

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 2837
STATE OF NEW JERSEY
221st LEGISLATURE

DATED: MARCH 13, 2024

SUMMARY

- Synopsis:** Authorizes school districts to submit separate proposal for additional spending for subsequent budget year at special school election.
- Type of Impact:** Potential annual expenditure increases for certain school districts, potential annual expenditure and revenue increases to local government entities.
- Agencies Affected:** School districts, local governments.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
Potential School District Expenditure Increase	Indeterminate
Potential School District Revenue Increase	Indeterminate
Potential Local Expenditure Increase	Indeterminate
Potential Local Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that this bill could result in a marginal expenditure increase to certain school districts without boards of school estimate. The expenditure increase would only be borne by districts that choose to submit to the voters of the district at a special school election a separate proposal or proposals for permission to raise additional funds for the subsequent school budget year beyond the district’s authorized tax levy for that year.
- The expenditure increase would be in connection with additional school district spending to reimburse certain local government entities for their upfront costs to conduct a special school election. These reimbursements would represent revenue increases for these local entities.
- School districts that receive voter approval to raise additional funds for the subsequent school budget year beyond their authorized tax levy will experience an indeterminate revenue increase for that year.



BILL DESCRIPTION

This bill authorizes school districts without a board of school estimate to submit to the voters of the district at a special school election a separate proposal or proposals for permission to raise additional funds for the subsequent school budget year beyond the district's authorized tax levy for that year.

Under current law, a school district may submit to the voters at the annual school election a separate question or proposal for permission to raise additional funds for the budget year beyond the district's authorized tax levy. This bill would allow districts to submit proposals to voters at a special school election to raise such additional funds for the subsequent school budget year. Special school elections may occur in January, March, September, or December. A separate proposal or proposals may only be submitted on a date of a special election once during a school year. Nothing in the bill is to be construed to prohibit the submission to the voters of a question for the approval of capital projects on the same special election date as the submission of a separate proposal for additional funds.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill could result in a marginal expenditure increase to school districts without boards of school estimate that choose to submit to the voters of the district at a special school election a separate proposal or proposals for permission to raise additional funds for the subsequent school budget year beyond the district's authorized tax levy for that year. The expenditure increase would be in connection with additional school district spending to reimburse certain local government entities for their upfront costs to conduct a special school election, which would increase revenues for these local entities. Under current law, all costs for any school election held at a time other than the time of the general election are to be paid by the board of education of the school district to the county board of elections, county superintendent of elections, county clerk, and municipal clerk that conduct the elections.

In a given year, a relatively small number of school districts submit proposals to their voters to raise additional funds for the budget year beyond the district's authorized tax levy. Information from the New Jersey School Boards Association indicates that only 14 school districts in 2023 submitted proposals to exceed their authorized tax levy. All of these questions were submitted to voters at the annual school election in November. Given the relatively small number of districts submitting questions to exceed the tax levy cap under current law, the OLS assumes that a similarly small number of school districts would conduct special school elections to exceed their authorized tax levy in the subsequent budget year. While this bill may cause some school districts to conduct a special school election on a day when they otherwise would not have had an election, the OLS expects this bill to have only a marginal fiscal impact on a Statewide basis.

Section: Education

*Analyst: Christopher Myles
Senior Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).