

CHAPTER 100

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

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

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

C.18A:7F-41 Supplementation of accounts, establishment of reserve accounts by board of education or board of school estimate.

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

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

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

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

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

As used in this paragraph, "school security improvements" means school security improvements, including improvements to school facilities, which are limited to safety and security measures involving building monitoring and communication technology designed to address school crime and the safety of students, staff, and visitors to school facilities. School security improvements may include, but need not be limited to: security cameras to monitor the school; an electronic notification system that automatically notifies parents in case of a school-wide emergency; an automatic door locking system for access control; and a badge system for school employees.

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

- (3) Federal impact aid reserve account in the case of a school district that receives federal impact aid pursuant to section 8002, 8003, 8007, or 8008 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. s.7702, 7703, 7707, or 7708). A board of education may appropriate federal impact aid funds to establish or supplement the reserve account in the

district's annual budget, or through a transfer by a two-thirds affirmative vote of the authorized membership of the board between June 1 and June 30, for withdrawal in any subsequent school year. Any transfer to the reserve account shall not exceed the total amount of federal impact aid received in the fiscal year. The board, at its discretion, may use the funds in the reserve account to finance the district's general fund or to finance school facilities projects, in a manner consistent with federal law. The total amount of funds on deposit in the reserve account shall not be limited.

d. (1) All reserve accounts shall be established and held in accordance with GAAP and shall be subject to annual audit. Any capital gains or interest earned shall become part of the reserve account. A separate bank account is not required, however, a separate identity for each reserve account shall be maintained.

(2) A board of education that establishes a federal impact aid reserve account shall:

(a) report the amount of federal impact aid received, expended, and on deposit in the federal impact aid reserve account in its annual audit pursuant to N.J.S.18A:23-1, and in the budget made available in a "user-friendly" format using plain language pursuant to N.J.S.18A:22-8;

(b) report the amount of federal impact aid received, expended, and on deposit in the federal impact aid reserve account at each board of education meeting, and shall include the information in the board secretary's monthly report in a format to be determined by the commissioner; and

(c) provide any additional supporting documentation that may be required by the commissioner pursuant to subsection c. of section 5 of P.L.1996, c.138 (C.18A:7F-5).

C.18A:7G-15.2 Use of certain funds to improve school security.

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

3. This act shall take effect immediately.

Approved January 9, 2017.