

ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4722

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 16, 2023

The Assembly Education Committee reports favorably Assembly Bill No. 4722 with committee amendments.

As amended, this bill permits a board of education or board of school estimate, as appropriate, of a school district that received unanticipated State military impact aid revenue in the 2021-2022 school year to establish a State military impact aid reserve account. A board may appropriate the unanticipated State military impact aid revenue to establish the reserve account in the district's annual budget, or through transfer by a two-thirds affirmative vote of the authorized membership of the board, for withdrawal in any subsequent school year. Any transfer to the reserve account is not to exceed the total amount of unanticipated State military impact aid revenue. The board, at its discretion, may use the funds in the reserve account for general fund expenses. The bill requires the reserve account to be established and held in accordance with GAAP and provides that the account would be subject to annual audit.

The amended bill would apply to school districts that received State aid pursuant to P.L.2022, c.19, which provided a fiscal year 2022 supplemental appropriation of over \$1.1 million for State military impact aid.

As amended and reported by the committee, this bill is identical to Senate Bill No. 3089 (1R), which was also reported by the committee on this same date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- remove the provisions of the bill as introduced, which permitted boards of education to use unanticipated revenue and unexpended line-item appropriation amounts to supplement a school district's debt service reserve account and its federal impact aid reserve account;
- add provisions to the bill to permit a board of education or a board of school estimate to establish a State military impact aid reserve account;

- set forth various requirements for the: establishment or transfer of funds to the account; withdrawal of funds from the account; and uses of funds from the account; and
- require the reserve account to be established and held in accordance with GAAP and provides that the account would be subject to annual audit.