

[First Reprint]

**SENATE, No. 2691**

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**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

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INTRODUCED JULY 9, 2020

**Sponsored by:**

**Senator LINDA R. GREENSTEIN**

**District 14 (Mercer and Middlesex)**

**Senator NELLIE POU**

**District 35 (Bergen and Passaic)**

**Senator SHIRLEY K. TURNER**

**District 15 (Hunterdon and Mercer)**

**Assemblyman DANIEL R. BENSON**

**District 14 (Mercer and Middlesex)**

**Assemblyman RONALD S. DANCER**

**District 12 (Burlington, Middlesex, Monmouth and Ocean)**

**Assemblyman ERIC HOUGHTALING**

**District 11 (Monmouth)**

**Co-Sponsored by:**

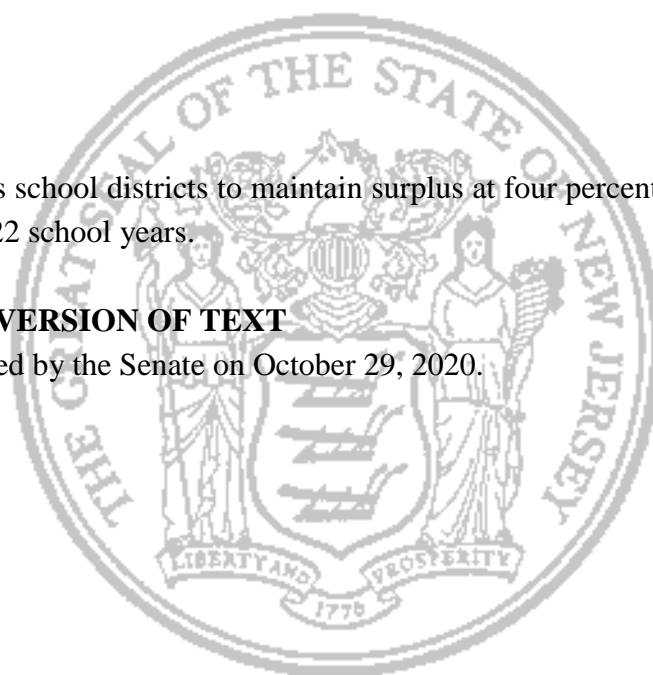
**Assemblywomen Downey and Timberlake**

**SYNOPSIS**

Authorizes school districts to maintain surplus at four percent for 2020-2021 and 2021-2022 school years.

**CURRENT VERSION OF TEXT**

As amended by the Senate on October 29, 2020.



(Sponsorship Updated As Of: 3/1/2021)

1 AN ACT concerning <sup>1</sup>**the anticipation of miscellaneous revenue in**  
 2 local unit budgets and <sup>1</sup>**the level of allowable school district**  
 3 surplus following the COVID-19 pandemic.

4  
 5 **BE IT ENACTED** by the Senate and General Assembly of the State  
 6 of New Jersey:

7  
 8 <sup>1</sup>**1. a.** Notwithstanding the provisions of N.J.S.40A:4-26 or  
 9 any other section of law to the contrary, due to the financial impacts  
 10 of COVID-19, miscellaneous revenues from any source may be  
 11 included as an anticipated revenue in the calendar year 2021 or  
 12 fiscal year 2021 budget of a local unit, as applicable, in an amount  
 13 in excess of the amount actually realized in cash from the same  
 14 source during the next preceding fiscal year. The governing body  
 15 of a local unit shall submit an application to the Division of Local  
 16 Government Services in the Department of Community Affairs  
 17 demonstrating that the financial impact of COVID-19 clearly  
 18 warrants the expectation that the excess amount will actually be  
 19 realized in cash during calendar year 2021 or fiscal year 2021, as  
 20 applicable. If the division determines that the anticipated excess  
 21 revenue is attributed to the financial impact of COVID-19, and the  
 22 amount of anticipated revenue complies with the guidelines  
 23 established pursuant to subsection b. of this section, the division  
 24 shall approve the local unit's application and shall certify the  
 25 determination, in writing, to the local unit.

26 b. Within 30 days after the date of enactment of this act, the  
 27 division shall issue guidelines as are necessary to implement the  
 28 provisions of this act. At a minimum, these guidelines shall  
 29 determine for local units the amount of any miscellaneous revenue  
 30 that may be anticipated in the calendar year 2021 or fiscal year  
 31 2021 budget of a local unit, as applicable. <sup>1</sup>**]**

32  
 33 <sup>1</sup>**[2.] 1.** Notwithstanding the provisions of section 7 of  
 34 P.L.1996, c.138 (C.18A:7F-7), section 2 of P.L.1979, c.294  
 35 (C.18A:22-8.1), or any other section of law to the contrary, due to the  
 36 financial impacts of COVID-19, a school district, other than a county  
 37 vocational school district, may maintain for the 2020-2021 <sup>1</sup>and 2021-  
 38 2022<sup>1</sup> school <sup>1</sup>**[year] years**<sup>1</sup>, an undesignated general fund balance of  
 39 four percent of the budgeted general fund for the prebudget year, and  
 40 the use or transfer of those funds between line items and program  
 41 categories shall not require the approval of the Commissioner of  
 42 Education.

43  
 44 <sup>1</sup>**[3.] 2.** This act shall take effect immediately <sup>1</sup>**[and section 1**  
 45 **shall expire one year after enactment]**<sup>1</sup>.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate floor amendments adopted October 29, 2020.