

Policy

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.

The budget shall provide sufficient resources for the designed curriculum and instruction. The budget shall be delivered in such a way that all students have the opportunity to achieve the knowledge and skills defined by the core curriculum content standards and local 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. 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 shall prepare a tentative budget and shall confer with the principals, department heads, board committees and other district personnel, as necessary, to make the tentative budget realistic.

The board may call upon key personnel to discuss those portions of the budget that concern their areas of district operations.

The budget should evolve primarily from the district's goals and schools' current needs, but shall also consider the data collected in long-range budget 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; and
- 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;
- C. The actual expenditure for each then-existing line item from the immediately completed school year;

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- D. A description of each line item;
- E. An estimate of the pupil population for the coming school year by grade;
- F. The current pupil 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.

The board may submit a separate budget proposal or proposals 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. The board shall adopt any such questions by a recorded roll call majority vote of the full board.

Since the budget is the legal basis on which the school tax rate is established, the annual school budget process is an important means of communication within the school organization and with district residents. The community shall be notified of and encouraged to attend all board meetings at which preliminary budget discussions will be held. The legally required public hearing on the proposed budget shall be held after the budget has been approved by the executive county superintendent of schools and within the statutorily prescribed timelines.

The annual budget proposal must be adopted by a roll call majority vote of the full membership of the board. 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 this board shall be set forth in detail, using the form prescribed by the state department of education, and shall be made available to the public as required by law. A brochure may be published to explain the annual school budget and will be distributed to district taxpayers, if the board of education deems it necessary.

The brochure should include:

- A. A summary of the proposed expenditures and anticipated revenues;
- B. General information which may enable district taxpayers to understand the proposed budget better; for example, present and projected school enrollments and assessed valuations, state aid, and teachers' salaries;
- C. An explanation of significant changes in the budget;
- D. An explanation of the tax impact of the proposed budget.

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

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;
- 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.

Date: **Reviewed: April 10, 2002; December 15, 2010**
 Readopted: May 17, 2000; January 21, 2004; February 16, 2011

Legal References: Use legal reference sheet.

Cross References: List your appropriate policies. See legal reference sheet for possibilities.

Key Words

Budget Planning, Preparation and Adoption; Planning; Budget

Legal References

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Monitored:

Indicator 7.3

Recommendation:

A policy directing the Superintendent and/or business official to provide for development of the annual budget according to state prescribed procedures. Adoption of the budget proposed by the board requires a majority of the full membership of the board. The procedure for final validation of the budget varies according to the type of district.

Abbott districts should acknowledge their financial responsibilities to budget in accordance with the Court decision and make reference to school-based budgeting as the means of carrying out those responsibilities.

<u>Legal References:</u>	<p><u>N.J.S.A.</u> 18A:7F-1 et seq.</p> <p><u>N.J.S.A.</u> 18A:13-17, -19, -23</p> <p><u>N.J.S.A.</u> 18A:22-7, -8 through -13</p> <p><u>N.J.S.A.</u> 18A:22-8.6</p> <p><u>N.J.S.A.</u> 18A:22-14</p> <p><u>N.J.S.A.</u> 18A:22-25</p> <p><u>N.J.S.A.</u> 18A:22-26 through -31</p> <p><u>N.J.S.A.</u> 18A:22-32, -33</p> <p><u>N.J.S.A.</u> 19:60-1</p>	<p>Comprehensive Education Improvement and Financing Act of 1996</p> <p>Submission of budget; annual regional school election ...</p> <p>Preparation of budgets ...</p> <p>Transportation (budget line item)/hazardous routes</p> <p>Fixing appropriations to be made; notice of intent to appeal (Type I districts)</p> <p>Borrowing against appropriations on notes (Type I districts)</p> <p>Type II district with board of school estimate; determination; certification and raising of appropriations; notice of intent to appeal amount of appropriation ...</p> <p>Type II districts without board of school estimate; determination of appropriation ...</p> <p>School elections, adjustments, ballots</p>
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Legal References (continued)

<u>N.J.A.C. 6A:8-1.1 et seq.</u>	Standards and Assessment
<u>N.J.A.C. 6A:23-8.1 et seq.</u>	Annual Budget Development, Review and Approval
<u>N.J.A.C. 6A:23-9.4</u>	Per pupil calculation, notification and caps (charter schools)
<u>N.J.A.C. 6A:23-9.5</u>	Enrollment counts payments process and aid adjustment (charter schools)
<u>N.J.A.C. 6A:23-9.6</u>	Financial requirements (charter schools)
<u>N.J.A.C. 6A:10A-1.1 et seq.</u>	<i>Improving Standards-Driven Instruction and Literacy and Increasing Efficiency in Abbott School Districts</i>
<i>See particularly:</i>	
<u>N.J.A.C. 6A:10A-8.1 through -8.2</u>	
<u>N.J.A.C. 6A:26-10.1 et seq.</u>	Purchase and lease Agreements
<u>N.J.A.C. 6A:30-1.1 et seq.</u>	Evaluation of the Performance of School Districts

Abbott v. Burke, 149 NJ 195 (1999)

Manual for the Evaluation of Local School Districts

Possible

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.