

18A:10-3 et al

LEGISLATIVE HISTORY CHECKLIST

(Municipal budget -- revise method of computing reserve for uncollected taxes; non-tenured teachers -- extend time for notification of nonrenewal of contracts)

RJSA 18A:10-3 et al.; 40A:4-14 et al.;

LAWS OF Repeals 18A:54-6.1
1979

CHAPTER 23

Bill No. S1418

Sponsor(s) Merlino and Perskie

Date Introduced October 23, 1978

Committee: Assembly Education

Senate Education

Amended during passage

Yes

Amendments during passage denoted by asterisks

Date of Passage: Assembly January 22, 1979

Senate December 4, 1978

Date of approval February 8, 1979

Following statements are attached if available:

Sponsor statement	Yes	X X
Committee Statement: Assembly	Yes	X X
Senate	Yes	X X
Fiscal Note	X es X	No
Veto message	X es X	No
Message on signing	X es X	No

Following were printed:

Reports	X es X	No
Hearings	X es X	No

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LEGISLATIVE HISTORY

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SENATE, No. 1418

STATE OF NEW JERSEY

INTRODUCED OCTOBER 23, 1978

By Senators MERLINO and PERSKIE

Referred to Committee on Education

AN ACT concerning education and amending *N. J. S. 18A:10-3, **18A:12-8, 18A:12-17, 18A:13-10,** 18A:13-12 ****[and]**** **, ** 18A:13-19 **and 18A:22-7** , * N. J. S. 40A:4-14, 40A:4-18 and 40A:4-40 and sections 1 and 3 of P. L. 1971, c. 436 (C. 18A:27-10, C. 18A:27-12) **and repealing section 7 of P. L. 1977, c. 30 (C. 18A:54-16.1)**.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. N. J. S. 40A:4-14 is amended to read as follows:

2 40A:4-14. School items; separate certification. In making the
3 certifications of the budget for transmission to the county board,
4 the amount to be raised by taxes for school purposes by a municipi-
5 pality shall be separately stated and

6 a. In municipalities in which the amount to be raised by taxes
7 for school purposes is required to be certified to the governing
8 body for inclusion in its budget, there shall be deducted from the
9 "municipal tax levy":

10 (1) The amount appropriated for debt service after first deduct-
11 ing therefrom the amount of the State school building aid, if any;
12 and

13 (2) The amount of any emergency appropriation for school
14 purposes certified to the municipality and approved by the govern-
15 ing body thereof;

16 (3) The amount appropriated for school capital improvements
17 for land, buildings and equipment.

18 b. In all other municipalities, there shall be deducted from the
19 municipal tax levy any appropriations for school purposes re-
20 quired.

21 Said items shall be added by the county board to the amounts
22 to be raised by taxation for school purposes.

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

23 **【In making the certifications of the budget for transmission to**
 24 **the county board, the amount to be raised by taxes for school pur-**
 25 **poses shall be based upon the proposed budget submitted by the**
 26 **local board of education to the commissioner pursuant to section 28**
 27 **of P. L. 1975, c. 212 (C. 18A:7A-28.)】**

1 2. N. J. S. 40A:4-18 is amended to read as follows:

2 40A:4-18. Table of aggregates for late budgets. *Immediately*
 3 *upon* **【Upon】** receipt of the director's certificate and, in any event,
 4 on or before **【May 3】** *April 10* of the fiscal year, the county board
 5 shall fill out the table of aggregates required by R. S. 54:4-52 and
 6 shall determine the amount of "other local taxes" for the year
 7 based upon the certificate of the director.

8 If the local unit shall have adopted a budget for the fiscal year
 9 and shall have transmitted a certified copy thereof to the county
 10 board on or before April 10, the said board may substitute the
 11 adopted budget in the place of the amount certified by the director,
 12 but no such substitutions shall be made after April 10 of the fiscal
 13 year.

1 3. N. J. S. 40A:4-40 is amended to read as follows:

2 40A:4-40. Reserve for uncollected taxes; appropriation. There
 3 shall be included in each budget an appropriation for "reserve for
 4 uncollected taxes" sufficient in amount so that the anticipated
 5 cash receipts for the fiscal year shall at least equal the sum of the
 6 following items, each of which is hereinafter referred to as a "law-
 7 ful yearly expenditure":

8 a. The total of all current budget appropriations (except for
 9 reserve for uncollected taxes);

10 b. The amounts due or to become due for school, county, State,
 11 local and special district taxes prior to the end of the fiscal year;
 12 and

13 c. The amounts of any other anticipated current expenditures
 14 for the fiscal year.

15 In the event that the exact amount of any such lawful yearly
 16 expenditure shall not be known at the time of the adoption of the
 17 budget, the amount thereof shall be estimated, but no such estimate
 18 shall be less than the amount of such lawful yearly expenditure
 19 for the next preceding fiscal year; provided, however, that in the
 20 case of a *Type II school district*, the lawful yearly expenditure for
 21 the amount due or to become due for school taxes prior to the end
 22 of the fiscal year **【the lawful yearly expenditure】** shall be based
 23 upon the proposed budget submitted by the local board of education
 24 to the commissioner pursuant to section 28 of P. L. 1975, c. 212
 25 (C. 18A:7A-28).

26 **【**The governing body may, by resolution, adopted on or before
 27 April 18 of the fiscal year adjust the appropriation for “reserve
 28 for uncollected taxes” by increasing or decreasing, as appropriate,
 29 that portion of such appropriation which is based upon the amount
 30 due or to be due for school taxes in order to accord that portion of
 31 such appropriation with such amount as set forth in the school
 32 budget to be certified to the county board of taxation. A copy of
 33 such resolution shall be forthwith transmitted to the director, who
 34 shall review the change set forth therein as to its accuracy and
 35 appropriateness and may adjust the amount of such change as he
 36 shall deem appropriate. The director shall, prior to May 1, certify
 37 to the county board of taxation the amount of change in the amount
 38 to be raised by taxes to support the municipal budget resulting
 39 from any change in the amount of the appropriation for “reserve
 40 for uncollected taxes” permitted pursuant to this section.**】**

1 4. Section 1 of P. L. 1971, c. 436 (C. 18A:27-10) is amended to
 2 read as follows:

3 1. On or before **【April 30】** ***【May 15】*** *April 30* in each year,
 4 every board of education in this State shall give to each nontenure
 5 teaching staff member continuously employed by it since the
 6 preceding September 30 either

7 a. A written offer of a contract for employment for the next
 8 succeeding year providing for at least the same terms and condi-
 9 tions of employment but with such increases in salary as may be
 10 required by law or policies of the board of education, or

11 b. A written notice that such employment will not be offered.

1 5. Section 3 of P. L. 1971, c. 436 (C. 18A:27-12) is amended to
 2 read as follows:

3 3. If the teaching staff member desires to accept such employ-
 4 ment he shall notify the board of education of such acceptance, in
 5 writing, on or before **【June 1】** ***【June 15】*** *June 1* in which
 6 event such employment shall continue as provided for herein. In
 7 the absence of such notice of acceptance the provisions of this
 8 article shall no longer be applicable.

1 **6. N. J. S. 18A:13-10 is amended to read as follows:

2 18A:13-10. The board of education of each regional district shall
 3 provide for the holding of an annual school election for the regional
 4 district on the first Tuesday in April.

5 At such election there shall be elected for terms of 3 years, **【be-**
 6 **ginning on the first Monday following such election,】** the members
 7 of the regional boards of education**【,】** to succeed those members of
 8 the board whose terms shall expire in that year, except as is in

9 this chapter provided for the election of the first elected members
10 of the board.

1 7. N. J. S. 18A:12-8 is amended to read as follows:

2 18A:12-8. In districts, other than those in cities of the first class,
3 the members of the board shall be appointed between January 2
4 and January 15 and their terms of office shall begin on **March 1**
5 *May 16*, next succeeding, and in districts in cities of the first class
6 they shall be appointed during the month of June and their terms
7 of office shall begin on July 1, next succeeding.

1 8. N. J. S. 18A:12-17 is amended to read as follows:

2 18A:12-17. The mayor or other chief executive officer of the
3 municipality shall, between January 2 and January 15 in each year,
4 appoint one member of the board to serve for a term of 5 years
5 beginning on **March 1** *May 15* next succeeding his appointment,
6 to take the place of the member whose term shall expire in that
7 year, and any vacancy occurring in the membership of the board
8 shall be reported forthwith by the secretary of the board to the
9 mayor or other chief executive officer of the municipality, who
10 shall within 30 days thereafter appoint a qualified person to fill the
11 vacancy for the unexpired term.**

1 ****[6.]**** ****9.**** N. J. S. 18A:13-12 is amended to read as
1A follows:

2 18A:13-12. The board shall hold a regular meeting forthwith
3 after its first appointment, and annually thereafter on any day of
4 the first week commencing on the first Monday *following May 15*
5 **after the annual school election of the regional district**, at which
6 it shall organize by the election, from among its members, of a
7 president and vice president, who shall serve until the organiza-
8 tion meeting next succeeding the election of their respective suc-
9 cessors as members of the board. If any board shall fail to
10 organize within said week, the county superintendent of the county,
11 or the county superintendents of the counties, in which the con-
12 stituent districts are situate, shall appoint, from among the mem-
13 bers of the board, a president and vice president to serve until the
14 organization meeting next succeeding the next election.

1 ****[7.]**** ****10.**** N. J. S. 18A:13-19 is amended to read as
1A follows:

2 18A:13-19. If the voters reject any of the items submitted at the
3 annual election, *within 2 days thereafter* the board of education of
4 the regional district shall certify to the governing body of each
5 municipality, included within the regional district, the item or items
6 so rejected, and such governing bodies, after consultation with the
7 board, *and no later than April 18* shall **within 14 days after the**

8 receipt of the certificate,] determine the amount or amounts which
 9 they deem necessary to provide a thorough and efficient system of
 10 schools in the regional district for the ensuing school year and cause
 11 the same to be certified by the respective municipal clerks to the
 12 board of education of the regional district.

1 **[8.]** **11.** N. J. S. 18A:10-3 is amended to read as follows:

2 18A:10-3. Each board of education shall organize annually at a
 3 regular meeting held not later than at 8 p.m. at which time *new*
 4 [newly elected] members shall take office.

5 a. In type I districts on May 16, or on the following day if that
 6 day be Sunday;

7 b. In all type II districts on any day of the first week commencing
 8 on the first Monday following May 15.

9 If the organization meeting cannot take place on that day by
 10 reason of lack of a quorum or for any other reason, said meeting
 11 shall be held within 3 days thereafter.*

1 **12. N. J. S. 18A:22-7 is amended to read as follows:

2 18A:22-7. The board of education of every school district having
 3 a board of school estimate shall prepare and deliver to each mem-
 4 ber of the board of school estimate, on or before the first Tuesday
 5 in March in each year, and the board of education of every other
 6 school district shall prepare a budget for the school district for
 7 the ensuing year, [in districts other than regional districts,] on or
 8 before the first Tuesday in March.**

1 **13. (New section). Section 7 of P. L. 1977, c. 30
 2 (C. 18A:54-16.1) is repealed.**

1 *[6.]* **[*9.]* **14.** This act shall take effect immediately.

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ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 1418

[OFFICIAL COPY REPRINT]

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 11, 1979

PROVISIONS:

Senate Bill No. 1418 OCR amends chapter 136 of the laws of 1978 (Assembly Bill No. 1774), a statute that changed the school election and school budget schedule. As amended by the Senate Education Committee, Senate Bill No. 1418 OCR amends chapter 136 (Assembly Bill No. 1774) in the following ways—

- (1) It removes an unnecessary and burdensome administrative procedure in chapter 136 that was designed to adjust "the reserve for uncollected taxes," a procedure that unnecessarily duplicates a current adjusting mechanism;
- (2) It removes that section of chapter 136 that requires municipalities with Type I districts to calculate their "reserve for uncollected taxes" on the basis of a proposed school budget;
- (3) It brings the regional school district statutes, chapter 13 of Title 18A, into conformity with other Type II districts;
- (4) It changes the date at which time boards of education are required to hold their annual organizational meeting for the purpose of bringing that date into conformity with the schedule of election and budget dates set forth in chapter 136; and
- (5) It restores April 30th as the date for sending "termination of employment" notices to school employees.

BACKGROUND AND PROBLEMS ADDRESSED:

The recent passage of Assembly Bill No. 1774, chapter 136 of the laws of 1978, requires municipalities with Type I and Type II school districts to calculate their "reserve for uncollected taxes" on the basis of a proposed school budget that is submitted to the commissioner on January 15. However, in the case of municipalities with Type I school districts, it is unnecessary to use a "proposed" school budget to set their "reserves." Type I school districts set their school budgets prior

to the time when municipalities are required to strike their "reserves," while Type II districts do not set their budgets until after the municipality's "reserve" must be set. Therefore, it is necessary to require only those municipalities with Type II districts to calculate their "reserve" on the basis of a proposed budget.

Currently, municipalities with Type II districts are required to use a method for calculating the "reserve" that tends to over-estimate the "reserve" for uncollected taxes. An adjustment procedure was included in Assembly Bill No. 1774 (c. 136) to correct any over-estimate. However, this proved to be unnecessary and burdensome since there were provisions in Title 40 that permitted such adjustments to be made in the "reserves." In order to preclude such excessive paperwork, it is necessary to delete the unnecessary administrative procedure from law. In the past, Boards of Education have had up to 6 weeks to determine the staffing needs for the next school year. The recent enactment of chapter 136 reduced this time period to 23 days for districts whose budgets were approved by the voters and 12 days for districts whose budgets were defeated. By extending the deadline from April 30 to May 15, as proposed in Senate Bill No. 1418, school boards with voter-approved budgets would have had at least 38 calendar days to make decisions regarding the retention or dismissal of school employees, while districts with defeated budgets would have had 27 days to make such decisions.

The Senate Education Committee chose to leave the current deadline of April 30 in force. Since the only instance where the extended deadline of May 15 would have been necessary was in the case of a defeated school budget, the committee felt that it would be inappropriate to change the entire schedule for everyone.

ASSEMBLY COMMITTEE AMENDMENTS:

The Assembly Education Committee amendments represent technical changes that were omitted in the drafting of Assembly Bill No. 1774 (chapter 136 of the laws of 1978). These amendments change the date at which time school boards of Type I and Type II school districts with a board of school estimate organize. These changes make the organization date consistent with the organization of school boards in Type II districts.

The Assembly Education Committee endorses the purposes contained in Senate Bill No. 1418 OCR and recommends its passage.

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 1418

with Senate committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 20, 1978

PROVISIONS:

Senate Bill No. 1418 amends chapter 136 of the laws of 1978 (Assembly Bill No. 1774), a statute that changed the school election and school budget schedule. As amended by the Senate Education Committee, Senate Bill No. 1418 amends chapter 136 in the following ways—

(1) It removes an unnecessary and burdensome administrative procedure in chapter 136 that was designed to adjust “the reserve for uncollected taxes,” a procedure that unnecessarily duplicates a current adjusting mechanism.

(2) It removes that section of chapter 136 that requires municipalities with Type I districts to calculate their “reserve for uncollected taxes” on the basis of a *proposed* school budget.

Senate Committee Amendments

Senate committee amendments to Senate Bill No. 1418 deleted that provision that extended the date for sending “termination of employment” notices to school employees and included provisions that were inadvertently omitted in the process of drafting Assembly Bill No. 1774. Such provisions include—

(1) Bringing the regional school district statutes, chapter 13 of Title 18A, into conformity with other Type II districts; and

(2) Changing the date at which time boards of education are required to hold their annual organizational meeting for the purpose of bringing that date into conformity with the schedule of election and budget dates set forth in chapter 136.

BACKGROUND:

The recent passage of Assembly Bill No. 1774, chapter 136 of the laws of 1978 requires municipalities with Type I and Type II school districts to calculate their “reserve for uncollected taxes” on the basis of a proposed school budget that the district is required to submit to the commissioner on December 1. However, in the case of municipalities with Type I school districts it is unnecessary to use a “proposed” school budget to set their “reserves.” Type I school districts set their

school budgets prior to the time when municipalities are required to strike their "reserves," while Type II districts do not set their budgets until after the municipality's "reserve" must be set. Therefore, it is only necessary to require municipalities with Type II districts to calculate their "reserve" on the basis of a *proposed* budget.

Currently, there is a statutory requirement for municipalities with Type II districts to use a method for calculating the "reserve" that, as a practical matter, in the event of error, will tend to over-estimate the "reserve." In the event that an over-estimate occurred caused by calculating the reserve on the basis of a proposed school budget, it was thought that statutory provision needed to be included in Assembly Bill No. 1774 (chapter 136) to adjust an over-estimate reserve. This was an unnecessary and burdensome procedure since there were other provisions in Title 40 that permitted such adjustments in the "reserve." In order to preclude such excessive paperwork, it is necessary that the administrative procedure for adjusting the reserve set forth in chapter 136 be deleted from law.

Senate Committee Amendments

In the past, Boards of Education have had up to 6 weeks to determine the staffing needs for the next school year. The recent enactment of chapter 136 reduced this time period to 23 days for districts whose budgets were approved by the voters and 12 days for districts whose budgets were defeated. By extending the deadline from April 30 to May 15, as proposed in Senate Bill No. 1418, school boards with voter-approved budgets will have at least 38 calendar days to make decisions regarding the retention or dismissal of school employees, while districts with defeated budgets will have 27 days to make such decisions.

The Senate Education Committee chose to leave the current deadline of April 30 in force. Since the only instance where the extended deadline of May 15 would be necessary is in the case of a defeated school budget, the committee felt that it would be inappropriate to change the entire schedule for everyone.

The other committee amendments represent omissions in the original drafting of Assembly Bill No. 1774 (chapter 136). These amendments bring certain statutes into conformity with the provisions of chapter 136.

26 **【**The governing body may, by resolution, adopted on or before
 27 April 18 of the fiscal year adjust the appropriation for “reserve
 28 for uncollected taxes” by increasing or decreasing, as appropriate,
 29 that portion of such appropriation which is based upon the amount
 30 due or to be due for school taxes in order to accord that portion of
 31 such appropriation with such amount as set forth in the school
 32 budget to be certified to the county board of taxation. A copy of
 33 such resolution shall be forthwith transmitted to the director, who
 34 shall review the change set forth therein as to its accuracy and
 35 appropriateness and may adjust the amount of such change as he
 36 shall deem appropriate. The director shall, prior to May 1, certify
 37 to the county board of taxation the amount of change in the amount
 38 to be raised by taxes to support the municipal budget resulting
 39 from any change in the amount of the appropriation for “reserve
 40 for uncollected taxes” permitted pursuant to this section.**】**

1 4. Section 1 of P. L. 1971, c. 436 (C. 18A:27-10) is amended to
 2 read as follows:

3 1. On or before **【April 30】** *May 15* in each year, every board of
 4 education in this State shall give to each nontenure teaching staff
 5 member continuously employed by it since the preceding Septem-
 6 ber 30 either

7 a. A written offer of a contract for employment for the next
 8 succeeding year providing for at least the same terms and condi-
 9 tions of employment but with such increases in salary as may be
 10 required by law or policies of the board of education, or

11 b. A written notice that such employment will not be offered.

1 5. Section 3 of P. L. 1971, c. 436 (C. 18A:27-12) is amended to
 2 read as follows:

3 3. If the teaching staff member desires to accept such employ-
 4 ment he shall notify the board of education of such acceptance, in
 5 writing, on or before **【June 1】** *June 15* in which event such employ-
 6 ment shall continue as provided for herein. In the absence of such
 7 notice of acceptance the provisions of this article shall no longer be
 8 applicable.

1 6. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to reinstate two technical provisions which were omitted from Assembly Bill No. 1774. The intent of Assembly Bill No. 1774 was to include all Senate amendments to Assembly Bill No. 470, the original version of the legislation. The

51418 (1979)