ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4310

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 24, 2021

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4310, with committee amendments.

As amended, this bill provides that for the 2020-2021 and 2021-2022 school years, a school district may maintain a surplus (i.e., undesignated general fund balance) of four percent of the budgeted general fund expenses for the prior year. 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 and 2021-2022 school years, the transfer of surplus funds between line items and program categories will not require the approval of the Commissioner of Education.

As amended and reported by the committee, Assembly Bill No. 4310 is identical to Senate Bill No. 2691 (1R), which also was reported by the committee on this date.

COMMITTEE AMENDMENTS

The committee amended the bill to:

- delete language concerning the anticipation of miscellaneous revenue in local unit budgets from the title;
- remove section 1 of the bill concerning the anticipation of miscellaneous revenue in local unit budgets;
- permit a school district, other than a county vocational school district, to maintain an undesignated general fund balance of four percent of the budgeted general fund for the prebudget year and use or transfer such funds between line items and program categories without approval from the Commissioner of Education for the 2021-2022 school year; and
- make a technical change to the effective date of the bill.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.