APPENDIX G

REQUEST FOR COMMISSIONER TAX LEVY GROWTH LIMITATION ADJUSTMENT (Cap Waivers)

Efficiency Standards Questionnaire and Trend Analysis

Pursuant to N.J.S.A. 18A:7F-39, a school district may request approval from the Commissioner for a waiver of its adjusted tax levy growth limitation by more than the allowable amount authorized in N.J.S.A. 18A:7F-38 to address extraordinary costs. **"**Extraordinary costs" mean particular expenditures beyond what is customary and usual in the operation of a public school district, that are beyond the control of the district, that are necessary to achieve a "T&E" Education as determined by the Commissioner, and where said expenditures either were not included in the original budget of the prebudget year or increased by more than four percent of the amount included in the original budget of the prebudget year. Extraordinary costs do <u>not</u> include annual salary increases in excess of four percent whether the result of collective bargaining or individual agreement, nor do they include costs to maintain class sizes which are already addressed through the adjustment to the tax levy limitation for enrollment increases.

In considering a waiver request, in addition to the authority granted to the Commissioner pursuant to N.J.S.A. 18A:7F-6, the Commissioner shall have the power to make budgetary reallocations up to the total amount of the waiver request, pursuant to N.J.A.C. 6A:23A-12.12. The Commissioner shall determine any budget reallocations up to the total amount of the waiver request based on:

1) failure to meet efficiency standards and failure to implement efficient business practices;
2) expenditures of public education funds that are not mandated by law nor necessary to achieve the CCCS and provide T&E. This includes but is not limited to: expenditures that were not expressly authorized by the voters or board of school estimate, as appropriate, pursuant to a separate question for courtesy busing for routes that are not designated as hazardous by the district board of education, adult education programs, summer enrichment programs, and community programs; and
3) calculations of presumptive efficient spending levels as defined in N.J.A.C. 6A:23A-1.2.

Each district that requests a Commissioner waiver of the adjusted tax levy growth limitation is required to complete the attached questionnaire and trend analysis worksheet. If a similar trend analysis worksheet was recently completed and submitted to the county office, and contained the same or similar information, the county office may accept that document, or a portion of that document, for the required submission. The questionnaire is designed to provide information indicating the degree to which a district strives to operate efficiently and the business practices implemented for that purpose, pursuant to N.J.A.C. 6A:23-12.12(c). There is no absolute number of "no" answers that

will disqualify a district from receiving a Commissioner approved cap waiver. However, the overall profile of the district's business practices reflected by the questionnaire will be one factor in the Commissioner's decision.

Each question contained in the questionnaire must be answered. Each "no" answer must contain an explanation of why the practice or procedure has not been performed or implemented. Depending on the specific waiver requested, districts will be required to submit additional documentation related to items in the questionnaire. Instructions on supporting documentation required to be submitted for individual waivers and in general are included in the Budget Guidelines.