

To: Municipal and County Chief Financial Officers
Municipal Clerks
Municipal Tax Collectors
County Tax Administrators

From: Timothy J. Cunningham, Director
Division of Local Government Services

Date: July 13, 2018

Impact of FY2019 Increase in School Aid to Certain Districts

With final action on the State's FY 2019 budget having been taken, additional school aid is being made available to a significant number of school districts throughout New Jersey. Revised school aid numbers can be found at <http://www.nj.gov/education/stateaid/1819/>. Boards of education in these communities are being permitted to reconsider their 2018-19 budgets and may elect to reduce their property tax levies in an amount not to exceed the increase to their State aid. Please note that this process does not authorize districts to lower their 2018-19 general fund tax levy below the minimum tax levy required by *N.J.S.A. 18A:7F-5(b)*. This does not apply to county vocational school districts due to their lacking a separate certified levy and the appropriation being in the county budget.

District boards of education/boards of school estimate that are receiving increases in aid are being instructed to contact the chief municipal finance officer, municipal tax collector, and county tax administrator to confirm whether or not the district seeks to apply additional aid toward reducing the school tax levy. Municipalities whose school districts are receiving increased aid shall notify Tina Zapicchi of the Division of Local Government Services at Christine.Zapicchi@dca.nj.gov on whether or not the school district will be reducing its school tax levy. If the district will be applying additional aid toward reducing the school tax levy, the district will need to revise and submit the general fund tax certification (Form A4F) by no later than **4:00 p.m. on Friday July 20** unless the municipality and the district agree to a later deadline. The municipality, the county board of taxation and DLGS, among others, shall be provided the revised A4F.

Tax bill vendors are being instructed to print bills as directed by the municipality and/or the county tax administrator. Municipalities should contact their school district if they have any questions about whether the district seeks to reduce the school tax levy.

Cash flow needs include payments to the county government, boards of education, and any other local taxing districts. *N.J.S.A. 54:4-74* (counties) and *54:4-75* (schools) allow tax payments to be deferred until after 25 days from the time tax bills are mailed, or no later than September 15 for counties and September 1 for schools. Officials in these agencies are asked to work with each other to review cash flow needs and, where possible, modify existing payment schedules to accommodate the restricted cash flow of the municipality. In the event a municipality faces a

short-term cash flow issue, depending on its fiscal status and cash flow needs, the municipality has the option of issuing tax anticipation notes or otherwise taking measures to carefully review their cash flow needs and resources, projecting property tax receipts once tax bills are issued and revenue flow begins.

Thank you for your attention to this information.

/s/ Timothy J. Cunningham, Director

cc: Division of Taxation
Department of Education