

18A: 7D-27.1

LEGISLATIVE HISTORY CHECKLIST  
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(School--budgets)

NJSA: 18A:7D-27.1

LAWS OF: 1994 CHAPTER: 39

BILL NO: S167

SPONSOR(S): Palaia

DATE INTRODUCED: Pre-file

COMMITTEE: ASSEMBLY: Education  
SENATE: Education

AMENDED DURING PASSAGE: Yes Amendments during passage  
denoted by asterisks

DATE OF PASSAGE: ASSEMBLY: May 9, 1994  
SENATE: January 31, 1994

DATE OF APPROVAL: June 21, 1994

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes  
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

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KBG:pp

P.L.1994, CHAPTER 39, approved June 21, 1994.  
1994 Senate No. 167 (First Reprint)

AN ACT concerning free balances in public schools and amending  
P.L.1993, c.80.

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

1. Section 3 of P.L.1993, c.80 (C.18A:7D-27.1) is amended to  
read as follows:

3. a. <sup>1</sup>[General fund free balances in excess of 7.5% of the  
budgeted general fund appropriations for the prebudget year or  
\$75,000, whichever amount is greater.] If the amount of the  
budgeted general fund for the prebudget year is \$100 million or  
less, a general fund free balance in excess of 7.5% of that amount  
or \$75,000, whichever is greater,<sup>1</sup> shall be appropriated by a  
school district for the purpose of the budget prepared pursuant to  
section 22 of P.L.1990, c.52 (C.18A:7D-27). <sup>1</sup>If the amount of  
the budgeted general fund for the prebudget year exceeds \$100  
million, a general fund free balance in excess of 7.5% of the first  
\$100 million and in excess of 3% of the amount which exceeds  
\$100 million shall be appropriated by a school district for the  
purpose of the budget prepared pursuant to section 22 of  
P.L.1990, c.52 (C.18A:7D-27).<sup>1</sup>

b. If the appropriation of excess free balances pursuant to  
subsection a. of this section will create a hardship for the district  
in the 1993-94 school year, the district may apply to the county  
superintendent and receive approval of a schedule for the  
appropriation of the free <sup>1</sup>[balance in excess of 7.5% or \$75,000]  
balances<sup>1</sup> that will enable the district to meet this requirement  
no later than the beginning of the 1996-97 school year. The  
schedule may include approval to transfer the general fund free  
balance to the capital reserve account established pursuant to  
N.J.S.18A:21-3.

c. If the appropriation of excess free balances pursuant to  
subsection a. of this section will create a hardship for the district  
in a school year subsequent to 1993-94, the district may transfer  
the general fund free balance to the capital reserve account  
established pursuant to N.J.S.18A:21-3.

(cf: P.L.1993, c.80, s.3)

2. This act shall take effect immediately.

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Provides that maximum free balance may be 7.5% of budget or  
\$75,000, whichever is greater.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Senate SED committee amendments adopted January 20, 1994.

**SPONSOR'S STATEMENT**

**STATEMENT**

This bill amends the requirement for the appropriation of general fund free balances to provide that the maximum free balance may be 7.5% of the budgeted general fund appropriations for the prebudget year, the maximum amount permitted under the current statute, or \$75,000, whichever amount is greater.

In school districts with budgets of less than \$1 million, an amount equal to 7.5% of the general fund appropriations is not sufficient to provide for emergency expenditures, such as expenses for facility repairs or programs and services for special education students.

SENATE, No. 167  
STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel  
PRE-FILED FOR INTRODUCTION IN THE 1994 SESSION

By Senator PALAIA

1 AN ACT concerning free balances in public schools and amending  
2 P.L.1993, c.80.

3  
4 BE IT ENACTED *by the Senate and General Assembly of the*  
5 *State of New Jersey:*

6 1. Section 3 of P.L.1993, c.80 (C.18A:7D-27.1) is amended to  
7 read as follows:

8 3. a. General fund free balances in excess of 7.5% of the  
9 budgeted general fund appropriations for the prebudget year or  
10 \$75,000, whichever amount is greater, shall be appropriated by a  
11 school district for the purpose of the budget prepared pursuant to  
12 section 22 of P.L.1990, c.52 (C.18A:7D-27).

13 b. If the appropriation of excess free balances pursuant to  
14 subsection a. of this section will create a hardship for the district  
15 in the 1993-94 school year, the district may apply to the county  
16 superintendent and receive approval of a schedule for the  
17 appropriation of the free balance in excess of 7.5% or \$75,000  
18 that will enable the district to meet this requirement no later  
19 than the beginning of the 1996-97 school year. The schedule may  
20 include approval to transfer the general fund free balance to the  
21 capital reserve account established pursuant to N.J.S.18A:21-3.

22 c. If the appropriation of excess free balances pursuant to  
23 subsection a. of this section will create a hardship for the district  
24 in a school year subsequent to 1993-94, the district may transfer  
25 the general fund free balance to the capital reserve account  
26 established pursuant to N.J.S.18A:21-3.

27 (cf: P.L.1993, c.80, s.3)

28 2. This act shall take effect immediately.

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STATEMENT

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33 This bill amends the requirement for the appropriation of  
34 general fund free balances to provide that the maximum free  
35 balance may be 7.5% of the budgeted general fund appropriations  
36 for the prebudget year, the maximum amount permitted under  
37 the current statute, or \$75,000, whichever amount is greater.

38 In school districts with budgets of less than \$1 million, an  
39 amount equal to 7.5% of the general fund appropriations is not  
40 sufficient to provide for emergency expenditures, such as  
41 expenses for facility repairs or programs and services for special  
42 education students.

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

Matter underlined thus is new matter

S167

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3 Provides that maximum free balance may be 7.5% of budget or  
4 \$75,000, whichever is greater.

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

[FIRST REPRINT]

SENATE, No. 167

STATE OF NEW JERSEY

DATED: MARCH 21, 1994

The Assembly Education Committee favorably reports Senate Bill No. 167 [1R].

This bill amends the requirement for the appropriation of general fund free balances to provide that if the amount of the budgeted general fund for the prebudget year is \$100 million or less, the maximum free balance may be 7.5% of the budgeted general fund appropriations for the prebudget year, the maximum amount permitted under the current statute, or \$75,000, whichever amount is greater. If the amount of the budgeted general fund for the prebudget year exceeds \$100 million, the maximum free balance may be 7.5% of the first \$100 million of the budgeted general fund appropriations for the prebudget year and 3% of the amount which exceeds \$100 million.

In school districts with budgets of less than \$1 million, an amount equal to 7.5% of the general fund appropriations may not be sufficient to provide for emergency expenditures, such as expenses for facility repairs or programs and services for special education students.

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 167

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 20, 1994

The Senate Education Committee favorably reports Senate Bill No.167 with committee amendments.

As amended, this bill amends the requirement for the appropriation of general fund free balances to provide that if the amount of the budgeted general fund for the prebudget year is \$100 million or less, the maximum free balance may be 7.5% of the budgeted general fund appropriations for the prebudget year, the maximum amount permitted under the current statute, or \$75,000, whichever amount is greater. If the amount of the budgeted general fund for the prebudget year exceeds \$100 million, the maximum free balance may be 7.5% of the first \$100 million of the budgeted general fund appropriations for the prebudget year and 3% of the amount which exceeds \$100 million.

In school districts with budgets of less than \$1 million, an amount equal to 7.5% of the general fund appropriations may not be sufficient to provide for emergency expenditures, such as expenses for facility repairs or programs and services for special education students.

The committee amended the bill to provide that if the amount of the budgeted general fund for the prebudget year exceeds \$100 million, the maximum free balance may be 7.5% of the first \$100 million of the budgeted general fund appropriations for the prebudget year and 3% of the amount which exceeds \$100 million.

This bill was prefiled for introduction in the 1994 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.