

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4310

STATE OF NEW JERSEY

DATED: AUGUST 10, 2020

The Assembly Education Committee reports favorably Assembly Bill No. 4310.

This bill permits a local unit, due to the financial impacts of COVID-19, to include in its budget miscellaneous revenues from any source as an anticipated revenue in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year. The governing body of a local unit would submit an application to the Division of Local Government Services in the Department of Community Affairs demonstrating that the financial impact of COVID-19 clearly warrants the expectation that such excess amount will actually be realized in cash during calendar year 2021 or fiscal year 2021, as applicable.

If the division determines the anticipated excess revenue to be attributed to the financial impact of COVID-19, and the anticipated revenue projections are in accordance with the guidelines to be established by the division, the division must approve the local unit's application and certify such determination, in writing, to the local unit.

The bill also provides that for the 2020-2021 school year, a school district may maintain a surplus of four percent. Under current law a school district, other than a county vocational school district, may only maintain a surplus of two percent. The bill also provides that for the 2020-2021 school year, the transfer of surplus funds between line items and program categories will not require the approval of the Commissioner of Education.