

MC-96-1

Notice Number

New Jersey Department of Community Affairs  
Division of Local Government Services

3/20/96

Date

# LOCAL FINANCE NOTICE

CHRISTINE TODD WHITMAN  
GOVERNOR

HARRIET DERMAN  
COMMISSIONER

BETH GATES  
DIRECTOR

## 1996 CALENDAR YEAR BUDGET UPDATE

This Local Finance Notice addresses several matters that have taken place over the last few weeks and answers to questions raised by local officials:

1. New procedures regarding school board elections and the ability of local governments to receive reimbursement of costs from school boards.
2. Publication of the new budget summaries, a determination that they are official advertisements and eligible for advertising as a "legal ad," and that copies of budgets should be provided to the public at no cost.
3. Analysis of the impact of judicial unification costs on county budgets.

This Notice is sent to Municipal Clerks and Clerks of the Board of Chosen Freeholders. They are asked to provide a copy to the Chief Financial Officer and elected officials. Because of the nature of the material, a copy is also being sent to County Clerks and Election Officials.

## SCHOOL BOARD ELECTIONS

Signed by Governor Whitman in late 1995, Chapter 278 of the laws of 1995 made significant changes concerning administration of school board elections. Specifically, this law provides that:

1. School boards will conduct their annual elections in April.
2. School elections will be conducted in conformance with provisions of Title 19, the General Election Laws of New Jersey.
3. Transfers responsibility of conducting school elections from the local school officials to county and municipal election offices.
4. Requires preparation and mailing of sample ballots to all voters.
5. While the law requires the polling places utilized for general elections to be used, a supplementary law just signed by Governor Whitman (P.L. 1996, c.3) permits the designation of one polling place to serve two or more election districts when the number of votes cast in the last school board election was 500 or less in a voting district. Designations of these locations are handled by the County Board of Elections.

Director's Office  
609-292-6613

Local Government  
Research  
609-292-6110

Financial Regulation  
and Assistance  
609-292-4806

Local Finance  
Board  
609-292-4537

Local Management  
Services  
609-292-7842

Authority Regulation  
609-984-0133

Fax  
609-984-7388

The intention of the law is to encourage and increase voter participation in school board elections and to provide uniform system of publication and standardization of election process. In doing so, Section 10 requires that:

"All costs, charges, and expenses, including the compensation of the members of the district boards and the compensation and expenses of the county board of elections, the county superintendent of elections, and the clerk of the county for any school election shall be paid by the board of education of the school district. All costs, charges, and expenses submitted to the board of education for payment shall be itemized and shall include the separate identification of costs to prepare, print, and distribute sample ballots." (Emphasis added)

Because of concerns raised by the League of Municipalities and other organizations, this Division requested an opinion from the Attorney General regarding municipal expenses being eligible for reimbursement. The opinion concluded that the Legislature intended for a board of education to assume **all** municipal costs incurred in the conduct of the school election. These costs include, but are not limited to, the following municipal clerk costs:

- Publication expenses
- Staffing and expenses relating to conducting elections
- Purchase of items related to conducting elections
- Administrative costs

County government costs may include printing of ballots, rental of space, and other costs. Accordingly, the municipal and county governments are required to submit a detailed, itemized analysis of all expenses incurred by the local units in conducting of school elections.

Over the last few weeks, many county officials have established systems to either budget their expenses or have the school board directly billed for expenses where appropriate. Similarly, municipalities have several options for managing the costs as outlined below.

These April school board election expenses are considered exceptions to budget cap requirements: N.J.S.A. 40A:4-45.3(cc) for municipalities. Thus, for expenses to be paid directly by the municipal government, an appropriation outside the CAP may be budgeted in the 1996 budget. The appropriations are to be labeled as follows and shown on Sheet 20 for municipalities:

- School Board Elections (N.J.S.A. 19:60-12)
  - Salaries & Wages
  - Other Expenses

To prevent an impact on the tax levy, the Division will permit municipalities and counties to anticipate the reimbursement revenue as a Special Item of Revenue to offset the appropriation, upon certification by the Chief Financial Officer. Starting in fiscal year 1997, municipalities and counties may anticipate the reimbursement revenue from the school boards to the extent of the amount received in 1996, with an offsetting appropriation as a cap exception.

Local units may also realize any reimbursements as miscellaneous revenue not anticipated. The law prohibits the use of 'chargebacks' or appropriation credits.

## PUBLICATION OF BUDGETS

P.L. 1995, c.259, the State Mandate Relief Act (Local Finance Notice MC-95-8) made provisions for alternate means of meeting the requirement to publish the annual budget. The new law permitted the use of a Budget Summary (described in Local Finance Notice CFO-96-1 ) to be advertised in lieu of publishing the full budget. **Note that the law also requires copies of the full budget to be placed in public libraries that serve residents of the jurisdiction and copies be made available to the public upon request.**

As local governments have begun taking advantage of these new provisions, several concerns have been brought to the attention of the Division: the first being newspaper charges for the summary; the second being charges assessed to the public for copies of the budget.

N.J.S.A. 35:1-1 defines "official advertising" to "include all matters required by law to be published." When a public notice meets this definition, newspapers are permitted to charge statutorily set rates for each line of official advertising. While the rate varies by size of newspaper (N.J.S.A. 35:2-1), that law also bases the calculation of the number of lines "upon the basis of the space that a six point line, eight picas wide would occupy." Here, "points" refer to type size, while "picas" are a measure of line width.

The Attorney General's office has advised the Division that, while the budget summary is an option, it meets the requirement of "official advertising" and is thus eligible for the rates for official advertising. As the type size for the summary is statutorily set as eight points for the body and 16 points for the title, the fee to be charged should be the number of six point lines the ad takes up, times the number of eight pica wide segments utilized.

We understand that there may be confusion about this by some newspapers. If a municipality believes they are being charged some other rate, or told that the budget summary does not qualify as an official advertisement, a copy of this Notice should be provided to the newspaper. Newspapers with questions are urged to contact the New Jersey Press Association for additional clarification.

Finally, questions have been raised relating to providing copies of the budget to the public. Historically, copies of the newspaper reprint of the full budget have been provided to the public at no charge. However, while the new law requires that copies of the budget be made available to the public, it makes no provisions for any fees to be assessed on members of the public who want a copy.

The Division requested advice from the Attorney General's office on this matter as well. The advice we have received is that copies must be made available to the public at no charge and that the Legislature did not intend to restrict the availability of the budget, formerly available at little or no cost to the public, through the imposition of reproduction fees. Municipal clerks should take immediate steps to ensure that copies are made available to the public at no cost. It is acknowledged that this could reduce the cost savings achieved by publishing a budget summary, however, the law was not intended to reduce citizen access to the budget document.

A final issue has been raised regarding the publication of budget amendments in light of the changes to the budget publication requirements. If the municipality approves an amendment which requires a public hearing under N.J.S.A. 40:4-9, the law still requires the municipality to disclose the changes for public discussion. Therefore the local unit must either advertise the amendment in its entirety or a summary stating the provisions of the amendment and how citizens can obtain copies of the full document.

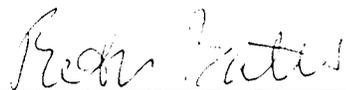
### UPDATE ON STATE TAKEOVER OF COUNTY COURT COSTS

The State Judicial Unification Act, P.L. 1993, C. 275, required the assumption by the State of the county judicial and probation costs by January 1, 1995. In the second year of the phase-in period of this Legislative mandate, the State is assessing the impact of the takeover on affording property tax relief to its citizens.

As required by the Act, payment by each county to the State in CY 1996 is 62.5 percent of the "Base Year Amount." The "Base Year Amount" was established using 1993 expenditure reports filed by each county. Expected CY 1996 payments to the State by all counties total \$149,069,411. Reductions to the 1996 county purpose levy for all counties administered by this Division represent \$59,098,559.

While the Division realizes that the direct dollar for dollar tax relief may not be achieved due to the various budgetary and economic considerations affecting the formation of a budget, the boards of chosen freeholders should be mindful of their obligation to take measures to provide tax relief to its citizens, as intended by the Act.

Municipal Clerks and Clerks of Boards of Chosen Freeholders are reminded to share this Notice with the Chief Financial Officer, Chief Executive, Governing Body, and Chief Administrator of their jurisdiction.



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Beth Gates, Director  
Division of Local Government Services

Distribution: Municipal Clerks and Clerks of the County Boards of Freeholders (to provide copies to Chief Financial Officer, Chief Executive, Governing Body and Chief Administrative Officer), County Clerks and Election Officers

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NJ DEPARTMENT OF COMMUNITY AFFAIRS

PUBLICATION REQUEST

Before completing, read instructions on back

For Admin./PIO Use Only

JOB NUMBER

Approved Disapproved

Administration/PIO Approval Required Check Appropriate Box(es)
Written material for distribution to the public. Printing or Photocopying Desktop Publishing - Doc. #
Typesetting

TO BE COMPLETED BY REQUESTOR:

Publication Title No. of Copies No. of Pages
Requested By Division Bureau
Location
Room No. Phone Bureau Supervisor Approval

Type of Publication: (Check one)
Admin. Approval PIO Approval
Business Cards List Booklet New Update Date Submitted
Certificate Map Brochure Reprint Due Date
Chart Memo Pads Display
Cover Newspaper Clippings Event Program
Form Presentation Handout/Flyer
Form Letters/Memos Regulations/AG Opinions Newsletter
Grant Agreement Sign/Poster Press Release
Letterhead (Design) Other Report Annual
Envelopes (Specify size and type) Other

Paper: Bond Index Carbonless (NCR) # of parts Other (Specify)
Bond Colors: Blue Pink Canary White Green Special Order (Specify)
Index Colors: Blue Green Canary Ivory Cherry Peach Gray White Special Order (Specify)
Size: 8 1/2 x 11 8 1/2 x 14 (White only) 11 x 17 (White only) Other (Specify)
Ink: Black Blue Other (Specify)
Print: One side Back-to-back Cover required
Bind: Collate Staple (Specify) # Three Hole Punch Pad Fold (Specify) # Cut size (Specify) Other (Specify)

Special Instructions

TO BE COMPLETED BY DIVISION COORDINATOR

Division Approval Date Forwarded To Admin./PIO
Acct. # To Be Charged Total No. Free
On Master Plan No Yes # Estimated Total Cost

TO BE COMPLETED BY ADMINISTRATION/PRESS INFORMATION

Admin./PIO Authorization Date Governor's Approval No.
Forwarded To Date Date Returned
Forwarded To Date Date Returned

DESKTOP PUBLISHING USE ONLY COPY CENTER USE ONLY
Date Received Date Completed
Scanned Image(s) Halftones
Computer Illustration(s) Mechanical
Typesetting Photocopier
Color Separations From Laser Printer
Proof Sent Proof Returned
No. of Proofs Sent Total Work Hours
Date Received Total Impressions
Copy Center Approval
Assigned to
Date completed
Approved for Outside Typesetting
Approved for Commercial Printing (Vendor)
Approved for State Contract (Vendor) Approved by
To Treasury
Treas. Order # Date Returned