

1. Upon the initial year of failure, the Commissioner shall, minimally, direct the district board of education to prepare within 60 days an assessment of the weaknesses in the current educational program and a corrective action

plan. The Commissioner shall consider that assessment as part of the district's next annual budget submission and shall also exercise as appropriate the powers granted him or her under N.J.S.A. 18A:7F-6a.

2. Upon two consecutive years of failure, the Commissioner shall, minimally, conduct an assessment of the district's curriculum and budget in addition to exercising the powers granted him or her under N.J.S.A. 18A:7F-6a and consider that assessment as part of the district's next annual budget submission. The Commissioner may contract to perform the assessment and may direct that the cost of such contracts be included in the district's budget.

(b) Upon three consecutive years of failure or for districts which have already experienced at least three consecutive years of failure under existing State assessment methods, the Commissioner shall, pursuant to the summary authority granted in N.J.S.A. 18A:7F-6b, take corrective actions as deemed appropriate including, but not limited to:

1. Directing the restructuring of curriculum or programs and the redirection or addition of expenditures consistent with the thoroughness and efficiency standards established pursuant to N.J.S.A. 18A:7F-4;

2. Directing staff retraining or reassignment and the development and implementation of a formal plan for professional development at the amount provided for in the thoroughness and efficiency standards; and

3. Reviewing the terms of collective bargaining agreements prior to final approval by the district board of education and issuing an assessment of the impact of such terms on the district's budget, educational program and the local property tax levy.

(c) The Commissioner shall report any action taken under (b) above to the State Board within 30 days.

(d) A district board of education may appeal any actions taken by the Commissioner under (b) above to the State Board.

(e) Nothing in this section shall be construed to limit such general or specific powers as are elsewhere conferred upon the Commissioner pursuant to law.

#### **6:19-2.4 Additional spending proposals**

(a) A district board of education may as appropriate submit to the voters at the annual school budget election, or to the board of school estimate, a separate proposal or proposals, for additional general fund tax levies which may be in excess of its adjusted spending growth limitation determined pursuant to N.J.S.A. 18A:7F-5d. Such proposal or proposals shall not contain any programs or services necessary for the district to provide the opportunity for all students to achieve the thoroughness standards established pursuant to N.J.S.A. 18A:7F-4a (Core Curriculum Content Standards) nor shall it contain proposed expenditures for items which are contained in the efficiency standards established pursuant to N.J.S.A. 18A:7F-4b when the amounts contained in the base budget for those items are less than that contained in the efficiency standards established pursuant to N.J.S.A. 18A:7F-4b.

(b) The district board of education shall frame and adopt by a recorded roll call majority vote of its full membership the content of the question or questions to be submitted so that each specific purpose is submitted in a separate question, or all or any number of them are submitted in one question. A copy of any such question or questions formally adopted by a district board of education shall be submitted to the county superintendent and made a part of the legal notice of public hearing on the budget pursuant to N.J.S.A. 18A:22-28, posted at the public hearing held on the budget pursuant to N.J.S.A. 18A:22-29 and printed on the sample ballot pursuant to N.J.S.A. 19:60-10.

(c) Each question shall contain a description of the specific purpose or purposes to be achieved and the amount of general fund tax levy to be raised and expended. A statement that the proposed additional expenditures are in addition to those necessary to achieve the Core Curriculum Content Standards shall be included on the sample ballot.

(d) Each question shall request sufficient funds to carry out the specific purpose or purposes contained therein and no funds shall be included in the base budget for purposes which cannot be implemented without the approval of a separate question.

(e) Pursuant to N.J.S.A. 18A:7F-5d(10), proposed expenditures which are rejected by the local voters and which are not restored by the local governing body or bodies, or rejections by a board of school estimate, are final and no application for restoration pursuant to N.J.A.C. 6:19-5 shall be permitted.

(f) No modifications of the base budget shall be made to execute such purposes pursuant to (e) above.

(g) Amounts approved by the local voters or board of school estimate or amounts restored by the municipal governing body or bodies after rejection by the local voters shall be used exclusively for the purpose or purposes contained in the associated question.

(h) A district board of education shall maintain a separate accounting of expenditures for each question, and approved amounts which remain unexpended or unencumbered at the end of the school year shall either be anticipated as a part of the designated general fund balance of the subsequent school year budget or reserved and designated in the second subsequent school year budget.

(i) Amounts approved by the local voters or board of school estimate or amounts restored by the municipal governing body or bodies after rejection by the local voters shall be submitted to the Commissioner both separately as proposed and approved and as part of the final overall budget certified for taxes.

**6:19-2.5 Designation of general fund balances**

(a) Each district board of education shall at a minimum designate in the original budget certified for taxes an estimate of unreserved general fund balance at June 30 of the prebudget year in excess of the limitations contained in N.J.S.A. 18A:7F-7, less any excess amounts approved by the Commissioner for deposit in a capital reserve account, and any general fund balances reserved by law or regulation or designation.

(b) A district board of education, except as excluded in (b)1 below, which applies to the Commissioner pursuant to N.J.S.A. 18A:7F-5d(6), (7) or (8) for an adjustment to the spending growth limitation shall designate in the proposed base budget all unreserved general fund balance in excess of three percent of the general fund base budget for the budget year or \$75,000, whichever is greater, and any general fund balances reserved by law or regulation for designation. The Commissioner shall not approve the deposit of any excess unreserved general fund balance into a capital reserve account for any district board of education subject to this provision.

1. A district board of education may apply to the Commissioner pursuant to N.J.S.A. 18A:7F-5d(6), (7) or (8) for an adjustment to the spending growth limitation and maintain an undesignated, unreserved general fund balance up to the limitations contained in N.J.S.A. 18A:7F-7 provided that its net budget of the prebudget year adjusted for inflation less all State aid of the budget year accounted for in the net budget other than core curriculum standards aid, supplemental core curriculum standards aid, and all forms of stabilization aid pursuant to N.J.S.A. 18A:7F-10 results in resident per pupil spending below the bottom of the T&E range and the general fund tax levy of the base budget does not exceed that of the prebudget year. For a district board of education which provides an educational program which does not include a full kindergarten through grade 12 curriculum, but is part of a formal sending/receiving district tuition agreement, the per pupil spending shall be adjusted to exclude resident students sent out of district and the associated tuition paid for such students in order to determine the per pupil spending for resident students attending the in-district educational program.

(c) If a district's audited undesignated general fund balance at June 30 of any school year exceeds the amounts permitted in (a) and (b) above, the excess amount must be reserved and designated in the subsequent year's budget.

(d) The Commissioner shall deduct from the State aid payable to the district board of education in the subsequent budget year an amount equal to the audited excess undesignated general fund balance less any Federal impact aid received in the prebudget year for any district which fails to comply with (c) above.

(e) The Commissioner shall only approve the deposit of excess unreserved general fund balance into a capital reserve account when all of the following conditions are met:

1. The district board of education has formally established a capital reserve account pursuant to N.J.A.C. 6:20-2A.12;

2. The formal plan required under N.J.S.A. 18A:7F-7 to expand, renovate or construct school facilities, join a distance learning network, or make a major replacement or acquisition of instructional equipment within the next five years has been approved by formal resolution of the board of education after proper public notice and discussion at a public hearing; and

3. The Commissioner makes a determination that the cost and form of the formal plan is reasonable and that it has educational merit.

(f) Upon execution of the formal plan, or upon voter rejection of a proposal to issue bonds for the plan, if the Commissioner finds that the purpose is not necessary for the provision of a thorough and efficient education and that subsequent voter authorization is unlikely, all amounts previously approved for deposit shall be designated in the subsequent general fund budget certified for taxes.

**6:19-2.6 Public notice and inspection**

(a) Each district board of education upon submission of its budget application to the county superintendent or by the statutory submission date, whichever is earlier, shall make available upon request for public inspection all budget and supporting documentation contained in the budget application and all other documents listed in N.J.A.C. 6:19-2.1(e) once the budget application has been submitted to the county superintendent for approval. Nothing in this section shall restrict access by the citizens of this state to documents which otherwise qualify as public records pursuant to N.J.S.A. 47:1A-1 et seq., or common law.

(b) Any district board of education which proposes a base budget which contains spending which exceeds its maximum T&E budget shall also do the following:

1. Include the full text of the statement required by N.J.S.A. 18A:7F-5d(10) in the advertised section of the budget pursuant to N.J.S.A. 18A:22-8 and 18A:22-11 and in the legal notice of public hearing, posting at the public hearing and on the sample ballot pursuant to N.J.S.A. 18A:7F-5d(10); and