

ASSEMBLY, No. 2158

STATE OF NEW JERSEY 217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

Assemblyman PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

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District 10 (Ocean)

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District 20 (Union)

Assemblywoman ANGELA V. MCKNIGHT

District 31 (Hudson)

SYNOPSIS

Authorizes use of emergency reserve fund or proceeds from bonds issued by EDA to finance school security improvements.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 3/4/2016)

1 AN ACT concerning the funding of school security improvements,
2 amending P.L.2007, c.62, and supplementing P.L.2000, c.72
3 (C.18A:7G-1 et al.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. Section 6 of P.L.2007, c.62 (C.18A:7F-41) is amended to
9 read as follows:

10 6. Notwithstanding the provisions of any law or regulation to
11 the contrary:

12 a. A board of education or board of school estimate, as
13 appropriate, may supplement a capital reserve account through a
14 transfer by board resolution at year end of any unanticipated
15 revenue or unexpended line-item appropriation amounts, or both,
16 for withdrawal in subsequent school years.

17 b. A board of education or board of school estimate, as
18 appropriate, may supplement a maintenance reserve account
19 through a transfer by board resolution at year end of any
20 unanticipated revenue or unexpended line-item appropriation
21 amounts, or both, for withdrawal in subsequent school years.

22 c. A board of education or a board of school estimate, as
23 appropriate, may through the adoption of a board resolution
24 establish the following reserve accounts:

25 (1) Current expense emergency reserve account. The funds in
26 the reserve shall be used to finance unanticipated general fund
27 current expense costs required for a thorough and efficient
28 education, or to finance school security improvements, including
29 improvements to school facilities. The account shall not exceed
30 \$250,000 or one percent of the district's general fund budget up to a
31 maximum of \$1,000,000, whichever is greater. A board of
32 education may appropriate funds to establish or supplement the
33 reserve in the district's annual budget or through a transfer by board
34 resolution at year end of any unanticipated revenue and unexpended
35 line-item appropriation amounts. Withdrawals from the reserve
36 shall require the approval of the commissioner unless the
37 withdrawal is necessary to meet an increase in total health care
38 costs in excess of four percent.

39 (2) Debt service reserve account in the debt service fund for
40 proceeds from the sale of district property. The funds in the reserve
41 shall be used to retire outstanding debt service obligations of the
42 district. The reserve shall be liquidated within the lesser of five
43 years from its inception or the remaining term on the obligations.
44 Any remaining balance shall be used for tax relief.

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.

1 d. All reserve accounts shall be established and held in
2 accordance with GAAP and shall be subject to annual audit. Any
3 capital gains or interest earned shall become part of the reserve
4 account. A separate bank account is not required, however, a
5 separate identity for each reserve account shall be maintained.
6 (cf: P.L.2007, c.62, s.6)

7
8 2. (New section) Notwithstanding the provisions of subsection
9 a. of section 14 of P.L.2000, c.72 (C.18A:7G-14) to the contrary,
10 the proceeds of bonds authorized to be issued to fund the State
11 share of the costs of SDA district school facilities projects or the
12 State share of the costs of school facilities projects in all other
13 districts, including county vocational school districts, may be used
14 to fund the cost of a school facilities project designed to improve
15 school security.

16
17 3. This act shall take effect immediately.

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STATEMENT

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22 This bill provides that a school district may use its emergency
23 reserve fund to finance school security improvements, including
24 improvements to school facilities. Under current law, a district may
25 only withdraw money from the emergency reserve fund to pay the
26 cost of unanticipated general fund current expense costs. The bill
27 also provides that proceeds from bonds issued by the Economic
28 Development Authority to finance the State's school construction
29 program may be used to fund school facilities projects related to
30 improving school security.