

**Ditri, Pat**

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**From:** Vieira, Manny  
**Sent:** Tuesday, February 03, 2015 12:06 PM  
**To:** Ditri, Pat  
**Cc:** Lombardi, Arlene; Manochio, Fernanda; Damato, Jim  
**Subject:** FW: KeyAlert - Capital Needs Survey & Resolution

Pat,  
Please put the [Resolution Capital Project Needs](#) (link below) on the agenda as a discussion item. Thanks MEV

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**From:** Michele [<mailto:Michele@njasbo.com>]  
**Sent:** Tuesday, February 03, 2015 10:44 AM  
**To:** Michele  
**Subject:** KeyAlert - Capital Needs Survey & Resolution



February 3, 2015

## CAPITAL NEEDS SURVEY

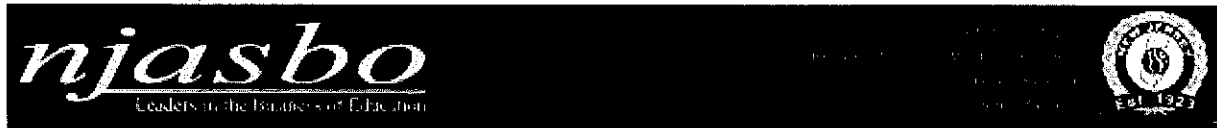
At the January, 2015 LEE meeting, NJASBO raised the concern that the current 2% tax levy limit on New Jersey School budgets fails to allow adjustment or waiver for the annual capital needs for school districts. In prior years, spending adjustments in the area of capital outlay were considered as

standard waivers. Our tax levy budget limit is making it extremely difficult to maintain current levels of educational spending; and therefore, annual capital issues are not addressed or simply postponed. Failure to address these issues is simply going to mean that the future cost will only be that much greater; or where districts must address capital needs for health and safety reasons, educational spending must be reduced.

In an attempt to quantify this issue for the Department of Education and our legislators in Trenton, we are asking you to complete the capital survey at the link below. This data will be used to illustrate the size and scope of this issue.

## Capital Needs Survey

We have also prepared a resolution (**Resolution Capital Project Needs**) that we urge you to present to your Board of Education and send to the DOE and to your local legislators. If you have any questions or need assistance, please call John or Michele.



*Michele*

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**Resolution – To Address The  
Capital Project Needs of New Jersey School Districts**

**Whereas**, the Township of Union Board of Education, County of Union has determined the need exists to address certain school facility projects in the Township of Union School District that require immediate and/or near term consideration for renovation, upgrade, or maintenance and attached hereto, and

**Whereas**, prior to current New Jersey school budget restrictions, projects of this nature were addressed through a school district's annual operating budget and included within the capital outlay portion of its annual budget, and

**Whereas**, prior to current law, these smaller Capital Outlay projects were always considered authorized adjustments to any tax levy or budgetary caps in place at that time, and

**Whereas**, projects of this nature were generally of such size and scope that the annual cost of these projects did not substantially impact the local taxpayer, and

**Whereas**, Chapter 44 of the Laws of 2010 amended 18A:7F-38 and placed more restrictive limits on school district annual budget increases by providing that no school district shall adopt an annual budget with an increase in its adjusted tax levy of more than 2% after adjustments for enrollment, health care costs, and certain accrued liability pension contributions, and

**Whereas**, Chapter 44 effectively eliminated any authorized adjustments heretofore in place that addressed the capital needs of school districts, and

**Whereas**, a *tax levy cap* of 2% often results in an annual school operating budget limit of less than 1% which must accommodate all increases relative to salaries, benefits, supplies, and operational services, and

**Whereas**, school districts around the state are experiencing great difficulty in meeting the educational needs of their district within the constraints of the 2% tax levy cap; and accordingly, must set aside, if not delay, addressing important capital projects that if go unaddressed will certainly result in much higher costs to the state and local taxpayer in the future.

**Now Therefore Be It Resolved**, that the Township of Union Board of Education calls upon its district legislators, the Commissioner of Education, and the Governor of New Jersey to consider amendments to current law to provide that school capital costs again be recognized as authorized adjustments to school tax levy increases, and

**Be It Further Resolved**, that a copy of this resolution be sent to the Governor of the State of New Jersey, the NJ Commissioner of Education, local legislators, the New Jersey School Board's Association, and the New Jersey Association of School Business Officials.

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JAMES J. DAMATO  
BOARD SECRETARY

DATE: \_\_\_\_\_