

Frequently Asked Questions

When do registered voters get to approve the budget?

Voters are required to approve the budget when the tax levy will be increased more than 2% over the prior year tax levy excluding any allowable adjustments. A 2012 law permitted school districts to eliminate the vote on the budget when the budget was presented within the 2% cap. On October 15, 2013 the Cranbury Board of Education approved moving the April School Board and Budget Election to the November General Election. This decision will remain in effect for a minimum of four years.

What is the 2% cap? Are there exceptions to the cap?

The maximum allowable amount to be raised by taxation under N.J.S.A. 18A:7F-39 includes the 2 percent increase over a district's prior year adjusted tax levy including enrollment adjustment, plus the allowable adjustments for increase in health care costs and increase in deferred pension costs, and plus or minus the adjustment for shift in responsibility to or from another district or entity. School districts are also permitted to bank cap that was not used starting in the 2011-12 school year for those increases which were below the cap of 2% and unused medical insurance premium increases over 2%. Unused banked cap can be used in any of the three years from when it is banked and expires after three years.

Why and when did the State regulations change regarding the vote on the budget at cap?

There are a number of reasons for the legislation being passed that provided this option to school districts in the State of New Jersey. Most school districts opted to eliminate the vote on the budget starting with the 2012-13 school year, and more districts had opted to go in this direction for 2013-14. The primary reason is due to a very low voter turnout for April elections deciding on the budget and candidates for the board of education. By eliminating the budget vote in April, candidates will be elected at the November general election when a considerably higher voter turnout is expected due to alignment with general elections in some years. Another reason is to eliminate the cost to run an election in April, which was approximately \$4,000. There are no costs to the school district for the November election fees as the cost is absorbed by the town and county.

What is district fund balance and how much can a school district have?

School districts can legally maintain a maximum of 2% of its operating budget with allowable adjustments in fund balance which in Cranbury amounts to approximately \$365,000. Any amount of fund balance generated beyond this level is considered to be beyond the maximum and must be appropriated as a revenue source in the following budget year.

How is district fund balance generated?

There are two items which impact the generation of fund balance in a given year -- 1) Unexpended funds on the expenditure side of the budget and 2) Unanticipated revenue beyond the amount of revenue anticipated.

Frequently Asked Questions - (continued)

What are the other allowable reserves?

School districts can legally maintain a capital projects reserve, a tuition reserve, a maintenance reserve and an emergency reserve. Cranbury currently has a capital projects reserve, a tuition reserve, and a maintenance reserve. The capital projects reserve has allowed Cranbury to maintain and improve the facilities and grounds of the school campus in order to maintain safety and provide the most appropriate setting for our educational programs. The tuition reserve is used to lessen the impact of tuition for the send-receive relationship that Cranbury has with Princeton Public Schools. The maintenance reserve is used ensure that all items in the annual comprehensive maintenance plan are met and that the school facility is maintained to required state standards. Districts are allowed to designate unspent budgeted funds to each reserve before the end of each school year.

How is tuition for Princeton High School calculated?

Cranbury has a send-receive relationship with Princeton Public Schools for students in grades 9-12. Tuition for Princeton High School is charged based upon the State certified per pupil costs in accordance with N.J.A.C. 6A:23A-17.1. The State certified per pupil cost is calculated using audited expenditures and is highly regulated by the State. Enrollment is projected annually based upon the State certified average daily enrollment and any projected move-ins. In accordance with N.J.S.A. 18A:38-8 et seq, a member of the Cranbury Township Board of Education acts as a representative on the Princeton Public Schools Board of Education. The representative is allowed to vote on any matters that affect Cranbury pupils or the send-receive relationship.

Do employees contribute toward health insurance premiums?

Yes. The State passed a law known as Chapter 78 which is a four-year escalation phased-in contribution by all employees toward the cost of all health insurance premiums. The contribution is based upon the employee's salary and type of coverage that the employee has. Some employees may be contributing 1.5% of salary under the first law that was passed prior to the passage of Chapter 78, but this contribution will only be in effect if it is a higher contribution than the calculation that would come under Chapter 78.

What are the biggest cost drivers in the proposed budget?

As the primary goal of the school district is to education our children, the main cost drivers are salaries and benefits. The budget also addresses the need for facilities and grounds maintenance, various textbooks/resources to support curriculum and instruction while also maintaining the outstanding services provided to Cranbury students expected by our community.

How do I calculate the impact of the school budget increase on my taxes?

In order to calculate the impact of the school budget increase on your own taxes, review your current year school tax assessed value with your next year assessment. Multiply the assessment by the projected school tax rate to determine the impact on your own taxes. Please note, this figure only shows the impact on your school taxes and will not include the impact of town or county taxes.