

“Prebudget year net budget” for the 1997-98 school year, as defined by N.J.S.A. 18A:7F-3, means the sum of the foundation aid, transition aid, transportation aid, special education aid, bilingual education aid, aid for at-risk pupils, technology aid, and county vocational program aid received by a school district or county vocational program aid received by a school district or county vocational school district in the 1996-97 school year pursuant to P.L. 1996, c.42, and the district’s local levy for the general fund.

“School Report Card” means the school report card prepared and disseminated to parents and other interested taxpayers within each local school district pursuant to N.J.S.A. 18A:7E-2.

“Spending growth limitation,” as defined by N.J.S.A. 18A:7F-3, means the annual rate of growth permitted in the net budget of a school district, county vocational school district or county special services school district as measured between the net budget of the prebudget year and the net budget of the budget year as calculated pursuant to N.J.S.A. 18A:7F-5d.

“T&E amount,” as defined by N.J.S.A. 18A:7F-3, means the cost per elementary pupil of delivering programs and services including extracurricular and cocurricular activities that enable all students to achieve the Core Curriculum Content Standards which constitute a thorough regular education under the assumptions of reasonableness and efficiency contained in the Report on the Cost of Providing a Thorough and Efficient Education.

“T&E program budget,” as defined by N.J.S.A. 18A:7F-3, means the sum of core curriculum standards aid, supplemental core curriculum standards aid, stabilization aid, designated general fund balance, miscellaneous local general fund revenue and that portion of the district’s local levy that supports the district’s T&E budget.

“T&E range,” as defined by N.J.S.A. 18A:7F-3, means the range of regular education spending which shall be considered thorough and efficient. The range shall be expressed in terms of T&E budget spending per elementary pupil, and shall be delineated by alternatively adding to and subtracting from the T&E amount the T&E flexible amount to establish the minimum T&E budget and maximum T&E budget when applied to each district’s weighted resident enrollment.

“Thoroughness standards,” as referenced in N.J.S.A. 18A:7F-4a, means the Core Curriculum Content Standards as approved by the State Board on May 1, 1996 and as thereafter revised by the State Board.

“Weighted resident enrollment,” as used in N.J.S.A. 18A:7F-12, means the differentials in costs based on the efficiency standards established pursuant to N.J.S.A. 18A:7F-4b of providing education at the kindergarten, elementary (grades 1 through 5), middle school (grades 6

through 8) and high school levels (grades 9 through 12) which are determined by dividing the elementary cost per pupil into each category. The weights are applied to resident enrollment in each category pursuant to N.J.S.A. 18A:7F-13.

## SUBCHAPTER 2. BUDGET REVIEW AND APPROVAL

### 6:19-2.1 Review of budget proposals for thoroughness and efficiency

(a) The Commissioner shall prepare and distribute a budget application which shall be referred to as the School District Budget Statement and Supporting Documentation.

(b) The Commissioner shall as necessary require the submission of supplemental information such as documents, contracts, reports, and financial records and statements required by law or regulation, or other information necessary to conduct a review of the district’s annual spending plan.

(c) A district board of education shall use the budget application prescribed by the Commissioner in (a) above in its submission to the county superintendent for review and approval.

(d) The county superintendent as designated by the Commissioner shall review and approve each district board of education’s proposed budget prior to its advertisement. The county superintendent shall not approve any budget unless:

1. The base budget portion of the budget application and supporting documentation submitted by the district board of education provides curriculum and instruction that are designed and will be delivered in such a way that all students will have the opportunity to achieve the knowledge and skills defined by the Core Curriculum Content Standards; and

2. The base budget contains funds sufficient to meet all existing statutory and regulatory mandates.

(e) In reaching a determination, the county superintendent’s review shall include, but not be limited to, the following information and records of the district board of education:

1. The thoroughness and efficiency standards established pursuant to N.J.S.A. 18A:7F-4a and b;

2. The annual report required under N.J.S.A. 18A:7A-11;

3. District curriculum guides;

4. Pupil achievement on or progress in meeting existing State assessment standards;
5. District status in the existing certification process;
6. Annual independent audits and other external reviews by a State or Federal agency or reviews required by statute and regulation;
7. Pupil transportation practices;
8. The comparative spending guide;
9. The school report card; and
10. Contractual obligations.

(f) The county superintendent shall not approve any base budget unless it has been determined that it ensures that curriculum and instruction are designed and shall be delivered in such a way that all students shall have the opportunity to achieve the knowledge and skills defined by the Core Curriculum Content Standards, and that all proposed expenditures are suitable and appropriate as school district expenditures. The county superintendent shall order any changes in expenditure proposals that are found unsuitable or inappropriate except that no modification of non-remote busing proposals shall be made, pursuant to N.J.S.A. 18A:7F-6e.

(g) The county superintendent's review of expenditures shall be conducted annually. Determinations shall not be predicated on past practices and nothing shall preclude the county superintendent from directing an increase, decrease or the elimination of expenditures contained in the prior year's approved budget.

#### **6:19-2.2 Review of Abbott district budgets**

(a) In addition to the budget approval requirements for all districts, the Commissioner or his or her designee shall take additional actions during the review of an Abbott district budget, which pursuant to N.J.S.A. 18A:7F-6c must be submitted seven days prior to the normal submission date, or as necessary during the school year to ensure that funds are optimally directed to support student attainment of the Core Curriculum Content Standards.

(b) The Commissioner shall conduct an assessment of efforts in each Abbott district to reduce class sizes in furtherance of the efficiency standards established pursuant to N.J.S.A. 18A:7F-4b, increase the breadth of program offerings and direct funds to support direct instruction of students to the optimum degree.

1. The assessment shall include a review of each Abbott district's school facilities for idle or underutilized capacity, and the district's ability to reassign students to other existing school facilities in a way that maximizes the efficient and effective educational usage of existing school facilities. If the district, upon request, does not provide adequate information so that the Commissioner can perform the assessment, the Commissioner may contract with an outside consultant to compile such information and may direct that the cost of such contracts be included in the districts' budgets pursuant to the authority granted under N.J.S.A. 18A:7F-6;

2. The assessment shall include a review of the central office and school level administrative functions of each district to determine their operational effectiveness and to identify economies. If the district, upon request, does not provide adequate information so that the Commissioner can perform the assessment, the Commissioner may contract with an outside consultant to compile such information and may direct that the cost of such contracts be included in the districts' budgets pursuant to the authority granted under N.J.S.A. 18A:7F-6;

3. The assessment shall include a review of the curriculum, extracurricular and cocurricular activities and student support services existing in each district and to identify economies that would not adversely affect student achievement of the Core Curriculum Content Standards or would not address the special needs of students living in districts with high concentrations of low-income families. If the district, upon request, does not provide adequate information so that the Commissioner can perform the assessment, the Commissioner may contract with an outside consultant to compile such information and may direct that the cost of such contracts be included in the districts' budgets pursuant to the authority granted under N.J.S.A. 18A:7F-6.

(c) Based on the findings of such assessments, the Commissioner shall as practicable direct modification or augmentation of the budget pursuant to N.J.S.A. 18A:7F-6a to achieve appropriate class sizes and other efficiency standards established pursuant to N.J.S.A. 18A:7F-4b and contained in the Report on the Cost of Providing a Thorough and Efficient Education. Where appropriate and necessary, the Commissioner shall also order the addition of specific programs and services for the purpose of achieving the Core Curriculum Content Standards and/or addressing the special needs of students in disadvantaged communities, accelerate the implementation of or expand early childhood programs pursuant to N.J.A.C. 6:19-3.

#### **6:19-2.3 Commissioner to ensure achievement of the Core Curriculum Content Standards**

(a) The Commissioner shall, as part of the budget approval process, take actions upon the failure of one or more schools within the district to achieve the Core Curriculum Content Standards as evidenced by existing statewide assessment methods or other statutory or regulatory methods of evaluation. The Commissioner shall:

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.