

[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:**

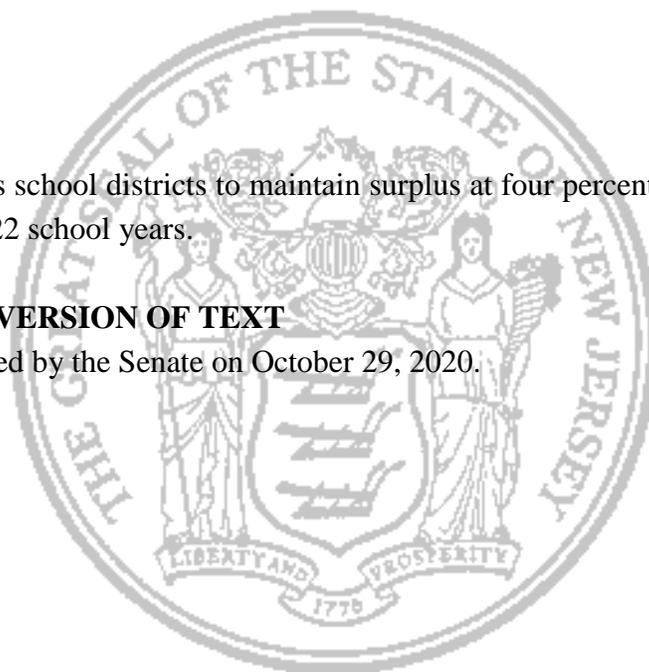
**Assemblywomen Downey and Timberlake**

**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.<sup>1</sup> 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.<sup>1</sup> 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.