

Budget Cap/Spending Growth Limitations

RESOLUTION NO. 3

NEW JERSEY SCHOOL BOARDS ASSOCIATION

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**ANNUAL DELEGATE ASSEMBLY
May 14, 2016**

**The following resolution was received from the
Wayne Township Board of Education (Passaic):**

WHEREAS, The Wayne Township Board of Education is concerned with respect to Budget Caps/Spending Growth Limitations as it pertains to state mandates, especially those that are unfunded or underfunded, specifically applied to curriculum and academic programs for all students, both general education and special education; and

WHEREAS, The Delegate Assembly is the official policymaking body of the New Jersey School Boards Association (NJSBA); and

WHEREAS, Education-related policies resulting from prior Delegate Assembly and Board of Directors actions are codified in the NJSBA’s Manual of Positions and Policies on Education; now, therefore, be it

1 RESOLVED, That the Wayne Township Board of Education proposes adding the following
2 underlined policy language to NJSBA’s *Manual of Positions and Policies on*
3 *Education*, Budget Planning, Preparation and Adoption, File Code 3100,
4 Budget Caps/Spending Growth Limitation, paragraph E (1):
5

6 E. **The NJSBA believes** that the following should be excluded from the
7 budget caps/spending growth limitations:
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- 9 1. State mandated programs, such as special education, bilingual
10 education, at-risk, school lunch programs and transportation from the
11 cap/spending growth limitations and any unfunded or underfunded
12 curriculum programs mandated for all students; Limitations should
13 include only revenues necessary for regular education programs,
14 which are not state mandated; and, be it further
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16 RESOLVED, That this resolution be placed on the agenda for consideration at the May 14,
17 2016 Delegate Assembly.

Adopted at a regular meeting
Of the Wayne Township
Board of Education on
February 18, 2016.

Ms. Juanita Petty, RSBA, SFO
Board Secretary

RESOLUTION NO. 3

SYNOPSIS

Resolution No. 3 from the Wayne Township Board of Education (Passaic County) proposes **revised** policy language for adoption by the Delegate Assembly and inclusion in the NJSBA's *Manual of Positions and Policies on Education*. The resolution calls for NJSBA to revise existing policy language at File Code 3100, Budget Planning, Preparation and Adoption, to add unfunded or underfunded curriculum programs to the list of items Association policy seeks to exclude from the statutory budget caps/spending growth limitations.

BACKGROUND

New Jersey statute prohibits school districts from adopting a budget with an increase in the adjusted tax levy that exceeds the specified tax levy growth limitations (See *N.J.S.A. 18A:7F-38*). Like many school boards throughout the state, the Wayne Board of Education is concerned with the impact of these budget caps, particularly those constituting unfunded or underfunded mandated curriculum programs (in both general and special education areas).

RELEVANT NJSBA POLICY

File Code 3100: Budget Caps/Spending Growth Limitations states in relevant part:

- 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]

File Code 3220: State School Finance System states in relevant part:

- B. **The NJSBA believes** that New Jersey's school finance system should:
9. Provide state aid for the full excess cost of all mandated special education programs and services;

10. Provide state funding for the full cost of all state mandates.

File Code 3220: Council on Local Mandates

The NJSBA believes that additional mandates imposed on local boards of education should have an identified funding source or appropriation. All enacted legislation affecting education should be forwarded to the Council on Local Mandates for review. The Council should be authorized to initiate proceedings and rule on unfunded mandates without the need for local districts to file costly complaints. In the absence of the Council on Local Mandates timely review of education legislation containing unfunded mandates, the NJSBA shall seek Board of Directors approval to initiate and file a complaint with the Council on behalf of all the local boards of education in New Jersey. *[Authority: DA 5/12-2]*

File Code 6140: Mandated Curriculum and Programs:

- A. **The NJSBA believes** that neither the state nor federal government should mandate any new or expanded school curricula, activity, or program unless a compelling need, including its educational value, has been demonstrated.
- B. **The NJSBA believes** that categorical funding at the 100% level should be provided annually for each mandated program and activity required to be provided by school districts, and that districts shall not be required to maintain and continue these programs and activities in the absence of categorical funding. Once qualified for categorical aid, districts should remain eligible for a minimum period of time to allow the establishment and operation of required programs with minimal disruption and prevent abrupt shifts in state aid from one year to the next. *[Authority: DA 1/80-A; DA 1/80-1; DA 6/83-2; DA 12/83-4; BD 11/84 CR (Extended School Year); BD 4/94; DA 6/88-19 & 19A; BD 10/91; DA 11/98-CR (School Finance); DA 12/91-CR QEA; DA 11/97-SR, DA 11/02-SR, DA 11/07-SR, DA 11/12-SR]*

DISCUSSION

NJSBA has long standing policy supporting state funding for the full cost of all state mandates, including special education programs and services. Additional policy specifically opposes mandates of any new or expanded curriculum, and seeks full state funding in this area as well.

However, inadequate state funding has implications in other budgetary circumstances, such as those raised by the Wayne Board of Education; that is, budget caps/spending growth limitations. Current NJSBA policy supports exclusions from these limitations in the context of state mandated programs such as special education, bilingual education, at-risk, school lunch programs and transportation. The enumerated programs listed are not meant to be exclusive of other programs.

The Wayne board seeks to add to the list of exclusions from budget caps, any unfunded or underfunded curriculum mandates. The budgetary impact and concern highlighted by this resolution is shared by many boards throughout the state. This additional proposed language is consistent with NJSBA policy generally on the funding of state mandates. Moreover, it is in accord with, and essentially a clarification of existing policy on budget caps/spending growth

limitations, and is an appropriate addition to this policy language.

STATEMENT OF REASONS

1. Current law prohibits school districts from adopting a budget with an increase in the adjusted tax levy that exceeds statutory growth limitations.
2. Existing NJSBA policy supports full state funding of state mandates, including mandated curriculum requirements.
3. NJSBA policy supports exclusion from spending growth limitations in several budgetary areas.
4. The additional language proposed by the Wayne resolution is consistent with NJSBA policy generally, and clarifies existing policy regarding budget caps.

1 **RECOMMENDATION**

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- 3 The Resolutions Subcommittee recommends approval of this resolution.