment

Key Words: budget, calendar, timelines, local control