January 22, 2014

TO: Chief School Administrators
    School Business Administrators

FROM: David F. Corso, Assistant Commissioner
    Division of Administration and Finance

          2014 School Election and Budget Procedures Calendar

The initial release of the 2014-15 Budget Software Application will be available on or about January 22 through the Homeroom website http://homeroom.state.nj.us/. Please check the website for availability. The initial release of the budget software includes revenue, appropriations, recapitulation of balances, enrollments, most of the SFRA calculations and supporting documentation items.

The district homeroom administrator must create user accounts for individuals that need access to the budget software. You must contact your district homeroom administrator to create your User ID and Password. Please refer to the link called, “About User Account Administration” on the department website at http://www.state.nj.us/education/data/collections/ for the Homeroom Administrator Manual regarding the homeroom administrator login. The budget software is named “Budget Statement” in the Homeroom Administrator System.

In previous years, the department provided separate guidance documents for the budget guidelines information and for the electronic data collection instructions. The separate documents have been combined for 2014-15 into a single Budget Guidelines and Electronic Data Collection Manual. The manual and related appendices are posted on the department website at http://www.nj.gov/education/finance/fp/dwb.shtml. Users are strongly encouraged to review the manual when preparing the budget.

The key changes to the 2014-15 budget software are highlighted in the executive summary of the 2014-15 Budget Guidelines and Electronic Data Collection Manual and detailed throughout the document. These changes include:

1) Hardware and Software Requirements
   Updates have been made to the 2014-15 budget software to make it compatible with Google Chrome version 32.0.1700.41, Apple Safari version 5.1.7 and Mozilla Firefox version 26.0, in addition to Microsoft Internet Explorer versions 8, 9, 10 and 11. Although the department has fully tested the
operations of the software prior to release, it is not possible to simulate the operations of all internet browsers in use at school district administrative offices. If users are using Chrome, Firefox or Safari and having issues with screens not loading, then it is suggested that one of the compatible versions of Internet Explorer be used instead.

2) **Data Table Initialization**
Programming has been updated to eliminate the need for the users to initialize the revenue, appropriation and recap of balances screens in their first access to the system. Also, data tables have been updated to flow information behind the scenes without users having to re-open multiple screens.

3) **Screen Changes**
   a) **SFRA Calculation Reports**
      i. The Banked Cap report has been revised to include the 2014-15 year on the report. A district may request to use banked cap from 2011-12, 2012-13 and 2013-14 to increase the 2% general fund tax levy cap in 2014-15. The earliest year of bank must be used first. Any remaining banked cap from 2011-12 will expire and not be available for carry-forward to 2015-16.
      ii. The Net Budget Cap Calculation report for County Special Services School Districts (CSSD) has been added to the software in 2014-15. This report calculates the maximum permitted net budget for the CSSD.
      iii. The Prebudget Year Levy and Enrollment Adjustment report has a new line for districts that received FEMA funds for Hurricane Sandy under the Community Disaster Loan (CDL) or the Community Disaster Block Grant (CDBG). The tax levy cap for these districts will be based on the 2013-14 general fund tax levy plus the amounts awarded under these two programs which were used to reduce the levy in 2013-14.
      iv. The Minimum Tax Levy report has two new lines for districts that received FEMA funds for the Community Disaster Loan (CDL) or the Community Disaster Block Grant (CDBG).
      v. The Separate Proposal screen contains two new columns to collect the categorization of the question as either permanent or budget-year-only, and to collect the election result for the question.

   b) **SEMI** – Two new lines have been added to this screen. The first is a preload of the estimated Medicaid-eligible special education student count, to be used in an edit if the district checks the box that a waiver was received. The second new line is for county office approval if a district checks any of the boxes indicating that either a waiver was received or that an alternate revenue projection was used.

   c) **Additional Excess Surplus Calculation** – A new line has been added to this screen to exclude the school bus advertising reserve from the calculation of additional excess surplus.

   d) **Recapitulation of Balances**
      i. Two new lines have been added to reflect the withdrawal from the advertising reserve in the Legal Reserve section, and the transfer of capital reserve to debt service fund in the Capital Reserve section.
ii. All lines in middle column will be preloaded from the original budget in the prior year software.

e) County Review and Approval – This screen has been updated to contain separate sections for the various stages of the budget approval. The form is divided into three separate pages. A total of 5 sections are included. Sections should be used as appropriate to the district operating type and election date:
   i. For Advertising or Board of School Estimate
   ii. After Advertising and Prior to Public Hearing, or After Board of School Estimate
   iii. Results of Public Hearing
   iv. For April Election Districts—Changes for Defeated Budgets or Separate Questions
   v. For November Election Districts—Changes for Separate Questions

Once the executive county superintendent has checked the “approved” box in the first section, a link will appear to allow access to the next section.

A message on the "Home" tab will indicate when an update to the software has been made. As in past years, these updates will include edits, prepare newspaper file, prepare user-friendly budget document, minimum tax levy report, report of district status above or below expected local levy, and county office review page. The department will further update the software upon release of the 2014-15 state aid. Please note that the updates will not overwrite your data.

For purposes of developing your preliminary budgets, districts should make allowances for the possibility of changes in state aid from your 2013-14 amounts. This guidance is for planning purposes only and is no indication of the final state aid allocation for 2014-15. The latter will be provided to districts within two days after the Governor’s budget message.

The 2014 School Election and Budget Procedures Calendar (Election Calendar) is posted on the Office of School Finance website at the above Budget Guidelines link. The Election Calendar includes dates relevant to school budget preparation. Districts that have moved to hold the annual school election in November must follow the same timeline for budget adoption and public hearings as the districts with April elections. Also included in the Election Calendar are dates relevant to the special elections (January, March, September, or December). The Election Calendar posted today is reflective of statutes in effect as of noon Friday, January 17, 2014.

Pursuant to N.J.A.C. 6A:23A-9.1, the Commissioner has granted approval for districts to advertise their budgets prior to obtaining executive county superintendent approval. If a school district elects to advertise prior to the county review and approval, then the following statement must be included in the advertisement:

“This Board of Education approved “tentative” budget is being presented for advertising prior to executive county superintendent approval. [add the following language only if requesting a separate proposal: “The proposed budget includes $_____, above the two percent tax levy cap.”] The budget will be approved by the executive county superintendent prior to the public hearing.”

The CPI applicable for the 2014-15 budget year is 1.69 percent. The applicable regional administrative cost limits for 2014-15 for the north, central and south are $2,035, $1,894, and $1,887 respectively. Any questions concerning the regional limit calculation should be directed to the Office of School Finance at staid@doe.state.nj.us.
For budget questions, please email budget@doe.state.nj.us.