

ASSEMBLY, No. 1026

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman DiGAETANO

1 AN ACT concerning school district budgets, amending P.L.1979,
2 c.294 and supplementing chapter 22 of Title 18A of the New Jersey
3 Statutes.

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

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8 1. Section 2 of P.L.1979, c.294 (C.18A:22-8.1) is amended to read
9 as follows:

10 2. [Whenever] No transfer shall be made among line items and
11 program categories except in the last six months of the budget year.
12 If during the last six months of the budget year, a school district
13 desires to transfer amounts among line items and program categories,
14 the transfers shall be by resolution of the board of education; however,
15 a board may, by resolution, designate the chief school administrator to
16 approve such transfers as are necessary between meetings of the
17 board. Transfers approved by the chief school administrator shall be
18 reported to the board, ratified and duly recorded in the minutes at a
19 subsequent meeting of the board, but not less than monthly. In a
20 school district wherein the Commissioner of Education has directed a
21 comprehensive compliance investigation pursuant to section 14 of
22 P.L.1975, c.212 (C.18A:7A-14), the board of education shall obtain
23 the written approval of the county superintendent of school prior to
24 implementing any transfer of funds.

25 (cf: P.L.1987, c.398, s.4)

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27 2. (New section) No transfer may be made under section 2 of
28 P.L.1979, c.294 (C.18A:22-8.1) from the line items and program
29 categories for maintenance and social services programs. Surplus in
30 these accounts at the end of the school year shall be carried forward
31 and appropriated for maintenance and social service programs in the
32 following school year.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 3. This act shall take effect immediately and shall first apply to
2 school budgets in the 1993-94 school year.

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STATEMENT

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7 This bill prohibits the transfer of funds among line items in school
8 district budgets except during the last six months of the budget year.
9 The bill also prohibits transfers from the maintenance and social
10 services line items during the budget year. Any surplus in these
11 accounts must be carried forward and applied for maintenance and
12 social services costs in the following school year.

13 Under current law, school districts are given great flexibility in
14 transferring funds among line items during the year. This system has
15 led to misleading, inefficient and wasteful spending practices in some
16 school districts. The budget law for municipalities now prohibits
17 transfers among line items during the last two months of the budget
18 year and the first three months of the following budget year and the
19 application of this limitation to school districts, modified to account
20 for the length of the school budget cycle, will lead to more responsible
21 school budget practices. In addition, the diversion of funds budgeted
22 for maintenance and social services may lead to a deferral of needed
23 repairs or a failure to provide necessary social services.

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28 Prohibits transfers among line items in school district budgets except
29 during last six months of budget year; prohibits transfer of funds from
30 maintenance and social services line items.