



Budget Guidance on 2024-25 Stabilized School Budget Aid Grant Program, and Tax Levy Revisions to 2024-25 Certified Budget (Revised June 6, 2024)

The Stabilized School Budget Aid Grant Program has been established pursuant to P.L. 2024, c. 13. The grant amount will equal 45 percent of the amount of the district's State school aid reduction from the February 2024 state aid notices.¹

New Jersey school districts have been advised that grant notices dated May 15, 2024 are available in each school district's "School Aid" folder in the New Jersey Department of Education's Homeroom web portal, showing the amount of the grant. Districts receiving the grant must recognize it in their 2024-25 budgetary basis state aid revenue and receivable.

This law also created a new tax levy cap adjustment to allow one-time increases in 2024-25 tax levy:

For non-SDA districts, the levy can be increased by the district's net reduction in State school aid in the 2024-25 school year compared to the 2020-21 school year. The 2024-25 cap adjustment is limited to a levy increase of 9.9% over the 2023-24 adjusted tax levy.

Additional notices dated May 15, 2024 are available in each school district's "School Aid" folder in the New Jersey Department of Education's Homeroom web portal, notifying qualifying districts of the allowable 2024-25 tax levy cap adjustment. Districts that are eligible to increase the 2024-25 tax levy for the new cap adjustment, will revise their data entry in the NJDOE 2024-25 Budget Application in Homeroom. This revision is performed to produce a revised A4F form for those districts that elect to use the new cap adjustment for 2024-25, and to recalculate the tax levy cap. **Note:** the cap adjustment is a one-time adjustment for 2024-25 and will **not** fall to banked cap if not used in 2024-25.

As explained in detail below, only districts receiving a cap adjustment will need to revise their data entry in the NJDOE 2024-25 Budget Application in Homeroom. This revision is performed only to produce a revised A4F form. Districts receiving only a state aid grant, and no levy adjustment, will reflect the revised state aid as a mid-year budget adjustment. There is no requirement for a district with only a state aid grant to replace the 2024-25 User Friendly Budget.

The districts utilizing cap adjustments under this law must also revise the 2024-25 User Friendly Budget posted on the district website, to reflect changes made to the certified budget for the grants and/or the new cap adjustments. For submission dates, reference the revised budget calendar posted on the [School Finance webpage](#).

¹ School districts that received a revised state aid notice pursuant to N.J.S.A. 18A:7F-53 will receive a grant amount equal to 45 percent of the amount of the district's State school aid reduction in the revised state aid notice for the 2024-25 school year.

Grant Award

District boards of education/boards of school estimate that received a grant must certify the planned 2024-25 use of the grant by board resolution dated no later than July 5, 2024 Pursuant to N.J.A.C. 6A:23A-13.3 (d).1, Commissioner approval to appropriate these funds in 2024-25 is granted. If a district received only a state aid grant, an additional public hearing is not needed, and the 2024-25 budget software is not required to be updated. The grant may be recorded as a mid-year budget adjustment.

Tax Levy Cap Adjustment Allowed

On the “Tax Levy Cap” screen of the 2024-25 budget software, line F entitled Other Adjustments will be preloaded the amount of the new allowable cap adjustment.

District boards of education/boards of school estimate that received an allowable tax levy cap adjustment must certify by board resolution dated no later than July 5, 2024 to use the increased cap adjustment during 2024-25 to increase the certified tax levy presented in the originally approved 2024-25 budget and increase 2024-25 general fund appropriations. The revised budget must be submitted to the county office for review prior to advertising and holding a public hearing on the revised budget. See the [posted calendar](#) for the schedule to be followed for public hearings.

Districts with new cap adjustments that requested use of banked cap in the previously certified 2024-25 budget must remove the requested use of banked cap from the Cap Banking screen line J if the district intends to use any portion of the new cap adjustment. The amount calculated as the new cap adjustment on Tax Levy Cap screen line F is the amount that will raise the levy to the allowable amount pursuant to P.L. 2024, c.13. Any requested use of banked cap would cause the district to be in excess of the allowable cap under P.L. 2024, c.13.r

All districts that will change the 2024-25 tax levy due to receipt of a grant or a new cap adjustment must immediately contact their municipality’s CFO, municipal tax collector, and county tax administrator to communicate whether or not they intend to revise the levy.

Detailed Descriptions of Budget Software Entry Options

1. Increase 2024-25 General Fund Appropriations During the Budget Year for Grant

Districts that received only a state aid grant

If a district received only a state aid grant, and no new cap adjustment, then the district will reflect the revised state aid as a mid-year budget adjustment. There is no requirement for a district with only a state aid grant to open the 2024-25 budget software or to replace the 2024-25 User Friendly Budget. The grant is recorded in the district accounting records on line 500, new account number 10-3249 entitled “Stabilized School Budget Aid”. Districts that received a grant must obtain a board of education/board of school estimate resolution approving the uses of the grant and detailing the increased line item(s). Districts must complete the “Budget Changes from Public Hearing Worksheet” on the [budget website](#) to document the planned uses of the funds.

Districts that received a state aid grant and a new tax levy cap adjustment

If the 2024-25 budget software is being revised to utilize a new tax levy cap adjustment, then the grant may also be budgeted in its entirety on line 500 in the 2024-25 budget software, new account number 10-3249, entitled “Stabilized School Budget Aid.” Districts that received a grant and a levy adjustment must obtain a board of education/board of school estimate resolution approving the appropriation(s) and detailing the increased line item(s). The district must provide written advance notice of at least 4 days prior to holding a public meeting of the board of education at which time the board must pass a resolution of the membership stating the amount of grant being added to the budget revenue and appropriations. Please have documentation of the appropriation details available for use by the district’s independent auditor and for the County Office of Education for the budget review.

Be aware that any funds attributable to the grant appropriated for use in 2024-25 that remain unexpended/unencumbered at June 30, 2025 will fall to general fund surplus and will be included in the audited excess surplus calculation (there will not be an allowable adjustment to the excess surplus calculation).

Specific data-entry instructions for the 2024-25 Budget Application (refer to “Increase 2024-25 General Fund Appropriations During the Budget Year for Grant” Item 1 above).

Applicable to November election districts, Type I districts, and state-operated districts

On the County Review and Approval screen, page 2 under the Results of Public Hearing section:

- a. If *Statement A* is checked:
 - i. District must change the entry from *Statement A* to *Statement B*.
 - ii. County Office must check the box for *Budget Changes Needed*.
 - iii. District then makes entry on the *Revenue* screen to increase state aid (line 500) for the full amount of the grant, and increase line 100 for any use of the new tax levy cap adjustment, along with any other budget changes being made. The *Appropriations* screen must be revised to reflect the planned 2024-25 grant spending and spending related to the new tax levy cap adjustment. If the district is eligible for the new tax levy cap adjustment, then Banked Cap report line J must be reduced to zero, since any requested use of banked cap would cause the district to be in excess of the allowable cap under P.L. 2024, c.13.
 - iv. District runs the edits to clear any fatal edits, then checks the box for *Ready for Review* on the *County Review and Approval* screen.
 - v. County Office reviews entry and uses *County Review and Approval* screen to document the approval.
 - vi. District runs the User-Friendly Budget report and posts the revised version on the district website.
- b. If *Statement B* is checked:
 - i. The Executive County Superintendent (ECS) must un-check the Approved box on the ECS Review line.

- ii. The Executive County Business Official (ECBO) must un-check the Approved box on the ECBO Preliminary Review line.
- iii. The district must un-check the Ready for Review box on the District line.
- iv. District then makes entry on the Revenue screen to increase state aid (line 500) for the full amount of the grant, and increase line 100 for any used of the new tax levy cap adjustment, along with any other budget changes being made. The Appropriations screen must be revised to reflect the planned 2024-25 grant spending and spending related to the new tax levy cap adjustment. If the district is eligible for the new tax levy cap adjustment, then Banked Cap report line J must be reduced to zero, since any requested use of banked cap would cause the district to be in excess of the allowable cap under P.L. 2024, c.13.
- v. District runs the edits to clear any fatal edits, then checks the box for *Ready for Review* on the *County Review and Approval* screen.
- vi. County Office reviews entry and uses *County Review and Approval* screen to document the approval.
- vii. District runs the User-Friendly Budget report and posts the revised version on the district website.

Applicable to April election districts

Because the April election has already been held, these districts must use the April Election results section on page 3 of the *County Review and Approval* screen of the software to make the entry:

- a. If the district has made no entry in the approval lines of the April Election section:
 - i. District will answer the question, *Was Separate Question Passed at April Election* with Yes.
 - ii. County Office must check the box for *Budget Changes Needed*.
 - iii. District then makes entry on the *Revenue* screen to increase state aid (line 500) for the full amount of the grant and increase line 100 for any use of the new tax levy cap adjustment, along with any other budget changes being made. The *Appropriations* screen must be revised to reflect the planned 2024-25 grant spending and spending related to the new tax levy cap adjustment. If the district is eligible for the new tax levy cap adjustment, then Banked Cap report line J must be reduced to zero, since any requested use of banked cap would cause the district to be in excess of the allowable cap under P.L. 2024, c.13.
 - iv. District runs the edits to clear any fatal edits, then checks the box for *Ready for Review* on the *County Review and Approval* screen.
 - v. County Office reviews entry and uses *County Review and Approval* screen to document the approval.
 - vi. District runs the User-Friendly Budget report and posts the revised version on the district website.

- b. If the district has made entry in the approval lines of the April Election section:
 - i. The ECS must un-check the *Approved* box on the ECS Review line.
 - ii. The ECBO must un-check the *Approved* box on the ECBO Preliminary Review line.
 - iii. The district must un-check the *Ready for Review* box on the District line.
 - iv. District then makes entry on the *Revenue* screen to increase state aid (line 500) for the full amount of the grant and increase line 100 for any use of the new tax levy cap adjustment, along with any other budget changes being made. The *Appropriations* screen must be revised to reflect the planned 2024-25 grant spending and spending related to the new tax levy cap adjustment. If the district is eligible for the new tax levy cap adjustment, then Banked Cap report line J must be reduced to zero, since any requested use of banked cap would cause the district to be in excess of the allowable cap under P.L. 2024, c.13.
 - v. District runs the edits to clear any fatal edits, then checks the box for *Ready for Review* on the *County Review and Approval* screen.
 - vi. County Office reviews entry and uses *County Review and Approval* screen to document the approval.
 - vii. District runs the User-Friendly Budget report and posts the revised version on the district website.

2. Increase in certified levy (re-certification to the county board of taxation) in 2024-25

District boards of education/boards of school estimate that wish to use any portion of the new cap adjustment to increase the 2024-25 tax levy must **act immediately** to contact their municipal and/or county tax office to determine whether it is possible to revise tax bills at this time. If the municipality and/or county is able to accommodate a request to revise tax bills, the district will need to revise the general fund tax certification (Form A4F) following the steps outlined below. Please be aware the increased cap adjustment does not permit a district to set a general fund tax levy above the newly calculated cap. Also note that the new cap adjustment created by P.L.2024, c. 13 is a one-time cap adjustment. Unused 2024-25 amounts will not be included in banked cap for future years.

If the 2024-25 budget software is being revised to utilize a new tax levy cap adjustment, then a state aid grant (if also received) may be budgeted in its entirety on line 500 in the 2024-25 budget software, new account number 10-3249, entitled "Stabilized School Budget Aid."

Districts with new cap adjustments that requested use of banked cap in the previously certified 2024-25 budget must remove the requested use of banked cap from the Cap Banking screen line J. The amount calculated as the new cap adjustment on Tax Levy Cap screen line F is the amount that will raise the levy to the allowable amount pursuant to P.L. 2024, c.13. Any requested use of banked cap would cause the district to be in excess of the allowable cap under P.L. 2024, c.13.

After having obtained the approval of the tax office to revise the 2024-25 local tax levy, the following steps are required:

- a) The district must provide written advance notice of at least 4 days prior to holding a public meeting of the board of education at which time the board must pass a resolution stating the amount of additional levy to be raised.

- b) Having obtained the approval of the tax office and a board resolution, the district must contact the County Office of Education to request access to the 2024-25 NJDOE Budget Application. Enter the full amount of the grant on line 500 and increase the levy on line 100 for the portion of the new cap adjustment to be used in 2024-25, along with any other budget changes being made. Increase the appropriations for the revised budget amounts. If the district is eligible for the new tax levy cap adjustment, then Banked Cap report line J must be reduced to zero, since any requested use of banked cap would cause the district to be in excess of the allowable cap under P.L. 2024, c.13.
- c) After entry of the revised general fund tax levy, the district must enter and, where necessary, revise the A4F in the Budget Application to reflect the increased general fund tax levy and any resultant change to the collection and deferral amounts.
- d) The district board secretary must certify the revised Form A of the A4F.
- e) The revised A4F must be distributed to the following in a timely fashion, in accordance with the timeline established by the district's county tax office:
 - County Board of Taxation
 - Local Assessor
 - NJ Division of Local Governmental Services
(Bureau of Financial Regulation and Assistance
PO Box 803
Trenton, NJ 08625)
 - Municipal Clerk
 - Executive County Superintendent (ECS)

Specific data-entry instructions for the 2024-25 Budget Application (refer to “Increase in certified levy (Re-certification to the County Board of Taxation) in 2024-25” item 2 above:

Applicable to November election districts, Type I districts, and state-operated districts

On the County Review and Approval screen, page 2 under the Results of Public Hearing section:

- a. If Statement A is checked:
 - i. District must change the entry from *Statement A* to *Statement B*.
 - ii. County Office must check the box for *Budget Changes Needed*.
 - iii. On the “Tax Levy Cap” screen of the 2024-25 budget, line F will be preloaded the amount of the allowable cap adjustment. Open and save the Tax Levy Cap screen.
 - iv. District then makes entry on the *Revenue* screen to increase the general fund tax levy (line 100) for the amount of the cap adjustment used to increase the 2024-25 budget, and state aid (line 500) for the full amount of the grant, along with any other budget changes being made. The appropriations must be increased to reflect the associated spending. If the district is eligible for the new tax levy cap adjustment, then Banked Cap report line J must be reduced to zero, since any requested use of banked cap would cause the district to be in excess of the allowable cap under P.L. 2024, c.13. The district must also revise the A4F to reflect any resultant change to the collection and deferral amounts.

- v. District runs the edits to clear any fatal edits, then checks the box for *Ready for Review* on the *County Review and Approval* screen.
 - vi. County Office reviews entry and uses *County Review and Approval* screen to document the approval.
 - vii. District runs the User-Friendly Budget report and posts the revised version on the district website.
- b. If *Statement B* is checked:
- i. The Executive County Superintendent (ECS) must un-check the *Approved* box on the ECS Review line.
 - ii. The Executive County Business Official (ECBO) must un-check the *Approved* box on the *ECBO Preliminary Review* line.
 - iii. The district must un-check the *Ready for Review* box on the *District* line.
 - iv. On the “Tax Levy Cap” screen of the 2024-25 budget, line F will be preloaded the amount of the allowable cap adjustment. Open and save the Tax Levy Cap screen.
 - v. District then makes entry on the *Revenue* screen to increase the general fund tax levy (line 100) for the amount of the cap adjustment used to increase the 2024-25 budget, and state aid (line 500) for the full amount of the grant, along with any other budget changes being made. The appropriations must be increased to reflect the associated spending. If the district is eligible for the new tax levy cap adjustment, then Banked Cap report line J must be reduced to zero, since any requested use of banked cap would cause the district to be in excess of the allowable cap under P.L. 2024, c.13. The district must also revise the A4F to reflect any resultant change to the collection and deferral amounts.
 - vi. District runs the edits to clear any fatal edits, then checks the box for *Ready for Review* on the *County Review and Approval* screen.
 - vii. County Office reviews entry and uses *County Review and Approval* screen to document the approval.
 - viii. District runs the User-Friendly Budget report and posts the revised version on the district website.

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 - iv. District then makes entry on the *Revenue* screen to increase the general fund tax levy (line 100) for the amount of the cap adjustment used to increase the 2024-25 budget, and state aid (line 500) for the full amount of the grant, along with any other budget changes

being made. The appropriations must be increased to reflect the associated spending. If the district is eligible for the new tax levy cap adjustment, then Banked Cap report line J must be reduced to zero, since any requested use of banked cap would cause the district to be in excess of the allowable cap under P.L. 2024, c.13. The district must also revise the A4F to reflect any resultant change to the collection and deferral amounts.

- v. District runs the edits to clear any fatal edits, then checks the box for *Ready for Review* on the *County Review and Approval* screen.
 - vi. County Office reviews entry and uses *County Review and Approval* screen to document the approval.
 - vii. District runs the User-Friendly Budget report and posts the revised version on the district website.
- b. If the district has made entry in the approval lines of the April Election section:
- i. The ECS must un-check the *Approved* box on the ECS Review line.
 - ii. The ECBO must un-check the *Approved* box on the ECBO Preliminary Review line.
 - iii. The district must un-check the *Ready for Review* box on the District line.
 - iv. On the “Tax Levy Cap” screen of the 2024-25 budget, line F will be preloaded the amount of the allowable cap adjustment. Open and save the Tax Levy Cap screen.
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 - vi. District runs the edits to clear any fatal edits, then checks the box for *Ready for Review* on the *County Review and Approval* screen.
 - vii. County Office reviews entry and uses *County Review and Approval* screen to document the approval.
 - viii. District runs the User-Friendly Budget report and posts the revised version on the district website.

There will be no allowable adjustments to the audited excess surplus at June 30, 2025 for the grant or for the cap adjustment.

Data collection regarding planned uses of funds

The Governor’s [signing statement](#) for P.L. 2024, c.13 included a requirement for the Commissioner to conduct a comprehensive review of the use of funds. Information regarding a data collection for districts to report the planned uses of funds will be provided in the near future.