



STATE OF NEW JERSEY DEPARTMENT OF EDUCATION

A Memo from the New Jersey Department of Education

Date: January 25, 2019
To: Chief School Administrators
Route To: District School Business Administrators
From: Michael Mindlin, Director
Fiscal Policy and Planning
Office of School Finance

Initial Release of 2019-2020 Budget Software Application

The initial release of the 2019-2020 Budget Software Application is now accessible to authorized school district personnel through the New Jersey Department of Education's (NJDOE) [Homeroom portal](#). The budget software in the Homeroom portal is named "2019-2020 Budget Statement Software." This release will include the revenue screen, appropriations screen, recapitulation of balances screen, enrollments screen, most of the School Funding Reform Act (SFRA) calculations and supporting documentation items.

Key Steps/Actions

The 2019 school election and budget procedures calendar for 2019-2020 is available through the NJDOE's School Finance webpage at [Election Calendar](#). The Election Calendar includes dates and deadlines relevant to school budget preparation, as well as the four special elections dates in January, March, September and December.

Accessing the Budget Software Application

Access to the 2019-2020 Budget Software Application is restricted to those school district employees or vendors for whom the school district's Homeroom Administrator has created a user account granting access to the school district's budget. First-time users authorized by the school district must work through the school district's Homeroom Administrator to create a unique User Identification and Password. Instructions for establishing a Homeroom Administrator and for establishing authorized users are documented in the "Homeroom Administrator Manual" available through the Homeroom portal. Important message to Homeroom Administrators: Once you have entered into the Homeroom Administration system, the 2019-2020 Budget Software Application is named "Budget Statement."

Guidance Documents

The NJDOE has prepared formal guidance for completing the 2019-2020 budget software. The [2019-2020 Budget Guidelines and Electronic Data Collection Manual](#) and related appendices are accessible through the NJDOE's [School Finance webpage](#). Authorized users of the Budget Software Application are encouraged to review the manual prior to preparing the school district's budget statement.

Significant revisions and enhancements to the school district budget software are highlighted in the executive summary section of the [2019-2020 Budget Guidelines and Electronic Data Collection Manual](#) and are elaborated upon throughout that document.

Several of the important revisions and enhancements included in the initial release version of the 2019-2020 Budget Software Application include:

- On the SFRA report for health care cost adjustment, because the 2019 State Health Benefit Program (SHBP) insurance premium increase is 6.6 percent, the maximum adjustment to the tax levy cap for a school district's budgeted health care premium cost is the increase in health care costs that exceeds 2 percent but is not greater than 6.6 percent, or a maximum of 4.6 percent;
- On the SFRA report for Minimum Tax Levy, new line C5 "Increase in Local Share Per *N.J.S.A. 18A:7F-5d*" is applicable only to districts experiencing a reduction in state aid and spending below adequacy. The statute includes a mandatory increase to those district's required local share to 102% of the budgeted local share for the prebudget year. No district data entry will be permitted on this line. The mandatory adjustment to required local share will be calculated and preloaded by NJDOE;
- On the SFRA report for Tax Levy Cap, there are two new lines:
 - New line F, "Increase in Local Share Per *N.J.S.A. 18A:7F-5d*", is applicable only to districts experiencing a reduction in state aid and spending below adequacy. The statute includes a mandatory increase to those district's required local share to 102% of the budgeted local share for the prebudget year; and
 - New line G, "Increase in SDA District Local Share", is applicable only to School Development Authority (SDA) districts as defined in *N.J.S.A. 18A:7G-3*. The mandatory increase to the Tax Levy Cap of an SDA district's local share is calculated and prepopulated on line G by the NJDOE. Beginning with the 2019-20 budget year continuing through the 2024-25 budget year, for SDA districts in which the prior year general fund tax levy is less than required local share, the NJDOE will calculate and prepopulate this difference as a Tax Levy Cap adjustment; and
- On the Appropriation of Excess Surplus screen under the budget menu, there is a new line identified as A4 "Other DOE Approved Adjustments" available for district data entry. In the 2019-2020 Budget Application, this line may only be used to demonstrate a district's 2019-2020 appropriation of 2018-2019 unbudgeted additional state aid. To elaborate, certain districts that previously documented a plan to the county office (during August of 2018) for the use of the 2018-2019 additional state aid (received July 2018) were permitted to appropriate that additional state aid into the 2019-2020 budget. This line will accommodate the adjustment to the Appropriation of Excess Surplus calculation for this additional state aid.

A message on the "Home" tab of the "2019-2020 Budget Statement Software" will indicate when an update to the software has been made subsequent to the software's initial release. As in prior years, updates may include, but are not limited to the release of software edits and notification of the availability of the following sections of the application: the "advertised budget" file selector; the "prepare user-friendly budget document" selector; the "minimum tax levy report" selector; the report of "district status above or below the expected local levy" selector; the "printable PDF" file selector; and the "county review and approval" page. The NJDOE will also update the software to load state aid upon release of the 2019-2020 state aid numbers. Please note the NJDOE's updates will not overwrite the district's previously entered data.

Budget Planning

For purposes of developing your district's preliminary budget, districts should make allowances for the possibility of changes in state aid from 2018-2019 amounts. This recommendation is for planning purposes only and is no indication of the final state aid allocation for 2019-2020. In accordance with *N.J.S.A. 18A:7F-5*, state aid numbers will be provided to school districts within two days after the Governor's budget message and represent the anticipated amount of aid payable to the district.

The Consumer Price Index (CPI) applicable for the 2019-2020 budget year is 1.45 percent. The applicable regional administrative cost limits for 2019-2020 for the north, central and south are \$2,302, \$2,143, and \$2,135, respectively.

Contact Information

Questions concerning the regional limit calculation should be directed to the Office of School Finance at staid@doe.nj.gov. Budget related questions should be directed to the Office of School Finance at budget@doe.nj.gov.

c: Members, State Board of Education
Lamont O. Repollet, Ed.D., Commissioner of Education
NJDOE Staff
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