

## CHAPTER 10

## FINANCING FOUNDATIONAL AND DEMONSTRABLY NEEDED PROGRAMS AND SERVICES IN ABBOTT SCHOOL DISTRICTS

## Authority

*Abbott v. Burke*, 187 N.J. 191 (2006) (*Abbott XV*).

## Source and Effective Date

R.2007 d.89, effective March 19, 2007.  
See: 38 N.J.R. 5199(a), 39 N.J.R. 868(a).

## Chapter Expiration Date

Chapter 10, Financing Foundational and Demonstrably Needed Programs and Services in Abbott School Districts, expires on March 19, 2009.

## Chapter Historical Note

Chapter 10, Improving Standards-Driven Instruction and Literacy in Abbott Districts, was adopted as special new rules by R.2003 d.312, effective July 2, 2003. See: 35 N.J.R. 3701(a). Chapter 10, Improving Standards-Driven Instruction and Literacy in Abbott Districts, expired on June 30, 2004.

Chapter 10, Financing Foundational and Demonstrably Needed Programs and Services in Abbott School Districts, was adopted as new rules by R.2007 d.89, effective March 19, 2007. See: Source and Effective Date.

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## SUBCHAPTER 1. GENERAL PROVISIONS

## 6A:10-1.1 Purpose and applicability of rules

(a) These rules are adopted to implement the *Abbott v. Burke* decisions and are promulgated pursuant to the May 9, 2006 New Jersey Supreme Court Order (187 N.J. 191) to ensure that budgets are prepared and approved in a manner that ensures all students in poor urban school districts receive the educational opportunities and resources guaranteed them by the New Jersey Constitution. The rules apply to “Abbott districts” as defined in *Abbott v. Burke*, 119 N.J. 287 (1990, *Abbott II*) and N.J.A.C. 6A:10-1.2, and are adopted to ensure the provision of adequate funding to ensure a thorough and efficient system of education as guaranteed by the New Jersey Constitution (T&E), and defined by the Supreme Court in the *Abbott* decisions and by P.L. 1996, c. 136, as the Core Curriculum Content Standards. Subsequent to the New Jersey Supreme Court’s May 19, 2006 Order, on June 6, 2006, New Jersey Senate President Richard J. Codey and Assembly Speaker Joseph J. Roberts, Jr. called a special legislative session to enact reforms aimed at reducing New Jersey’s property tax burden. On July 28, 2006, the New Jersey Senate and Assembly passed Assembly Concurrent Resolution No. 3 creating special joint legislative committees to review and formulate proposals concerning school funding, government consolidation and shared services, public employee benefits and constitutional reform. These special legislative committees met throughout the summer and fall of 2006, and, on November 15, 2006, released reports recommending numerous statutory changes. In particular, the Joint Legislative Committee on Public School Funding Reform recommended development of a new school funding formula. As a result of the recommendations of these special legislative committees, statutory changes in school funding may be enacted that will affect the rules in this chapter.

(b) These rules, promulgated by the Commissioner of Education under the authority of the May 9, 2006 New Jersey Supreme Court Order, shall be in effect until March 19, 2009. The rules shall supersede the rules in N.J.A.C. 6A:23 and 6A:10A where inconsistencies occur. In addition, Abbott school districts must comply with all other requirements of State law and rules as set forth in Title 18A of the laws of the State of New Jersey, the New Jersey Administrative Code and the non-fiscal requirements of the Comprehensive Educational Improvement and Financing Act (CEIFA) in N.J.S.A. 18A:7F-1 et seq., and rules otherwise promulgated to implement that act; except that where differences in these rules and the CEIFA rules or other rules occur, the rules in this chapter shall take precedence.

## 6A:10-1.2 Definitions

The following words and terms, as used in this chapter, shall have the following meaning, unless the context indicates otherwise.

“Abbott school district” means each of the following 28 urban school districts identified in the appendix to *Raymond Abbott, et al. v. Fred G. Burke, et al.* decided by the New Jersey Supreme Court on June 5, 1990 (119 N.J. 287, 394) as follows: Asbury Park City, Bridgeton City, Burlington City, Camden City, East Orange City, Elizabeth City, Garfield City, Gloucester City, Harrison Town, Hoboken City, Irvington Township, Jersey City, Keansburg Borough, Long Branch City, Millville City, New Brunswick City, Newark City, City of Orange Township, Passaic City, Paterson City, Pemberton Township, Perth Amboy City, Phillipsburg Town, Pleasantville City, Trenton City, Union City, Vineland City, and West New York Town, and the following school districts not included above but designated Abbott school districts pursuant to statute, Neptune Township and Plainfield, P.L. 1999, c. 110, and Salem City, P.L. 2004, c. 61, and such other school districts as may qualify in the future. An Abbott school district shall not include any charter school.

“Administrative cost” means total administrative costs as defined by the Comparative Spending Guide and in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools and the National Center for Education Statistics classifications and other reporting directives published and distributed by the Commissioner pursuant to N.J.S.A. 18A:4-14 and N.J.A.C. 6A:23-2.

“Advertised per-pupil administrative costs” means the per-pupil administrative costs as defined by the Comparative Spending Guide and advertised in the school district budget software pursuant to N.J.S.A. 18A:22-11.

“Annual audit” means the audit of the financial statements and schedules presented in the Comprehensive Annual Financial Report as required by N.J.S.A. 18A:23-1 et seq. The annual audit is performed in accordance with standards promulgated by the applicable authoritative or regulatory agencies and established in the documents issued by such agencies. Annual audit also includes an audit of compliance of a district board of education with the types of requirements established by authoritative or regulatory agencies. An annual audit is performed by a public school accountant pursuant to N.J.S.A. 18A:23-8 et seq.

“Assignment position title” means a school district staff member title that accurately describes the staff member’s duties and functions.

“Audit year” means the school fiscal year for which the most recent annual audit was prepared.

“Budget year” means the school fiscal year for which the school budget is being prepared.

“Business entity” means as set forth in P.L. 2004, c. 19.

“Chart of Supplemental Programs” or “Chart” means the Supplemental Programs in Abbott Schools chart from *Abbott X*, incorporated herein by reference as the chapter Appendix.

“Chief school administrator” or “CSA” means the superintendent of an Abbott school district, or the State school district superintendent in the case of a State-operated school district.

“Commissioner” means the New Jersey Commissioner of Education or the Commissioner’s designee.

“Comparative Spending Guide” means the annual report of comparative financial statistics of school districts compiled and published for general distribution by the Commissioner pursuant to N.J.S.A. 18A:4-30.

“Comprehensive Annual Financial Report” or “CAFR” means the official annual report of a governmental unit containing the basic financial statements, management discussion and analysis (MD&A) and other required supplementary information and statistical data and prepared in accordance with standards established by the Government Accounting Standards Board.

“Continuously enrolled students-district” or “CES-district” means a statistical subgroup of those students who:

1. For the school year 2007-2008, were enrolled in the school district by July 1, 2003, and, for the school year 2008-2009 were enrolled by July 1, 2004 or earlier;

2. Took the 2006 New Jersey Assessment of Skills and Knowledge 3 (NJ ASK3), 4 (NJ ASK4), Grade Eight Performance Assessment (GEPA) or High School Proficiency Assessment (HSPA); and

3. Were enrolled in more than one school in the school district after July 1, 2003 for the school year 2007-2008 and by July 1, 2004 for the 2008-2009 school year. Any student enrolled in an Abbott school after July 1, 2003 who transferred directly from another school in the same school district will be categorized as one of “Continuously Enrolled Students—District.”

“Continuously enrolled students-school” or “CES-school” means a statistical subgroup of those students who:

1. For the school year 2007-2008, were enrolled in the same Abbott school by July 1, 2003 or earlier and, for the 2008-2009 school year were enrolled by July 1, 2004 and continued to be enrolled through the 2005-2006 school year; and

2. Took the 2006 NJ ASK3, NJ ASK4, GEPA or the HSPA.

“Contribution” means as set forth in N.J.S.A. 19:44A-3.

“Core Curriculum Content Standards” or “CCCS” means the standards of achievement established for the provision of a thorough and efficient education pursuant to N.J.S.A. 18A:7F-4.

“Demonstrably Effective Program Aid” or “DEPA” means State aid pursuant to N.J.S.A. 18A:7F-18.

“Demonstrably needed programs, services, positions” means programs, positions and services that are essential to achieving the CCCS and maintaining the foundational education program.

“Demonstrated need” means an obstacle to improved student performance that is documented by evidence.

“Department” means the New Jersey Department of Education.

“Distance Learning Network Aid” or “DLNA” means State aid pursuant to N.J.S.A. 18A:7F-22.

“District board of education” or “board” means the local district board of education, or the State school district superintendent in the case of a state-operated school district.

“Division of Abbott Implementation” or “Division” means the division within the Department responsible for implementing *Abbott v. Burke* and working with the Abbott school districts.

“Early Childhood Program Aid” or “ECPA” means State aid pursuant to N.J.S.A. 18A:7F-16.

“Educational Facilities Construction and Financing Act” or “EFCFA” means P.L. 2000, c. 72.

“Effective” means a conclusion that a practice, expenditure, program or service is achieving its intended result by contributing to improved student achievement as demonstrated through site-specific evaluation employing the standards of evidence-based research and/or comparative data analysis that takes into account the demographic and economic characteristics of the students to be compared.

“Efficient” means a conclusion that a reform, program, expenditure category or service or a component thereof, minimizes the use of time, effort, and resources, including funding, while not impairing the achievement of the objective of the reform, program, or service as demonstrated through site-specific evaluation and comparative data analyses against standards for efficiency and comparisons with the same expenditure category in other school districts.

“Enterprise fund” means a proprietary fund used to report activities for which a fee is charged to external users for goods and services. Activities are required to be reported if the pricing policies of the activity establish fees and charges designed to recover its costs, or if the activity meets other criteria established by the Governmental Accounting Standards Board Statement No. 34, paragraph 67.

“Evidence-based research” means research that applies rigorous, systematic and objective procedures to obtain reliable and valid findings. This includes research that:

1. Employs systematic, empirical methods that draw on observation and/or experiment;

2. Involves rigorous quantitative and/or qualitative data analyses that are adequate to test the stated hypotheses and justify the general conclusions drawn; and

3. Utilizes measurements and/or observational methods that yield reliable and valid information and that can be used systematically by multiple evaluators or observers.

“Face-to-face conversations” means the annual meeting between the Division and each Abbott school district to discuss the evidence of student achievement to agree in writing on the instructional priorities and practices that should be given priority by the school district and reflected in its two-year report on instructional priorities and annual budget.

“Foundational education” means the policies, standards and practices of a school district that include a coherent and clear curriculum aligned closely to the CCCS that guides the use of instructional materials and technology; the professional development and support for certified educators; the recruitment and retention of highly qualified educators; and the provision of continuous and effective support for all schools including supervision of instructional practice, a student database and support and assistance in using evidence of student work to guide instruction and specified assistance to schools in the timely delivery of goods, services, and support required for the maintenance of a safe, orderly, clean and educationally effective environment in each school.

“GAAP” means Generally Accepted Accounting Principles as defined in N.J.A.C. 6A:23-1.2.

“General fund appropriation account” means the line item accounts reported in a school district’s advertised appropriations in the original budget certified for taxes.

“Incremental costs of opening a new school facility” means the additional costs the school district incurs as a result of opening a new school facility that are directly related to class size reduction.

“Interest” means as set forth in N.J.S.A. 19:44A-20.7.

“Low-performing school” or “LPS” means an elementary school where 50.0 percent or more of the general education students were not proficient on the 2002 ESPA Language Arts Literacy subtest, adjusted by the Commissioner or a school identified as in need of improvement under the No Child Left Behind Act of 2001, P.L. 107-110.

“Mandated aides” means one aid for every 15 students in kindergarten classes, preschool aides and instructional and support aides that are required for special education in accordance with a student’s Individual Education Plan.

“Maximum participation” means the product of the formula produced by the Special Education Medicaid Initiative vendor, which shall be included as a projected revenue item in each Abbott school district budget.

“NCLB” means the Elementary and Secondary Education Act (ESEA) as amended by the Federal No Child Left Behind Act of 2001, P.L. 107-110.

“New Jersey Quality Single Accountability Continuum” or “NJQSAC” means a system designed to evaluate and monitor public school districts in New Jersey excluding charter schools and education services commissions. This approach is intended to be a single, comprehensive accountability system that consolidates and incorporates the monitoring requirements of applicable State laws and programs and complements Federal requirement implementation.

“New school facility” means any new school facility, or new addition to an existing school facility characterized by an increase in the gross square footage of the school facility, used wholly or in part for educational purposes by a district board of education for the purpose of class size reduction, but excludes stadiums, grandstands, garages, facilities used for non-instructional and non-educational purposes, and any facility used solely for school administration. It also excludes renovations to existing space that do not increase the gross square footage of the school facility.

“One-time expenses” means any expenditure that occurs in the current year that is not anticipated to be recurring or essential in the budget year.

“Other reimbursable expenditures” means the reimbursement of out-of-pocket expenses for all other types of expenditures not related to an employee who is in travel status on official business of the school district.

“Position control roster” means an inventory of all positions identified by a position control number pursuant to N.J.A.C. 6A:10-2.1(d)9.

“Pre-budget year,” as defined by N.J.S.A 18A:7F-3, means the school fiscal year preceding the year in which the school budget is implemented.

“Required maintenance” means as defined in N.J.A.C. 6A:26A-1.3.

“Routine maintenance” means as defined in N.J.A.C. 6A:26A-1.3.

“School district two-year report on instructional priorities” means the operational plan for the school year beginning July 1, of the budget year, that implements foundational education programs; addresses the special needs of English language learners and students classified as disabled; and is updated on an annual basis based on the most current state assessment results. The plan shall be approved by the district board of education and submitted to the Commissioner by February 1, of the pre-budget year for approval.

“School leadership council” or “SLC” means a collaborative school-based planning and advisory body established at N.J.A.C. 6A:10A-5.3.

“School two-year report on instructional priorities” means the operational plan for the school year, documented by student performance by NCLB subgroups, CES-district and CES-school on State assessments that specifies instructional improvements for literacy, math and science with special references to English language learners and students classified as disabled, to be submitted for approval by the school principal and SLC to the school district by January 15, of the pre-budget year. The report shall be updated annually thereafter.

“Supplemental programs and services” or “SES” means those programs and services not already required by State or Federal law, but that are supported by school and school district needs assessment of resources required to improve instructional performance, which may include programs and services on the *Abbott X* Chart of Supplemental Programs.

“Surplus” means the amount of undesignated, unreserved fund balance as of July 1 of each year.

“Travel expenditures” means the expenditures for transportation, lodging, subsistence, and related items included by employees and board members who are in travel status on official business of the school district.

“Whole school reform model” or “WSR model” or “model” means a whole school reform model approved by the Commissioner.

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## SUBCHAPTER 2. COST EFFICIENCY, BUDGET DEVELOPMENT PROCESS, SUBMISSION, REVIEW AND APPLICATION FOR ADDITIONAL FUNDING

### 6A:10-2.1 Cost efficiency

(a) The Commissioner shall take affirmative action as is necessary to ensure the effective and efficient expenditure of funds for the implementation of all of the *Abbott v. Burke* programs, reforms and remedies. Such affirmative action includes, but is not limited to, withholding the disbursement of funds to any Abbott school district until the Commissioner is satisfied that all educational expenditures in the school district will be spent effectively and efficiently in order to enable students to achieve the CCCS.

(b) Each district board of education shall ensure that all spending is necessary and aligned with the objectives and strategies for efficiently achieving the CCCS and ensuring all students read at grade level by the end of third grade. Expenditures related to Department-approved preschool programs and helping all students achieve the CCCS and read at grade level by the end of third grade shall be given the highest priority.

(c) Each district board of education shall ensure economies and efficiencies are being attained in the delivery of programs

- xv. The actual materials needed to complete the work order;
- xvi. The date(s) the work order performed;
- xvii. The name of the employee signing off that the job was completed satisfactory; and
- xviii. The account number.

(e) Each school district shall maintain honest and ethical relations with vendors and shall guard against favoritism, improvidence, extravagance and corruption in its contracting processes and practices.

1. No school board will vote upon or award any contract in the amount of \$17,500 or greater to any business entity which has made a contribution reportable by the recipient under P.L. 1973, c. 83 (N.J.S.A. 19:44A-1 et seq.) to a member of the district board of education during the preceding one-year period.

2. Contributions reportable by the recipient under P.L. 1973, c. 83 (N.J.S.A. 19:44A-1 et seq.) to any member of the school board from any business entity doing business with the school district are prohibited during the term of a contract.

3. When a business entity referred to in (e)2 above is a natural person, a contribution by that person's spouse or child that resides therewith shall be deemed to be a contribution by the business entity. Where a business entity is other than a natural person, a contribution by any person or other business entity having an interest therein shall be deemed to be a contribution by the business entity.

4. The disclosure requirement set forth in section 2 of P.L. 2005, c. 271 (N.J.S.A. 19:44A-20.26) also shall apply when the contract is required by law to be publicly advertised for bids.

5. This subsection shall not apply to a contract when a school district emergency requires the immediate delivery of goods or services.

6. This subsection shall not apply to contributions made prior to March 19, 2007.

7. The Commissioner shall take appropriate action for any violation of this subsection.

(f) The district board of education shall implement the policy on gifts from vendors established by this subsection. No school district employee shall solicit, receive or agree to receive any compensation, reward, employment, gift, meal, honorarium, travel, reimbursement, or any other thing of value from any person, firm, corporation, association, partnership or business that is the recipient of, or a potential bidder for, or applicant for any contract, professional services contract, or purchase order from the school district. The policy shall be consistent with N.J.S.A. 18A:12-21 et. seq. The policy shall include at least the following:

1. No threshold for the amount of contract, professional services agreement, purchase order or other agreement to do business with the school district;

2. A certification by all signatories who are school district employees to any business transactions that the contract, agreement, or purchase order has been executed consistent with the terms of this subsection; and

3. A definition of consequence for any school district employee who violates the terms of this subsection to include suspension from, or termination of, employment, withholding of annual increments or demotion.

(g) The district board of education shall implement the nepotism policy established by this subsection that includes the following:

1. A definition of "relative" that is consistent with N.J.S.A. 52:13D-21.2;

2. A provision prohibiting any relative of a school board member or administrator from being employed in an office or position in that school district, except that a person employed by the school district on the effective date of the policy or the date a relative becomes a school board member or administrator shall not be prohibited from continuing to be employed in the person's current position or, in the case of a reduction in force, in any position to which that person has a legal entitlement;

3. A provision prohibiting the chief school administrator from recommending to the school board pursuant to N.J.S.A. 18A:27-4.1 any relative of a school board member or administrator unless the person is subject to the exception in (g)2 above;

4. A provision prohibiting a school district officer or employee from supervising, or exercising authority with regard to personnel actions over a relative of the officer or employee;

5. A provision prohibiting a school district official who has an immediate family member who is a member of the bargaining unit from discussing or voting on the proposed collective bargaining agreement with that unit or from participating in any way in negotiations, including, but not limited to, being a member of the negotiating team; nor should that school district official be present with the school board in closed session when negotiation strategies are being discussed; and

6. A provision prohibiting a school district official who has an immediate family member who is a member of the same Statewide union in another school district from participating in any way in negotiations, including, but not limited to, being a member of the negotiating team or being present with the school board in closed sessions when negotiation strategies are being discussed, prior to the school board attaining a tentative memorandum of agreement with the bargaining unit; once the tentative memo-

randum of agreement is established, a school district official with an immediate family member who is a member of the same Statewide union in another school district may fully participate in the process, absent other conflicts.

(h) In accordance with the N.J.S.A. 18A:55-2, the Commissioner may withhold State aid from school districts that have not demonstrated compliance with (c) through (g) above and N.J.A.C. 6A:10-2.2.

#### **6A:10-2.2 Travel and travel-related expenditure payments**

(a) Each district board of education shall implement a policy and procedures pertaining to travel expenditures for its employees and school board members that are in accordance with the provisions in this section.

1. School district travel expenditures are defined as those costs paid by the school district using local, State, or Federal funds, whether directly by the school district or by employee reimbursement, for travel by school district employees and district board of education members, to the following four types of travel events as defined in the OMB Circular Letter 06-02 ([www.state.nj.us/infobank/circular/cir0602b.htm](http://www.state.nj.us/infobank/circular/cir0602b.htm)), incorporated herein by reference, including any amendments or revisions thereto:

i. Training and Seminars. This includes all regularly scheduled, formal residential or non-residential training functions, conducted at a hotel, motel, convention center, residential facility, or at any educational institution or facility;

ii. Conventions and Conferences. These are general programs, sponsored by professional associations on a regular basis, which address subjects of particular interest to a school district or are convened to conduct association business. The primary purpose of employee attendance at conferences and conventions is the development of new skills and knowledge or the reinforcement of those skills and knowledge in a particular field related to school district operations. These are distinct from formal staff training and seminars, although some training may take place at such events;

iii. Regular School District Business. This includes all regular official business travel, including attendance at meetings, conferences and any other gatherings which are not covered by the definitions included above; and

iv. Retreats. These are meetings with school district employees and school board members, held away from the normal work environment at which organizational goals and objectives are discussed. If available, school district facilities shall be utilized.

2. School district travel expenditures include, but are not limited to, all costs for transportation, meals, lodging, and registration/conference fees to and for the travel event.

3. School district travel expenditures include costs for all required training and all travel authorized in existing school district employee contracts and school board policies. This includes, but is not limited to, required professional development and other staff training, required training for new school board members, and attendance at specific conferences authorized in existing employee contracts.

4. Each school district shall not bare costs for car rentals, limousine services, and chauffeuring costs to or during the event, as well as costs for employee(s) attendance for coordinating other attendees accommodations at the travel event.

(b) Each school district board of education shall, by January 31, 2007, update their policy and procedures pertaining to school district travel expenditures for its employees and school board members, as necessary to be accordance with the provisions of this section, with the updated policy effective upon adoption by the district board of education.

(c) Each district board of education shall ensure through its policy and procedures that all travel by its employees and school board members is educationally necessary and fiscally prudent, and shall include the requirement that all school district travel expenditures are:

1. Directly related to and within the scope of the employee's or school board member's current responsibilities and, for school district employees, the school district's professional development plan;

2. For travel that is critical to the instructional needs of the school district and/or furthers the efficient operation of the school district; and

3. In compliance with State travel payment guidelines established by the Department of Treasury in NJOMB circular letter 06-02 ([www.state.nj.us/infobank/circular/cir0602b.htm](http://www.state.nj.us/infobank/circular/cir0602b.htm)) (State Circular) and Federal OMB circular A-87 ([www.whitehouse.gov/omb/circulars/a087/a87\\_2004.pdf](http://www.whitehouse.gov/omb/circulars/a087/a87_2004.pdf)) (Federal Circular), incorporated herein by reference, including any amendments or revisions thereto. The district board of education shall, in its travel policy, specify the applicable restrictions and requirements set forth in the State and Federal circulars noted in this paragraph including, but not limited to:

i. The types of travel pursuant to (a)1 above;

ii. The methods of transportation as listed/defined in Section VII of the State Circular;

iii. The mileage allowance as authorized in Section VII of the State Circular;

iv. The subsistence allowance (meals and lodging) pursuant to (g) below; and

v. The submission of supporting documentation including receipts, checks or vouchers as required in Section XIII of the State Circular.

(d) Any sections in either the State or Federal Circulars that conflict with New Jersey school law (N.J.S.A. 18A:1-1 et seq.) shall not be included in the school board policy nor authorized under this section. This includes, but is not limited to, the authority to issue travel charge cards as allowed under the State Circular, but not authorized for school districts under New Jersey school law.

(e) Each district board of education shall include in its travel policy the following requirements:

1. The employee or school board member shall submit to an appropriate party as designated, and within a time-frame specified by the school board's policy, a brief report that includes the primary purpose for the travel, and the key issues that were addressed at the event and their relevance to improving instruction and/or operation of the school district;

2. Detailed documentation shall be maintained on file at the school district which demonstrates compliance with the school board's travel policy including travel approvals, reports and receipts for all school district funded expenditures, as appropriate;

3. Travel for employees shall occur only upon prior written approval of the chief school administrator, the Department in accordance with (k) below and prior approval by a majority of the full voting membership of the school board;

i. For regular business travel only, a school board may authorize in its travel policy an annual maximum amount per employee for regular business travel for which school board approval is not required;

ii. A school board may also approve, at any time prior to the event, travel for multiple months as long as the school board approval, as detailed in school board minutes, itemizes the approval by event, total cost (registration, transportation, meals, lodging, etc), and number of employees and/or school board members attending. General or blanket pre-approval for travel is not authorized. Approval shall be itemized by event, event total cost, and number of employees and/or school board members attending event;

4. Travel for school board members shall occur only upon prior approval by a majority of the full voting membership of the school board and the Department in accordance with (k) below, and shall be in compliance with N.J.S.A. 18A:12-24 and 24.1;

5. Travel payments shall be made only upon compliance with this section and the school board's policy provisions and approval requirements. The policy shall state that the school board cannot ratify or approve payment/

reimbursement for travel after completion of the travel event;

6. No employee, school board member or organization shall receive an amount for travel and travel related expenses in advance of the travel pursuant to N.J.S.A. 18A:19-1 et seq.;

7. School board members shall recuse themselves from voting on travel where the school board member, a member of his or her immediate family, or a business organization in which he or she has an interest, has a direct or indirect financial involvement that might reasonably be expected to impair his or her objectivity or independence of judgment; and

8. No school board member shall act in his or her official capacity in any matter where he or she or a member of his or her immediate family has a personal involvement that is or creates some benefit to the school official or member of his or her immediate family; or undertake any employment or service, whether compensated or not, which might reasonably be expected to prejudice his or her independence of judgment in the execution of his or her official duties.

(f) Each district board of education may, in its policy, exclude from the requirements of prior school board approval pursuant to (e)3 above, any travel caused by or subject to contractual provisions, other statutory requirements or Federal regulatory requirements. The school board may not exclude such travel from the subsistence requirements pursuant to (g) and (h) below and the annual maximum travel expenditure amount pursuant to (i) below.

(g) One-day trips that do not involve overnight lodging are not eligible for subsistence payment/reimbursement except in the limited circumstances authorized in Section X of the State Circular.

(h) Overnight travel is eligible for subsistence payment/reimbursement as authorized in Section XI of the State Circular, except for where the following conflicts:

1. Per diem payment/reimbursement for lodging and meals will be actual reasonable costs, not to exceed the Federal per diem rates as established in the Federal Register for the current year;

2. Lodging expenses may exceed the Federal per diem rates if the hotel is the site of the convention, conference, seminar or meeting and the going rate of the hotel is in excess of the Federal per diem rates. If the hotel at the site of the convention, conference, seminar, or meeting is no longer available, lodging may be paid for similar accommodations at a rate not to exceed the hotel rate for the event;

3. Receipts are required for hotel expenses. Meal expenses under the Federal per diem allowance limits do not require receipts;

4. In any cases in which the total per diem reimbursement is greater than the Federal per diem rates (except as stated in (h)1 above), the costs will be considered to be excessive and shall not be paid by school district funds;

5. School districts must patronize hotels and motels that offer special rates to government employees unless alternative lodging offers greater cost benefits; and

6. Payment/reimbursement is approved for the full cost of an official convention meal that the employee or school board member attends, when such meal is scheduled as an integral part of the convention or conference proceedings. If a meal or meals are included in the registration fee, the allowance for said meal or meals is not eligible for reimbursement.

(i) Annually in the prebudget year, each district board of education shall establish by school board resolution, a maximum travel expenditure amount for the budget year for which the school district shall not exceed in the budget year. The school board resolution shall also include the maximum amount established for the prebudget year and the amount spent to date.

1. The maximum school district travel expenditure amount shall include all travel in accordance with this subchapter supported by local and State funds.

2. A district board of education may elect to exclude travel expenditures to be supported by Federal funds in the maximum travel expenditure amount. If Federal funds are excluded from the established maximum school district travel expenditure amount, the board of education shall include in said board resolution, the total amount of travel supported by Federal funds from the prior year, prebudget year, and projected for the budget year.

(j) Each district board of education shall maintain separate accounting for school district travel expenditures as necessary, to ensure compliance with the school district's maximum travel expenditure amount. This may include, but not be limited to, a separate/offline accounting of such expenditures and/or expanding the school district's accounting system. The tracking system shall be sufficient to demonstrate compliance with the board's policy and this section, and must provide auditable information.

(k) Any district board of education that violates its established maximum travel expenditure as set forth in (i) above, or that otherwise is not in compliance with the travel limitations set forth in this section, may be subject to sanctions by the Commissioner as authorized pursuant to N.J.S.A. 18A:4-23 and 24, including reduction of State aid in an amount equal to any excess expenditure, pursuant to P.L. 2006, c. 45.

(l) Prior Department approval is required for all travel outside New Jersey for any event that has a total cost that exceeds \$2,500 or when more than two employees or school board members are attending the same event. Upon approval

by the school board, the request for travel shall be submitted to the Assistant Commissioner in the Division of Abbott Implementation at least one month prior to the travel date in a form prescribed by the Commissioner. The Department shall review the school district's travel requests to ensure subsistence costs are consistent with (g) and (h) above. For school district employees, documentation shall be provided explaining how such travel is critical to the instructional and operational needs of the school district and the travel request links to the school district's professional development plan. When a travel request for more than two employees or board members is made to attend the same event, the school district shall provide:

1. A rationale to justify need, including relationship to the critical instructional and operational needs of the district;

2. An explanation why those approved to attend are unable to share what they have learned with other school district staff;

3. Documentation that knowledge and information to be gained at this conference cannot be obtained through more cost effective means; and

4. An explanation as to how the request is consistent with best practices in professional development.

(m) Employees and board members who attend events outside New Jersey in accordance with (l) above without prior Department approval shall reimburse the school district for all costs associated with attending the event.

(n) Pursuant to N.J.S.A. 18A:12-24(e), it is a violation of the School Ethics Act for a school district, employee or school board member to accept payment of any travel and travel related expenditure from a vendor or potential vendor for any travel event, including regular business travel. This includes, but is not limited to, payments of meals, lodging, transportation and registration costs. As such, no school district employee or board of education member may accept lunch, dinner or any other such offers of food and entertainment paid by a vendor or potential vendor unless the event is open to all persons attending the travel event.

### 6A:10-2.3 Budget development process

(a) The Abbott school district shall immediately notify the Division of all committee and board budget meetings that will have discussions of the budget to allow the Department staff to be in attendance at those meetings.

(b) Department staff may be in attendance at all committee and board budget meetings. The Department staff's role in these meetings shall be only to observe and gain knowledge and understanding of the discussion and budget priorities.

(c) Each school district that is eligible and expected to open a new school facility during the budget year shall submit to the Department, no later than December 30th of the pre-

budget year, a request for incremental new school facility costs.

1. Costs for preschool, security equipment and technology are not eligible and shall not be included in a request for incremental new school facility costs.

2. The request shall be submitted on a form provided by the Department which shall include, but not be limited to, the following:

i. The anticipated opening date supported by a letter from the School Construction Corporation identifying the projected date for receiving a temporary certificate of occupancy;

ii. The square footage of the existing building;

iii. The square footage of the addition or new building;

iv. The number of classrooms and teachers in the existing building;

v. The number of classrooms and teachers in the addition or new building;

vi. The number of non-classroom instructional spaces in the existing building;

vii. The number of non-classroom instructional spaces in the addition or new building;

viii. The number of students enrolled in the existing building detailed by grade level and classification;

ix. The number of students enrolled in the addition or new building detailed by grade level and classification; and

x. An explanation with detailed support for all requested costs for the new facility requests.

3. The Commissioner shall provide instructions, as necessary, for completion of the form at the time of distribution.

4. The Department shall review the request and make a determination as to the amount necessary to meet the incremental new school facility costs as part of the budget review process for determination as to the school district's need for additional funding.

(d) The district board of education shall submit revisions to the preschool section of the school district two-year report on instructional priorities based on the information collected from the Self Assessment Validation System (SAVS) for Abbott Preschool Programs by November 15 of the pre-budget year.

(e) The preschool plan for the budget year shall be directly connected with, and be the primary basis of, the proposed one-year school district preschool budget for the for the budget year.

(f) School districts shall complete the preschool plan and budget and submit them to the Department no later than November 15 of the pre-budget year.

(g) The Office of Early Childhood Education shall review and approve the preschool section of the school district two-year report on Instructional priorities and the annual preschool budget by January 15 of the pre-budget year.

#### **6A:10-2.4 February budget submission requirements**

(a) The school district shall submit all necessary budget and supporting documents in an Excel format (on a CD or diskette) along with a paper copy that cross-references the Excel worksheets, as applicable. The required documentation listed in this subsection shall be submitted on or before February 1, of the pre-budget year. Additional information and documentation may be requested by the Department after initial review of the budget submission. Each Abbott school district shall submit the following documents in each budget category:

1. Contracted salaries: The school district shall provide the following:

i. Copies of all labor contracts for each bargaining unit that has renegotiated a contract since the pre-budget year budget was settled. For any contract that has not been settled or is due to expire at the end of the pre-budget year, the school district shall provide the anticipated range of settlement by unit. Vacant positions shall be budgeted at step one of the salary guide unless justification for the additional amount has been approved by the Department;

ii. The position control roster pursuant to N.J.A.C. 6A:10-2.1(d)9; and

iii. The school district's certified payroll records for one pay period, which shall include first and last name of each employee, along with that employee's permanent position tracking number, account code, school location, percentage of contracted salary charged to the account code, contracted salary amount for the most recent audit year (actual), the pre-budget year (revised budget) and anticipated in the budget year. The school district's certified payroll records for one pay period shall be submitted electronically. Any salary appropriations line in the districtwide budget that is over the contracted salary amount included in the certified payroll records shall be supported by detailed information as to whether the costs are for substitutes, overtime or stipends. The stipend detail shall be listed by staff member name;

2. Staffing: The school district shall provide the following information:

i. A current Staff Utilization/Scheduling Report or comparable document for each location that outlines the number of teachers both regular and special education, aides, paraprofessionals, coaches, building administra-

tors and other building staff in each classroom with the number of students served per classroom;

- ii. An organization chart for each school; and
- iii. An organization chart for the school district;

3. Health benefits: School districts that have elected not to participate in the State Health Benefits Plan (SHBP) shall provide:

- i. A detailed analysis documenting the cost saving with the current provider;
- ii. Documentation that the current rate is included in the position control roster pursuant to N.J.A.C. 6A:10-2.1(d)9, which may be the vendor's bill, and monthly costs; and
- iii. The method of calculating the increase in the total health benefit cost from the pre-budget year to the budget year, including any documentation from provider(s) showing estimated rate increases;

4. Major medical, prescription, dental and all other benefit costs: The school district shall provide the following items:

- i. Documentation that the current rate is included in the position control roster pursuant to N.J.A.C. 6A:10-2.1(d)9, which may be the vendor's bill, and monthly costs;
- ii. An analysis and the method of calculating the increase in the total health benefit cost from the pre-budget year to the budget year, including any documentation from provider(s) showing estimated rate increase(s); and
- iii. Reimbursement required by employee, if any;

5. State health insurance: The school districts shall provide the following items:

- i. Documentation that the current rate is included in the position control roster pursuant to N.J.A.C. 6A:10-2.1(d)9, which may be the vendor's bill, and monthly costs; and
- ii. An analysis and the method of calculating the increase in the total health benefit cost from the pre-budget year to the budget year, including any documentation from provider(s) showing estimated rate increase;

6. Buildings, grounds and maintenance: The school district shall provide a detailed list of equipment/supply purchases and approximate cost if in excess of \$500.00 for each item scheduled for the pre-budget year. The school district shall also provide the following items:

- i. The square footage for each building including temporary classroom units and instructional grade levels in each school building or temporary classroom unit;

ii. A copy of Schedule M-1 for required maintenance; and

iii. A list of purchased services by account and by vendor.

7. Utilities: The school district shall provide the following items:

i. An analysis of savings by not using Alliance for Competitive Energy Services (ACES) or Alliance for Competitive Telecommunications (ACT), if applicable; and

ii. An analysis supporting the school district budget projection, including any letters from vendors, Board of Public Utility notices, ACES, ACT, etc;

8. Administration: The school district shall provide details regarding any payments made to administrators for fringe benefit compensation (such as paid in lieu of taking vacation days, sick days), bonuses, automobiles, private annuities, compensatory time payments, and any other quantifiable benefit for each of the two most recent audit years (actual), the pre-budget year and the budget year projected. The school district shall also provide the following items:

i. Current contracts for all administrators (including CSA, BA, etc.);

ii. Job descriptions for all department chairpersons, supervisors and directors, and their assistants;

iii. Copies of all professional services contracts (that is, auditor, architect, insurance broker) for the pre-budget year recorded under either general administration or school administration accounts; and

iv. A detailed analysis of projections of professional service contracts for the budget year by vendor;

9. Instructional supplies and textbooks: The school district shall submit the following:

i. A list of any new curriculum being implemented that requires new textbooks, showing all costs with account numbers and the number of children they will serve, accompanied by a board resolution approving same and the associated curriculum guide;

ii. A copy of each new curriculum identified in the list for (a)9i above;

iii. A list of any new textbook adoptions that occurred in each of the three most recent school years or in the pre-budget year;

iv. A list of upgrades tied to changes in the CCCS on a five-year cycle pursuant to N.J.A.C. 6A:8-2 and associated costs with account numbers;

v. An analysis of replacement textbooks including titles, costs, reason for replacement, and policy for

18. Any item that does not meet the frameworks established pursuant to N.J.A.C. 6A:10-2.6(d).

(i) Every district shall ensure the budget fully integrates State, local, and Federal funds at the classroom level and school staffing levels that meet Department standards for the effective and efficient delivery of instructional and supplemental services.

(j) School districts shall also utilize the cost efficiency measures set forth in N.J.A.C. 6A:10-2.1 to prepare and submit a final, balanced budget.

(k) The CSA and business administrator, as well as school districts staff and school districts board members, shall give their full cooperation to Department staff and any auditors and/or accountants to ensure full access to and thorough review of school districts records.

#### **6A:10-2.6 Standards for reviewing foundational and supplemental programs and services**

(a) The Department's review of school district programs and budgets should be guided and informed by the fiscal audits and the programmatic evaluations of the Abbott school districts directed by the Supreme Court on May 9, 2006, the New Jersey Quality Single Accountability Continuum (NJQSAC) and the school district two-year report on instructional priorities. The district shall provide requested student achievement data to determine whether the elements of the foundational education program are being implemented at the school and classroom levels and the district shall demonstrate that it uses such data to adjust the foundation education program to reflect the effectiveness or ineffectiveness of current practices. The Department shall notify school districts of the status of the school district's foundational education program prior to school district budget submission. The Department shall also reassess and notify school districts, as appropriate, following completion of the programmatic evaluations.

(b) School districts shall give the highest priorities in the allocation of funds for foundational education programs by reallocating funds for programs that are not mandated, effective, and efficient and that do not meet the standards established pursuant to this chapter.

(c) As part of the budget review process, the Department shall direct any or all reallocation of funds to address foundational education programs that are not being implemented.

(d) The foundational education programs that are included in the school district two-year report on instructional priorities shall be reviewed to ensure the programs include:

1. A comprehensive curriculum for students age three through grade 12 that reflects the knowledge and skills required to graduate from high school prepared for college and the 21st century workplace. The school district shall have a plan for revising and aligning the curriculum based

upon changes in knowledge, technology, assessment results, and any modifications to the CCCS, according to N.J.A.C. 6A:8-2 and that involves a cross section of teachers, principals and supervisors. The curriculum shall include:

- i. A preschool curriculum that is aligned to the preschool expectations and connected to the kindergarten curriculum;

- ii. Project-based learning and cross-disciplinary work throughout;

- iii. A pacing guide that includes instructional materials, student progress benchmarks and the skills and knowledge to be mastered and that enables teachers and parents to determine a student's progress in achieving the CCCS at any point during the school year;

- iv. Instructional materials, including textbooks and instructional software that are part of the school district's ongoing curriculum revision and alignment efforts in accordance with N.J.A.C. 6A:8-2;

- v. Diagnostic instruments for ongoing assessment of student progress to identify weaknesses, adjust classroom instruction, and guide professional development;

- vi. Accommodations for special education students and English language learners, including assessment in the student's native language and alternative performance assessments;

- vii. Evidence in the form of student achievement data on state and district assessments, reviews of lesson plans, and other documentation that the curriculum is the basis for classroom instruction; and

- viii. Guidance for teachers on how to work with students failing to achieve the CCCS;

2. A plan for implementing a high quality professional development program that:

- i. Gives priority to improving teacher mastery of all the CCCS, with emphasis on literacy, mathematics and science with documentation of those areas where student performance is weakest as measured by state and district assessments;

- ii. Is supported by the school district through policies, funding, dedicated time, equipment, space, technical assistance, and leadership development of principals;

- iii. Promotes teacher learning with adequate and consistent time for teachers, including English as a second language, bilingual and special education teachers, to work together in and across content areas and grade levels to review student work, analyze classroom assessments and other achievement data, critique lessons plans, and solve instructional problems;

iv. Employs evaluation procedures that trigger frequent—not limited to once yearly—analysis of professional development results by central office and schools and that include the following:

- (1) Interim and summative assessment of student learning;
- (2) Staff feedback and staff Professional Improvement Plans;
- (3) Setting of professional development progress indicators for the school district and tracking progress toward goals based on the indicators;
- (4) Analysis of expenditures including account numbers and amounts for, content of, designs of, and intensity (hours per person) of professional development activities;
- (5) Ongoing reflection on the effectiveness of teachers' implementation of professional development;
- (6) Ongoing adjustments, as appropriate, to professional development activities to address changing needs in the classrooms; and
- (7) Student and family feedback;

3. A student-level database that enables the school district to generate, collect, analyze and disaggregate student performance data by CES-district, CES-school, and NCLB subgroups and that is used by school district staff to evaluate student performance and adjust its instructional programs, practices and curriculum and make other educational decisions based on student performance. The school district shall produce longitudinal (i.e. from 2002 to present for NJ ASK4, GEPA and HSPA), comparative student achievement data districtwide and by schools, CES-district, CES-school and NCLB subgroups to assist in the analysis of the school district curriculum and instructional priorities and attach the analyses with its budget submission. The district shall document its use of student achievement data to adjust its instructional practices and demonstrate that the foundational education program is not just a series of documents;

4. A plan supported by policies for recruiting, supporting and retaining qualified teachers and principals and to train potential leaders, including how the school district will address the NCLB requirements related to highly qualified teachers with at least annual analyses of teacher retention rates with specific documentation of the retention of first-time teachers over a five-year span;

5. The school district's policies and procedures for providing support for low-performing schools/schools in need of improvement in accordance with NCLB with student achievement evidence of the effectiveness of prior and continuing interventions;

6. The school district's status for fully implementing the elements of Intensive Early Literacy and middle grades literacy; and

7. The plan and budget for the conversion to small schools or small learning communities in grades six through 12 in accordance with N.J.A.C. 6A:10A. The 2007-2008 school year shall be a planning year for school districts. For school districts that have not gone through this step, the Department shall provide professional development services through the Department's secondary education network.

(e) The supplemental programs and services from the Chart of Supplemental Programs that are included in the school district two-year report on instructional priorities shall be reviewed based on documentation of need and effectiveness as measured by student achievement data.

(f) Programs and positions, including any new or expanded programs, services, contracts and positions, included in the two-year report on instructional priorities, shall be reviewed in accordance with the framework in (f)1 through 16 below. This framework does not establish a minimum or maximum level, but instead shall be used by the Department during the review of the school district budget to determine a need for greater or less than what is being requested by school district and for potential areas of reallocation to address the foundational education programs and supplemental programs in (a) and (b) above. School districts that do not meet the criteria established in the framework and whose current budget shows an increase in funding over the prior year budget shall provide documentation to support the need for the increase and a detailed cost analysis by account number for implementing the program with costs that are consistently aligned with other costs in the budget.

1. Field trips to help students meet the CCCS that are paid with school district funds, in part or in whole, shall be limited to one field trip per student for grades K through 12 at an amount not to exceed the average per pupil amount in similar size districts in the region and State based on a five-year trend analysis. The per-pupil costs for calculating field trips shall include transportation and admission fees. Other field trips may be provided if the costs are paid by fund-raising, outside contributions, or by an increase in the local tax levy.

2. For other than mandated aides, the school district shall:

- i. Provide documentation that demonstrates the use of aides is an effective and efficient way of addressing the needs of special student population, such as instructional aides who are fluent in the students' native language in English as a second language programs with large numbers of limited English proficient students; and

- ii. Ensure that instructional aides are highly qualified in accordance with the requirements established by NCLB.
3. For bus and playground aides, the school district shall:
- i. Provide evidence that safety has improved as demonstrated by a decrease in the number of reported incidents of student misconduct; and
  - ii. Ensure that policies and procedures are consistent with N.J.S.A. 18A:25-2.
4. Co-curricular activities supported by the General Fund resources shall be directly linked to helping students achieve the CCCS.
5. Costs for athletic programs shall not exceed the average per pupil amount in similar size districts in the region and State based on a five-year trend analysis.
6. School districts with literacy and math supplemental programs shall provide documentation that the supplemental programs:
- i. Are based on evidence-based research;
  - ii. Are aligned to the CCCS and are incorporated into the school district's curriculum as additional support for students who are below grade level;
  - iii. Have demonstrated that participating students have met or shown progress in meeting the proficiency standards on State and school district assessments;
  - iv. Include time for staff to meet and share student progress; and
  - v. Are provided as part of in-class instruction.
7. Literacy and mathematics tutoring services other than those related to supplemental services in (c) above shall:
- i. Be consistent with the Department's intensive early literacy and middle grades literacy initiatives and efforts to improve mathematics;
  - ii. Be targeted at students reading below grade level;
  - iii. Include evidence that participating students have shown improvement or not on State and school district assessments;
  - iv. Be provided to supplement small group instruction; and
  - v. Be linked to the CCCS and improving student performance on State assessments.
8. Costs for adult education programs that serve individuals over the age of mandatory schooling, with the exception of GED programs for students who have dropped

out of school, may be reallocated to fund requests for additional aid.

9. Based on documented need, security guards shall be reviewed in accordance with the following criteria:

- i. An increase in the number of violence and vandalism incidents over a three-year period; and
- ii. The school district is in early warning status or a school in the district has been designated as persistently dangerous, according to NCLB.

10. Extended day and extended year programs shall:

- i. Include a mechanism for identifying students who are performing below grade level and for tracking individual student performance on school district and State assessments;
- ii. Give priority to students that are not currently participating in other supplemental services such as tutoring and NCLB supplemental education services (SES);
- iii. Be linked to the CCCS and the school district's curriculum;
- iv. Include opportunities for teachers to meet and share student work and progress; and
- v. Include documentation that the program has contributed to improving student performance on district and State assessments.

11. Summer programs that support credit completion or limited remedial programs shall meet the standards in (f)10 above and demonstrate that:

- i. Successful completion will enable a student to advance to the next grade;
- ii. Successful completion will enable the student to graduate from high school; or
- iii. The program is restricted to students who are more than one year behind grade level and/or were not proficient on the NJASK3 or NJASK4 or GEPA tests.

12. The responsibilities associated with providing substance abuse counseling shall be provided by a qualified school counselor or social worker in accordance with N.J.A.C. 6A:16. Schools with a separate substance abuse coordinator position shall document why the services cannot be provided by other qualified individuals, such as social workers, guidance counselors, the health and social service coordinator, or as part of an approved Department of Human Services' School-Based Youth Services Program.

13. Based on documented need, either a social worker or a school counselor shall be reviewed according to the following criteria:

i. School counselors or social workers shall be provided at a ratio of one for every 500 students for elementary schools, grades K through five, and one for every 250 students for middle and secondary schools, grades six through 12;

ii. School counselors and social workers currently on staff shall be encouraged to receive the necessary training to provide substance abuse counseling according to N.J.A.C. 6A:16;

iii. School counselors or social workers hired after March 19, 2007 shall be required to obtain the necessary training to provide substance abuse counseling as a condition of employment;

iv. The school counselor or social worker shall be part of a support program for students that includes clear goals, benchmarks, and procedures for providing services that are targeted to enabling students to achieve the CCCS and for referring students to local social service and health agencies; and

v. The ratios in (f)13i above do not include members of the child study team.

14. School districts shall document that literacy and math coaches:

i. Are part of the school district's plan to improve teachers' mastery of the CCCS in literacy and math;

ii. Receive professional development on topics aligned with evidence- or scientifically-based research and consistent with the State's professional development standards;

iii. Have demonstrated success in facilitating effective instruction through application of best practices;

iv. Provide support, mentoring and coaching to develop teachers' mastery of the knowledge and skills necessary to implement the CCCS in math and literacy;

v. Provide in-class support for teachers by assisting with screening, diagnosing, and monitoring student progress and by assisting teachers with the implementation of intervention strategies identified to address student deficiencies. The district shall document the number of classes and teachers visited, the time spent, and the subjects involved;

vi. Schedule and roles and responsibilities includes time to model evidence- or scientifically-based strategies for teachers in classrooms and the district; and

vii. Are part of intensive early literacy and middle grades literacy.

15. The school district shall document the need for school facilitators according to the following criteria:

i. The district maintains a contract with a whole school reform model provider that includes a schedule of

on-going professional development require to implement the whole school reform (WSR) model;

ii. School districts without a contract with the WSR provider shall provide documentation of need to retain a school facilitator, including the schedule of on-going professional development needed to continue WSR model implementation;

iii. In districts and schools with literacy and math coaches, the school district shall document why a separate school facilitator is needed; and

iv. Schools that have been implementing a WSR for three or more years shall provide documentation to demonstrate why it should continue with implementation of the WSR model by documenting that student achievement has improved and that, in the case of elementary schools, that third graders are literate.

16. Police officers shall not be approved if they serve only as security guards. Police officers shall receive school resource officer training and provide such functions to receive approval.

#### **6A:10-2.7 Requirements to apply for additional funds**

(a) Abbott school districts that fail to meet minimal, customary and statutory standards of efficient financial management and business operations as detailed in N.J.A.C. 6A:10-2.1 and that do not follow customary, basic and required instructional standards, policies and practices detailed in N.J.A.C. 6A:10-2.6 shall not be eligible to apply for additional funds. This includes, but is not limited to, failure to meet the standards for a foundational education program set forth in N.J.A.C. 6A:10-2.6. In making the determination on a school district's eligibility to apply for additional funds, the Department shall also include the results of the fiscal audits and programmatic evaluations of the Abbott districts directed by the Supreme Court on May 9, 2006.

(b) Failure to submit the proposed budget and supporting documentation consistent with this subchapter and by the deadlines set forth in this subchapter shall cause the school district to be ineligible to apply for additional funds.

(c) The school district board of education shall consider all available resources, reallocations and potential efficiencies pursuant to N.J.A.C. 6A:10-2.1 and 2.5(h) and (i) before submitting a request for additional funds.

#### **6A:10-2.8 Application for additional funds**

(a) Abbott school districts that are eligible pursuant to N.J.A.C. 6A:10-2.7 and have costs itemized in the school district two-year report on instructional priorities that can not be included in the budget may submit a written application for additional funds to maintain those programs, positions or services.

(b) The application for additional funds shall be a separate application, shall include costs that are not included in the budget submitted pursuant to N.J.A.C. 6A:10-2.5(a) and shall include the following items for each demonstrably needed program, position or service that funds are being requested to maintain with the citation reference each item submitted satisfies:

1. The title and proposed cost of the program, position or service;

2. A detailed narrative explaining the program, position, or service and including the following:

i. How the program, position or service is connected to the delivery of the CCCS and the documentation for determining how and why students are not mastering those standards;

ii. How the program will effectively meet the needs of the students in the school district as documented in (b)2i above, including how such need was determined/identified;

iii. Evidence that current programs, services, practices, materials, or positions in the area for which funds for new programs, services, practices, materials, or positions are requested are essential to student achievement or that they will be eliminated and the funds thereby generated will be available to support the new or expanded programs, services, or positions;

iv. Evidence that continued implementation of any or all current programs or services in the same area can be justified as efficient and effective. For any program, service, practice, materials, or positions that are to be expanded, the school district shall provide evidence that they have been effective and efficient in their current form;

v. Documentation of student instructional needs to be addressed by any proposed instructional practice, program, service, or contract, with evidence that the proposed activities can be reasonably expected to improve student performance; and

vi. The number of students participating in the program and the impact the program has on student achievement;

3. A demonstration that educationally effective practice and programs cannot be funded through further reductions or reallocations, and that without additional funds, the foundational education program or educationally effective supplemental programs for the budget year will be negatively affected;

4. A listing by program and associated cost of all ineffective or inefficient programs, services and contracts and positions that were included in the pre-budget year budget that are not part of the proposed budget to demonstrate the elimination of all ineffective and inefficient programs;

5. An itemized listing, by line-item account, of the proposed cost for each program, position or service including a line-item comparison to the most recent audit year and the pre-budget year expenditures for the program, position or service that will not be funded without additional funds;

6. A narrative of the remaining funds in each applicable line-item account included in (b)5 above to demonstrate such amounts are insufficient for and will substantially impair the implementation of the particular program, position or service; and

7. A fiscal analysis of the remaining funds in each applicable line-item account included in (b)5 above to demonstrate such amounts are insufficient for and will substantially impair the implementation of the particular program, position or service.

(c) The Department shall have fiscal oversight over pre-budget year and budget year spending for school districts that request additional funds including, but not limited to, the review and approval of all new personnel actions including, but not limited to, new hires, filling vacancies, replacing terminated employees, and the review and approval of all purchase orders consistent with the following:

1. Purchase orders shall be limited to only essential goods and services that are required for and will benefit the current school year;

2. In the case of purchase orders in the State-operated school districts, all purchase orders shall be submitted to the internal audit staff prior to issuance. Internal audit staff shall review the purchase orders to determine if the expenditures are necessary to support the current school year, and that the goods or services will be either provided or received by June 30. Purchase orders that do not fall within these criteria shall be referred to the Commissioner for appropriate action. No action shall be taken on any purchase order referred to the Commissioner by the internal auditors unless the school district receives the Commissioner's approval to proceed. All purchase orders must be provided to the internal audit staff by June 30 of the year the purchase order is intended to benefit;

3. Year-end encumbrances shall not include:

i. Goods or services that have been received or rendered on or before June 30;

ii. General supplies for instructional and non-instructional activities;

iii. New purchases of additional equipment;

iv. Services that do not start prior to year-end; or

v. Services that do not benefit the current year;

4. Purchase orders for which the goods have been received or the services have been rendered at June 30

should be expensed in the current period (encumbrance reversed) and a liability (accounts payable) established;

5. The school district shall not have open encumbrances for items related to the subsequent year, and the school district and public school accountants shall ensure that only valid encumbrances for the current year are captured, and expenditures for the subsequent year are recorded in the proper accounting period. The dollar value of the encumbrances identified by the auditor as being for the subsequent year and not valid encumbrances at June 30 of the current year shall reduce EOA in the next year; and

6. The Department may review June 30 encumbrances included in the CAFR. Encumbrances found to be inconsistent with the requirements of this subsection shall be cancelled and the funds that become available as a result of the cancellation shall result in adjustments to the school district's pre-budget year state aid.

(d) If the school district is awarded additional funds beginning in Fiscal Year 2006-2007, the additional funds shall be restricted for the specific purposes outlined in the award letter and the accompanying attachments. Any funds spent in a manner not consistent with the intent of the award letter and accompanying attachments, or remaining funds at the end of the fiscal year shall be returned to the Department. The Commissioner may require a review of all purchase orders for which school districts receive additional funding.

#### **6A:10-2.9 Fiscal review**

(a) The Department review of the application for additional funds submitted pursuant to N.J.A.C. 6A:10-2.8 shall include, but not be limited to, the following:

1. Ensuring that all available reallocations and efficiencies required in N.J.A.C. 6A:10-2.5(g) and (h) have been made and if they have not, the Department shall direct appropriate reallocations so that essential instruction and mandated expenses are appropriately supported;

2. Ensuring the proposed budget in comparison to all supporting and supplementary information submitted pursuant to N.J.A.C. 6A:10-2.4 and 2.5, including payroll and position control rosters, health benefit estimates, tuition costs, proposed curriculum and other instructional needs, to ensure the amounts in the proposed budget reflect actual documented need;

3. Reviewing the proposed budget in operational areas for potential efficiency reductions, such as administration, food service, transportation and maintenance and operations;

4. Reviewing the January Board Secretary Report and detailed support for all encumbrances to ensure that all available surplus in the pre-budget year budget is appropriated and to ensure that estimated revenues and proposed expenditures in the budget year reflect the most recent audit year and pre-budget year actual levels;

5. Reviewing the most recent CAFR of the school district to ensure that the prior year audit findings have been addressed and that the school district's financial health is such that available funds can be identified with certainty; and

6. Reviewing of the fiscal audits and programmatic evaluations of the Abbott districts directed by the Supreme Court on May 9, 2006.

(b) Where appropriate, the Department shall utilize professional consultants to ensure that school districts are not maintaining inefficient, ineffective or duplicative programs, positions and services and utilizing state funds to support such programs.

### **SUBCHAPTER 3. APPEALS**

#### **6A:10-3.1 Applicability of subchapter**

(a) An aggrieved applicant from any Department decision arising from this chapter with the exception of decisions on early childhood program and budget applications and school district budgets may appeal to the Commissioner in accordance with the provisions of N.J.A.C. 6A:10-3.2 through 3.6.

(b) Appeals of Department decisions on Early Childhood program and budget applications shall proceed in accordance with the provisions of N.J.A.C. 6A:10-3.7.

(c) Appeals of Department decisions on school district budgets shall proceed in accordance with the provisions of N.J.A.C. 6A:10-3.8.

#### **6A:10-3.2 Filing, service and documentation of petition**

(a) Any appeal filed pursuant to this subchapter shall, except as noted in (a)1 below, meet the filing, service and format requirements for petitions of appeal as set forth in N.J.A.C. 6A:3, Controversies and Disputes, and shall generally proceed as a contested case except as noted in this subchapter. Service of the petition is required on the Attorney General of the State of New Jersey, and should be directed to the Department of Law and Public Safety, Division of Law, P.O. Box 112, Trenton, New Jersey 08625-0112; Attention: Education and Higher Education Section.

1. Except as provided in N.J.A.C. 6A:10-3.7 and 3.8, any appeal filed pursuant to this subchapter shall be filed within 30 days of the date of the decision which is the subject of the requested contested case hearing.

(b) Any appeal filed pursuant to this subchapter shall include, in addition to the petition required under (a) above, a copy of the complete application submitted to the Department and a copy of the determination from which the appeal is taken.