

BUDGET PLANNING, PREPARATION AND ADOPTION

The budget is the financial reflection of the educational plan for the District. The budget shall be designed to carry out that plan in a thorough and efficient manner and to maintain the facilities and honor the obligations of the District. The budget shall be in accord with statutory and regulatory mandates of the Federal Government, the State Legislature, the State Board of Education and the Board of Education. In accordance with P.L. 2011 c202, the Old Tappan Board of Education has changed the school election date to November, thus eliminating the public vote on the budget when it is under the state imposed cap.

The budget shall provide sufficient resources for curriculum and instruction that are designed and shall be delivered in such a way that all students will have the opportunity to achieve the knowledge and skills defined by the Core Curriculum Content Standards, as well as locally defined standards.

In reviewing budget proposals, the Board will consider priorities to be accomplished during the subsequent year, based on the needs identified through the District's planning process. The budget shall be prepared on forms prescribed by the Commissioner of Education and should be considered critically by each Board member during its preparation.

In order to ensure adequate time for the preparation and review of the proposed budget, the Board directs the Superintendent to develop a schedule of events associated with the development, presentation and adoption of the budget by the Board. The Superintendent and/or the Business Administrator/Board Secretary shall present the tentative budget of expenditures in accordance with the agreed upon calendar. This calendar of events shall conform to all dates set out in statute and shall be reviewed and adopted by the Board annually. The Superintendent and/or the Business Administrator/Board Secretary shall present the tentative revenues as soon as announced by the New Jersey State Department of Education. In the preparation of this budget the Superintendent shall confer with District personnel and Board committees, as necessary, to make the tentative budget realistic.

The Board may call upon such key personnel to discuss those portions of the budget which concern them.

The budget should evolve primarily from the District's goals and schools' current needs, but shall also consider the data collected in long range planning. In preparing budget requests, the responsible administrator shall include the following costs by program area:

- A. Staff
- B. Textbooks, equipment and supplies
- C. Cost and maintenance of facilities and equipment
- D. Other costs associated with the operation of each program

The District's operating budget, when presented to the Board for review, shall contain:

- A. The proposed expenditure for each line item requested for the ensuing year;
- B. The anticipated expenditure for each existing line item in the current school year;

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- C. The actual expenditure for each then-existing line item from the immediately completed school year;
- D. A description of each line item;
- E. An estimate of the student population for the coming school year by grade;
- F. The current student population by grade;
- G. An estimate of the staff needed for the coming school year by grade and/or by subject;
- H. Actual staff for the current year;
- I. Anticipated revenue by sources and amounts;
- J. Amount of surplus anticipated at the end of the current school year including accumulated surplus;
- K. All other expenses projected for the coming year, anticipated for the present year, and incurred in the preceding year, on the District level;
- L. Projected impact on tax rate.

Separate Budget Proposals (Second Questions)

The Board may submit a separate budget proposal or proposals (second questions) to the voters for additional general fund tax levies which may be in excess to that which has been determined necessary for all students to have an opportunity to achieve the core curriculum content standards and a thorough and efficient education.

In order to submit a separate proposal to the voters, the Board must receive Executive County Superintendent approval. The Executive County Superintendent may disapprove separate proposals if he/she determines that the district has not implemented all potential administrative efficiencies that would obviate the need to raise taxes. In addition, the Superintendent shall require the submission of documentation of efforts for or participation in shared arrangements with other governmental entities or provision of documentation explaining why shared arrangements are not appropriate.

Separate budget proposals (second questions) shall not include:

- A. Programs and services necessary for students to achieve state thoroughness standards;
- B. Programs and services that were included in the district's net budget for the previous year. The district may request an exemption from the Executive County Superintendent if the cost of maintaining such programs will result in the reduction of programs necessary to maintaining the state established thoroughness standards.

Even though the school election date has been moved to November and there is no vote on any school budget under cap, all separate proposals to exceed the cap shall be voted at the November election. The Board must prepare an interpretive statement for the ballot that indicates the purposes for which the additional expenditures shall be used and indicates whether the expenditures in the proposal(s) will be a permanent part of the budget or

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will be for one year only. The Board shall adopt any such proposals by a recorded roll call majority vote of the full Board.

If a separate budget proposal is defeated, the voters' decision shall be final with no appeal to the municipal governing body.

Reserve Accounts

The board, by resolution, may adopt a Current Expense Reserve Account or a Debt Service Reserve Account. The board may supplement a Capital Reserve Account or a Maintenance Reserve Account by transferring by resolution at year end any unanticipated revenue and/or unexpended line-item appropriation amounts for withdrawal in subsequent years. All reserve accounts must use GAAP accounting and shall be subject to the annual audit.

The board may appropriate funds to establish or supplement a Current Expense Reserve Account to finance unanticipated general fund current expense costs required for a through and efficient education. Amounts appropriated cannot exceed one percent of the district's annual budget up to a maximum of \$1, 000,000.00. Withdrawals from the account shall require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health costs in excess of four percent.

The board may establish a Debt Service Reserve Account for the proceeds from the sale of district property. The proceeds in the account shall be used to retire outstanding debt service obligations. The account shall be liquidated within five years or the remaining term of the outstanding debt, whichever occurs first.

Budget Approval Process

The tentative budget shall be submitted to the Executive County Superintendent for review and approval. The Executive County Superintendent may disapprove portions of the budget if he/she determines that the district has:

- A. Not implemented all potential administrative efficiencies and/or
- B. Included excessive non-instructional expenses.

The district shall remove the disapproved amounts from the budget. The district shall not transfer funds back into the disapproved accounts during the budget year.

The legally required advertisement of the proposed budget and the public hearing on the proposed budget shall be held after the budget has been approved by the Executive County Superintendent and within the statutorily prescribed timelines.

A "user-friendly" summary of the proposed budget shall be provided on the district's website (if one exists) following the public hearing on the budget and prior to the school election in April. After the election (and following municipal review if the budget is defeated), a final user-friendly summary of the final budget shall be posted on both the district's website and the Department of Education's website. The posting shall stay on-line for a year, until it is replaced by the following year's budget summary.

The user-friendly budget shall include:

- A. All appropriation line items aggregated by item type;

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- B. The school tax rate;
- C. The equalized school tax rate;
- D. Revenues by major category;
- E. The amount of available surplus;
- F. A description of unusual revenues or appropriations, with a description of the circumstances of the revenues and appropriations; and
- G. A list of shared services agreements in which the district is participating.

The annual budget proposal must be adopted by a roll call majority vote of the full membership of the Board after the public hearing. Once adopted, the proposal represents the position of the Board, and all reasonable means shall be employed by the Board to present and explain that position to all community residents and taxpayers.

The proposed budget as accepted by the Board shall be set forth in detail, using the form prescribed by the Commissioner of Education. An itemized statement shall be appended to the budget in tabular form listing all information as required by the statute and code in an understandable format. -

In addition, the budget submission shall include the following supporting documentation for the positions of Superintendent, Assistant Superintendent, Business Administrator/Board Secretary as well as any employee who is not a member of a collective bargaining unit whose annual salary exceeds \$75,000.00:

- A. A detailed statement of contract terms that includes but is not limited to duration of the contract and all forms of compensation provided in the contract;
- B. The annualized cost of all benefits which exceed the district's contribution for those benefits made on behalf of a staff member under a collective bargaining agreement;
- C. A detailed statement of any benefits which are to be conferred on or after separation from the school district;
- D. A detailed statement of any form of in-kind or other form of remuneration provided that is not otherwise included in the employee's salary or benefits.

The budget, once adopted, as well as the documentation required in the previous paragraph, shall be provided for public inspection and made available in print in the plain language, user-friendly format developed by the Commissioner of Education for that purpose.

Brochure

If the Board of Education deems it necessary, the District may publish a brochure to explain the annual school budget and distribute it to district taxpayers. If published, the brochure shall meet all legal requirements.

A "user-friendly" summary of the proposed budget shall be provided on the District's website (if one exists) following the public hearing on the budget in April. If a second question is placed on

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the November ballot and approved by the voters, a revised user-friendly summary of the final budget shall be posted on both the district's website and the Department of Education's website. The posting shall stay on-line for a year, until it is replaced by the following year's budget summary.

The user-friendly budget shall include:

- H. All appropriation line items aggregated by item type;
- I. The school tax rate;
- J. The equalized school tax rate;
- K. Revenues by major category;
- L. The amount of available surplus;
- M. A description of unusual revenues or appropriations, with a description of the circumstances of the revenues and appropriations; and
- N. A list of shared services agreements in which the district is participating.

All Board members are expected to attend the public hearing on the budget.

<u>Legal References:</u>	<u>N.J.S.A.</u> 18A:7F-43 <u>et seq.</u> <u>N.J.S.A.</u> 18A:13-17, -19, -23	School Funding and Reform Act of 2008 Submission of budget; annual regional school election
	<u>N.J.S.A.</u> 18A:22-7, -8 through -13 <u>N.J.S.A.</u> 18A:22-14	Preparation of budgets Fixing appropriations to be made; notice of intent to appeal (Type I districts)
	<u>N.J.S.A.</u> 18A:22-25	Borrowing against appropriations on notes (Type I districts)
	<u>N.J.S.A.</u> 18A:22-26 through -31	Type II district with board of school estimate; determination; certification and raising of appropriations; notice of intent to appeal amount of appropriation
	<u>N.J.S.A.</u> 18A:22-32, -33	Type II districts without board of school estimate; determination of appropriation
	<u>N.J.S.A.</u> 18A:39-1.5	Adoption of policy regarding transportation of students who walk along hazardous routes
	<u>N.J.S.A.</u> 19:60-1	Annual school elections
	<u>N.J.A.C.</u> 6A:8-1.1 <u>et seq.</u> <u>N.J.A.C.</u> 6A:23-8.1 <u>et seq.</u>	Standards and Assessment Budget submission, support documentation, website publication
	<u>N.J.A.C.</u> 6A:23A-15.2	Per pupil calculation, notification and caps (charter schools)
	<u>N.J.A.C.</u> 6A:23A-15.3	Enrollment counts payments process and aid adjustment (charter schools)
	<u>N.J.A.C.</u> 6A:23A-22.4	Financial requirements (charter schools)
	<u>N.J.A.C.</u> 6A:26-10.1 <u>et seq.</u>	Lease Purchase Agreements
	<u>N.J.A.C.</u> 6A:30-1.1 <u>et seq.</u>	Evaluation of the Performance of School Districts

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Legal References: (continued)

Abbott v. Burke, 149 NJ 195 (1999)

P.L.2011, CHAPTER 202 November election

Cross References: *3160 Transfer of funds between line items/amendments/purchases
not budgeted
*3220/3230 State funds; federal funds
*3326 Payment for goods and services

*Indicates policy is included in the Critical Policy Reference Manual.

Key Words

Budget Planning, Preparation and Adoption; Planning; Budget

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