



STATE OF NEW JERSEY DEPARTMENT OF EDUCATION

A Memo from the New Jersey Department of Education

Date: May 14, 2024
To: Chief School Administrators
Route To: School Business Administrators
From: Secil Onat, Assistant Commissioner
Division of Finance and Business Services
Deadlines: Revised Budget Procedures Calendar Details Below

School Year 2024-2025 State Aid, Budget Procedures Calendar, and Tax Levy Cap Updates for Certain Districts

Today, Governor Murphy signed into law two bills that impact 2024-2025 state aid, tax levy cap, and budget procedure calendar deadlines for certain districts:

- P.L.2024, c.13: Provides Stabilized School Budget Aid Grants for the 2024-2025 school year to eligible school districts equal to 45% of the amount of the school district's State school aid reduction; increases certain districts' school year 2024-2025 tax levy cap by a certain amount; extends deadlines in 2024 budget procedures calendar for certain districts.
- P.L.2024, c.12: Extends deadlines in the 2024 budget procedures calendar for certain districts.

This memo provides additional guidance on the implications of these two pieces of legislation for impacted districts.

P.L.2024, c.13: Stabilized School Budget Aid Grant Program and Increased Tax Levy Cap for Certain Districts

- **Additional State Aid for Certain School Districts:** Under the Stabilized School Budget Aid Grant Program, a school district subject to a State school aid reduction in the 2024-2025 school is eligible for an aid grant equal to 45% of the amount of the school district's State school aid reduction. Notices of additional state aid under the program will be available in the "School Aid" folder in Homeroom on or about May 15, 2024.
- **Increased Tax Levy Cap:** Additionally, P.L.2024, c.13 provides a non-SDA school district that experienced a reduction in State school aid in the 2024-2025 school year compared to the 2020-2021 school year a one-time, additional adjustment to its tax levy cap. The maximum amount of the additional tax levy adjustment is equal to the difference between the district's 2020-2021 State school aid and 2024-2025 State school aid, provided that the district shall not increase its adjusted tax levy by more than 9.9% of the prebudget year adjusted tax levy. The Commissioner shall approve tax levy increases requested pursuant to this law upon verification that the increase is consistent with the requirements of the law. The 2024-2025 Budget Software Application in Homeroom for impacted districts will be updated accordingly: on the "Tax Levy Cap" screen, line F, entitled "Other Adjustments" will be preloaded with the amount of the new allowable cap adjustment. This new, one-time additional adjustment will not fall to banked cap if not used in 2024-2025. Districts with approved tax levy increases pursuant to this law will be subject to the same modified 2024 budget procedures calendar as districts subject to P.L.2024, c.12 (please see additional information below).

Impacted school districts should be aware that, pursuant to Governor Murphy's [signing statement](#), the Commissioner of Education will be conducting a comprehensive review of the utilization of additional revenue made possible by this legislation. These additional revenues are intended to empower districts to make the

adjustments necessary to sustain education and support programs following the completion of the phase-in schedule under P.L.2018, c.67, commonly referred to as “S2.” As the first year after that phase-in, Fiscal Year 2026 will represent an important milestone in the core premise of SFRA, that education costs be shared between the State and local communities, based on current district circumstances. To that end, this review will provide key insights into the work districts have done, including detailing uses of the additional revenues made possible by this bill, to craft sustainable budgets reflecting current enrollment, fiscal, and other realities. This review will ensure that districts are responsibly using taxpayer dollars and serving the needs of our students.

For additional guidance on implementation of P.L.2024, c.13, please see the Office of School Finance [website](#).

P.L.2024, c.12: Extends Deadlines in the 2024 Budget Procedures Calendar for Certain Districts

P.L.2024, c.12 extends deadlines for the 2024 budget procedures calendar for districts experiencing a State school aid reduction in the 2024-2025 school year, provided that the reduction amount exceeds the district’s total banked cap amount. Districts subject to this modified budget procedures calendar will be notified in the Stabilized School Budget Aid Grant notice described above; a list of impacted districts is also available on the Office of School Finance [website](#).

Key milestones of the modified budget procedures calendar for impacted districts include:

- No later than July 5, 2024: Submission of budget to the Executive County Superintendent
- No later than July 19, 2024: Last date to hold public hearing on revised budget
- No later than July 22, 2024: Last day to adopt budget
- No later than July 22, 2024: Last day to give each non-tenured teaching staff member either a contract of employment or written notice if employment will not be offered.

The full modified calendar for impacted districts is available on the Office of School Finance [website](#).

c: Members, State Board of Education
NJDOE Staff
Nonpublic School Administrators
Statewide Parent Advocacy Network
Garden State Coalition of Schools
NJ LEE Group